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**Inspection Report on the audit of office of the REGISTRAR, PUNJAB ENGINEERING
COLLEGE, SECTOR-12, CHD for the period 2021-23**

PART-I- (Introduction)

Punjab Engineering College (Deemed to be University), Chandigarh is one of India's leading institutions in the field of Engineering and Technology for the last hundred year Ministry of Human Resources Research & Development on the recommendation of University Grants Commission (UGC)/All India Council of Technical Education (AICTE) gave Punjab Engineering College (PEC) the status of deemed to be University in the year 2003. The College has more than two thousand five hundred students and the campus is spread across 146 acres of land with about 113598 square metres of built up area. PEC is proud to have established high ranking among the engineering institutions across India in terms of placement along with many other achievements.

At present, PEC run programmes in engineering including eight undergraduate programmes and fourteen post graduate programmes offered by eight departments and one applied science department.

Objective of the Institute

- To provide instruction and training in such branches of learning as it may deem fit.
- To provide for research and advancement of and dissemination of knowledge.
- To undertake extracurricular activities, extension programmes and field outreach activities to contribute to the development of society.
- To provide education and consultancy with a view to improve the quality of learning.
- To do all such other acts and things as may be necessary or desirable to further its objectives.

Authorities of the Institute

The following are the authorities of the Institute:

1. Board of Governors
2. Senate
3. Finance Committee
4. Such other authorities as may be declared by the bye-laws and/or rules to be the authorities of the Institute.

The Audit and Inspection of the accounts of office of the Director, Punjab Engineering College, Sector-12, Chandigarh for the period 01.04.2021 to 31.03.2023 was conducted by an Audit Party headed by Sh. Raj Kumar, AAO and Sh. Ronak Khatri, AAO under the supervision of Smt. Amrit Pal Kaur, Sr. Audit Officer from 03.10.2023 to 25.10.2023.

The charge of the post of Director, Punjab Engineering College, Chandigarh is presently held by Dr. Baldev Setia during the period of audit.

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for 
Superintendent (Billing)-cum-ACPIO
Punjab Engineering College,
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Chandigarh

Budget & Expenditure

Year	Budget Allotment	Expenditure
	₹ In lakhs.	₹ In lakhs
2020-21	5850	5850
2021-22	7000	7000
2022-23	6875	6875

Audit Objectives

Whether:

- Activities are being conducted by the office as per the mandate assigned to it, compliance of government rules while performing duties deficiency, if any.
- Purchases and payments are as per government rules.
- Proper records are maintained by the different sections/departments and deficiency, if, any.

Scope of Audit

Audit Scope of Director, Punjab Engineering College, Chandigarh is considered on behalf of records related with receipts and expenditure, records of purchase and disposal of article in the department, utilisation of government Funds, funds provided to departments for carrying out research works and major records maintained by the different department.

Audit criteria

Compliance audit was conducted using general financial rules, civil services rules and budget and utilisation.

Disclaimer

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

PART-II
(Audit Findings)

PART-II-(A)
(Significant Audit Findings)

--Nil--

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PART-II-(B)
(Other incidental Audit Findings)

Reference Number: OBS-1045413

Para-1: Loss of revenue due to delay in allotment of commercial establishments ₹ 16.81 lakh

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

During test check of record maintained in the office of the Director, Punjab Engineering College, Sector-12, Chandigarh for the year 2020-21 and 2022-23, it was noticed that the department has a number of shops in the College premises which it rents out by inviting tenders from the individuals/Companies/firms etc. Test check of record revealed that out of all the commercial establishments present in the premises, three establishments remained vacant for period ranging from 14 months to 46 months.

It was further noticed that the department did not complete the necessary formalities of recalling the tender to rent out the commercial establishments/shops immediately after the termination/completion of the contract. As a result, three shops remained vacant. In view of non-allotment of shops, the department had suffered a loss of revenue of about ₹ 747913/- as given below:

Sr. No.	Shop No.	Trade	Vacated in	Last Rent	No. of months vacant	Status as on 31.03.2023	Total Amount
1.	110	Ice- Cream Parlor	02/20	6921/-	29	Rent out on 08/22	200709
2.	228	Barber & Beauty Parlour	10/20	8000/-	21	Rent out on 08/22	168000
4.	226-227	Karyana & General Store	10/20	13076/-	29	Vacant	379204
						Total	747913

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The observation on this account amounting to ₹ 933326/- was also raised during last audit of 2019-21 as Para No. 3 but reply to the same is still awaited. Total loss of revenue for both the audit period i.e. from 2019 to 2023 came out to be ₹ 16,81,239/-.

On being pointed out in audit, the College Authorities replied that two shops (110 & 228) were allotted in the August 2022 and one shop remaining un-allotted in spite of inviting tenders regularly. The College agreed with the observation. Final reply is still awaited.

Reference Number: OBS-1045434


Para-2: Loss of revenue due to vacant accommodation in PEC Campus: Rs. 4.50 lakh

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

During test check of record maintained in the O/o Director, Punjab Engineering College, Sector-12, Chandigarh for the year 2021-22 and 2022-23, it was noticed that the department had a number of houses of different categories in the College premises for allotment to the staff and faculties of the College. Scrutiny of information provided by the department revealed that Group C houses remained vacant for a very long period and till the end date of audit & position was as under:

S. No.	House No.	Date of Vacation	No. of full month of vacant as on 31.03.2023	License fee	Total amount
1	202	28.02.23	1	400/-	400
2	611	21.03.23	-	200/-	
3	606-A	03.03.23	1	200/-	200
4	217	24.05.21	22	150/-	3300
5	220	18.05.21	22	150/-	3300
6	228	26.10.20	17	150/-	2550
7	231	22.01.21	26	150/-	3900
8	224	27.07.21	20	150/-	3000
9	228	26.10.21	17	150/-	2550
10	231	22.01.21	26	150/-	3900



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11	239	03.08.22	8	150/-	1200
12	501-A	29.06.21	21	170/-	3570
13	502-A	09.04.19	47	170/-	7990
14	503-A	27.07.20	32	170/-	5440
15	505-A	12.04.22	11	170/-	1870
16	172	27.01.21	26	170/-	4420
17	171-A	31.07.18	56	170/-	9520
18	172-A	27.01.20	38	170/-	6460
19	173-A	03.11.20	28	170/-	4760
20	174-A	10.04.19	47	170/-	7990
21	175-A	12.04.22	11	170/-	1870
22	176-A	17.06.19	45	170/-	7650
23	28-A	15.12.09	159	150/-	23850
24	29-A	22.05.20	33	150/-	4950
25	33-A	29.07.19	44	150/-	6600
26	30	27.01.23	2	150/-	300
27	34	20.10.22	5	150/-	750
28	303	19.01.22	14	100/-	1400
29	309	05.11.21	16	100/-	1600
30	310	01.12.21	15	100/-	1500
31	312	09.11.20	28	100/-	2800
32	313	08.02.22	13	100/-	1300

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33	315	01.02.21	26	100/-	2600
34	401	19.06.08	5x45 171x100	Rs. 45/- w.e.f. 16.01.09 Rs. 100/-	17325
35	402	19.06.08	5x45 171x100	-do-	17325
36	403	18.07.07	17x45 171x100	-do-	17865
37	404	24.09.09	162	100/-	16200
38	405	07.05.07	17x45 171x100	Rs. 45/- w.e.f. 16.01.09 Rs. 100/-	17865
39	406	07.05.07	17x45 171x100	-do-	17865
40	407	07.05.07	17x45 171x100	-do-	17865
41	408	01.10.09	162	100/-	16200
42	409	31.05.10	150	100/-	15200
43	410	10.05.07	17x45 171x100	Rs. 45/- w.e.f. 16.01.09 Rs. 100/-	17965
44	411	13.05.08	6x45 171x100	-do-	17965
45	412	28.12.17	63	100/-	6300
46	413	16.03.10	152	100/-	15200
47	414	01.01.18	63	100/-	6300
48	416	06.10.20	29	100/-	2900
49	417	30.03.21	24	100/-	2400
50	428A	09.05.07	17x45	Rs. 45/- w.e.f.	17965

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			171x100	16.01.09 Rs. 100/-	
51	430-A	30.08.19	43	100	4300
52	431	27.01.23	2	100/-	200
53	EWS-25	02.06.22	8	50/-	400
54	EWS-25	15.11.22	4	50/-	200
				Total	375785

Non-allotment of the above houses incurred loss of license fee amounting to ₹ 375785 to the department.

The observation on this account amounting to ₹ 74020/- lakh was also raised during last audit of 2019-21 but reply to the same is still awaited. Total loss of revenue from 2019 to 2023 came out to be ₹ 449805.

On being pointed out in audit, the department has not submitted any reply. Reply is awaited.

Reference Number: OBS-1045399

Para-3: Non availability of guidelines for utilization of Admission and student funds received from Students

Student/Admission fund is the proportionate amount of student fees which is taken for utilization for students related activities i.e. sports, cultural, club events, Technical societies events, career development and guidance related activities etc.

During test check of record, information related to admission/student funds was sought from the department in respect of Source of receipt in admission/student funds and expenditure incurred during the period of audit and purpose for which admission/student fund was maintained and utilised. Department supplied information related to student funds and stated that norms for utilization of student funds were drafted and in process for approval of the competent authority. However, Department assured that funds were being utilised in accordance with the drafted rule but failed to supply relevant record.

Due to non availability of Guidelines/norms devised for receipt/utilization of admission/student funds, utilization of funds could not be checked and verified.

The observation on this account amounting to ₹ 146.03 lakh was also raised during last audit of 2017-21.

On being pointed out in audit, the department has not submitted the reply. Reply is awaited.

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Reference Number: OBS-1045407

Para-4: Non maintenance of Fixed Asset Register in prescribed format resulting in likely misappropriation of fixed assets

Rule 211 (ii)(a) of the General Financial Rules, 2017 provides that separate accounts shall be kept for Fixed Assets such as plant, machinery, equipment, furniture, fixtures etc. in the Form GFR-22.

During test check of record of the office of the Director, Punjab Engineering College, Sector-12, Chandigarh for the period 2021-22 & 2022-23, it was noticed that Fixed Assets Register was maintained for the period 2021-22 & 2022-23. However, the Fixed Assets Register prior to 2021-22 was not prepared. It was noticed that the department purchased various expensive and sophisticated equipment, machineries, etc.

In the absence of Fixed Asset Register, the number of fixed/permanent assets like table, chair, almirah, computer systems, printers, photocopiers, expensive scientific and engineering equipment, etc. present in the department could not be ascertained and located and physical verification could not be carried out as provided in the GFR and thus the possibility of misuse of official equipment could not be ruled out.

On being pointed out in audit, the College replied that central purchase cells are already maintaining Fixed Asset and other registers related to accounts according to GFR -22. The reply of the college is not acceptable as prior to 2021-22, equipments have not been entered in the Fixed Asset Register. Compliance is awaited.

Reference Number: OBS-1045423


Para-5: Delay in supply of UV spectrophotometer resulting in depriving the students from infrastructure

As per clause of contract (dated 31.01.2022) of the delivery was to be completed by 29.03.2022. Further, clause 2.2 of contract (dated 31.01.2022) provides that successful bidder has to ensure delivery of hard copy of original FDR to the buyer within 15 days of award of contract.

During test check of record maintained in office of the Director, Punjab Engineering College, Chandigarh for the period 2021-23, it was noticed that the Metallurgical & Material Department had invited the bids for the purchase of UV VIS NIR Spectrophotometer on the GeM e-portal on 05.07.2021.

Audit noticed that only 2 bids were received from M/s Agilent Technologies and M/s Parkin in response to above said tender document. The order was given to M/s Agilent Technologies India Pvt. Ltd. for Rs. 33.06 lakh. Performance guarantee in r/o this order was to be submitted on 15.02.2022. However, the same was submitted on 28.03.2022, which is in contrary to terms & conditions of contract. Further, the equipment was installed on 19.08.2022. As per the terms

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and conditions there was delay of approximately 5 months. It had deprived the students to avail the infrastructure during delay period. Moreover, time was the essence in this contract.

On being pointed out in audit the college authorities replied about delivery of equipments, whereas audit pointed out the delayed submission of performance guarantee and imposition of penalty thereon. However, the reason for making delay in supply as well as installation were not provided in the reply. Final reply and compliance thereof is still awaited.

Reference Number: OBS-1045428

Para-6: Non refund of interest on Grant-in-aid in contravention of GFR rules- Rs. 66. 01 lakh

General Financial Rule No. 230(8) provides that, all interests or other earnings against Grants-in-aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalization of the accounts. Moreover, the same has been inserted in the sanction of Grant in Aid for the year 2022-23 at Sr. No.3.

During test check of record of office of the Director, Punjab Engineering College, Sector 12 Chandigarh, it was noticed that the interest received during 2021-23 against Grant-in-Aid was not remitted to Consolidated fund of India in contravention to above said GFR Rule as detailed below:

Year	Account type	Interest on Grant (in lakh)
2021-22	Saving account	3.11
2021-22	Auto sweep	27.51
2022-23	Saving account	32.10
2022-23	Auto sweep	3.29
	Total	66.01

The interest payable to Government prior to 2021-22 may also be remitted under intimation to audit.

On being pointed out in audit the college authorities replied that audit calculates the interest component on the balance amount available at different intervals without taking into account the internal revenue of PEC already in the Bank account and funds used by the PEC out of its own funds in anticipation of Grant in Aid. If any interest on unutilized grant in aid is found in reconciliation, the same shall be deposited with the Chandigarh Administration. The reply of the college authorities is not tenable, since as per guidelines, the Bank Account in respect of Govt. grants should be separately maintained and mixing of funds should be avoided, so that interest earned on these funds could be easily calculated and refunded to the Grantor. Final reply and compliance thereof is still awaited.

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Reference Number: OBS-1045438

Para-7: Non compliance with Statutory provisions of Solid Waste Management (SWM) Rules

Section 15 of the Solid Waste Management Rules, 2016 provides that the punishment with imprisonment of a term which may extend to five years with fine which may extend to one lakh rupees, or with both, and further with additional fine which may extend to five thousand rupees for every day in case of continuing failure to comply with the provisions. However, in case of continuing failure beyond the period of one year, offender shall be punishable with imprisonment of a term which may extend to seven years as per the subsection 2 of section 15. Further, Rule 4 (7) of Act provides that bulk waste management are required to process, treat and dispose off the waste and the residual waste shall be given to the waste collector/agency as directed by MCC.

During test check of record of Punjab Engineering College, Sector, 12 Chandigarh for the period 2021-23, it was noticed that the solid waste was not being processed, treated and disposed off through Bulk waste generators. Further, the college had not hired any agency to collect the residual waste in contravention to provisions of Solid Waste Management Rules 2016.

Audit further observed that a notice had also been served by Municipal Corporation, Chandigarh to the college to comply with SWM Rules 2016 as well as MC Chandigarh SWM Bye Laws 2018 with respect to statutory obligation of Bulk Waste generators as provided in the said rules and bye laws on 15.01.2023. The notice contains the provision of fine and administration charges in case compliance not made till 15.01.2023. However, the same was not complied with.

On being pointed out in audit, the college authorities replied that the bulk waste is being collected and processed in house and also the institute has initiated the process for hiring of firm for the disposal of solid waste and will be finalized shortly. The action is still awaited.

Reference Number: OBS-1045448

Para-8: Non conducting of physical verification of Stock/Fixed Assets

Rule 213 (3) of GFR provides that physical verification of stock register as : (i) Verification shall always be made in the presence of the officer, responsible for the custody of the inventory being verified. (ii) A certificate of verification along with the findings shall be recorded in the stock register.

During test check of record of Punjab Engineering College, Sector 12, Chandigarh for the period 2021-23, it was noticed that the physical verification of Stock/Fixed Assets of departments as mentioned below was not done while physical verification of some departments was done but it was not as per GFR Rules.

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Sr. No.	Name of the Department
1	Aero Space
2	Computer Science
3	Electronic and Communication
4	Mechanical
5	Production

In absence of physical verification of stock and fixed assets, audit could not ascertain the physical availability of Fixed Assets/Stock as well as shortage if any.

On being pointed out in audit, the departments for which physical verification was not done, had not furnished the reply. Reply is awaited.

Reference Number: OBS-1045449

Para-9: Awaited status of works for ₹ 119.48 lakh and Utilisation Certificate for ₹ 2175.88 lakh



As per Section 3.6(4) of the CPWD Works Manual 2012 in the case of deposit works of autonomous bodies which are financed entirely from Government grants, the Executive Engineer should send a quarterly report to the clients showing the amount deposited and the expenditure incurred against each of the works for settlement of accounts.

Further, Rule 212(1) of the General Financial Rules, 2005 states that Utilisation Certificate should be obtained from the grantee in respect of the grant released along with completion report of the work for which the grant was released to the grantee. Utilization Certificate should be submitted within twelve months of the closure of the financial year by the Institution or the organisation concerned. Where such certificate is not received from the grantee within the prescribed time, the Ministry or Department will be at liberty to blacklist such Institution or Organisation from any future grant, subsidy or other type of financial support from the Government.

During test check of record of the office of the Director, Punjab Engineering College, Sector-12, Chandigarh for the period 2020-21 and 2022-23, it was noticed that an amount of ₹ 68,83,72,810/- was released to the Engineering Department, U.T., Chandigarh during the period 2005-06 to 2022-23 on account of 205 deposit works. Amount of ₹ 40,38,12,029/- was spent on the works ranging from 2005-06 to 2022-23 and ₹ 6,69,72,495/- was refunded to the College and Utilisation certificate for ₹ 21,75,88,286/- is awaited from the Engineering Department, U.T., Chandigarh.

Further scrutiny revealed that the status of expenditure of 09 works taken up during 2022-23 was not known to the department for which an amount of ₹ 11948454/- was still lying with the Engineering Department. This has resulted into unauthorised retention of funds and non settlement of accounts on the part of the Engineering Department, U.T, Chandigarh.

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On being pointed out in audit the college authorities replied that the institute is regularly following up with the U.T. Engineering Department to submit the utilization certificates for the completed works and refund the unspent amount. Reply and compliance thereof is awaited.

Reference Number: OBS-1045456

Para-10: Non imposition of penalty of Rs. 53760/-

The tender for purchase of instrument Dynamic Shear Rheometer was put on the Gem portal and supply order was issued to M/s ANTON PAAR being single qualified bid on 15.02.2022 at the cost of Rs. 26.88 lakh.

As per terms and conditions of the tender document, the day of delivery is 30 days from the date of supply order. Further terms & conditions states that the penalty will be charged @ 0.5% of cost of equipment per week after the expiry of delivery period, mentioned in the purchase order if delivery date is extended by PEC.

During test check of record of Punjab Engineering College for the period 2021-23, it was noticed that the M/s ANTON PAAR had supplied the equipment on 19.04.2022, however, same was installed on 10.06.2022. The same was required to be delivered on 15.03.2022. Audit observed that the penalty @ 0.5 % of cost of equipment per week amounting to Rs.53760/- was not imposed on the seller for delayed periods which showed undue favour to the supplier. The delay had also deprived the students from infrastructure

On being pointed out in audit, college authorities replied that some problems occurred in shipping due to Covid-19. The Rheometers are manufactured only after the order is received from the buyer as this is not an off the shell product like many other products. Final reply is awaited.

Reference Number: OBS-1045463

Para-11: Irregularities in maintaining the service record

As per Service Rules that service Book for every Government servant should maintained by the Head of Office. Every step in a Government servant's official life should be recorded in his service book and each entry must be attested by Head of Office. In the service Book, the photographs of the employees/officers need to be pasted in the Bio-data form. Increment granted to the employee should be recorded in the Service Book. Entries regarding leave in the leave account should be made distinctly and attested. The Head of Office should show the Service Book to each Government servant under his administrative control every year, and obtain his signature therein as token of his having inspected the Service Book.

During test check of record for the year 2021-23 of the office of the Director, Punjab Engineering College, Sector-12, Chandigarh, it was noticed that the following irregularities were noticed in maintaining the service record as mentioned against each:

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Sr.No	Name of the Officer/official	Designation	Remarks
1.	Harjinder Kumar	WI	Non-completion of leave account: In most of the cases leave accounts (EL/HPL) have not been completed up to date. Signature of Govt. servant under column No. 8 of service Book: Column 8 of service books are required to be signed by the officials concerned once in a year, the same had never been seen/ signed by the officials concerned. Detail of Family members: In most of the cases, details of Family members have neither been pasted in the Service Books nor been kept in the personal files of the Employees. After completion of 10 years of service recent passport size photographs, attested by competent authority, should be affixed on Service Book.
2.	VivekSood	Programmer	
3.	GopralDass	WI	
4	Kuldip Singh	Project Operator	
5.	Amarjit Kaur	Foreman Instructor	
6.	Gurdeep Singh	SA	
7.	Ramnik Singh	WI	

Audit carried out only test check and the similar irregularities as well as other requirement for the maintenance of service record may please be reviewed departmentally under intimation to audit.

On being pointed out in audit, the college authorities did not furnish any reply. Final reply is awaited.

Reference Number: OBS-1046643

Para-12: Non-verification of Performance Bank Guarantees amounting to Rs. 8.25 lakh

As per CVC OM No. 02-07-01-CTE-30 dated 31st December, 2007 regarding acceptance of Bank Guarantee vide which the CVC advised to evolve the processor of acceptance of Bank Guarantee, which is compatible with the guidelines of Banks/ Reserve Bank of India. The steps to be ensured included all the bank guarantee should be independently verified by the organizations and one officer should be specifically designated with responsibility for verification, time renewal and encashment of bank guarantees. Further, vide O.M. No.02-07-1-CTE-30/309204 Dated 04.03.2016 CVC also advised to follow IT enabled confirmation system which is swift and secured in addition to their existing paper based confirmation system. IT enabled system of verification was also envisaged therein.

During test check of record of the Punjab Engineering College, Sector-12, Chandigarh for the year 2021-23, it was noticed that 3 service providers were engaged by the College for providing security services/house-keeping and other misc. works. The service provider as a security submitted Bank Guarantee/FDR as details given below:

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Sr. No.	Name of the contractor	Nature of work	Kind of Performance Bank Guarantee (PBR)/ No.	Amount of PBG
1	M/s BD Security, Core Security Solutions	Ministerial and Technical Manpower	Bank Guarantee no. 01161PBG2107001 dated 30.07.2021	Rs. 17,19,155/-
2.	M/s Gill Star Shine Security Pvt Ltd	Sanitation And Housekeeping Services	FDR no. 324700, dated 31.08.2023	Rs. 3,49,500/-
3	M/s Paramvir Security	Mali, Carpenter, mason, electrician, plumber, MTS, etc.	FDR no. 115045, dated 01.02.2023	Rs. 4,75,900/-
TOTAL				2544555

Out of 3 bank guarantees/FDR, the college verified only Bank Guarantee mentioned at Sr. No.1 and FDRs at Sr. No.2 & 3 were not got verified from the respective Bank by the College authorities, which was in contravention of the above guidelines.

On being pointed out in audit, the College authorities replied that verification against Sr.No.1 has been got done from the bank. The other two bank guarantees in the shape of FDRs should have also been verified from the bank but not got verified. Compliance is awaited.

Reference Number: OBS-1046771

Para-13: Non verification of Caste Certificates

As per Brochure Joint Seat Allocation (JOSA) of the College wherein at paragraph No.XXXVII Document validity/verification at point 73 provides that it is the responsibility of the candidate to keep the valid certificate or document ready and upload at the time application / registration. All the certificates / documents will be verified at the time of online reporting and thereafter physically, at the time of reporting at the Institute. Further as per O.M No.36011/1/2012-Est.(Res) Dated 8th October, 2015 issued by Govt. of India, Ministry of Personnel, Public Grievances and Pensions, Department of Personnel and Training, Establishment Reservation-I Section provides timely and effective verification of caste status is necessary so that the benefit of reservation and other scheme of concession etc. go only to the rightful claimants.

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During test check of record of Punjab Engineering College, Sector-12, Chandigarh related to the scholarship paid to the SC/ST students during the period 2021-23, it was noticed that students belonging to SC/ST categories were availing tuition fee concessions worth Rs.22480000 - as mentioned below:

Year	No. of Students	SC	ST	Tuition fee to be paid	Actual tuition fee paid after concession	Difference
2021-22	132	112	20	21120000	10080000	11040000
2022-23	122	104	18	21472000	10032000	11440000
Total	254	216	38			22480000

Necessary verification of the caste certificates was not got verified by the College authorities from the issuing authority to make sure genuineness of the requisite certificate furnished by the candidate so as to eliminate the possibility of student availing the Scholarship on fake certificate.

On being pointed out in audit, the college authorities replied that online and offline verification of various caste certificates have been done twice during Admission process through online and offline mode as per instructions of JOSA. The reply of the college is not acceptable as only verification in respect of 7 students made available to audit for scrutiny out of total 254 students. As such genuineness of rest of the caste certificates could not be verified in audit. Final reply is awaited.

Reference Number: OBS-1046798

Para-14: Irregular expenditure on account of payment of Pay and allowances- Rs. 347.72 lakh

Financial Rules provide that the Drawing and Disbursing Officer should withdraw the pay and allowances keeping in view the sanctioned strength of each cadre as sanctioned by the competent authority from time to time. Rule 27 of the General financial rules provide that the date of creation to be indicated in sanctions for temporary posts. Orders sanctioning the creation of a temporary post should, in addition to the sanctioned duration, invariably specify the date from which it is to be created.

During test check of record of the office of the Director, Punjab Engineering College, Sector-12, Chandigarh for the year 2021-22 and 2022-23, it was noticed that the following staff was employed in the department against the posts mentioned and were drawing pay and allowances. Further scrutiny revealed that the posts were not got sanctioned from the authorized Ministry Department for the past several years:

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S. No.	Employee Name	Designation	Pay & Allowances paid during the FY 2021-22	Pay & Allowances paid during the FY 2022-23
1	Sh. Naresh Kumar	AC(F&A)	6,71,458.00	-
2	Sh. Rajesh Gupta	AC(F&A)	6,41,834.00	14,38,136.00
3	Sh. Mandeep Kumar	Section Officer	4,17,028.00	-
4	Sh. Deepak Pathania	Section Officer	11,72,592.00	14,79,364.00
5	Sh. Deepak Sharma	Section Officer	-	9,93,814.00
G.Total			29,02,912.00	39,11,314.00

The drawal of pay and allowances amounting to ₹ 6814226/- for periods 2021-22 and 2022-23 against the unsanctioned posts was, therefore, irregular which is required to be regularized from the competent authority. Similar type of observation amounting to ₹ 279.58 lakh for the period 2019-21 was also raised, but reply to the same was still awaited. Hence, Irregular expenditure on account of payment of Pay and allowances for the period 2019 to 2023 amounted to Rs. 347.72 lakh. On being pointed out in audit, the college authorities did not furnish any reply. Final reply is awaited.

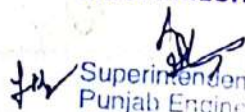
Reference Number: OBS-1046802

Para-15: Irregular payment of water charges on Average basis ₹ 90.81 lakh.

Rule 21 of the General Financial Rules lay down the Standards of financial propriety in making expenses from the public moneys by the government officer. Every officer incurring or authorizing expenditure from public moneys 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 in making the expenditure from public moneys.

During test check of record of the office of the Director, Punjab Engineering College, Chandigarh related to the payments made on account of water/electricity bills for the period 2021-23, it was noticed that the water/electricity charges for different departments of the College were being paid on an average basis instead on actual meter reading basis. The bills being supplied by the Engineering Department, U.T. and Municipal Corporation, Chandigarh to the office of the Director, Punjab Engineering College, Sector-12, Chandigarh,

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did not depict the actual meter reading with regard to usage of water/electricity during each billing period but the consumption of water/electricity was being charged on an average basis. As a result, the charges for actual usage may differ and may be even less than the average and save the department from excess payment.

The amount of water and electricity bills amounting to Rs.83.50 lakh was paid on an average basis till March/2023 as details given below:



Sl. No.	A/c No.	Meter of Water/Department	Period	Total Amount
1	215/1211/900120A	PRNPL PB College	April/2021 to March/2023	480793
2	215/1211/901300Q	PRNPL PEC Swimming Pool	April/2021 to March/2023	940
3	215/1211/900700E	Dispensary	April/2021 to March/2023	34250
4	215/1211/900110X	PRNPL PB Engineering College	April/2021 to March/2023	7517463
Total				8033446

Sl. No.	A/c No.	Meter of Electricity Department	Period	Total Amount
1	104/1254/001600E	PPEC Shivalik Hostel	April/2021 to March/2023	80205
2	104/1254/004500W	Squash Court	April/2021 to March/2023	1384
3	104/1254/028600A	Principal Sub Station	April/2021 to March/2023	184533
4	104/1254/025400T	PR1 Hydraulic Lab	April/2021 to March/2023	12050
5	104/1254/002500G	PG Elect-Electronic	April/2021 to March/2023	31920
6	104/1254/004400R	Gymnasium Hall	April/2021 to March/2023	6954
Total				317046

The provision laid down in the Financial Rules for making expenditure by the government officer was not followed which could have saved the College from excess expenditure. The observation on this account amounting to ₹ 730046 lakh was also raised during last audit of 2019-21 as Para No. 6

On being pointed out in audit the college authorities replied that all the defective water meters have been now replaced and the next bill will be provided on actual reading basis. The reply of

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the college is not tenable as the same issue was raised during previous audit and the same has not changed yet. Final reply is awaited.

Reference Number: OBS-1046808

Para-16: Non commencement of Aero lab work worth Rs. 29.88 lakh

A work for renovation of laboratories valuing Rs.29,87,638/- (1 Aero workshop & Supersonic lab 2, Aircraft structure lab) in Aerospace Engineering Department was sanctioned vide (Admn and Financial approval) No. EO/5537-41 dated 16.03.2022 and 33% payment i.e. Rs. 9,85,921/- was released vide cheque No.440015 dated 20.05.2022 to Executive Engineer, C.P. Division No.1, U.T, Chandigarh. The work was to be completed within 3 months from the date of issuance of Administrative Approval. Despite having funds lying with the concerned department, the work had not initiated even after the elapse of 1 year and the very purpose of the funds released for the purpose defeated. It resulted in loss of interest on funds of Rs. 9.86 lakh deposited with Executive Engineer, U.T, Chandigarh. It also led to escalation of cost from Rs. 29.87 lakh to Rs. 33.41 lakh as budget estimates were revised before the commencement of work at the initial stage.

On being pointed out in audit, the college authorities replied that after the accord, the DNIT was under preparation by the UT, Engineering Department, but due to escalation in rates and some observations in the RCE, the revised estimate was submitted by the UT, Engineering Department amounting to Rs. 33,41,492/- and the revised administrative approval was accorded vide No.PEC/EO/4945 dated 18.04.2023 for Rs. 33,41,492/-. The reply of the college is not tenable as the revised approval has been obtained in April/2023, but the work has not started yet as on date and this may lead to further escalation of cost. Final reply is awaited.

Reference Number: OBS-1046812


Para-17: Non-recovery of TDS amounting to Rs. 2.16 crore due to delay in submitting the application of rectification of assessment order.

The Punjab Engineering College (PEC), Sector-12, Chandigarh is an educational institute solely for education purpose not for the purpose of profit and is being entitled for exemption u/s 10(2)(c)(iii) and it has also been granted approval for exemption u/s 10 23(c) VI of Income Tax Act 1961 vide order dated 19.09.2013.

The Income tax return was filed on 28.09.2013 for the FY 2013-14 by PEC. The return of Income tax by Income Tax Department was treated as defective vide order dated 18.12.2013 and demand was raised u/s 13(1) as on 30.03.2014. The PEC responded to the notice on 27.10.2017 and approached to Assessing Officer, Income Tax Department to rectify the order of assessment. The rectification application was rejected vide order no. ITBA (Income Tax Department) (com/F/17/2019-20/3784(1) dated 17.02.2020 by stating "No valid return was filed".

Further, PEC filed application for condonation of delay u/s 119(2)(b) of Income Tax Act 1961, which was also rejected by CIT (E), Chandigarh on 13.03.2020. It was further noticed that the

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application dated 31.12.2021 before the Board (CBDT) was also not entertained by CBDT as Board stated that it had no power to set aside the order of rejection of condonation application by CIT (C).

Audit observed that TDS amounting to Rs. 2.16 crore (as per annual accounts for the period 2021-22) had been retained by Income Tax Department against the demand of Rs. 20.42 crore raised by the department for the Assessing year 2013-14 due to delay in submitting the application for rectification of order. Justification in this regard along with latest position of case was called.

On being pointed out in audit, justification for delay in filling the rectification application was not provided. However, latest development had been provided. Final reply is awaited.

Reference Number: OBS-1046816

Para-18: Poor mechanism to monitor the construction work resulted in extraordinary delay in renovation of work of 20 Nos. of houses

A work for renovation of 20 Nos. of houses was administratively accorded vide No. PEC/EO/2303-06 Dated 17.02.2022 with an estimate of Rs.45.21 lakh. This work was to be executed by the Executive Engineer, Project P.H Div. No.7, Chandigarh and the same was allotted to M/s R.R. Builders, #437, Sector 46-A, Chandigarh with a time limit of 04 months to be reckoned from the date of issue of work order i.e dated 25.04.2022. During test check of record of Punjab Engineering College, Sector-12, Chandigarh for the period 2021-23, it was noticed that the work of renovation of Public Health Services of 20 Nos. of houses (House no 613 to 632 including 613 A to 622 A) was in progress till 31.10.2023. Further, Estate office of the College had not made any correspondence to expedite the work. It resulted in extraordinary delay in completion of work which led to depriving the end users to get the benefit / facilities meant for them. It shows the poor mechanism for monitoring the construction / Renovation work. The said work was already delayed by more than 1 year. Moreover, no penalty clause was inserted in work order.

On being pointed out in audit, the college authorities replied that the work is being done by the U.T. Engineering Department through the Executive Engineer, Project P.H Division No.07. The NIT has been prepared by the U.T. Engineering Department and accordingly the work order has been issued by them. The matter will be taken up with the U.T. Engineering Department. The reasons for the delay were not replied by the College. Final reply is awaited.

Reference Number: OBS-1046822

Para-19: Non monitoring of scholarship payments resulted inadequate internal control system.

Rule 21 of GFR 2017 provides Standards of financial propriety. Every officer incurring or authorizing expenditure from public moneys 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

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disbursing officers. Among the principles on which emphasis is generally laid are the following :- (i) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money. (ii) The expenditure should not be prima facie more than the occasion demands. (iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage. (iv) Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people, unless – (a) a claim for the amount could be enforced in a Court of Law, or (b) the expenditure is in pursuance of a recognized policy or custom. During test check of record of Punjab Engineering College, Sector-12, Chandigarh related to the payments made to the students by the AICTE through DBT system for the year 2021-23, it was noticed that an amount of Rs.33,02,853/- vide voucher No.839-840 dated 28.12.2021 was received by the college as refund of excess payment made on account of Scholarship to the M.Tech students till 30.11.2021. The College had made these excess scholarship payment without ensuring the attendance of students as these students were doing internship outside of college without intimating the college. It showed the non-prudence in utilization the Government funds and also depicts the inadequate internal control system. Due to non availability of affective mechanism, AICTE remitted the scholarship amount to the respective bank accounts of the students. Had it been informed the AICTE about the students doing internship outside the college, the excess payment could have been avoided. Although the excess payment of Rs. 33.63 lakh was recovered by the College and subsequently remitted the same to AICTE. The position for the year 2022-23 was same. It is possible that some students to whom excess payment had been made, may not have refunded the scholarship payment. All such payments need to be rechecked. However, in order to avoid such inadmissible payments in future, the college had not evolved any foolproof mechanism. On being pointed out in audit, the college authorities did not furnish reply. Final reply is awaited.

Reference Number: OBS-1046828

Para-20: Undue favour to the contractor of the Mess.

As per the General Conditions of the Contract for Running the Mess of Shivalik/Vindhya/Aravali Hostel, Chapter-06, Article-3 paragraph No.3.7 provides that the mess premises comprising cooking and dining facilities, furniture, food/raw material container, appliances, utensils, electricity and water shall be provided by the DSA at the rate of Rs.5000/- per month charge. However, raw material, food articles, cooking fuel, cleaning/washing material tools and manpower shall have to be arranged by the contractor at his/their own cost. During test check of record of Punjab Engineering College, Sector-12, Chandigarh related to the payments made on account of electricity and water charges of Mess during the period 2021-23, it was noticed that contractor was paying Rs.5000/- to the college in lieu of using electricity and water. Moreover, the electricity and water bills were being paid on average basis by the college. The actual consumption of electricity and water could not be ascertained because there was no sub meter installed in the name of the contractor. Due to this practice the college too may had to bear the additional financial burden on account of electricity and water which were being used by contractor. The efficient usage of the electricity and water cannot be ensured without regulation. This also led to exploitation of the electricity and water resources.

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On being pointed out in audit, the college authorities did not furnish reply. Final reply is awaited.

Reference Number: OBS-1046833


Para-21: Irregular payment of House Rent Allowance to the research fellows worth Rs. 3.32 lakh

As per Letter No.F.No.25-2/2010-TS.II Dated 30.09.2010 issued by the Government of India, Ministry of Human Resource Development, Department of Higher Education, Technical Section-II at point No.3.2 provides that all research fellows may be provided hostel accommodation wherever available and those residing in accommodation provided by the Institute will not be eligible for drawing House Rent Allowance (HRA). Wherever provision of hostel accommodation is not possible, HRA may be allowed to all the above categories viz. JRF/SRF as per Central Government norms applicable in the city/location where they are working. The fellowship amount may be taken as basic for calculating the HRA.

During test check of record of Punjab Engineering College, Sector-12, Chandigarh related to the occupancy of hostel accommodation in various hostel during the period 2021-23, it was noticed that House Rent Allowance (HRA) amounting to Rs. 3.32 lakh was being paid to the research fellows (as detailed below) despite having availability of hostel rooms i.e. 6 rooms for boys and 36 rooms for girls during the period covered under audit. The detail of HRA paid is as under:

Year	Name of JRF/SFR S/Ms/Mr.	Whether occupying hostel accommodation	Date of allotment of accommodation	Rate of HRA being paid	Total amount
2021-22	Manpreet Singh	No	NA	4960 x 12	59520
	RajanDabral	No	NA	4960 x 12	59520
	Shruti	No	NA	5600 x 23 days	4155
	Rekha Rani	No	NA	4960 x 12	59520
2022-23	Manpreet Singh	No	NA	4960 x 4	19840
	RajanDabral	No	NA	5600 x 9	50400
	Shruti	No	NA	5600 x 4 x 17 days	25471
	Rekha Rani	No	NA	4960 x 4	19840
	Mukul Kumar	No	NA	5580 x 4 x 22 days	26412
	Bhavya Sharma	No	17.02.2023	4960 x 1 x 14 days	7440
Total					332118

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Thus, hostel rooms remained vacant. Had the rooms been allotted to the research fellows, the payment of HRA could be avoided. In the year 2022-23, MsBhavya Sharma was allotted hostel room but she was being paid HRA which should have been stopped on the day of allotment of hostel room. It resulted in avoidable payment of HRA amounting to Rs. 3.32 lakh which is also contrary to above said notification.

On being pointed out in audit, the college authorities replied that the rooms are not liveable and there is no sufficient accommodation is available as one room is occupied by 2 or 3 boys/girls. Further, HRA paid to MsBhavya Sharma @ Rs. 4960/- per month, which is less than the applicable hostel fee and she was not provided hostel accommodation on discounted rate free of cost. The reply of the college is not tenable as rooms were vacant to accommodate the research fellows and HRA should not be paid whom the hostel accommodation is allotted. As such the reply is not acceptable in audit. Final reply is awaited.

Reference Number: OBS-1046841

Para-22: Irregular utilization of Professional development allowances (PDA) in respect of buying laptops and related hardware peripheral devices

Reference is invited to Ministry of finance, department of expenditure E. II(A) branch letter no. 08(34)/2017-E II (A) dated 28.02.2018 subject "instruction for the purchase of laptops/notebooks and similar devices for eligible officers". It is stated that cost of device including standard software shall not exceed Rs. 80,000/-. The standard software includes all application software along with utility software that is essential for the running of device towards discharge of official functions/duties. This device is allotted to officer lying in admissible grade pay for the life span of five years. In case of calculation of the book value, a depreciation of 25 per cent per year might be considered on straight line method. In addition to this, post completion of five years of usage, the officer shall retain the issued device. Further, Punjab Engineering College vide notification No. PEC/RG/18/31424 dated 19.11.2018 issued guidelines for Professional Development Allowances, financial assistance for membership of Societies, purchase of book, computational devices and participating in national and international conferences are as under:

- 1. Faculty will be permitted to full reimbursement of membership of professional society, patent filing fee and cost of books with the ceiling of Rs. 50,000/- in a block of three years.
 - 2. A faculty member will be permitted to purchase computational devices up to an amount of Rs.75,000/- once in three years irrespective of block period.
 - 3. Financial assistance of Rs. 2.50 lakh will be permitted for attending one or more academic program in block years of 3 years.
- During test check of record, following observations were made for the period 2021-23 :
- 1. The College had not drafted its PDA policy in consonance to above said guidelines of Ministry of Finance. The Faculty had been provided new laptops /computational devices even after one or two years and old purchased computational devices are taken back from teaching staff. Thus, it is cost of unnecessary piling up computational devices at College which is wastage of funds. Government notification stated that Laptop device issued to teaching staff/officers was for development of professional ability and ease of work. Hence it was not to be considered as an allowance entitled for every block year.
 - 2. Audit further observed that some teaching staff/ faculty had purchased two laptops/computational devices along with two printers and web cameras etc. which showed mis-utilization of funds as two or

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more computational devices / printers have been purchased for family members in block year 2018-21 during the period 2020-21 for faculty which is in contravention of above said guidelines of Ministry of finance.

3. In some cases, the College had purchased consumables out of PDA funds in contravention to guidelines of PDA. It was unauthorized purchase made on account of PDA which were in contravention to above guidelines 4. Return of device should be considered after post life span of article. Department Policy revealed that 03 year of time span i.e. one to three years was adopted against the 05 years' usage notified under the Govt. of India. Further, point-wise justification in respect of above observations was called. Recovery may be effected after verification in the irregular payment/purchase out of PDA which are contravention of above guidelines.

On being pointed out in audit, the College Authorities has not submitted the reply. Reply is awaited.

Reference Number: OBS-1046857

Para-23: Denial of intended benefits to Aero Lab students due to non-procurement of equipment worth Rs. 45.80 lakh

During test check of record of Punjab Engineering College, Sector-12, Chandigarh related to the purchase of various equipment during the period 2021-23, it was noticed that Aero Lab was to purchase different types of 13 No. equipments (as detailed below) to replace the old ones as well as to upgrade the function of the Lab.

Sr. No.	Name of the equipment	Amount
1	Oscilloscope and Signal generator	3 lakh
2	Wind Tunnel turn table	1 lakh
3	External Force Balance	12 lakh
4	8086 Microprocessors Kit, 8051 PIC Micro controllers, Logic Analyser-128 + other equipments	3 lakh
5	Thermal imaging camera, Stereo vision camera and GigE vision + other equipments	3 lakh
6	3D Gyro Servo Accelerometer + other equipments	8 lakh
7	Microwave Test Bench Setup + other equipments	4 lakh
8	Inverted pendulum + other equipments	1 lakh
9	Vacuum Bagging Film + other equipments	6 lakh
10	Hose pipe + other equipments	1 lakh
11	6 number of moulds for Mechanical Testing + other equipments	1.70 lakh
12	Digital weighing scale upto 3 digit precision + other equipments	0.80 lakh
13	Vacuum Pump + other equipments	1.30 lakh
Total		45.80 lakh

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As per Administrative approval No.PEC/ASFA/Adm-Approval/22/17862 Dated 26.August 2022 vide which 2 equipment were required to purchase. It was compulsory to upgrade the Aero Lab to replace the manual machinery. The bid was floated through GeM for 2 equipments and Three bidders submitted their bids but quoted rate above Rs.1 lac and the no bid was received for second one. Since then, the process to repurchase the equipment was not initiated by the College. A revised administrative as well as financial approval was granted on 07.03.2023 only for the purchase of Wind Tunnel Turn Table. Except equipment at Sr. No. 2 & 3 no efforts were made to purchase other equipments by the college authorities. Due to this slow procurement process the equipment were not purchased yet, which has resulted in denial of intended benefits to the students. On being pointed out in audit, the college authorities did not furnish reply. Reply is awaited.

Reference Number: OBS-1046860

Para-24: Non-recovery of electricity & water charges from MESS workers :Rs. 2.30 lakh

The college had hired 8 to 10 workers for each cooperative Mess of four hostels on regular as well as contractual basis.

During test check of cooperative MESS records of hostels for the period 2021-23, it was noticed that:

College had provided staff barracks to mess staff against payment of Licence fee of Rs. 50 each pm for Mess workers. However, the electricity & water charges were being paid by the college as there was joint electricity and water meters in three hostels (i.e. Himalaya, Kurukshetra & Vindaya) and its attached barracks. No separate water meter had been installed in these barracks. The amount of water charges in r/o three barracks had not been calculated. The College had paid Rs. 2.30 lakh during 2018-23 on account of electricity and water charges in respect of barracks attached with Aravli hostel.

The provision of free electricity for mess workers was not available in the appointment letter of these workers. Further, approval of BOG for payment of electricity & water bill of barracks by the college was not available.

The Payment made of electricity and water bills in respect of other barracks attached with other three hostels was also not provided to audit. Reasons of non installation of sub meters & non-recovery of electricity and water charges were sought from college. On being pointed out in audit, the College Authorities had not submitted the reply. Reply is awaited.

Reference Number: OBS-1046866

Para-25: Non-implementation of 7th pay commission

In pursuance of the notification of Govt. of India, Ministry of Home Affairs bearing No. G.S.R. 230 (E) dated 29.03.2022, the Chandigarh Administration has decided to adopt the above said Govt. of India, Ministry of Finance, Department of Expenditure, New Delhi O.M. No. 2.5/2017-EII(B) dated 07.07.2017 and O.M. No. 2/4/2022 IIB dated 30.12.2022 in respect of the employees of Union territory of Chandigarh Administration getting pay scales on Central

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Pattern on and from 1st day of April, 2022 on the same terms & conditions as mentioned therein.

During test check of record of the Punjab Engineering College for the period 2021-23, it was noticed that the college had not fixed the pay of staff & faculty till date in contravention to above said guidelines of the Chandigarh Administration. On being pointed out in audit, the college authorities did not furnish reply. Final reply is awaited.

Reference Number: OBS-1046872

Para-26: Improper maintenance, utilization as well as working of Lab equipment resulted in defeating the purpose for creating the CoE.

In accordance to approval accorded by the Hon'ble Governor Punjab and Administration UT Chandigarh dated 26.09.2018, purchase order was placed to M/s MTAB Technology Centre Pvt Ltd for establishment of Centre of Excellence at expenditure of Rs. 5.04 crore, the letter of intent (LOI) was issued to Siemens Industry software for setting up "Centre of Excellence" for Rs. 15.04 crore on 23.01.2018 and purchase order was issued on 27.09.2018. The tripartite agreement was signed between Punjab Engineering College, Siemens Industry Software Indus Private Limited (SISW) and MTC Technology Centre Pvt. Ltd. (MTC) on 12.10.2018. As per the agreement, MTAB was reseller as well as partner of SIEMEN Pvt. Ltd. Part III of agreement provides that Rs. 15.04 crore includes the operational cost of Rs. 2.77 crore for 2 + 1 years of hand holding 11 faculty (1 centre head + 10 trainers). The total cost of the project is Rs. 156.64 crore of which Rs. 141.60 crore was provided by M/s Siemens Industry Pvt. Ltd. as Grant-in-Aid.

As per clause 3 of agreement the agreement shall commence from the date mentioned or date when it was signed by all the parties, whichever is later and shall continue with effect for period of 3 years. Further, the vision was to become Centre of Excellence in technical education and research and to occupy a place amongst the most eminent institutions of the nation.

During test check of record related to the purchase and working status of equipment of Centre of Excellence, a contract was signed with Siemens for the up gradation of Labs replacing obsolete equipment, it was noticed that:

1. Equipment as mentioned below were not in working order at the time of handing over with reasons

Name of the Lab	Name of the equipment	Reason for not working
Robotic Lab	MIG Welding Robot	Leakage from Gas regulator
Process instrumentation Lab	Monitor (Dell)	Not working

2. MTC had terminated the contract midway on 26.05.2022. However, as per the agreement the MTC was required to operate the centre for 2+1 years of holding 11 faculty (1centre head + 10 trainers). Thus, actual date of termination was between December 2021 to December 2023 in r/o different Labs under Centre of Excellence.

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3. There was no technical manpower available from the PEC side due to creation of state of art technology, this resulted into non-running of the centre as well as unutilized equipment as mentioned below:

Sr. No. of Group	Group formation of Laboratory	Number of Senior Trainee(s)/Trainer(s) required
A	Metrology Lab	1
	CNC Machine Lab	
	CNC Controller Lab	
B	Test & Optimization Lab	1
	2. Product Design & Validation Lab	
C	RPT Lab	1
	2. Advance Manufacturing Lab	
	3. Robotic Lab	
D	1. Automation Lab	1
	2. Process Instrumentation Lab	
E	1. Mechatronic Lab	1
	2. Internet of Things (
F	1. Renewal Energy Lab	1
	2. Electrical & Energy Saving lab	

4. Audit observed that college had not hired the professional staff after the midway termination of contract by MTC to run the labs efficiently to achieve the purpose for which Centre of excellence was established.

5. Further, AMC of these labs were not made by the college for the maintenance of Centre of Excellence sophisticated equipments/software valuing Rs. 156.64 crore that had been installed in different labs under this project as MTC had already breached the contract during maintenance period. However, college could not bind the MTC as there was no binding clause in agreement. Further, bank guarantee as per GFR Rule 172 (1) was not available with the college to bind the vendor to perform the obligation under contract which further led to litigation between the parties.

6. Log books in respect of all the Lab equipments were not being maintained and audit could not ascertain the working maintenance and repair of the equipment.

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7. Renewable Energy Lab was not functioning since its installation/establishment. The research work in this area is need of the hour and the college failed to provide the manpower in this lab. It forfeited the objective for which the Lab was established.

It is evident from the above observations that the labs were not being fully utilized due to improper maintenance and working of all the above said Lab equipment. The vision to create the PEC most eminent institution of the nation is defeated and reasons for the same may be intimated to audit. Reason for non-deploying the technical personnel, non-execution of AMC, non-maintenance of Log books, non-taking of bank guarantee, non-making effort for academic interface in the line of industries was called. On being pointed out in audit, the college had not submitted the reply. Reply is awaited.

Reference Number: OBS-1046877

Para-27: Wasteful expenditure of Rs. 1.04 crore on account of operational cost due to non-providing the training as per the agreement leading to Revenue loss of Rs. 2.40 crore.

In accordance to approval accorded by the Hon'ble Governor Punjab and Administration UT Chandigarh dated 26.09.2018, purchase order was placed to M/s MTAB Technology Centre Pvt Ltd for establishment of Centre of Excellence at expenditure of Rs. 15.04 crore, the letter of intent (LOI) was issued to Siemens Industry software for setting up "Centre of Excellence for Rs. 15.04 crore on 23.01.2018 and purchase order was issued on 27.09.2018.

The tripartite agreement was signed between Punjab Engineering College, Siemens Industry Software Indus Private Limited (SISW) and MTAB Technology Centre Pvt. Ltd. (MTC) on 12.10.2018.

As per agreement, MTAB was reseller as well as part of SIEMEN Pvt. Ltd.

Part III of agreement provides that Rs. 15.04 crore includes the operational cost of Rs. 2.77 crore for 2 +1 years of hand holding 11 faculty (1 centre head + 10 trainers). The total cost of the project is Rs. 156.64 crore of which Rs. 141.60 crore provided by M/s Siemens Industry Pvt. Ltd. as Grant-in-Aid.

As per clause 3 of agreement, the agreement shall commence from the date mentioned or on date it was signed by all the parties, whichever is later and shall continue for period of 3 years. Further, clause 8(G) of the agreement provides that it shall endeavor to provide training to a maximum of 8813 students/candidates at 90% utilization under this agreement. The training shall be imparted to current students enrolled under the CoE.

During test check of record of Punjab Engineering College for the period 2021-23, it was noticed that:

As per the terms & conditions of the agreement, the date i.e. 17.12.2019 was considered as date of inauguration and operation of lab was the responsibility of MTC till 16.12.2022 in r/o nine labs.

Further, MTC was to operate five labs and to provide the labs along with faculty during the period Jan/ 2023 to Dec/2023 as details given below:

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for
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Sr. No.	Lab Name	Lab warranty start date after commissioning	Lab Warranty End date
1	Renewable Energy Lab	17.01.2020	17.01.2023
2	Process Instrumentation Lab	24.01.2020	24.01.2023
3	Metrology Lab	24.01.2020	24.01.2023
4	Automation Lab	07.09.2020	07.09.2023
5	Electrical and Energy Saving Lab	08.12.2020	08.12.2023

Audit observed that MTC through mail dated 26.03.2022 had given notice to end the contract on 26.05.2022 in contravention to terms & conditions of the agreement. After the termination of agreement, the MTC approached the MSME facilitation council, Chennai. There was neither binding clause in agreement nor bank guarantee was available with college. Due to it, the training to candidates/students as specified in Agreement could not be provided. The institute had suffered revenue loss of Rs. 2.40 crore due to non-providing the training to 4792 candidates as per the clause 8(G). However, as per the agreement, besides the maintenance of labs, MTC was also required to provide training to 8817 candidates. It led to wasteful expenditure of Rs. 1.04 crore (i.e. 50% of operational cost payment of Rs. 2.09 crore) on accounts of operational cost as MTC could not maintain each CoE for 3 years from the date of set up at its own cost and thereafter also not provided assistance to trained staff of PEC as MTC had already collected operational cost of Rs. 2.09 crore as on 26.05.2022. Now the case is sub judice. On being pointed out in audit, department had not submitted any reply. Reply is awaited.

Reference Number: OBS-1053519

Para-28: Rush of Expenditure in the month of March.

As per GFR Rule 62(3) rush of expenditure, particularly in the closing months of the Financial year, shall be regarded as a breach of financial propriety and shall be avoided. The Financial Advisers of the Ministries/Departments shall ensure adherence to the stipulated Monthly Expenditure Plan and the guidelines issued in this regard by the Budget Division, Department of Economic Affairs, from time to time

During test check of record of Director, PEC, Chandigarh for the year 2021-23, it was noticed that huge expenditure was incurred by the PEC in the month of March of 2023 as detailed below

Year	Month	Expenditure
2022-23	March	10,62,79,999

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Incurring huge expenditure in the closing month of the financial year is in contradiction of codal provisions. On being pointed out in audit, the college authorities replied that Administrative approvals for the purchase of equipments and goods were issued in the month of August 2022. These cases remained under active consideration of the Departmental Technical Committee and thereafter with the Institute Purchase committee. After a thorough examination, evaluation and consequent upon the approval of the competent Authority by following due process, the cases materialized in the last months of FY 2022-23 apart from the other committed expenditure. Reply is not tenable since no documents were shown to audit to substantiate the above reply. Final reply is still awaited.

PART-III

(Follow up on findings outstanding of previous Inspection Reports)

Period of LAR	Para No.	Subject	Audit Remarks
LAR 2006-09	Para 17B	Excess payment of ₹ 60,363/- due to wrong fixation	BoG refused to give approval on it and the director also is not available. Final compliance is awaited, para Stands.
	Para 23A	Excess expenditure than sanctioned budget ₹ 9,81,600/-	Action (reply of UT Administration) is still awaited, para stands.
LAR 2009-10	Para 7	Excess payment of House Rent ₹ 7.71 lakh	Action from A.D is still awaited, para stands.
LAR 2012-13	Para 1 (DP)	Irregular payment of Service Tax to contractor ₹ 16,95,080/-	Being SIR Case, pursued separately, para stands.
	Para 11	Irregular payment of Excise Duty ₹ 60,742/-	Reply is not tenable. Final compliance is awaited, para stands.
LAR 2013-14	Para 1 (DP)	Irregular payment of Service Tax ₹ 86.46 lakh	Being SIR Case, pursued separately, para stands.
LAR 2014-15	Para 11	Excess consultancy work by facilities of PEC University of Technology due to more formation of General consultancy rules	The rule position regarding distribution of consultancy/remuneration was not provided/shown, para stands.
LAR 2015-16	Para 4	Awaited Utilisation/Completion Certificate ₹ 4,73,61,258/-	No reply furnished by the auditee unit, para stands.
LAR 2016-	Para: 1 (DP)	Short levy of license fee from Bank ₹ 105.81 Lakh	Being SIR Case, pursued separately, para stands.

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	Para 2 (DP)	Blockade of funds released for extension of Kalpana Chawla Hostel due to delay in start of work ₹ 183.39 lakh besides cost overrun.	Being SIR Case, pursued separately, para stands.
	Para 4B	Non reconciliation of funds released for works ₹ 1669.29 lakh	No reply furnished by the auditee unit, para stands.
	Para 7	Irregular occupancy of Jawalamukhi Hostel premises	Final action is still awaited, para stands.
LAR 2017-18	Para 1	Loss of interest Rs 38.75 lakh due to not transferring the funds from saving bank account to Bank FDR/ TDR.	The PEC has referred loss of interest of Rs.38.75 lakh, still invested in auto sweep, but not in FDs. Para stands.
	Para 2	Irregular claim of LTC Rs 4.67 lakh.	The exemption from competent authority has not been attached. Further, self-declaration of all the employees are not attached. Para Stands
	Para 4	Irregular expenditure on payment of Pay and allowances ₹ 146.03 lakh	No reply furnished by the auditee unit, para stands.
	Para 5B	Overpayment of Architect fee.	Final action is still awaited. Para stands
LAR 2018-19	Para 1	Unjustified Claim of Leave Travel Concession amounting to ₹ 1.13 lakhs	Para settled.
	Para 2	Non returned of Laptops purchased under Professional Development Allowance scheme ₹ 4,78,800/- lakhs	Final action is still awaited. Para stands.
	Para 3	Awaited status and Utilisation Certificate ₹ 26.06 Crore	Para updated as OBS-1045449 in current LAR, hence deleted from here.
	Para 4	Loss of revenue due to vacant accommodation in PEC Campus	No reply furnished by the auditee unit, para stands.
	Para 5	Non follow up action on transfer of funds to the	The requisite documents demanded in the para e.g. receipt of funds, detail of

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		Executive Engineer, Public Health Dn. No. 7, UT, Chandigarh ₹ 1.00 Crore	expenditure, etc. were not shown. Para stands.
	Para 6B	Non condemnation and disposal of unserviceable Articles	The process of disposal is still not initiated. Hence, Para stands
	Para 6C	Non physical verification of library	No key document is found attached to show the compliance, para stands.
	Para 7A	Irregular payment of water charges on Average basis ₹ 10.97 lakh	No reply furnished by the auditee unit, para stands.
	Para: 7B	Irregular payment of electricity charges on Average basis ₹ 9.29 lakh	No reply furnished by the auditee unit, para stands.
	Para: 9	Non existence of system of adjustment of Temporary Advances regarding TA/LTC claims amounting to ₹ 230018/-	Relevant key documents not found attached. Para stands.
LAR 2019-21	Para 1	Irregular expenditure on account of payment of Pay and allowances ₹ 279.58 lakh	Para updated as OBS-1046798 in current LAR. Hence, deleted from here.
	Para 2	Awaited status of works for ₹ 60.61 lakh and Utilisation Certificate for ₹ 2773.31 lakh	Final action is still awaited, para stands.
	Para 3	Loss of revenue due to delay in allotment of commercial establishments ₹ 9.33 lakh	Para updated as OBS-1045413 in current LAR. Hence, deleted from here.
	Para 4	Loss of revenue due to vacant accommodation in PEC Campus	Para updated as OBS-1045434 in current LAR. Hence, deleted from here.
	Para 5	Non-reconciliation of funds released for works ₹ 312.04 lakh	No reply furnished by the auditee unit, para stands.
	Para 6	Irregular payment of water charges on Average basis ₹ 7.30 lakh.	Para updated as OBS-1046802 in current LAR. Hence, deleted from here
	Para 7	Non condemnation and disposal of unserviceable Articles ₹ 21.21 lakh	The process to dispose off the remaining unserviceable items is under process. Para stands
	Para 8	Non maintenance of Fixed Asset Register in prescribed	No key document is found attached to show the compliance, para stands.

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		format resulting in likely misappropriation of fixed assets	
	Para 9	Unfruitful expenditure of ₹ 43.19 lakhs on subscription/activation of e-resources on the behalf of PEC library and un-regular access.	Reply is not tenable. Para stands
	Para 10	Utilization of Admission and student funds received from Students during the year 2019-20 & 2020-21	No reply furnished by the auditee unit, para stands.
	Para 11	Unfruitful Expenditure on purchase of non-concerned items for Applied Science Department amounting to ₹ 11,60,383 during the year 2019-20 & 2020-21	No key document is found attached to show the compliance, para stands.
	Para 12	Purchases made without negotiation of rates due to decentralize system of procurement of book during the year 2019-20 & 2020-21	Reply is not justified and not co-related the para. Para stands
	Para 13	Utilisation of Professional development allowances (PDA) in respect of buying 8 laptop and related hardware peripheral devices & 2020-21	The para updated as OBS-1046841 in current LAR. Hence, deleted from here.
	Para-14	Decentralised purchases.	No reply furnished by the auditee unit. Para stands.


Note:

- (i) The paras settled above are on the basis of reply/justification furnished by the department.
- (ii) Part-II Section-A paras, if included above and settled inadvertently may not be treated as settled as the same are being pursued separately:

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Part III B (Non-Production of record)

-Nil-

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PART-IV (Best Practice)

The department is a prestigious institution providing education, training and research in the field of engineering and technology. The institution has an admirable educational atmosphere. The administration of the department is good. Employees are punctual and obedient and provide proper response to the queries put to them.

PART-V (Acknowledgement)

The auditee unit extended all out cooperation in providing best seating arrangement with good atmosphere. All the relevant records and information available was provided to the Audit Party. The attitude of the staff towards the Audit Party was warm and cordial.

SR. AUDIT OFFICER

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