Inspection Report on the audit of the National Institute of Technology Hamirpur (HP) for the period 2024-25.

Part-1 Introduction

The National Institute of Technology, Hamirpur was established as REC in 1985 as a joint and co- operative enterprise of Government of India and Government of Himachal Pradesh. The Institute offers undergraduate and postgraduate education in engineering, architecture and applied science and humanities disciplines, fostering the spirit of national integration among the students. It promotes a close interaction with industry and a strong emphasis on research, both basic and applied. It was given the status of Deemed University 1.e. 26.06.2002. As a result of conversion of REC's into NITs and promulgation of the NIT Act, 2007 i.e. 15.08.2007, the NIT, Hamirpur is enjoying the status of Institution of National Importance.

The charge of the DDO was held by the following officer the Institute during the period covered under audit.

Sr. No.	Name of the Officers & Designation	Period From	Period To
1	Prof. Hiralal Murlidhar Suryawanshi, Director	03.02.2023	Continuing
2	Dr. Archana Santosh Nantory, Registrar	10.07.2023	Continuing
3.	Shri Anil Kumar Sharma, Deputy Registrar (On deputation)	02.01.2023	Continuing

<u>Budget Allotment and Expenditure</u>

The financial position of the Institute during the last five years was as under:

(Amount in crore)

Period	Allotment	Expenditure
2020-21	93.91	89.17
2021-22	117.41	97.09
2022-23	106.44	98.56
2023-24	112.96	111.79
2024-25	138.53	138.37

Risk Assessment:

The main thrust areas of audit are:

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Whether any expenditure beyond the budget allotted has been incurred by the department during the audit period, if any.
Whether the expenditure incurred on pay bills, art objects and other expenses etc. if any, meet the term and conditions of authority or not.
Whether Administrative Approval have been obtained from the competent authority or not.
Whether internal Control Mechanism exists or not

Scope of Audit:
Following records maintained by the National Institute of Technology, Hamirpur (HP) was examined under audit: -

- Creation of infrastructure
- Procurement of equipment and services

- Financial management
- Academic performance

Audit objective:

The Audit objective was to assess the expenditure and collection of receipts:

- Infrastructure creation of the NIT was carried out economically, efficiently and effectively;
- Procurement of equipment and services was made in an economical, efficient and effective manner;
- The governing and oversight bodies provided effective stewardship and managed the financial resources in economical, efficient and effective manner; and
- Academic programmes and research activities were introduced and carried out as envisaged, in an efficient and effective manner.

Audit Criteria:

Transaction Audit was conducted using following Audit criteria:

- National Institutes of Technology Act 1961, as amended from time to time, Rules and Regulations there under,
- Detailed Project Report (DPR) of MoE,
- Minutes of meetings of IIT Council/BoG and various committees,
- Central Public Works Department Manual/Code and General Financial Rules (GFRs) 2005 and GFRs 2017 and Agreements of infrastructure works.

Methodology of Audit:

Audit Methodology included scrutiny of records, obtaining information through standardized annexure and physical inspection of selected records of the institute.

Audit & Inspection Report on the accounts of the National Institute of Technology Hamirpur (HP) for the period from 01.04.2024 to 31.03.2025 was conducted by an Audit Party consisting of Shri Sanjay Kumar, Supervisor and supervised by Smt. Meena, Sr. Audit Officer from 21.04.2025 to 09.05.2025.

The National Institute of Technology Hamirpur is located at Hamirpur-177005 having Phone No. 01972-222308, 254001, Email:- Registrar@nith.ac.in

Audit Fee Rs. 5.71 lakh

As per norms under CAG's DPC Act. 1971, the Compliance Audit for the period 2024-25 of the National Institute of Technology Hamirpur (HP), was conducted under section 19 (2) of the act, the audit fee Rs. 1,44,975/- (One lakh Forty-four thousand & nine hundred seventy-five only) which is to be paid by the audit entity. The same worked out to Rs. 5,70,970/- which includes Rs. 1,28,380/- for the year 2022-23 and Rs. 2,97,615/- for the year 2023-24.

Disclaimer:

Inspection report has been prepared on the basis of information furnished and made available by the Continuing for the period from 01.04.2024 to 31.03.2025 and office of the Principal Director of Audit (Central), Chandigarh will not be responsible for wrong information/ data/ facts given by the office or for concealment/ not providing any information/ documents.

PART-II

(Audit Findings)

PART-II-(A)

(Significant Audit Findings)

---NIL---

PART-II-(B)

(*Other incidental Audit Findings*)

Para 01: Wasteful expenditure on counsel fee due to unauthorized engagement of private counsels-Rs. 75.92 lakh.

Department of Legal Affairs, Ministry of Law and Justice, Govt. of India issued Office Memorandum vide No. F. No. J-12012/2/2017-Judicial dated 29th June, 2017 regarding appointment of Govt. counsel from the panel of Union of India for defending Court cases where Union of India is also a party along with an Autonomous Body. The Ministry of Law and Justice issued instructions that all the autonomous bodies which are under the control of various ministries and where the cases where Union of India is also in party along with autonomous body should be defended on behalf of both i.e. autonomous body as well as Union of India before any Court/Tribunal by the panel Counsel engaged by the Department of Legal Affairs in the court cases where Union of India is a party along with autonomous bodies it was decided that the counsel representing Union of India will also be the counsel for autonomous bodies only.

During scrutiny of the records of National Institute of Technology, Hamirpur (NITH), it was noticed that there was total 68 numbers of court cases were going on/settled in the various Courts including High Court and Supreme Court where Union of India was party along with the NITH. The institute engaged private counsels for defending these cases as on 31-03-2025. The Center Government counsels were also defending the cases against Union of India in these matters.

An amount of Rs.82,41,675/- (as per annexure enclosed) was paid as retainership fee and counsel fee to these private counsels engaged by the NITH. Which included Rs.,6,49,950/- in 2016-17, Rs. 11,36,900/- in 2017-18, Rs. 24,66,360 in 2018-19, Rs. 9,13,950/- in 2019-20, Rs. 13,09,799/- in 2020-21, Rs. 7,55,866/- in 2021-22, Rs. 3,05,549/- in 2022-23, Rs. 6,93,691/- in 2023-24 and Rs. 5,500/- in 2024-25 to the private counsels engaged by the NITH. It was further noticed that Rs.15,01,748/- was also paid to the standing Counsels appearing in these cases for of Union of India during the same period. The retainership fee and counsel fee paid to the private counsels from the date of issue of orders of Ministry of Law and Justice amounting to Rs. 75,91,725/- (8241675-649950 (2016-17)) unauthorized and wasteful as it was in contravention of the orders of the Ministry of Law & Justice.

On being pointed out it was replied by the NIT Hamirpur (NITH) authorities that the instructions of Ministry of Law and Justice were not endorsed by Ministry of Education to the NITH and due to most of cases were decided not in favour of the NITH the pattern of engagement of counsels was done in accordance with the decision of the Board of Governers of NITH. The reply is not tenable as the instruction of MoL&J were not followed.

Para 02: Short recovery of license fee from Bank and Post Office Rs. 2.31 crore.

The Directorates of Estates, Government of India, (DEO) prescribed the rates with effect from 16 March, 1999. The rates were revised vide Directorate's OM NO. 18015/1/2010-Pol.III dated 29-08-2011, vide NO. 18015/1/2010-Pol.III dated 21-07-2015, OM F.No. 18015/1/2017-Pol-III dated 03-04-2018 and OM F.No. 18015/1/2017-Pol-III dated 10-07-2023.

During scrutiny of records, it was noticed that the NIT Hamirpur has provided office space of measuring 245 Sq. mtr to State Bank of India and 75 Sq. mtr to Post Office respectively within its premises for which they have been charging token lease money of Rs. 1100/- per month for State Bank of India and Rs. 101/- per year from the Post Office as per NIT Hamirpur's Lease date 11.04.2011 upto 08/2016. The institute has fixed the token lease money at its own without getting any assessment done by the CPWD or other authorized agencies. The rate charged by the NIT was Rs 4.48 per sq. mtr for Bank and Rs.0.11 per sqmtr for post office from , which was far below the rate of Rs 585 per sq.mtr for Bank and Rs 215 per sqrmtr for Post Office for the period 01.04.2014 to 31.03.2017 (subsequently revised to Rs.675 per sqmtr for Bank and Rs.250 per sqmtr for post office for the period 01.04.017 to 31.03.2020 and revised again Rs.940 per sqmtr for Bank and Rs.345 per sqmtr for post office for the period 01.04.023 to 31.03.2026) as prescribed by Govt. of India, Ministry of Urban Development. Vide No. NIT/HMR/CC/CB/Rent File/2017/1452-54 dated 03/03/2017 the NIT Hamirpur increased 10% of the rent from the Bank as per terms and condition No. 7(m) of the Lease deed. Thereafter, the approval of Board of Governors 48th meeting held on dated 15.12.2022 the rental rate of the Bank and Post Office was again revised to Rs. 23,140/- plus GST per month from and Rs. 400/- per month from January, 2023 (copy enclosed). However, the Bank paid rent to the NIT Hamirpur without GST. Consequent, NIT, Hamirpur suffered a loss of revenue of **Rs.2,30,94,711**/- for the period from December, 2014 to March, 2025.

	Occupancy of space measuring in per Sq. Mtr.	**period**	**Charged**	**chargeable**	**Short charged**
SBI	**245 Sqm.**	12/2014to 03/2015	4400	573300	568900
		04/2015 to 03/2016	13200	1719900	1706700
		04/2016 to 08/2016	5500	716625	711125

		09/2016 to 03/2017	8470	1003275	994805
		04/2017 to 03/2018	14520	1984500	1969980
		04/2018 to 03/2019	14520	1984500	1969980
		04/2019 to 03/2020	14520	1984500	1969980
		04/2020 to 03/2021	14520	1984500	1969980
		04/2021 to 03/2022	14520	1984500	1969980
		04/2022 to 12/2022	10890	1323000	1312110
		01/2023 to 03/2023	92560	661500	568940
		04/2023 to 03/2024	277680	2763600	2485920
		04/2024 to 03/2025	277680	2763600	2485920
				TOTAL(A)	**20684320**
Post Office	**75 Sqm.**	12/2014 to 03/2015	101	64500	64399
		04/2015 to 03/2016	101	193500	193399
		04/2016 to 03/2017	101	193500	193399
		04/2017 to 03/2018	101	225000	224899
		04/2018 to 03/2019	101	225000	224899
		04/2019 to 03/2020	101	225000	224899
		04/2020 to 03/2021	101	225000	224899
		04/2021 to 03/2022	101	225000	224899
		04/2022 to 12/2022	101	150000	149899
		01/2023 to 03/2023	1600	75000	73400
		04/2023 to 03/2024	4800	310500	305700
		04/2024 to 03/2025	4800	310500	305700
				TOTAL(B)	**2410391**
				G. TOTAL (A+B)	**23094711**

The Para in respect of Short recovery of license fee from Bank and Post Office amounting to Rs. 2.20 crore has been updated from the Audit Inspection Report for the year 2023-24 in the current Audit Inspection Report On being pointed out in audit, the NIT authorities stated that the rates are being pursued with CPWD.

Para 03: Loss due to fire in main corporate office building- Rs.16 lakh

During scrutiny of records of National Institute of Technology, Hamirpur (NITH) it was noticed that an incident o fire occurred inon 17th May,2024. A committee was constituted on 21-05-2024 to look into the reasons of fire and evaluation of the loss. The committee submitted its report dated 24-5-2024. The committee observed that cause of fire was short circuit in main control penal due to electrical wiring insulation failure due to nearby distribution power points and connected loads. The fire got spread rapidly due to presence of heaps of waste/useful papers and similar dry burnable matter lying nearby. The committee assessed the loss to the tune of Rs, 16 lakhs which included Rs. 4 lakhs of civil assets loss, Rs. 7 lakhs of electrical assets loss and Rs. 5 lakhs of internal cabling and active devices. It was also observed by the committee that the fire alarm, smoke detector, smart cameras and similar protective annunciation circuits did not respond. Committee proposed an institute level committee to monitor functioning of all operative safety fittings and proposed energy audit of all buildings.

On being pointed out the NITH authorities submitted the work order regarding refilling of the fire extinguishers in the campus only. Action in regard to fire safety audit of fire safety fittings installed, maintenance of non-functional fire alarm systems and removal of scrap papers and other waste material lying in electrical control rooms across hostels is still awaited.

Para 04: Manpower management/ sanctioned and effective Strength and Irregular expenditure on outsourcing of manpower for Rs. 6.84 crore.

As per GOI instruction and GFR Rules 2017 the outsourcing of manpower should not exceed total number of sanctioned strengths. Excess or shortage of staff in any cadre should be reported to the Government for making alternative arrangement so that the functioning of the department may not suffer. Every DDO is responsible for the optimum utilization of manpower under their jurisdiction.

During test check of records and information provided by the office of the Director, NIT, Hamirpur for the year 2024-25, it was noticed that the Institute had hired 189 numbers of manpower in 2023-24 and 177 in 2024-25 through outsourcing (OMTS) (unskilled/Semi-skilled/skilled/Highly Skilled) under Institute Head.

The position of sanctioned strength and position of manpower is depicted in following table:

Cadre	**Approved Sanctioned strength**	**Regular Men in position**		**vacancy in approved sanctioned strength**		**Procurement of outsourcing against vacant post**
		2023-24	**2024-25**	**2023-24**	**2024-25**	
Ministerial staff	92	70	68	22	24	Department outsourced **189** number of OMTS against vacant 107 number of posts in 2023-24 and **177** against vacant 122 number of posts in 2024-25.
Technical staff	156	74	68	82	88	
Supporting staff	39	36	29	3	10	
Total	**287**	**180**	**165**	**107**	**122**	

The Institute had paid Rs. 9.13 crore for 189 OMTS post during the year 2023-24 against 107 vacant post which resulted 82 (189-107) posts excess deployed and Rs. 9.26 crore for 177 OMTS post during the year 2024-25 against 122 vacant post which resulted 55 (177-122) posts excess deployed. This resulted in an average irregular payment of Rs. 3,95,98,740/- (91270266 X 82/189) in 2023-24 and Rs. 2,88,02,632/- (30045063+43748057+18898987 = Rs.92692107 X 55/177) was made to outsourcing agency. Thus, it was observed that salary on 82 posts in 2023-24 and 55 posts in 2024-25 was paid without sanction of posts which is irregular. The figures amounting to Rs 3.96 crore in respect of audit Para on “Manpower management/ sanctioned and effective Strength and Irregular expenditure on outsourcing of manpower” contained in the Audit Inspection Report for the year 2023-24 has been included in the current Audit Inspection Report On being pointed out in audit, the department furnished no reply.

Para 05: Non-conducting of Physical verification of Library Books.

As per Rule 215 of the General Financial Rules 2017 regarding Physical Verification of Library Books that complete physical verification of books should be done every year in case of libraries having not more than twenty thousand volumes. For libraries having more than twenty thousand volumes and up to fifty thousand volumes, such verification should be done at least once in three years. Sample physical verification at intervals of not more than three years should be done in case of libraries having more than fifty thousand volumes.

Physical verification for the year 2024-25 was not conducted by the NIT Hamirpur. In the last Physical Verification of Library Books was conducted during the year 2020-21 and sample verification of **22,582 books** was checked. Out of which **404 books** were found to be untraceable.

On being pointed out in audit, the NIT authorities furnished no reply.

Para 06: Shortcomings in the Advances.

As per the Rule 323(1) of GFR 2017 envisaged that Advances for Contingent and Miscellaneous purpose, the head of the office may sanction advances to a Government servant for purchase of goods or services or for any other special purpose needed for the management of the office, subject to the conditions that (i) The amount of expenditure being higher than the Permanent Advance available, cannot be met out of it; (ii) The purchase or other purpose cannot be managed under the normal procedures, envisaging post procurement payment system; (iii) The amount of advance should not be more than the power delegated to the Head of the Office for the purpose; and (iv) The Head of the Office shall be responsible for timely recovery or adjustment of the advance.

Further, Rule 323(2) The adjustment bill, along with balance if any, shall be submitted by the government servant within fifteen days of drawl of advance, failing which the advance or balance shall be recovered from this next salary (ies).

During test check of the records of the National Institute of Technology, Hamirpur (H.P.)for the year 2024-25, it was observed that the advances granted to 88 number of employees (List Attached). But large number of these were not adjusted with the specified period as stated in rules. The advances have been adjusted/ recovered elapse of a period of ranging between 01 month to 14 months which is against the financial rules. Further, the advance is not granted on the basis of the average monthly contingent expenditure, and it was also observed that the advance was always larger than the absolutely necessity of contingency.

On being pointed out in audit, the NIT authorities stated that advance was taken for conf. for booking of ticket (advance booking of ticket) and other misc. items and submitted the expenditure in March 2025 which is adjusted on 09.04.2025 as the tax is involved in the account of expenditure which is not paid in the last dates of for the year 2024-25. Reply of the institute is not tenable as there are maximum advances which are not adjusted in time.

Para 07: Grant of fee concession without verification of income certificates-Rs. 17.78 lakh.

Government of India, Ministry of Human Resource Development Department of Higher Education F.No.33-4/2014-TS.III notified that tuition fee in the NITs to Rs. 1,25,000/- per student per annum from the academic year 2016-17, subject to the following for protecting the interest of the socially and economically backward students: -

(c) The SC/ ST/ PH students shall get complete fee waiver.

(c) The most economically backward students (whose family income is less than Rs. 1.00 lakh per annum) shall get full remission of the fee.

(c) The other economically backward students (whose family income is between Rs. 1.00 lakh to Rs. 5.00 lakh per annum) shall get remission of 2/3rd of the fee.

During test check of record of NIT Hamirpur (HP) for the year 2024-25, it was noticed that the NIT Hamirpur gave tuition fee concessions of Rs. 17,77,938/- to the 50 number of student (List attached)on the basis of copies of the income certificates issued by the competent authority of the state governments. Further scrutiny revealed that the concessions were given to the students without verification of the income certificates from the issuing authorities. Further, during scrutiny it was notice that in the income certificate of Ankit Kumar, father name is written in the column of candidate name and different name is written in the column of father name.

On being pointed out in audit, the NIT authorities stated that the tuition fee remission is allowed to UG students only after verification of the Income Certificate with the Original Certificate issued by the Competent Authority or after verifying the same online in case of online generated certificate. The reply of the institute is not tenable as the Income Certificate's which were not generated online were not verified by the institute while allowing fee concession.

Para 08: Non-disposal of unserviceable items having value Rs. 27.68 Lakh.

As per rule 217 of GFR regarding Disposal of Goods. (i) 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. (ii) The competent authority may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable. (iii) 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 where it is not possible to work out the book value, the original purchase price of the goods in question may be utilised. A report of stores for disposal shall be prepared in Form GFR - 10.

During scrutiny of records and information provided by National Institute of Technology, Hamirpur (NITH), it was noticed that there were various items like furniture, lab equipment, utensils and medical equipment lying unserviceable in 20 number of various departments of NITH as on 31-03-2025. The purchase value of these item were Rs. 27,67,3401/- and depreciated value was Rs. 16,25,029/- These unserviceable/condemned items were not disposed of till date (08-5-2025). Not only scrap value of these items was decreasing with the passage of time but also the unnecessary storage space has been occupied by these items.

On being pointed out, the NITH authorities stated that the items could not be disposed of due to certain observations were raised by the audit and accounts sections of the NITH, which was under process. The final action is awaited from NITH.

Para 09: Keeping huge amount of funds 770.22 lakhs in saving/ current bank account.

As per records and information supplied by NIT Hamirpur, it was noticed that Institute had kept huge amount of funds in her General Saving Bank Account 11159548375 to the tune of Rs. 68455593.27 and other accounts of institute total of Rs. 7,70,21,923.66.

On being pointed out in audit, the NIT authorities stated that the huge amount generally being used for other liability and other miscellaneous payments which is not tenable.

PART–III A

(Follow up on findings outstanding from previous reports)

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

Summary of old objection pertaining to the National Institute of Technology Hamirpur (HP).

Year	**Para No.**	**Subject of Para**	**Comments of Sr. Audit Officer (Vetting)**
1998-99	8	Irregular/ unjustified expenditure of Vice-chairman involves Rs 1.57 lakh	Para Stands
2013-14	1	Irregular payment of service tax Rs. 18.71 lakh	Para Stands
2014-15	Sec-A 1	Irregular payment of LTC RS 25.45 lakh	Para Stands
	4	Irregular release and blockade of Rs.153.50 lakh	Para Stands

2015-16	1	Non-levy of damage rent for unauthorized occupation of Govt. Accommodation Rs. 43 lakh.	Para Stands
2016-17	Sec-A 1	Construction of mega hostel	Para Stands
	3	Deployment of man-power in excess of sanctioned strength.	Para Stands
2017-18	4	Discontinuation of project for the establishment of project test centre (PTC) of NIT Hamirpur due to dismal progress of project resulting into infructuous expenditure of Rs. 13.94 lakh	Para Stands
	6	Non-GeM purchases- Rs 5.93	Settled
	8	Excess expenditure on sponsored projects Rs 2.06 lakh	Para Stands
2018-19	Sec-A 1	Non levy of damage rent for unauthorized occupation of Government Accommodation Rs. 59.83 lakh	Para Stands
	3	Keeping huge amount of funds in saving bank account Rs. 2683.85 lakh.	Para Stands
	8	Shortage of Teaching/non-teaching staff	Para Stands
	13	Shift of Sewerage line	Settled
2019-21	Sec-A 1	Non recovery of damages due to unauthorized retaining of accommodation Rs. 114.72 lakh	Para Stands
	2	Irregular appointment of teaching and non-teaching staff	Para Stands
	5	Under favour to contractor by non-recovering water charges from contractor bill RS 27.12 lakh	Para Stands
	7	Non-procurement of goods through GeM purchase Rs. 64.19 lakh	Para Stands
	10	Unauthorised payment of Travelling Allowance Rs 0.04 lakh	Settled
	12	Non-refunding of interest earned on Grants-in-Aid to Govt. Rs. 10.50 crore.	Para Stands
2021-22	2	Non-providing of essential facilities of students in respect of Academic and Non-Academic activities.	Settled
2022-23	2	Excess payment of Transport Allowance to the Staff-Rs. 62.44 lakh.	Para Stands
	4	Irregularities in conditions of security tender of outsourcing agency.	Settled
	6	Non-submission of detail invoice of procured material value Rs. 20.71 lakh.	Para Stands
	7	Irregularities in utility of e-books in the library.	Settled
2023-24	1	Short recovery of license fee from Bank and Post Office Rs. 2.20 crore.	Settled

	2	Unspent Balance of Deposit Work-Rs. 3.97 crore resulting in blockade of funds.	Settled
	3	Manpower management/ sanctioned and effective Strength and Irregular expenditure on outsourcing of manpower for Rs. 3.96 crore.	Settled
	4	Incomplete deposit work after completion of one and half year.	Para Stands
	5	Non-verification of Performance Bank Guarantees amount Rs. 1.20 lakh.	Settled
	6	Inordinate delay in payment of bills beyond prescribed time limit.	Settled
	7	Keeping huge amount of fund in saving/ current bank account-Rs. 865.55 lakh.	Settled
	8	Wasteful expenditure of counsel fee-Rs. 42.50 lakh and interest Rs. 9.52 lakh.	Settled
	9	Shortcoming in adjustment of LTC Advances.	Para Stands
	10	Shortcomings in the Permanent/Temporary Advance Imprest Account.	Para Stands
	11	Irregular Operation of Current Bank Account resulting in Loss of Interest	Settled
	12	Non-conducting of Physical verification of Library Books.	Settled
	13	Non-compliance of GeM Guidelines for CPDA procurements.	Settled
	14	Non-compliance of GeM Guidelines for Departmental procurements.	Para Stands
	15	Irregular recruitment of Junior Assistant.	Para Stands

PART–III B (Non-production of record)

-Nil-

PART-IV (Best Practice)

The National Institute of Technology Hamirpur (HP) had nil commendable initiative during the reported period 01.04.2024 to 31.03.2025. However, the auditee had achieved the objective of the department.

PART-V (Acknowledgement)

Full cooperation was extended by the auditee to the audit party regarding production of records during the course of audit of the office for the period from 01.04.2024 to 31.03.2025

SR. AUDIT OFFICER