

**Report of the  
Comptroller and Auditor General of India  
on  
Administrative functioning of Autonomous Bodies  
under  
Department of Science and Technology**



**Union Government  
(Department of Science and Technology)  
Report No. 26 of 2016  
(Compliance Audit)**

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## Preface

*This Report has been prepared for submission to the President under Article 151 of the Constitution of India.*

*The report contains results of compliance audit of the Administrative Functioning of Autonomous Bodies under Department of Science and Technology. The instances mentioned in this report are those which came to notice in the course of test audit for the period from 2009 to 2014 as well as those that came to notice in earlier years; matters relating to the period subsequent to March 2014 have also been included, wherever necessary.*

*The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.*



## Executive Summary

### Introduction

Department of Science and Technology (DST) was established in May 1971 under Ministry of Science and Technology (MST), with the objective of promoting new areas of Science and Technology (S&T) and to play the role of a nodal department for organising, coordinating and promoting S&T activities in the country. There are 28 Autonomous Bodies (ABs) under the administrative control and substantially funded by DST, located in different parts of the country.

In view of the substantial dependence of the ABs on public money which necessitates compliance with Government rules and instructions in conducting their affairs, a compliance audit of administrative functioning of 19 selected ABs of DST was conducted, covering the period from 2009 to 2014.

### Main findings

Significant audit findings on administrative functioning of selected ABs are as follows:

#### Regulatory framework of Autonomous Bodies

As per Rule 208 of General Financial Rules, no new autonomous institution should be created by Ministries or Departments without the approval of the Cabinet. International Advanced Research Centre for Powder Metallurgy, Hyderabad was registered as a society without the approval of the Cabinet. DST sanctioned funds of ₹ 241.04 crore between 2009-14 to the Centre.

(Para 2.2.1)

Bose Institute, Kolkata, which was registered under the Societies Act 1860, did not comply with the provisions of West Bengal Societies Act 1961. In spite of this, DST released grants-in-aid to the Institute.

(Para 2.2.2)

During the period from 1988 to 2011, the Governing Body of Technology Information and Forecasting Assessment Council, Delhi was reconstituted four times. However, approval of the Competent authority for such reconstitution, as required under Memorandum of Association of the Council was not obtained on three of the four occasions.

(Para 2.3.1)



### **Administrative functioning of Autonomous Bodies**

The 17 selected ABs failed to comply with instructions of Ministry of Finance to incorporate restrictive clauses in their Rules and Bye laws relating to the powers of the Governing Bodies in matters having financial implications.

**(Para 3.2)**

Though ABs have no powers to create/upgrade posts, 486 posts were created/upgraded by 11 ABs.

**(Para 3.3.1)**

There were deviations from prescribed Government rules and orders in the Recruitment Rules framed by 13 ABs for which approval of Ministry of Finance was not obtained.

**(Para 3.4.3)**

Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvananthapuram and Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru failed to adhere to the guidelines/instructions issued by University Grants Commission (UGC) on adoption of pay structure of academic staff. Adoption of higher pay scales and fixation of pay at higher stages resulted in excess expenditure of ₹ 6.43 crore on recruitments and promotions of academic staff.

**(Para 3.4.6, 3.4.7 (b) and 3.5.1 ii)**

Irregularities in grant of promotion to Scientists under Flexible Complementing Scheme by Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvananthapuram resulted in inadmissible payment of ₹ 8.70 crore.

**(Para 3.5.4)**

Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvananthapuram unauthorisedly paid Clinical Research Allowance and Learning Resource Allowance to its staff, resulting in irregular expenditure of ₹ 6.86 crore. The Institute also paid ₹ 1.53 crore as Hospital Patient Care Allowance without obtaining approval of DST.

**(Para 3.6.1 and 3.6.2)**

Three ABs granted extension of service to retired staff without approval of competent authority, which resulted in inadmissible payment of ₹ 3.41 crore.

**(Para 3.7.2)**

### Oversight functions of DST

No peer review was conducted by DST for any of its 17 selected ABs as envisaged in Rule 208 (vi) of General Financial Rules.

(Para 4.2)

Nature of grants, viz. recurring or non-recurring was not segregated in the sanction letters issued by DST to the ABs as envisaged in Rule 209(5) of General Financial Rules.

(Para 4.3)

Utilisation Certificates (UCs) submitted by the ABs to DST did not contain achievements about specified, quantified and qualitative targets as well as the actual expenditure incurred and the loans and advances given to suppliers of stores and assets, construction agencies, staff for house building and purchase of conveyance etc. as envisaged in General Financial Rules.

(Para 4.4)

There was shortfall in conducting internal audit of ABs ranging from 39 *per cent* to 61 *per cent* as against the target fixed by DST for annual audit.

(Para 4.5)

### Conclusion

The Audit disclosed establishment of one AB without the approval of the Cabinet and non-adoption of the requisite provisions of the applicable State Societies Registration Act by an AB, due to which there were inconsistencies in compliance of the provisions of the State Act. DST continued to release grants to these ABs in a routine manner without examining the adherence to legal requirements by these ABs. Administrative functioning of the selected ABs did not conform to the applicable rules and regulations. The extant rules and orders were violated in creation of posts, recruitments, promotion policies for scientists, staff entitlements, retirement matters and outsourcing of services. The oversight role of DST was weak. No peer review was conducted as per the provisions of GFRs, due to which the performance of the ABs was not evaluated. Sanction letters for payment of grants by DST did not specify the nature of grants. Monitoring of submission of UCs by ABs was lax. None of the UCs submitted by the 19 ABs to DST contained achievement about specified, quantified and qualitative targets. There was shortfall in conduct of internal audit by DST.

## Summary of Recommendations

DST may obtain ex-post facto approval of the Cabinet for establishment of International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad as an Autonomous Body for regularisation of its continuance and ensure that prescribed procedures are followed for creation of Autonomous Bodies.

DST may review Memorandum of Association and Regulations of all the Autonomous Bodies and ensure that provisions of the same are in conformity with the applicable Central/State Societies Registration Act.

DST may ensure that Autonomous Bodies incorporate relevant clauses in the Bye-Laws specifying the powers enjoyed by the Governing Bodies/Council of the said Autonomous Body in matters of creation of posts, recruitments, promotions, retirements, staff entitlements and other administrative issues.

DST may ensure that Autonomous Bodies, recognised as Deemed Universities, follow the UGC guidelines on pay structures.

DST may evolve a mechanism for conduct of peer review of all the Autonomous Bodies under its administrative control. DST may strengthen its internal audit mechanism.

# 1 CHAPTER

## Introduction

### 1.1 Background

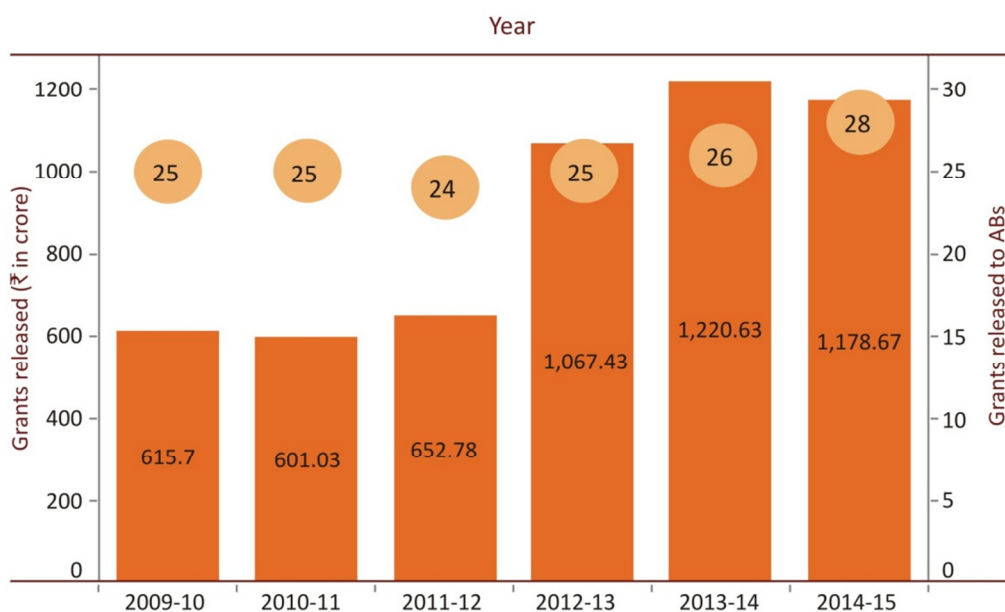
Department of Science and Technology (DST) was established in May 1971 under Ministry of Science and Technology (MST), with the objective of promoting new areas of Science and Technology (S&T) and to play the role of a nodal Department for organising, coordinating and promoting S&T activities in the country. DST supports research and development by providing Grants-in-Aid to Scientific Research Institutions, Scientific Associations and Bodies.

Autonomous Bodies (ABs) are legal entities established either by an Act of the Parliament or by registration under the Societies Registration Act, 1860 or the relevant State Societies Registration Acts, as applicable and subsequent amendments. As of June 2016, there were 28 ABs under administrative control of DST (**Annexure I**).

The ABs are managed by Governing Body (GB)/ Governing Council (GC), which includes representatives of the AB and DST as well as experts from external agencies. Directors of the ABs function as the Chief Executives of ABs.

The ABs are substantially funded by DST through Government grants. The grants released to the ABs by DST for the years 2009-10 to 2014-15 is given in Chart 1.

**Chart 1: Grants released to ABs by DST**



The substantial funding provided to these ABs from Government grants necessitates compliance with Government rules and instructions in conducting their affairs.

## 1.2 Audit Objectives

Audit was conducted with a view to evaluate:

- i. Whether the ABs complied with the legal and regulatory framework applicable to them;
- ii. Whether the administrative and entitlements functions of the ABs were in accordance with applicable rules and regulations; and
- iii. Whether DST exercised adequate oversight on the functioning of ABs.

## 1.3 Audit criteria

The criteria were derived from the followings:

1. Societies Registration Act, 1860, State Societies Registration Acts and subsequent amendments;
2. Memorandum of Association, Regulation, Bye laws of the ABs;
3. Office Memoranda issued by Ministry of Finance (MoF) applicable to ABs;
4. Office Memoranda issued by Department of Personnel and Training (DoPT) applicable to ABs;
5. General Financial Rules and other Government rules applicable for ABs; and
6. Act of Parliament under which the ABs were established and subsequent rules and regulations derived from the provisions of the Act.

## 1.4 Audit Sample, Scope and Methodology

Of the 28 ABs of DST, 19 ABs were selected on the basis of factors such as period since establishment of the AB, geographic spread, grants received from DST and at suggestions of DST. During the period 2009-14, the 19 selected ABs received grants of ₹ 2,962.94 crore from DST and incurred expenditure of ₹ 3,795.46 crore. The details of grants and expenditure are given in **Annexure II**.

Audit was conducted during September 2014 to September 2015 covering the period from Financial Years (FYs) 2009-10 to 2013-14. However, records prior to the year 2009 were also examined wherever required. In some cases, records relating to the formation of the AB were examined, wherever relevant.

The scope of audit involved scrutiny of records of the selected ABs and DST. Entry meeting was held on 21 November 2014 at DST, New Delhi wherein the sample, scope and objective for audit was discussed. Exit meeting was held on 13 May 2016 in which the audit findings were discussed with the Secretary, DST and unit heads of DST.

Response to the audit findings as recorded in the minutes of the meeting have been incorporated in the Audit Report under the relevant paras. Besides, the recommendations to the audit findings were also issued to the Secretary along with the minutes of exit meeting which were accepted by DST. DST further stated (June 2016) that replies to the draft report were either not received from the concerned AB or were insufficient to be provided to us and has confirmed that same would be conveyed at Action Taken Note stage.

### **1.5 Structure of Audit report**

The layout of the Report is as under: -

Chapter 2- Regulatory framework of the Autonomous Bodies;

Chapter 3- Administrative functioning of Autonomous Bodies; and

Chapter 4 - Oversight functions of DST.

### **1.6 Acknowledgement**

We acknowledge the cooperation extended by DST and the 19 selected ABs during the conduct of our audit.



# 2 CHAPTER

## Regulatory framework of Autonomous Bodies

### 2.1 Background

ABs established under an Act of Parliament are governed by the regulations contained in the said Act, while ABs registered under the Societies Registration Act, 1860 or the relevant State Societies Registration Acts, as applicable, are required to comply with the provisions of the latter.

Of the 19 selected ABs, 17 were Societies registered under the Societies Registration Act, 1860/ State Societies Registration Act and two ABs were formed under separate Acts of Parliament. This chapter highlights observations on deviations from the regulatory provisions governing the 17 selected ABs that were registered as Societies.

### 2.2 Formation of Autonomous Bodies

#### 2.2.1 Autonomous body set up without Cabinet approval

As per Rule 208 of General Financial Rules (GFRs), no new autonomous institution should be created by the Ministries or Departments without approval of the Cabinet.

DST submitted (May 1989) a proposal before the Expenditure Finance Committee (EFC) for the approval of a project “Establishment of Advanced Research Centre for Powder Metallurgy” under Integrated Long Term Programme<sup>1</sup> at Hyderabad at a cost of ₹ 46.27 crore for the years 1989-95. The project was envisaged as a joint venture between India and USSR. The project was approved (May 1990) by the Cabinet Committee on Economic Affairs and the approval was communicated on 1 November 1990.

Meanwhile, DST formed a Society ‘Advanced Research Centre for Powder Metallurgy’ through a MoA signed by seven members and registered in October 1990 under Andhra Pradesh (Telangana Area) Public Societies Registration Act. The Society was renamed as ‘Indo-Soviet Advanced Research Centre for Powder Metallurgy’ on 7 November 1991 and later due to dissolution of USSR, changed to ‘International Advanced Research Centre for Powder Metallurgy and New Materials’ (ARCI) with effect from 17 March 1994. DST released funds of ₹ 241.04 crore during 2009-14 to ARCI.

<sup>1</sup> The Government of India and the Government of the Union of Soviet Socialist Republics (USSR) agreed upon the Integrated Long Term Programme of Scientific and Technical co-operation between the two countries in July 1987.



The project, “Establishment of Advanced Research Centre for Powder Metallurgy”, was closed in March 1995, however, ARCI continued to function as an AB.

We observed that establishment of ARCI as an AB was not mentioned in the EFC memorandum submitted to the Cabinet. The approval accorded by the Cabinet was for the project and a fixed duration from 1989 to 1995. Establishment of ARCI as an AB and continuing funding to it was irregular as its formation was not approved by the Cabinet as required under GFRs.

ARCI accepted (February 2015) that no communication was received from DST conferring autonomous status to ARCI except internal notes.

DST stated (May 2016) during exit conference that status of ARCI would be checked again.

### **2.2.2 MoA and regulations of AB not in conformity with required legislation**

The Societies Registration Act, 1860 stipulated that MoA of a Society should contain the name of the Society, its objectives, the names, address and occupation of the Governors, Council, Directors, Committee or other Governing Body to whom, by the rules of the Society, the management of its affairs was entrusted. The MoA and a copy of regulations of the Society, certified to be correct copy by not less than three of the members of the GB, was to be filed for registration of the society.

Subsequently, the West Bengal Societies Registration Act, 1961 was passed by the West Bengal Legislature to provide for registration of societies or Non-Government Organisations (NGOs) whose head office was situated in the state of West Bengal. It also provided that any society previously registered under the Bare Act 1860 would be deemed to have been registered under the new Act, provided the MoA and regulations as mentioned in the former Act were in conformity with the latter Act. If any inconsistency was found the same was to be set right within six months from the promulgation of the new Act. In case the inconsistencies were not set right within the stipulated period, to the extent of the inconsistency, these documents would be deemed to be void.

Bose Institute, Kolkata (BI) was registered (May 1918) as a Society under the Societies Registration Act, 1860 and had accordingly filed its MoA and regulations. The Regulations of BI were subsequently revised in March 1945.

We observed that BI did not amend its MoA and regulations in accordance with the provisions of the West Bengal Societies Registration Act, 1961. As a result, a number of inconsistencies as listed in Table 1 remained in the MoA and regulations of BI.

**Table 1: Inconsistencies found in the MoA and regulations of BI with the provisions of West Bengal Societies Registration Act, 1961**

Requirement as per (WB Societies Registration Act 1961)	Inconsistency observed in MoA and Regulations
1. The MoA should contain the objects of the Society.	Objectives were placed in the Regulations instead of MoA.
2. Safe custody of property of the Society including in particular the manner of keeping or investing any moneys of the Society.	No provision regarding 'manner of keeping or investing any moneys' was given in the Regulations.
3. The procedure for holding meetings of the Society, quorum, the method of voting, the period of notice for meetings and the manner of voting by proxy, where such voting is allowed. Disqualification for being member of the GB if he has convicted any offence in connection with the formation, promotion, management or conduct of the affairs of a Society.	No such provision was incorporated in the Regulations.
4. The maintenance of a register of members and facilities for inspection thereof by the members.	
5. The maintenance and audit of accounts of the Society.	
6. The inspection of accounts and of the proceedings of the meetings, by the members of the Society.	
7. The admission to membership and resignation and removal of members.	

Thus, BI had failed to regularise these inconsistencies within the stipulated period of six months from the promulgation of the new Act.

While accepting the audit observation, DST stated (May 2016) that the matter would be taken up with the Registrar of the Society for regularisation.

## 2.3 Governance

### 2.3.1 Unauthorised constitution of Governing Body

Technology Information Forecasting and Assessment Council, New Delhi (TIFAC) is a society registered under the Societies Registration Act, 1860. MoA and Rules of TIFAC were approved in 1988. Para 10 of MoA stipulates that initial nomination of Members of the GB including office bearers was to be done by the Secretary, DST, with the approval of the Prime Minister. The term of membership of the GB was normally three

years. Changes in the composition of GB within three years' term, if any, could be done by Chairman of the GB. Nominations for the successive GBs after completion of the term could be done by Secretary, DST with the approval of the Prime Minister.

As per the term of membership of GB, the GB should have been reconstituted nine times between 1988 and 2015. Records however, revealed that during the period from 1988 to 2011, GB of TIFAC was reconstituted only four times i.e. in 1993, 1997, 2005 and 2011. Of these, approval of the Prime Minister was recorded only in one case of the GB being reconstituted in 1997. There were no records to indicate that approval of Prime Minister was obtained for reconstituting GB on the other occasions.

DST accepted (May 2016) the audit observation in exit conference.

## **2.4 Conclusion**

International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad was established without the approval of the Cabinet and therefore its formation was irregular. In another case, the Bose Institute, Kolkata initially registered under the Societies Registration Act 1860 and subsequently coming under the purview of State Societies Registration Act 1961, did not adopt the requisite provisions of State Act due to which there were inconsistencies in compliance of the provisions of the State Act. DST continued to release grants to these ABs in a routine manner without examining the adherence to legal requirements by these ABs. Further, Technology Information Forecasting and Assessment Council, New Delhi constituted Governing Body without approval of the competent authority.

## **2.5 Recommendations**

1. DST may obtain ex-post facto approval of the Cabinet for establishment of International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad as an Autonomous Body for regularisation of its continuance and ensure that the prescribed procedures are followed for creation of Autonomous Bodies.
2. DST may review Memorandum of Association and Regulations of all the Autonomous Bodies and ensure that provisions of the same are in conformity with the applicable Central/State Societies Registration Act.

# 3 CHAPTER

## Administrative functioning of Autonomous Bodies

### 3.1 Introduction

Matters relating to creation of posts, recruitment, promotions, superannuation, pay and allowances, other entitlements and any other in ABs under DST are regulated by GFRs, Fundamental Rules and Supplementary Rules (FRSR), Delegation of Financial Powers Rules (DFPR) and extant orders of the MoF and DoPT.

As per Rule 13(2) of DFPR, a department of Central Government may, by general or special order, confer powers, not exceeding those vested in that Department upon an administrator or head of department or any other sub-ordinate authority in respect of any matter covered by these rules provided that no power under this sub rule shall be re-delegated in respect of (a) creation of posts; (b) write off of losses; and (c) re-appropriation of funds exceeding 10 *per cent* of the original budget provision for either of the primary units of appropriation or sub head, whichever is less. MST reiterated (January 1999) these instructions to the ABs under its control.

Observations on compliance with extant instructions by the selected ABs are discussed in this chapter.

### 3.2 Non- inclusion of restrictive clause in the Rules and Bye laws

MoF issued (October 1984) instructions that rules and Bye laws of ABs which are fully and partly funded by the Government of India (GoI) should invariably incorporate restrictive clauses relating to the powers of the GBs of such organisations in matters of creation of posts, revision of pay and allowances of their staff and similar establishment expenditure and provide for prior approval of the Central Government in specific cases. The further clause was required to be incorporated in the relevant Bye laws/Rules/Regulations of the ABs that proposals relating to employment structure i.e. adoption of pay scales, allowances and revision thereof and creation of post above a specified pay level would need the prior approval of GoI in consultation with MoF.

MST further elaborated (January 1999) that the Scientific Departments enjoy operational freedom regarding Group B, C and D posts but they are subject to DoPT/MoF guidelines in case of Group A posts. It further clarified that the GB/GC of the Autonomous R&D institutions might exercise powers upto the limit of powers

enjoyed by the Administrative Ministry/Department concerned except with regard to creation of posts.

Audit examination of the Rules and Bye laws of the 17 ABs registered as societies revealed that the Bye laws/Rules/Regulations of 16<sup>2</sup>ABs did not contain any restrictive clauses regarding creation of posts. Only International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad (ARCI) had included the necessary restrictive clauses in its Bye laws. We also observed that necessary amendments in the Rules/ Bye laws/Regulations relating to employment structure were not made in the 17 test checked ABs. The status in respect of this provision is given in **Annexure III**.

Non-inclusion of restrictive provisions in the Rules/ Bye laws/Regulations resulted in irregular creation of posts and relaxation in promotion of staff of the ABs as discussed in the succeeding paragraphs.

DST accepted (May 2016) the audit observation.

### 3.3 Creation of posts

#### 3.3.1 Irregular creation of posts

During 2009-14, 486 posts were created/upgraded by the GB/GC of 11 ABs (IACS<sup>3</sup>, BI<sup>4</sup>, ARCI<sup>5</sup>, IIA<sup>6</sup>, SNBNCBS<sup>7</sup>, NASI<sup>8</sup>, BSIP<sup>9</sup>, WIHG<sup>10</sup>, IAS<sup>11</sup>, JNCASR<sup>12</sup> and TIFAC<sup>13</sup>) in violation of instructions of MoF/MST. The details of the 486 posts created are in **Annexure IV**. Creation of posts by the GB/GC of the ABs without approval of DST and MoF was irregular.

ARCI justified the appointments stating (November 2014) that activities grew manifold and there was dearth of scientific staff. SNBNCBS stated (November 2014) that since the matter was discussed during the respective GB meetings and had been approved by the Chairman, GB who was also the Secretary, DST, no further separate approval was required. IIA stated (January 2015) that they did not have the details of the sanctioned posts under various categories of posts. NASI (March 2015) stated that the up-gradation of posts was made by the Council.

<sup>2</sup> IACS, BI, ARI, ARIES, BSIP, CNSMS, IIA, IIG, INSA, IAS, JNCASR, NASI, RRI, SNBNCBS, TIFAC and WIHG

<sup>3</sup> Indian Association for the Cultivation of Science, Kolkata

<sup>4</sup> Bose Institute, Kolkata

<sup>5</sup> International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad

<sup>6</sup> Indian Institute of Astrophysics, Bengaluru

<sup>7</sup> Satyendra Nath Bose National Centre for Basic Sciences, Kolkata

<sup>8</sup> National Institute of Science-India, Allahabad

<sup>9</sup> Birbal Sahni Institute of Paleobotany, Lucknow

<sup>10</sup> Wadia Institute of Himalayan Geology, Dehradun

<sup>11</sup> Indian Academy of Sciences, Bengaluru

<sup>12</sup> Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru

<sup>13</sup> Technology Information Forecasting and Assessment Council, New Delhi

The justifications are not tenable, as the ABs were not empowered to create posts on their own. DST stated (May 2016) in exit conference that the issue had been recognised and a Committee had already been constituted to look into such matters and assured that the relevant clause would be incorporated in the Bye laws and approval of MoF where necessary would be taken.

### 3.4 Recruitments

#### 3.4.1 Deviations in Bye laws/Rules/Regulations from orders of DoPT

DoPT issued (2006) orders stating that for appointment at the level of Director or above for ABs (excluding those constituted by separate Acts of Parliament), Search-cum-Selection Committee were to be constituted mandatorily, the composition of which was required to be approved by DoPT in each case. The norms and criteria for selection could be finalised by the autonomous institutions with the concurrence of the concerned Ministry. The instructions further stated that for all appointments to the post of Chief Executive and for all appointments carrying a pay scale of ₹ 18,400-22,400, approval of Appointment Committee of the Cabinet (ACC) was required.

Accordingly, all autonomous institutions were required to modify their Memoranda and Articles of Association, Bye laws, etc. with the approval of Registrar of the Society and incorporate the guidelines.

We observed that

- i. Three ABs (ARIES<sup>14</sup>, BSIP, CNSMS<sup>15</sup>) did not incorporate the provisions relating to composition of Search-cum-Selection Committee in their Bye laws.
- ii. In three ABs (IACS, IIA, ARCI), the Bye laws did not have a specific mention of the composition and role of Search-cum-Selection Committee or authority of ACC. It had a general restriction to the effect of complying with Gol instructions regarding recruitment rules and procedures.
- iii. 11 ABs (JNCASR, SNBNCBS, BI, RRI<sup>16</sup>, NASI, IAS, INSA<sup>17</sup>, TIFAC, WIHG, IIG<sup>18</sup> and ARI) did not incorporate provisions relating to creation and method of composition of Search-cum-Selection Committee.

The details of deviations in Bye laws/Rules/Regulations is given in **Annexure V**.

<sup>14</sup> Aryabhatta Research Institute of Observational Sciences, Nainital

<sup>15</sup> Centre for Nano and Soft Matter Sciences, Bengaluru

<sup>16</sup> Raman Research Institute, Bengaluru

<sup>17</sup> Indian National Science Academy, Delhi

<sup>18</sup> Indian Institute of Geomagnetism, Mumbai

Thus, none of the 17 ABs fully complied with the instructions of DoPT. This led to irregular appointments in these posts as discussed in the succeeding paragraphs.

While agreeing to look into the matter, DST stated (May 2016) that the formulation of provisions would have to be such that it would not need frequent modifications of the Rules and Regulation and Bye laws.

The reply is viewed in the context of DoPT instructions (July 2007) that requires all autonomous institutions to incorporate fully the guidelines of DoPT in their MoA and Bye laws.

#### **3.4.1.1 Irregular appointment of Chief Executive**

There was no regular Director at Agharkar Research Institute, Pune (ARI) since January 2009. The vacant post was filled (August 2009) with the approval of MST/DoPT by appointing an Officiating Director initially for a period of one year with effect from 1 January 2009 and subsequently extended upto 30 June 2010. Thereafter, ARI appointed two persons as officiating Director from 1 July 2010 till 30 April 2013 and from 1 May 2013 till 31 January 2015 respectively initially for duration of three months with the approval of GC of the Institute.

We observed that neither Search-cum-Selection Committee was constituted nor approval of ACC obtained for appointment of Officiating Director, which was irregular, as the post of Director was equivalent to post of Chief Executive. Further, granting extensions by GC without the approval of ACC was also irregular.

ARI stated (January 2015) that as per its Bye laws, GC was the Appointing Authority for the post of Director. The reply was not acceptable, as the provision of Bye laws was in contravention of Government instructions.

#### **3.4.1.2 Irregular constitution of Selection Committee**

International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad (ARCI) appointed two senior Scientists in the scale of ₹ 18,400-22,400 in February 2006 and October 2010 respectively. We observed that in both cases, Recruitment Committee was constituted by the Council/Director without being approved by DoPT, which was irregular. ARCI incurred expenditure of ₹ 73 lakh on pay and allowances of the officers for the period since their recruitment till March 2015.

ARCI stated (February 2015) that recruitment of the officers was done as per the provisions of the Rules/Regulations of the Institute. The reply is not acceptable as the provisions of Rules and Regulations of ARCI were in violation of DoPT instructions and hence irregular.

### 3.4.1.3 Irregular up-gradation of pay scale

Indian National Science Academy, New Delhi (INSA) appointed (May 1991) a person to the post of Executive Secretary (ES) in the pay scale of ₹ 5,100-6,300 (revised to ₹ 16,400-20,000 w.e.f. 1996 after implementation of recommendations of Fifth Central Pay Commission). Based on the recommendations of Resource Management Committee (RMC), the scale of pay of ES was proposed (August 1998) for up-gradation to ₹ 18,400-22,400, which was approved *ex-post-facto* by DST in December 2000.

Up-gradation of post is equivalent to creation of post and Group A posts can only be created with approval of MoF. Further, appointment to a post carrying pay scale of ₹ 18,400-22,400 could be done only with the approval of ACC. The term of the officer was also extended for a further period of two years from July 2006 to June 2008. However, ARCI did not obtain approval of MoF and ACC for up-gradation of the post, which was irregular.

Thus, up-gradation/creation of the post of Executive Secretary to the pay scale of ₹ 18,400-22,400 and appointment to the post was in violation of DoPT directions.

### 3.4.2 Deficiencies in framing and implementation of Recruitment Rules

According to instructions (December 2010) of DoPT, as soon as a decision is taken to create a new post/service or to upgrade any post or restructure any service, action should be taken immediately by the administrative Ministry/Department concerned to frame Recruitment Rules (RR)/service rules. RRs should be framed for all posts which are likely to last for one year or more.

We observed that

- i. Bose Institute, Kolkata (BI) framed RRs in October 1980 for all categories of staff without approval of DST.
- ii. Similarly, Indian Institute of Astrophysics, Bengaluru (IIA) framed (October 2000) 'Norms and Guidelines for Recruitment', which were approved by GC but approval of DST and MoF was not obtained.
- iii. Indian Association for the Cultivation of Science, Kolkata (IACS) was established in 1876. Up to 21 December 2005, IACS had no RRs for Gr A, B, C and D posts. GC of IACS approved (December 2005) the report of Structural Reforms Committee constituted by it, which recommended the pay structure and career advancement scheme for Academic, Administrative and Technical staff of IACS. Recommendations of the Committee were sent to DST for approval. DST intimated (June 2006) that salary structure for the post of Director and



Group 'A' Administrative staff<sup>19</sup> were to be approved by MoF. DST however, approved recommendations for pay scales of other staff subject to finalisation of RRs by the GC of IACS. RRs of IACS were subsequently finalised and approved (July 2006) in a Special General Body meeting.

We observed that RRs of IACS were approved in a Special General Body meeting and not by the GC, as directed by DST. In the said Special General Body meeting, out of total 12 members of GC, only the four internal members from IACS were present and all the external eight members were absent. Hence approval for the RRs was irregular.

We further observed that though DST stated that approval of MoF was required for implementation of scales of Group 'A' Administrative posts as recommended by the Structural Reforms Committee, IACS implemented these scales and incorporated the same in its RRs without approval of MoF, which was irregular.

IACS stated (January 2015) that RRs was a part of their Bye laws which was approved by the GC in December 2006. We, however, observed that the RRs was not finalised by the GC. In fact, minutes of the said meeting of GC do not record any discussion of RRs or Bye laws.

### 3.4.3 Deviations in Recruitment Rules

Rule 209 (6)(iv)(a) of GFR stipulates that all grantee institutions or organisations which receive grants-in-aid of more than fifty *per cent* of their recurring expenditure should ordinarily formulate terms and conditions of service of their employees which are by and large not higher than those applicable to similar categories of employees in Central Government. In exceptional cases relaxation could be made in consultation with the MoF.

Scrutiny of records of the selected ABs revealed that RRs were not framed by one AB viz. RRI. Further, there were deviations in the RRs framed by 13 ABs (CNSMS, WIHG, JNCASR, ARIES, IACS, SNBNCBS, BI, NASI, BSIP, IIA, ARCI, IAS and IIG) vis-a-vis the provisions in the DoPT instructions as well as with GFR that implied grant of higher benefits to the persons appointed in these ABs. The details of deviations in RRs are given in **Annexure VI**.

We observed that approval of MoF for deviations from the Government prescribed RRs was not taken in any of the cases.

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<sup>19</sup> ₹ 8,000-13,500 for Assistant Registrar; ₹ 10,500-15,200 for Sr. Assistant Registrar; ₹ 12,000-16,500 for Deputy Registrar; ₹ 14,000-18,300 for Sr. Deputy Registrar and ₹ 16,400-20,000 for Registrar.

DST stated (May 2016) that once Bye laws of the ABs were revised, the Recruitment Rules would be suitably modified and placed appropriately in the same.

Specific cases of irregular appointments and grant of higher benefits observed in audit and are discussed in the following paragraphs.

#### **3.4.4 Deficiencies in recruitment process**

**(a)** As per DoPT instructions (December 2010), RRs were to stipulate the selection criteria for each position, requirements of educational qualification, experience and reservation roster, age limit, composition of the selection committee, manner of selection, details of competent authorities to approve various stages of recruitments, etc.

We observed that Indian Academy of Sciences, Bengaluru (IAS) had been conducting recruitment for all the posts without adopting the norms prescribed by DoPT. Though IAS amended its 'Rules for the administration and management of Indian Academy of Science' in 2013, the norms and the selection criterion as envisaged in the instruction of DoPT were not included. In view of absence of prescribed criteria, deficiencies were noticed in the process of recruitment the details of which are detailed in **Annexure VII**. Some major persistent deficiencies in appointment of personnel are given below:

Screening of the applications:

- i. IAS had not constituted any committee for screening of applications received for any of the posts. Even the signature of the official who had screened the applications was not available in the sheet in which names of the shortlisted candidates were mentioned.
- ii. While screening the applications, ineligible candidates were also shortlisted for interview and finally selected.
- iii. We further observed that there was no uniformity in the screening process. In most of the cases the information pertaining to the number of applications received and the details of such applications viz. name of the applicant, date of receipt of the application etc. were not available.
- iv. Approval of the Competent Authority for the shortlisted candidates was also not obtained.
- v. Further, the criteria adopted for screening the applications and the basis on which the applications were rejected in individual cases was not mentioned except in one case.

Thus, screening was not done in the prescribed manner.

Selection Process:

- i. Selection Committee of the Academy was to define the criteria to be followed for selection. However, the Committee did not mention the criteria to be adopted for selecting candidates. Thus, the basis on which the committee selected or rejected the candidates was not documented and hence could not be verified.
- ii. Academy had not maintained attendance sheet for the candidates who appeared in the interview. As per the minutes of selection committee, the short listed candidates did not attend the interview. In the absence of attendance sheet, we could not ascertain whether the candidates had appeared for the interview or not.

Qualification:

We observed that the qualifications prescribed for posts at lower level were higher than that prescribed for posts at higher level in the same hierarchy. The qualification prescribed for the post of ES in the Academy (2008) was a Bachelor degree, however for Executive Editors, the lower level post, the qualification prescribed was Master degree. Similarly, for Accounts Assistant (in 2013-14), the essential qualification prescribed was Bachelor/Master degree with five years' experience while for the position of Accounts Officer in 2010-11, a higher level post, the qualification prescribed was a Bachelor degree only.

**(b)** Audit scrutiny of 16 recruitment files of regular staff and 11 temporary staff in IIA revealed that the recruitment process followed by the institute for the recruitment of its regular staff did not follow the due process prescribed for recruitments in Central Government. The irregularities were of the following categories:

- i. Recruitments were made without open advertisement in violation of instructions of DoPT.
- ii. Candidates were selected without having prescribed experience.
- iii. Appointment of Director was made without constitution of search-cum-selection committee.
- iv. Approval of ACC was not obtained for appointment of acting Director.

Details of irregularities observed are given in **Annexure VIII**.

### 3.4.5 Recruitments made in contravention of provisions of RRs

(a) As per RRs of BI, the post of Dy. Registrar is to be filled by Direct Recruitment through issue of advertisements. Audit examination revealed that BI recruited Dy. Registrar in September 2006 without advertising for the post which was irregular. BI stated in July 2015 that the advertisement for the said post was not published to save time and money which is not acceptable as it was not as per their RRs.

(b) IACS recruited 17 Assistant Professors, four Technical Assistants and three administrative staff during 2009-14. We examined 10 cases (six Assistant Professors, two technical staff and two administrative staff) and observed that five of the six Assistant Professors recruited were allowed a fixed allowance equivalent to two increments which was not as per the RRs of IACS. This resulted in an excess recurring monthly expenditure of ₹ 1,780 for each Assistant Professor. IACS stated (January 2015) that the Selection Committee for recruitment of Assistant Professor recommended for two additional increments during the initial recruitment which was approved by the GC. The reply is not acceptable since grant of financial benefit in initial pay fixation is not within the authority of the GC and required approval by MoF.

### 3.4.6 Irregular adoption of provisions relating to recruitments

Sree Chitra Tirunal Institute of Medical Science and Technology, Thiruvananthapuram (SCTIMST) was included in the list of University Grants Commission (UGC) recognised Universities and Institutions/deemed to be Universities and Institutes of national importance in India since 31 March 2006. As such, SCTIMST was to follow the pay structures notified by UGC from time to time.

Ministry of Health and Family Welfare (MHFW) issued instructions (January 2010) revising pay scales of faculty of autonomous institutions of medical education under MHFW, following the implementation of recommendations of Sixth Central Pay Commission. The GB of SCTIMST, in the same month, approved the revised pay structure for its own faculty at par with All India Institute of Medical Science (AIIMS), an AB under the administrative control of MHFW. Prior to this, SCTIMST had adopted the Central Government pay structure as approved by its GB. The pay structure approve by GB for academic staff was not in accordance with the UGC pay structure, as shown in Table 2.

**Table 2: Difference between pay structure approved by GB of SCTIMST and Central Government (MST) approved pay structure**

Designation	Pay scale (₹)	Pay structure approved by GB prior to 2010	Pay structure adopted by SCTIMST
		Grade pay according to MST approved pay structure (₹)	Academic grade pay drawn (₹)
Scientist D/Engineer D	15,600-39,100	7,600	8,000
Scientist E/ Engineer E	37,400-67,000	8,700	9,000
Scientist F/ Engineer F	37,400-67,000	8,900	9,500
Scientist G/ Engineer G	37,400-67,000	10,000	10,500
Assistant Professor	15,600-39,100	6,600	8,000
Associate Professor	37,400-67,000	8,700	9,000
Additional Professor	37,400-67,000	8,900	9,500
Professor	37,400-67,000	10,000	10,500

Adoption of irregular pay structure by SCTIMST resulted in incurring of excess expenditure in basic pay and Grade Pay (GP).

22 medical staff/Scientists were appointed on direct recruitment during the period 2009-14 as Assistant Professors, Additional/Associate Professors/Professors/Scientist D whose initial pay were fixed at enhanced pay and higher GP resulting in excess expenditure of ₹ 2.67 crore as of March 2014.

DST agreed (May 2016) to look into the issue.

### 3.4.7 Irregular grant of advance increments on initial recruitment

(a) Provisions of FR-27 stipulated that any authority might grant a premature increment on a time- scale of pay if it had power to create a post in the same cadre on the same scale of pay. DST instructions (January 1999) on delegation of powers to ABs specified that heads of ABs did not have the power to create posts and hence ABs did not have the power to grant premature increments.

We observed that seven employees of three ABs viz. IAS, BI and BSIP were granted one to 16 advance increments at the time of joining service, without obtaining approval of DST and MoF. This was irregular as none of the ABs had the power to create posts and therefore to sanction advance increments.

(b) Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru (JNCASR) was declared (August 2002) as deemed University by Ministry of Human Resources Development (MHRD) subject to the condition that the centre would adhere to the guidelines/instructions issued by UGC from time to time as applicable to deemed Universities. As per instructions of MHRD (December 2008), the pay structure of different categories of Teachers and equivalent positions in the Universities and Colleges under UGC would be in three categories viz. Assistant Professors, Associate

Professors and Professors. Accordingly, direct recruitment could be done in the post of Assistant Professors carrying Pay Band ₹ 15,600-39,100 with Academic Grade Pay (AGP) ₹ 6,000, Associate Professor carrying Pay Band ₹ 37,400-67,000 with an AGP of ₹ 9,000 and Professor carrying Pay Band ₹ 37,400-67,000 with AGP ₹ 10,000 with minimum Pay of ₹ 43,000. Further, five non-compounded advance increments would be admissible at the entry level of recruitment as Assistant Professor to persons possessing degree of Ph.D. DST instructed (August 2014) the centre to follow the UGC Regulations 2010.

JNCASR recruited seven personnel between June 2009 and July 2013, of which we scrutinised five cases of those who possessed Ph.D degree at the time of initial appointment. We observed that although these incumbents were eligible for grant of five advance increments only, they were granted eight advance increments by JNCASR which was in contravention of UGC guidelines. Consequently, due to fixation of salary on higher side at the initial stage, JNCASR incurred extra expenditure of ₹ 61 lakh up to March 2015.

### 3.5 Promotion of employees

#### 3.5.1 Irregular adoption of promotion policy in academic cadre

DST conveyed (February 1989) the approval of GoI to the extension of UGC packages of pay, allowances and all other terms and conditions of service to academic staff of ABs and also directed ABs covered by the UGC packages should not follow the Flexible Complementing Scheme<sup>20</sup> (FCS) applicable to scientific staff. We observed deviations from these instructions in two ABs as detailed below:

- i. Indian Association for the Cultivation of Science, Kolkata (IACS) convened a special general meeting (December 1989) and by resolution, adopted a separate promotional rule for its academic staff in violation of the above instruction of DST. Subsequently, GC of IACS constituted (October 2004) a Structural Reforms Committee (SRC) with the approval of DST, to introduce pay scales, promotional avenues and other research benefits for its academic and non-academic staff. DST agreed and approved the recommendation of the SRC in April 2006.

Audit examination of the pay scales, promotional avenues etc. given to the academic staff of IACS revealed deviations from the UGC pay structures. We observed that IACS academic staff enjoyed higher pay scales/lesser residency

<sup>20</sup> DST introduced Flexible Complementing Scheme in May 1986. Subsequently, DoPT issued instructions from 1998 onwards in supersession to the order of DST (1986) in which minimum residency period for career advancement pertaining to promotion of scientific staff from one grade to another was mentioned.

period than the employees of the Central Universities under UGC. Details of deviation in residency period is given in **Annexure IX**.

The creation of higher pay structure in respect of Gr 'A' post without the approval of MoF/DoPT was in violation of MoF instructions 1994<sup>21</sup> as well as MST's instruction issued in 1999<sup>22</sup>. Further, DST approved the recommendations of SRC which were not in compliance with the above instructions, without consultation with DoPT/MoF.

- ii. Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru (JNCASR) was declared (August 2002) Deemed University by MHRD subject to the condition that it would adhere to the guidelines/instructions issued by UGC from time to time as applicable to Deemed Universities. We observed that JNCASR adopted higher pay scales as per the pay structure in Indian Institute of Science, Bengaluru (an AB under MHRD) from 2002 which were not in accordance with UGC pay packages. Approval of DST and DoPT/MoF to the pay scales was not obtained.

During 2009-14, 19 academic staff were promoted and in nine cases randomly selected, JNCASR incurred excess expenditure of ₹ 3.15 crore towards pay and allowances by adoption of higher pay scales.

JNCASR stated (December 2014) that it was presently in the process of forming guidelines of promotional policy to be approved by the appropriate authority. The reply is not tenable as instructions of MHRD/DST to follow the UGC guidelines applicable for Deemed University were already in existence.

### **3.5.2 Irregular promotion of academic staff**

Raman Research Institute, Bengaluru (RRI) adopted the Central Government pay scales for its scientific staff. Test check of service books of seven scientific staff revealed deviations which are detailed below:

- i. The Scientists were offered designation of Associate Professor instead of 'Scientist' at the time of initial appointment/promotion. The designation of Associate Professor was applicable only in the UGC pay scales, which were not adopted and hence were not applicable to RRI.
- ii. Three Scientists were appointed in the pre-revised scale of pay of ₹ 10,000-325-15,200. We observed that the Scientists were granted two advance increments at the time of initial appointment and their pay fixed at ₹ 10,650,

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<sup>21</sup> Posts equivalent to Group 'A' could be created in ABs with the approval of Secretary (Expenditure), MoF through Financial Advisor of the Ministry concerned.

<sup>22</sup> The Scientific Departments enjoy operational freedom regarding Group 'B', 'C' and 'D' posts while they are subject to DoPT/MoF's Guidelines in case of Group 'A' posts.

which was irregular as there was no such provision in Central Government pay structure.

- iii. In the case of one Scientist, the initial pay was fixed at ₹ 32,320 with GP of ₹ 7,600 which was much higher than the required minimum of the time scale of ₹ 15,600 – 39,100 with GP ₹ 7,600.
- iv. Promotion was granted to one Scientist before completing the applicable residency period of five years.

RRI stated (April 2015) that it had not formulated any separate recruitment and promotion rules for its staff. The reply is not acceptable as RRI is required to follow Central Government pay scales as specified by DoPT for its scientific staff.

### 3.5.3 Irregular adoption of promotion policy in non-academic cadre

Indian Institute of Astrophysics, Bengaluru (IIA) was required to follow the promotional policy of FCS as introduced by DST/DoPT for its scientific staff. We observed that the promotion policy framed by IIA was not in accordance with the orders applicable to Central Government employees and did not have the approval of DST/ DoPT and MoF as required. Audit scrutiny further revealed that IIA did not even follow its own promotion policy, which was irregular, as detailed in Table 3.

**Table 3: Violation of provisions in promotion policy by IIA**

Provision in promotion policy of IIA	Violation of promotion policy by IIA
Cases of officials who were not promoted were to be taken up for reassessment normally after two years.	In two cases, reassessment and promotion before completion of two years were found.
Recommendations of review committee constituted for assessment of the promotion cases were to be scrutinized by other senior committees.	In 21 cases, promotions of staff were granted without scrutiny of senior committees.
Promotions could not be granted with retrospective effect.	31 promotions were granted with retrospective effect resulting in irregular benefit of ₹ 18 lakh between 2009 and 2014.
Director was to constitute a Normalizing Committee to review and recommend the Assessment Committee recommendations for promotions.	The institute did not fix the powers of the Normalising Committee to review the recommendations of the assessment committees including the powers over and above the assessment committees.
Review committee was to examine the confidential reports, work reports and conduct personal interview to assess the work and performance of the staff members selected by the screening committee.	The Review committee recommended the official for promotion without obtaining the work and performance reports and conducting personal interview.



### **3.5.4 Irregular grant of promotions under Flexible Complementing Scheme**

DoPT introduced (November 1998) FCS for scientists wherein promotion could be granted to scientists after consideration by Assessment Boards constituted for the purpose, which would meet at least once a year. DoPT clarified (July 2002) that in FCS cases promotions may not be granted with retrospective effect and further reiterated (September 2012) the same stating that giving the benefit of promotions from a retrospective date without timely assessment as prescribed in the guidelines of FCS would dilute the spirit of FCS instructions on rigorous assessment and would be akin to granting of financial up-gradation as in other such schemes.

Our scrutiny revealed that 74 scientists were granted promotion with retrospective effect under FCS on the basis of approval of GC in Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvanthapuram (SCTIMST), in violation of the DoPT orders. Grant of promotion with retrospective effect resulted in inadmissible payment of ₹ 8.70 crore between 2009 and 2014 to these employees.

### **3.5.5 Irregular revision of pension**

Finance Committee of IACS decided (June 2009) that those Professors in the pay scale of ₹ 14,300 - 22,400 (Fifth Central Pay Commission) who retired prior to 1 January 2006 and were drawing basic pay exceeding ₹ 18,400 would be placed in the post of Sr. Professor in the scale of ₹ 18,400 - 22,400 (Fifth Central Pay Commission) and those drawing less than ₹ 18,400 were placed in the post of Professor in the scale of ₹ 16,400 - 20,000 (Fifth Central Pay Commission). Accordingly, the pension of 20 such retired Professors and the family pension in five cases was notionally revised with effect from 1 January 2006.

We observed that the revision of pension in the upgraded pay scale was in violation of Department of Pension and Pensioners Welfare orders (February 2009) which stated that pension should be revised with respect to pay in the pay band plus grade pay corresponding to the pre-revised pay scale from which the pensioner had retired. Hence, the benefit of up-gradation of post subsequent to retirement would not be admissible to the pre-2006 pensioners.

IACS accepted (April 2015) that the persons whose pensions/family pensions were revised to Sr. Professors had never served in that scale.

### 3.6 Entitlements of employees

Entitlements issues relating to grant of Travelling Allowances (TA)<sup>23</sup>, Leave Travel Concession (LTC)<sup>24</sup>, House Building Advances (HBA)<sup>25</sup>, sanction of leave<sup>26</sup> and other loans and advances<sup>27</sup> were examined. Our observations on these areas are discussed in the succeeding paragraphs.

#### 3.6.1 Irregular expenditure on grant of allowances to academic staff

We observed the following irregularities in grant of allowances to academic staff of SCTIMST:

**(a)** Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvanthapuram (SCTIMST) granted Clinical Research Allowance (CRA) to its academic staff at the rate of ₹ 2,500 per month and academic allowance at the rate of ₹ 250 per month to all Group A officers from April 1999. The CRA was revised to ₹ 10,000 per month from April 2011 by the GB of the Institute. During 2009-14, SCTIMST paid an amount of ₹ 4.63 crore to its employees towards CRA and academic allowance.

We observed that there was no such allowance in the Central Government Rules. Payment of allowances of ₹ 4.63 crore to employees without approval of administrative Ministry and MoF was irregular.

**(b)** GB of SCTIMST decided (May 2002) to introduce Learning Research Allowance (LRA) for purchase of books, journals and other resource material like floppies, CDs, Video films, transparencies, colour films for making slides, developing and mounting charges of slides, etc. to the academic staff of the institute subject to a maximum of ₹ 20,000 in each financial year. A similar allowance was being paid in AIIMS, which was rejected by MHFW (July 2004), directing that LRA should be stopped immediately and instead faculty members/Group A officers might be allowed to send requisition to the Library administration for purchasing books/journals relating to their work. AIIMS, however, continued to pay LRA to its Faculty/Group A officers and hence considering payment of LRA by AIIMS, SCTIMST enhanced (April 2011) the rate of LRA from ₹ 20,000 to ₹ 60,000 per annum to the faculty members and ₹ 10,000 to ₹ 30,000 per annum for all Group A officers.

<sup>23</sup> GFR-48 (Part II) read with SR Part II

<sup>24</sup> GFR-52(Part II) read with LTC Rules

<sup>25</sup> GFR-86, (Part II) HBA Rules

<sup>26</sup> FR 54 to 104 read with SR Part III

<sup>27</sup> Part II GFR 2012

Audit scrutiny revealed that during 2009-14 SCTIMST paid an amount of ₹ 2.23 crore towards LRA to its Faculty/Group A officers. Payment of LRA without approval of Government was irregular.

DST agreed (May 2016) to take remedial measures on the above irregularities.

### **3.6.2 Grant of Hospital Patient Care Allowance to ineligible staff**

MoHFW introduced grant of Hospital Patient Care Allowance (HPCA) at the rate of ₹ 700 per month to Group C and D (non-ministerial) employees working in hospitals and whose regular duties involved continuous and routine contact with patients infected with communicable disease or those who had to routinely handle, as their primary duty, infected materials, instruments and equipment which could spread infection as their primary duty. MoF further clarified that HPCA should not be allowed to those categories of employees whose contact with patients or exposures to infected materials was of an occasional nature.

SCTIMST is a hospital having 253 beds and serves as tertiary referral centre for cardio vascular, thoracic and neurologic diseases. SCTIMST granted HPCA to all its Group C and D employees. Audit scrutiny revealed that during 2009 - 2014 (except 2012-13) SCTIMST paid HPCA of ₹ 1.53 crore to its staff without approval of DST and MoF.

Grant of HPCA to employees without obtaining approval of DST and MoF was irregular.

### **3.6.3 Inadmissible allowances to Scientists**

GC of International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad (ARCI) requested (March 2003) DST to obtain approval of MoF for grant of Special Pay and Update Allowance to its Scientists. However, ARCI paid ₹ 32.23 lakh as Update Allowance to its Scientific staff for the period from 2007-14 without obtaining/waiting for approval from MoF.

ARCI stated (2015) that grant of allowances was approved by the GC. The reply is not acceptable since proposal involving financial implication required prior approval of MoF and GC had also recommended approval of MoF.

### **3.6.4 Excess payment of allowances to staff**

As per extant orders, House Rent Allowance (HRA) is to be paid at the rate of 30 per cent, 20 per cent and 10 per cent of basic pay as per the classification of the city into the category of X, Y and Z, respectively. Other unclassified cities were to be treated as 'Z' category. Similarly, Transport Allowance (TA) was also admissible as per the classification of cities.

We observed that during 2009-14, Indian Institute of Astrophysics, Bengaluru (IIA) paid HRA and TA in respect of its employees posted at Hoskote (an unclassified city) at the rate applicable to Bengaluru city (category X). Payment of the HRA and TA at higher rate was irregular and the Institute incurred excess expenditure of ₹ 74.35 lakh towards such payment.

### 3.6.5 Inadmissible payment of Festival Advance

Provisions of GFR stipulates that non-gazetted employees whose GP does not exceed ₹ 4,800 are eligible to draw Festival Advance for an amount ₹ 3,000 effective from October 2008. The rate of Festival Advance from January 2011 was enhanced to ₹ 3,750 and from January 2014 to ₹ 4,500.

Audit scrutiny revealed that between 2009 and 2015 Bose Institute, Kolkata (BI) paid Festival Advance to both gazetted and non-gazetted employees. This resulted in grant of Festival Advance of ₹ 1.31 crore to ineligible employees.

DST accepted (May 2016) the audit observation.

### 3.6.6 Irregular leave benefits to employees

According to Government Rules, Sabbatical Leave was admissible to teachers in Central Universities/Colleges to undertake study or research or other academic pursuits to increase their proficiency and usefulness to the University and higher education system. The duration of leave should not exceed one year at a time and two years in the entire career of the employee. We observed that Satyendra Nath Bose National Centre for Basic Sciences, Kolkata (SNBNCBS) incorporated a provision in its Bye laws for grant of Sabbatical Leave for four years. Further, it granted the Sabbatical leave to one Scientist for more than five years and hence granted leave for excess period. An excess payment of ₹ 36.13 lakh was made to the Scientist on this account.

## 3.7 Retirement of employees

### 3.7.1 Rules and Regulations relating to retirement

Of the 17 selected ABs, the rules and regulations framed by three ABs (INSA, IIG and ARI) were in conformity with extant Government rules. The remaining 14 ABs had also framed their rules but the rules were at variance with the extant Government regulations. However, as prescribed, approval of DST and MoF was not found on record. The deviations in the rules are given in **Annexure X**.

### 3.7.2 Irregular grant of extension of service

DoPT (July 2006) issued instructions that the authority for approval of extension in tenure of Chief Executives of ABs vests with the ACC. Extension in tenure of officers other than the Chief Executives carrying scale of pay ₹ 18,400-22,400 and above was to be considered by Search-cum-Selection Committee (SSC) and their recommendations were to be implemented by the Ministry/Department. Any deviation would require approval of the ACC. The following three ABs violated the instructions of DoPT as shown in the Table 4.

**Table 4: Inadmissible payment due to irregular extension of service**

AB	Particulars	Scale of pay	Month of superannuation	Extended upto	Audit observation	Irregular payment ₹ in crore
SNBNCBS	Scientific staff	37,400-67,000 with GP 10,000	April 2006	May 2010	Approval for extension was not routed through SSC	0.37
SNBNCBS	Chief Executive	80,000 Fixed	February 2012	September 2014	Approval of ACC for extension of service from March to September 2014 was not taken	0.11
IAS	Executive Secretary	37,400-67,000 with GP 8,900	November 2013	April 2016	Approval of ACC was not obtained	0.23
IIA	Engineer G	37,400-67,000 with GP 10,000	July 2009	July 2011	Absence of approval of SSC/ACC	2.70
	Senior Professors	37,400-67,000 with GP 10,000	June 2014	June 2016		
			January 2009	January 2011		
			May 2009	May 2011		
			December 2010	December 2014		
	Professor	37,400-67,000 with GP 8,900	May 2010	May 2012		
Director	67,000-79,000	June 2010	June 2012			
<b>Total</b>						<b>3.41</b>

Violation of Government orders resulted in inadmissible payment of ₹ 3.41 crore towards extension of service of the academic staff.

While accepting the observation DST stated (May 2016) that extension of service was granted very selectively and judiciously after thorough peer review and only against the posts that were lying vacant. The fact remained that approval of Ministry of Finance was not obtained in cases that were in deviation of Gol instructions.

### **3.8 Outsourcing of services**

#### **3.8.1 Remunerations to consultants**

DoPT order (April 2009) stated that with a view of bringing about uniformity in all cases of engagement of consultants, provisions as envisaged in GFR shall apply.

Satyendra Nath Bose National Centre for Basic Sciences, Kolkata (SNBNCBS) appointed 47 persons on contractual basis during the period 2010-14 and paid consolidated monthly remunerations with an annual increment of three *per cent*, DA and HRA as applicable to regular employees. Besides payment of fixed monthly remuneration they were also allowed other incidental benefits such as leave encashment for a maximum of 30 days in a year on the basis of last pay drawn and reimbursable medical expenses. The payment of remuneration and other benefits to contractual staff violated the provision of GFRs.

#### **3.8.2 Engagement of contractual staff in excess of sanctioned strength**

As on March 2006, IACS had one sanctioned post of Registrar in the scale of ₹ 12,000-16,500 and one sanctioned post of Deputy Registrar in the scale of ₹ 10,000-15,200. In October 2007, IACS appointed one consultant against the post of Registrar in the scale of pay ₹ 14,300-18,300 though there was no sanction for that pay scale in IACS for the post of Registrar. The incumbent resigned from IACS in August 2009. IACS paid an amount of ₹ 15.24 lakh during the period October 2007 to August 2009 which was irregular.

### **3.9 Conclusion**

Administrative functioning of the selected ABs was not in conformity to the applicable rules and regulations. The extant rules and orders were violated in creation of posts, recruitments, promotion policies for scientists, staff entitlements, retirement matters and outsourcing of services.

### 3.10 Recommendations

1. DST may ensure that Autonomous Bodies incorporate relevant clauses in the Bye laws specifying the powers enjoyed by the Governing Bodies/Council of the said Autonomous Body in matters of creation of posts, recruitments, promotions, retirements, staff entitlements and other administrative issues.
2. DST may ensure that Autonomous Bodies, recognised as Deemed Universities, follow the UGC guidelines on pay structures.

# 4 CHAPTER

## Oversight functions of DST

### 4.1 Introduction

Though ABs have autonomy in their day-to-day functioning, the administrative Ministries/ Departments have oversight role in matters of general direction and supervision. Our observations on shortcomings in the oversight role of DST are discussed in this chapter.

### 4.2 Non-conduct of Peer Review

Rule 208(v) of GFR stipulates that a system of external or peer review of autonomous organisations every three or five years depending on the size and nature of activity should be put in place. Such a review should focus inter alia on (a) the objective for which the AB was set up and whether these objectives had been or were being achieved; (b) whether the activities should be continued at all, either because they were no longer relevant or had been completed or if there had been a substantial failure in achievement of objectives; (c) whether the nature of activities was such that these need to be performed only by an AB; and (d) whether similar functions were also being undertaken by other organisations, be it in the Central Government or State Governments or the private sector, and if so, whether there was scope for merging or winding up the organisations under review, etc.

We observed that no external or peer review of any of the ABs was conducted to ensure compliance of above mentioned objectives by DST during 2009-14.

While accepting the audit observation, DST stated (May 2016) that performance of the ABs was being assessed and reviewed by several committees. DST, however, assured that peer review of 16 research institutes would be completed within this financial year and for remaining eight ABs, peer review would be conducted in the next financial year.

### 4.3 Lack of control in release of grants-in-aid

As per Rule 209(5) of GFR, every order sanctioning a grant should indicate whether it was recurring or non-recurring and specify clearly the object for which it was being given and the general and special conditions, if any, attached to the grant. In the case of non-recurring grants for specified object, the order should also specify the time limit within which the grant or each instalment of it was to be spent.



We scrutinised 443 sanction orders valuing ₹ 1,386.14 crore furnished by 11 ABs and found that in none of the sanction orders details such as nature of the grant i.e. whether recurring/non-recurring, object for which grant was released and time limit within which the grant or each instalment of it was to be spent were mentioned.

DST stated (May 2015) that majority of grants were given under Plan and a very small amount of two *per cent* was given under Non-Plan. It added that grants-in-aid released to ABs were meant for incurring expenditure on salary of the employees, general expenditure and creation of capital assets etc. to run an establishment in a particular financial year.

The fact remained that sanction orders were not issued with these details as required under provisions of GFR.

#### **4.4 Monitoring of Utilisation Certificates**

As per GFR 212(1), Ministry/Department including Government Institutes were required to obtain Utilisation Certificate (UC) from grantee institutions/organisations in a prescribed format indicating that the grant had been utilised for the purpose for which it was sanctioned. GFR also stipulated that UCs should disclose whether the specified, quantified and qualitative targets prescribed against the amount utilised were in fact reached and if not, the reasons were to be mentioned. The UCs should also disclose separately the actual expenditure incurred and loans and advances given to suppliers of stores and assets, construction agencies, staff for house building and purchase of conveyance etc. which should be treated as unutilised grants but allowed to be carried forward. While regulating the grants for the subsequent years, the amount carried forward should also be taken into account.

We observed that none of the UCs submitted by the 17 selected ABs to DST contained details of achievement of specified, quantified and qualitative targets, reasons for non-achievement of targets, output based performance assessment, details of actual expenditure incurred and loans and advances given to suppliers of stores and assets, construction agencies, staff for house building and purchase of conveyance etc. As a result, the UCs did not state whether the purpose for which grants-in-aid were given was actually utilised.

DST stated (May 2016) that setting of targets was difficult due to inherently uncertain nature of work performed by the ABs but assured that various outputs may be included in the format of UCs.

## 4.5 Deficiencies in internal audit

### 4.5.1 Shortfall in internal audit

Rule 211(1) of GFRs stipulates that the accounts of all grantee institutions or organisations should be open for inspection by the sanctioning authority and audit, both by the Comptroller and Auditor General of India under the provisions of CAG's (DPC) Act 1971 and internal audit by the Principal Accounts Office of the Ministry or Department, whenever the institution or organisation is called upon to do so and a provision to this effect should invariably be incorporated in all orders sanctioning grants-in-aid. DST fixes a target for annual internal audit of its ABs. Target and achievement for the years 2013-14 and 2014-15 is detailed in Table 5.

**Table 5: Status of Internal Audit of ABs**

Year	ABs under the control of DST	Target fixed for Internal Audit (in number of units)	Achievement against target	Units not covered under target	Percentage of shortfall in target
2013-14	28	28	11	17	61
2014-15	28	28	17	11	39

Details for the earlier period were not available. The table shows that there was a shortfall of 61 *per cent* and 39 *per cent* against target fixed by DST during 2013-14 and 2014-15 respectively. Due to the above shortfall, assessment of internal controls and implementation of remedial measures could not be carried out.

DST stated (May 2016) that internal audit of all units could not be done due to shortage of manpower. The reply is not acceptable as DST would have been fully aware of the staff shortage when fixing targets.

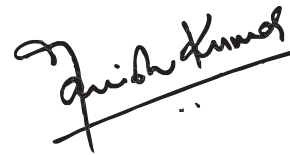
## 4.6 Conclusion

The oversight role of DST was weak. No peer review was conducted as per the provisions of GFRs, due to which the performance of the ABs was not evaluated. Sanction letters for payment of grants by DST did not specify the nature of grants. Monitoring of submission of Utilisation Certificates (UC) by ABs was lax. None of the UCs submitted by the 19 ABs to DST contained achievement about specified, quantified and qualitative targets. There was shortfall in conduct of internal audit by DST.

#### 4.7 Recommendations

DST may evolve a mechanism for conduct of peer review of all the Autonomous Bodies under its administrative control. DST may strengthen its internal audit mechanism.

New Delhi  
Dated: 15 July 2016



(MANISH KUMAR)  
Principal Director of Audit  
Scientific Departments

Countersigned

New Delhi  
Dated: 18 July 2016



(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India

# Annexures



**Annexure I (Refer to paragraph 1.1)****List of Autonomous Bodies under Department of Science and Technology**

<b>Autonomous Body</b>	<b>Year of establishment</b>	<b>Registered under Act</b>
1. Agharkar Research Institute, Pune	1946	The Societies Registration (Maharashtra) Rules, 1971
2. Aryabhata Research Institute of Observational Sciences, Nainital	1954	The Uttar Pradesh Societies Registration Rules, 1976
3. Birbal Sahni Institute of Palaeobotany, Lucknow	1946	The Uttar Pradesh Societies Registration Rules, 1976
4. Bose Institute, Kolkata	1917	West Bengal Societies Registration Act, 1961
5. Centre for Nano and Soft Matter Sciences, Bengaluru	1991	The Karnataka Societies Registration Act, 1960
6. Indian Association for the Cultivation of Science, Kolkata	1876	West Bengal Societies Registration Act, 1961
7. Indian Institute of Astrophysics, Bengaluru	1786	The Karnataka Societies Registration Act, 1960
8. Indian Institute of Geomagnetism, Mumbai	1971	The Societies Registration (Maharashtra) Rules, 1971
9. International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad	1997	The Andhra Pradesh Societies Registration Act, 2001
10. Institute of Nano Science and Technology, Mohali	2013	Societies Registration Act, 1860
11. Institute of Advanced Study in Science and Technology, Guwahati	1979	Societies Registration Act, 1860
12. Indian National Academy of Engineering, New Delhi	1987	The Uttar Pradesh Societies Registration Rules, 1976
13. Indian National Science Academy, New Delhi	1935	The Uttar Pradesh Societies Registration Rules, 1976
14. Indian Academy of Sciences, Bengaluru	1934	The Karnataka Societies Registration Act, 1960
15. Indian Science Congress Association, Kolkata	1914	West Bengal Societies Registration Act, 1961
16. Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru	1989	The Karnataka Societies Registration Act, 1960
17. National Accreditation Board for Testing and Calibration Laboratories, New Delhi	1981	Societies Registration Act, 1860
18. Nation Innovation Foundation, Ahmedabad	2000	Societies Registration Act, 1860
19. National Academy of Sciences – India, Allahabad	1930	The Uttar Pradesh Societies Registration Rules, 1976

20. North East Centre for Technology Application and Research, New Delhi	2012	The Uttar Pradesh Societies Registration Rules, 1976
21. Raman Research Institute, Bengaluru	1948	The Karnataka Societies Registration Act, 1960
22. Science and Engineering Research Board, New Delhi	2008	Act of Parliament
23. Satyendra Nath Bose National Centre for Basic Science, Kolkata	1986	West Bengal Societies Registration Act, 1961
24. Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvananthapuram	1973	Act of Parliament
25. Technology Development Board, New Delhi	1996	Act of Parliament
26. Technology Information, Forecasting and Assessment Council, New Delhi	1988	The Uttar Pradesh Societies Registration Rules, 1976
27. Vigyan Prasar, Noida	1989	The Uttar Pradesh Societies Registration Rules, 1976
28. Wadia Institute of Himalayan Geology, Dehradun	1968	The Uttar Pradesh Societies Registration Rules, 1976

**Annexure II (Refer to paragraph 1.4)****Grants in aid and expenditure incurred by the Autonomous Bodies****(₹ in crore)**

<b>Autonomous Body</b>	<b>Grants-in-aid received during 2009-14</b>	<b>Expenditure incurred during 2009-14</b>
1. Agharkar Research Institute, Pune	69.53	72.06
2. Aryabhata Research Institute of Observational Sciences, Nainital	158.23	140.21
3. Birbal Sahni Institute of Palaeobotany, Lucknow	104.91	116.96
4. Bose Institute, Kolkata	253.22	259.79
5. Centre for Nano and Soft Matter Sciences, Bengaluru	23.92	24.96
6. Indian Association for the Cultivation of Science, Kolkata	281.02	314.08
7. Indian Institute of Astrophysics, Bengaluru	243.26	242.46
8. Indian Institute of Geomagnetism, Mumbai	136.08	144.68
9. International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad	241.04	257.03
10. Indian National Science Academy, New Delhi	67.49	81.08
11. Indian Academy of Sciences, Bengaluru	49.80	52.01
12. Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru	253.22	278.48
13. National Academy of Sciences – India, Allahabad	43.99	43.99
14. Raman Research Institute, Bengaluru	183.27	188.63
15. Satyendra Nath Bose National Centre for Basic Science, Kolkata	148.25	153.88
16. Sree Chitra Tirunal Institute for Medical Science and Technology, Trivandrum	451.15	777.04
17. Technology Development Board, New Delhi	41.00	416.60
18. Technology Information, Forecasting and Assessment Council, New Delhi	81.69	94.95
19. Wadia Institute of Himalayan Geology, Dehradun	131.87	136.57
<b>TOTAL</b>	<b>2,962.94</b>	<b>3,795.46</b>



### **Annexure III (Refer to paragraph 3.2)**

**Status of inclusion of restrictive clauses in the Rules/Bye laws/Regulations of Autonomous Bodies that proposals relating to emoluments structure and revision thereof would need the prior approval of the GoI in consultation with the MoF**

<b>Autonomous Body</b>	<b>Details of existing clause in the Rules/Bye laws/Regulations of Autonomous Bodies</b>
RRI, CNSMS, JNCASR, ARIES, IIA	The Council should fix the scale of pay and allowances of the staff of the Institute from time to time. This would in general follow the Central Government norms in respect of Central Government employees of corresponding categories.
SNBNCBS/ NASI	The emoluments structure including pay and allowances and other terms and conditions of service of the employees of the centre would generally follow the pattern adopted by the Government of India for the Central Government employees.
WIHG	The scales of pay for the various posts under the Institute should be specified in the schedule contained in the Bye laws. Structure of allowances would be applicable as same to the Central Government employees.
BI	The scales of pay of the regular employees of the Institute would be determined from time to time in consultation with the Government of India.
BSIP	Employees of the Institute would be governed by the rules framed by the Governing Body in respect of their emoluments allowances conditions of service and other related matters subject to any standing orders which might be issued by the authorities of the Institute from time to time.
IACS	The Council shall make all appointments included in the Group A category and fix their remuneration as per the existing Government of India rule.
ARCI	The Institute will adopt pay structure as per CCS (Pay Rules) as amended by Government of India from time to time.
IAS	The scales of pay, allowances and other conditions of service of the employees of the Academy shall be governed by the Rules framed by the Council, keeping in view the orders of the Government in this regard.
INSA	To follow the Central Government Rules provided that to consider revisions/adoption of pay scale, allowances and other terms and conditions of service of the employees which affects the service conditions and finances and make recommendations to the Council.
IIG	The scales of pay and allowances of all posts shall normally be as laid down by the Institute Council from time to time and broadly confirm to the Central Government pattern.
ARI	The designations, scales of pay and allowances of all posts shall normally be as laid down by the Institute Council from time to time. Prior approval is required for revision of scales of pay from DST.
TIFAC	The scales of pay, allowances and other conditions of service shall be governed by the Staff Rule framed by the Governing Body.

**Annexure IV (Refer to paragraph 3.3.1)****Details of posts created irregularly by Governing Councils/Governing Bodies of 11 ABs**

AB	Posts created/ upgraded	Name of the post upgraded	Level	Expenditure incurred on salaries (₹ in lakh)	Reply of AB to audit observation
IACS	19	Sr. Professor	Group A	40.00 <sup>1</sup>	No reply
BI	12	Sr. Professor	Group A	16.00	No reply
BI	13	12 Jr. Laboratory Assistant and 1 Jr. Overseer-cum- Caretaker	Group C	34.00	No reply
ARCI	13	Scientist	Group A	437.00	ARCI justified the appointments stating (November 2014) that activities grew manifold and there was dearth of scientific staff.
	5	Scientist B	Group A	193.00	
	71	Technician A, Technical Assistant A, Technical Assistant B, Lab Assistant, Driver	Group A to Group C	594.64	
IIA	84	66 Technical/ Administrative, 28 Academic staff	Group A to Group C	977.00 <sup>2</sup>	IIA stated (January 2015) that they did not have the details of the sanctioned posts under various categories of posts.
SNBNCBS	12	Academic	Group A	327.00	SNBNCBS stated (November 2014) that since the matter was discussed during the respective GB meetings and had been approved by the Chairman, GB who was also the Secretary, DST, no further separate approval was required.
	4	Non-academic	Group A	13.71 <sup>3</sup>	
NASI	3	Administrative	Group A	75.46	NASI (March 2015) stated that the up- gradation of posts was made by the Council.

<sup>1</sup> ₹ 40 lakh was worked out only for eight scientific posts out of 19

<sup>2</sup> For 2013-14 only

<sup>3</sup> ₹ 13.71 lakh worked out for two non-academic staff only

AB	Posts created/ upgraded	Name of the post upgraded	Level	Expenditure incurred on salaries (₹ in lakh)	Reply of AB to audit observation
BSIP	10	Scientists	Group A	Details not available	No reply
WIHG	147	Scientific/ Technical/ Administrative	Group A to Group C	337.00 <sup>4</sup>	WIHG stated (May 2015) that the information regarding creation of posts by the Institute was intimated to DST number of times since April 2004.
IAS	11	Publication /Administration	Group A to Group C	Details not available	No reply
JNCASR	26	Academic	Group A	Details not available	No reply
	36	Non-academic	Group A to Group C	Details not available	No reply
TIFAC	20	Technical/ Non- technical	Group A	Details not available	No reply
<b>Total</b>	<b>486</b>			<b>3,044.81</b>	

<sup>4</sup> ₹ 3.37 crore was worked out only for eight scientific posts out of 147

**Annexure V (Refer to paragraph 3.4.1)****Deviations in Bye-laws/Rules/Regulations of selected ABs regarding recruitment of Chief Executive**

AB	Particulars of existing control	Whether existed control satisfied the instruction of DoPT	Remarks
<b>BSIP</b>	The Search-cum-Selection Committee would be constituted in accordance with the instructions issued by DoPT. The composition of the Committee should not be more than five members. Members of the Committee would be experts of eminence preferably from the field of specialization. The composition of the Committee would be approved by DoPT.	Partially	The duration of one year of the panel to be recommended by the Committee was not prescribed.
<b>IACS</b>	The Council shall appoint the Director with the prior approval of Central Government and following Recruitment Rules and procedures prescribed by the Government of India from time to time.	No	No mention was made about Search-Cum-Selection Committee as envisaged in the instruction of DoPT.
<b>ARIES, CNSMS</b>	Appointment to the post of Director will be made by the Council with the prior approval of the Central Government on the basis of the recommendations of a Search-cum-Selection Committee. The Search-cum-Selection Committee shall also be constituted by the Council with the prior approval of the Central Government. The Secretary, DST shall be the chairman of the Search-cum-Selection Committee.	No	The composition of the Committee consisting of not more than five members including the Chairman and at least one outside expert of eminence was not prescribed. The duration of one year of the panel to be recommended by the Committee was not prescribed.
<b>JNCASR/ SNBNCBS/ BI/RRRI/ NASI</b>	Appointment to be made by the Council of Management of the Centre:/ By invitation by the Governing Body on the recommendation of Search-cum-Selection Committee to be set up by the Governing Body/By the Council on the recommendation of Selection Committee within the Institute./ Trust may lay down the procedure for the appointment/15 years' experience at responsible position in an R&D institution, management and coordination of S&T programme.	No	No mention of composition of the Search-cum-Selection Committee, the said Committee would mandatorily include at least one outside expert of eminence from the relevant field, finalisation of norms and criteria for such selection by the AB and modification of Memoranda and Articles of Association, and Bye Laws etc. would fully incorporate the guidelines of DoPT. This was absent.
<b>IAS</b>	All appointments in the Academy should be made by the President who is the head of the Council.	No	
<b>INSA</b>	Search-cum-Selection Committee.	No	
<b>IIG</b>	Appointment to the post of Director will be made by the Governing Council. The appointment will, however, be made with the prior approval of the Government of India.	No	
<b>ARI</b>	The appointment of the Director shall be made by the Governing Body, with the concurrence of the Central Government.	No	

AB	Particulars of existing control	Whether existed control satisfied the instruction of DoPT	Remarks
<b>TIFAC</b>	The appointing authority of Director is the GB of TIFAC.	No	
<b>WIHG</b>	The Director of the Institute shall be a distinguished Earth Scientist and shall be appointed by GB.	No	
<b>IIA, ARCI</b>	Appointment made by the Governing Council with prior approval of Government of India.	No	There was no mention of Search-Cum-Selection Committee as envisaged in the instruction of DoPT.

**Annexure VI (Refer to paragraph 3.4.3)****Deviations in provisions incorporated in Recruitment rules of ABs from Government Recruitment rules**

AB	Provision in Central Government Recruitment Rules	Deviations in recruitment rules by the ABs
CNSMS	Upper age limit of recruitment Scientist C-35 years Scientist D-40 years Scientist E-45 years	Upper age limit of recruitment in the cadre of Scientist C to E was relaxed by five years.
WIHG	Upper age limit of recruitment Scientist C-35 years Scientist D-40 years Scientist E-45 years	Upper age limit of recruitment in the cadre of Scientist C to E was relaxed by five years.
JNCASR	Educational qualifications Professor- Eminent scholar with Ph.D. qualification and 10 years of teaching experience. Associate Professor-Master Degree with at least 55 <i>per cent</i> marks with Ph.D. Degree and having 8 years of teaching experience.	No essential and desirable educational qualifications and upper age limit was incorporated for fellow and support staff.
ARIES	Age limit of recruitment, qualifications and experience Scientist C-35 years Scientist D-40 years Scientist E-45 years Scientist F-50 years Scientist G-50 years Registrar-Master Degree with at least 55 <i>per cent</i> marks, 15 years of administrative experience of which 8 years as Dy. Registrar Dy. Registrar- Master Degree with at least 55 <i>per cent</i> marks, 5 years of administrative experience as Assistant Registrar	No upper age limit of recruitment in the cadre of Scientist/Engineer was specified. Terms and conditions for appointment of Registrar, Deputy/Asstt. Registrar and supporting staff were not found.
IACS	No existence of post of Sr. Professor. Qualifications and experience: Registrar-Master Degree with at least 55 <i>per cent</i> marks, 15 years of administrative experience of which 8 years as Dy. Registrar Dy. Registrar- Master Degree with at least 55 <i>per cent</i> marks, 5 years of administrative experience as Assistant Registrar	Qualifications for Sr. Professor and Professor were not prescribed though the same are required as per Central Government recruitment rules. Required percentage of marks was not prescribed for recruitment of Registrar and Deputy Registrar.

AB	Provision in Central Government Recruitment Rules	Deviations in recruitment rules by the ABs
SNBNCBS	<p>The recruitment rules provided for parallel recruitment of both Scientist and Academic staff which is not available in the central government RR.</p> <p>Scientist B – GP 5,400</p> <p>No existence of post of Sr. Professor.</p>	<p>RRs provided for parallel recruitment of both Scientist and Academic staff which is not available in the Central Government RR. The rules also had provision for initial recruitment of Scientists in the GP of ₹ 6,600 which is not prescribed in Central Government recruitment rules. Further, RR also had provision for direct recruitment of Sr. Professors although the same is not available in the Central Government recruitment rules.</p>
BI	<p>In case of recruitment of Professor, the essential qualification is eminent Ph.D. Scholar with a minimum of ten publications as books and/or research/policy papers also contribution to design of technology.</p>	<p>The essential qualification of Professor was doctorate degree and published work of high standard. Further, while the upper age limit for each category of staff was fixed on the one hand, the Institute kept one general clause disclosing that in the case of direct recruitment, age limit, qualifications and other requirements for any posts might be relaxed at the discretion of the appointing authorities in respect of candidates otherwise well qualified, and that in case of applicants only in the service in BI, the age restriction should not apply, on the other.</p>
	<p>There is no provision for recruitment of Sr. Lecturer.</p>	<p>Provision of direct recruitment for Sr. Lecturer was incorporated in the RR.</p>
	<p>The essential educational qualification for Registrar/ Dy. Registrar is Masters' degree with at least 55 <i>per cent</i> of marks.</p>	<p>The prescribed qualification was only degree of a recognised University.</p>
NASI	<p>In Scientist E/F grades Ph.D. is essential.</p>	<p>Essential qualification was prescribed as Post Graduate degree.</p>
BSIP	<p>Age limit:</p> <p>Scientist C-35 years Scientist D-40 years Scientist E-45 years Scientist F-50 years Scientist G-50 years</p>	<p>There was an age relaxation of five years for Scientist 'C' to Scientist 'G'.</p>
	<p>Qualifications:</p> <p>Doctorate Degree in Natural or Agricultural Science</p> <p>Upper age limit for technical staff In the GP of ₹ 4600 is 30 years.</p> <p>Registrar-Master Degree with at least 55 <i>per cent</i> marks, 15 years of administrative experience of which 8 years as Dy. Registrar.</p>	<p>In the recruitment of Scientist 'E' and Scientist 'F' the prescribed essential qualification of Ph. D is not mandatory. Also for the recruitment of technical staff age relaxation was prescribed. In case of recruitment of Registrar no essential educational qualification was prescribed.</p>

AB	Provision in Central Government Recruitment Rules	Deviations in recruitment rules by the ABs
IIA	<p>Age limit:</p> <p>Scientist C-35 years Scientist D-40 years Scientist E-45 years Scientist F-50 years Scientist G-50 years</p> <p>Qualifications:</p> <p>Registrar-Master Degree with at least 55 <i>per cent</i> marks, 15 years of administrative experience of which 8 years as Dy. Registrar.</p> <p>Dy. Registrar- Master Degree with at least 55 <i>per cent</i> marks, 5 years of administrative experience as Assistant Registrar.</p>	<p>No upper age limit for scientific/technical posts was prescribed. Prescribed required experience was less than that of central government RR in respect of the post Scientist B, Scientist C and Scientist D.</p>
ARCI	<p>Age limit:</p> <p>Scientist C-35 years Scientist D-40 years Scientist E-45 years Scientist F-50 years Scientist G-50 years</p> <p>Qualifications:</p> <p>Registrar-Master Degree with at least 55 <i>per cent</i> marks, 15 years of administrative experience of which 8 years as Dy. Registrar.</p> <p>Dy. Registrar- Master Degree with at least 55 <i>per cent</i> marks, 5 years of administrative experience as Asstt. Registrar.</p>	<p>In the post of Registrar, no prescribed essential educational qualification.</p>
IAS	<p>Age limit:</p> <p>Scientist C-35 years Scientist D-40 years Scientist E-45 years Scientist F-50 years Scientist G-50 years</p> <p>Qualifications:</p> <p>Registrar-Master Degree with at least 55 <i>per cent</i> marks, 15 years of administrative experience of which 8 years as Dy. Registrar.</p>	<p>No educational and other qualification were prescribed for the scale of pay of ₹ 18400-22400. Minimum age limit relaxed by 5 years.</p> <p>No age criteria, No prescribed essential/desirable qualification available. Application for appointment also considered on recommendation of the Fellows of the Academy.</p>



AB	Provision in Central Government Recruitment Rules	Deviations in recruitment rules by the ABs
	Dy. Registrar- Master Degree with at least 55 <i>per cent</i> marks, 5 years of administrative experience as Asstt. Registrar.	
IIG	According to UGC pay scales, the scales of different posts were Professor [₹ 4,500-7,300], Lecturer (Sr.)/Reader [₹ 3,700-5,700], Lecturer (Sr.) [₹ 3,000-5,000] and Lecturer [₹ 2,200-4,000].	The scales of pay as per recruitment rules were Professor (G) [₹ 5,900-6,700], Professor (F) [₹ 5,100-6,300], Professor (E) [₹ 4,500-5,700], Associate Professor [₹ 3,700-5,000], Reader [₹ 3,000-4,500] and Fellow [₹ 2,200-4,000].

**Annexure VII (Refer to paragraph 3.4.4 (a))****Deficiencies in the process of recruitments at Indian Academy of Science**

Year	Post	Audit observation
2013-14	Accounts Assistant	The sheet containing details of applications received was not signed. Criteria adopted to screen the applications were not on record. No marks were awarded by the selection committee to the applicants.
	Assistant Executive Editor	Information such as the total number of applications received and the criteria adopted to shortlist the candidates etc. was not on record. As per the advertisement, the applicant was required to have over 15 years of relevant experience. Out of 12 shortlisted applicants only two candidates fulfilled the criterion but neither attended interview. The candidate finally selected for the post had only 12 years of experience and thus was not eligible for the post.
2012-13	Assistant Executive Secretary	The number of posts was not mentioned in the advertisement. The sheet containing details of applications was not signed. As per the advertisement, age of the applicant should be not more than 52 years. One applicant who was an internal candidate was over aged therefore not eligible for the post. However, the application was not rejected either at screening stage or at interview stage.
	Executive Editor	The number of posts was not mentioned in the advertisement. The sheet containing details of applications received was not signed. As per the advertisement, the age of applicant should have been not more than 52 years. It was observed that age of one of the ineligible candidates was shown as 52 years while actual age on closing date was 52 years one month and 11 days. Thus, correct figure was misrepresented.
	Administrative Assistant	The number of posts was not mentioned in the advertisement. The sheet containing details of applications received was not signed. As per the advertisement, the candidates should have typing speed of 30 words per minute. There was no record pertaining to typing test if any, undertaken by the Academy. Further, three applications were rejected on ground of less experience although all had more than three years of experience as prescribed in the advertisement to the post.
	Deputy Executive Secretary	As per the advertisement, the candidate should have over 20 years of experience in administration in a Government/ Semi-Government/ autonomous organization/ educational institutions of higher learning of which at least 10 years should have been in a supervisory position. None of the nine candidates who applied had requisite experience as per the advertisement. However, Academy short listed three candidates and selected a person for the post in spite of not fulfilling the eligibility criterion.
2010-11	Accounts Officer, Copy Editor and Administrative Assistant	Academy received 135 applications for the post of Accounts Officer and short listed 12 applications. Similarly, in case of Copy Editors Academy received 122 applications out of which 13 applications were shortlisted and for the post of Administrative Assistant 148 applications were received and 13 applications were shortlisted. There was no criterion on record based on which such a large number of applications were rejected by the Academy.
	Executive Secretary	Academy invited application to the post of Executive Secretary by open advertisement. The advertisement did not contain any information about the maximum age of the applicant. The President of the Academy constituted a Selection Committee of seven members to interview the candidates. However, criteria adopted by the committee to screen the applications was not on record.
2009-10	Publication personnel	The Academy issued advertisement (March 2007) for experienced publication personnel for editing, proof reading and general production of its journal. However, details of the position to be filled, number of posts, whether temporary or permanent, age limit etc. was not mentioned. Against the advertisement 14 applications were received. There was no record available in respect of screening of the applications, recommended candidates, details of the interview by selection committee, etc.

## Annexure VIII (Refer to paragraph 3.4.4 (b))

### Issues in recruitments at Indian Institute of Astrophysics, Bengaluru

Issue	Audit observation
Recruitment made without open Advertisement	Recruitment of one Associate Professor and six Readers was done during the period 2009-10 to 2013-14, however in none of the cases advertisement indicating the eligibility criteria, age, education qualifications number of vacancies etc. for inviting applications for the academic positions was released. As a result, only one person applied to the post of Associate Professor and was selected. IIA received 11 applications towards the recruitment of readers, of which four candidates were recommended by Screening Committee. However, the Selection Committee considered a candidate for the post of Reader who was at fourth position and was appointed in spite of not having requisite five years of experience.
Recruitment of ineligible candidates	<p>Institute invited applications for filling up one post of Driver (Unreserved) at Leh and issued advertisement in April 2013. 23 applications were received. As per the advertisement qualification for the post was SSLC (10<sup>th</sup>) and age prescribed was below 28 years. Minimum qualification could be relaxed in cases where the candidates had more than five years of experience in driving at high altitude and hilly areas. Screening Committee recommended eight candidates for interview of which one candidate was given relaxation in age. We observed that three out of eight recommended candidates did not have the minimum qualification. Subsequently, Selection Committee of the Institute interviewed six candidates and recommended one candidate for the post and two candidates in waiting list. However, the appointment was offered to the person in the waiting list instead of the person recommended by the Selection Committee, which was irregular.</p> <p>Further, the person initially recommended for selection was also offered appointment subsequently, by stating that the post advertised was for General quota and the post had been filled in by appointing ST candidate on urgent basis. Further scrutiny of the summary of roster for the posts revealed that there was no vacancy in any category other than OBC category. Thus appointment of ST candidate against the vacancy of OBC category was also irregular.</p>
Recruitment of top management without following due process	DST appointed Director of the Institute with the approval of ACC in January 2006 without constituting Search-cum-selection committee (which were to be constituted with the approval of DoPT). Subsequently, Acting Director was appointed for one year (from 01 July 2012 to 30 June 2013). However, approval of ACC was not obtained for appointing Acting Director also.

**Annexure IX (Refer to paragraph 3.5.1 i)****Deviation in minimum residency period for promotion at Indian Association for the Cultivation of Science, Kolkata**

Category of Academic Staff	Minimum residency period	Scale of pay (₹)	Minimum residency period	Scale of pay (₹)	Minimum residency period	Scale of pay (₹)	Minimum residency period	Scale of pay (₹)
	UGC norms 1998-2004		Practice in IACS 1998-2004		UGC norms 2004 onwards		Practice in IACS 2004 onwards	
Director	Not defined	Not defined	Not defined	Not defined	Not defined	Not defined	-	26,000 (fixed)
Chair Professor	Not defined	Not defined	Not defined	Not defined	Not defined	Not defined	-	22,400-24,500
Sr. Professor	Not defined	Not defined	Not defined	Not defined	Not defined	Not defined	5 years. In case of extraordinary performance after 4 years.	18,400-22,400
Professor	8 years of service as Reader	16,400-22,400	7 years. In case of extraordinary performance 5 years.	16,400-22,400	8 years of service as Reader	16,400-22,400	5 years. In case of extraordinary performance after 4 years.	16,400-20,000
Reader/ Lecturer	5 years of service in the Sr. Scale	12,000-18,300	7 years. In case of extraordinary performance 5 years.	12,000-18,300	5 years of service in the Sr. Scale	12,000-18,300	5 years. In case of extraordinary performance after 4 years.	14,300-18,300 (as Associate Professor)
Sr. Lecturer	6 years with relaxation of one year and two years for those with M.Phil and Ph.D.	10,000-15,200	5 years. In case of at least 2 years of Post-doctoral experience then on completion of 3 years.	10,000-15,200	6 years with relaxation of one year and two years, for those with M.Phil and Ph.D.	10,000-15,200	4 years. In case of extraordinary performance after 3 years.	12,000-18,000 (as Assistant Professor)
Lecturer	-	8,000-13,500	-	8,000-13,500	-	8,000-13,500	-	10,000-15,200 (as Faculty Fellow)

**Annexure X (Refer to paragraph 3.7.1)****Existence of provisions of retirement in the Bye-laws of Autonomous Bodies**

AB	Incorporation of provisions in the Bye Laws as per extant Central Government Rules	Provisions different from extant Government Rules made by GB/GC for which approval of DST and MoF was not found on record	Provisions not incorporated
ARCI	Superannuation, Voluntary retirement, extension, Gratuity, EPF	Retirement on medical ground, Termination	Nil
ARI	age of superannuation, termination of service, retirement on medical ground, voluntary/compulsory retirement, Gratuity, GPF/CPF, Extension	Nil	Nil
ARIES	Superannuation, extension, GPF, Pension, Gratuity, Voluntary/compulsory retirement	Retirement on medical ground	Termination of service
BI	Nil	Superannuation, extension, termination and Provident Fund	Pension, Gratuity, Voluntary/compulsory retirement, retirement on medical ground
BSIP	Superannuation, Voluntary retirement, Pension, Gratuity, Extension	Termination, Retirement on medical ground, Compulsory retirement, GPF	Nil
CNSMS	Superannuation, gratuity/CPF, voluntary/compulsory retirement, extension beyond superannuation	Termination of service	Retirement on medical ground
IACS	Extension	Pension, Provident Fund, Retiring benefits, Voluntary retirement	Superannuation, termination, retirement on medical ground, compulsory retirement, Gratuity
IAS	Nil	Extension, GPF, Pension, Age of Superannuation	Voluntary retirement, Retirement on medical ground
IIA	Pension, Provident Fund, Superannuation	Extension	Termination, Retirement on medical ground, Compulsory retirement, Voluntary retirement
IIG	age of superannuation, termination of service, retirement on medical ground, voluntary/compulsory retirement, Gratuity, GPF/CPF, Extension	Nil	Nil
INSA	age of superannuation, termination of service, retirement on medical ground, voluntary/compulsory retirement, Gratuity, GPF/CPF	Nil	Nil
JNCASR	Nil	Retirement benefit, extension, termination of service, retirement on medical ground and voluntary retirement	Superannuation, GPF/CPF
NASI	Superannuation, termination, premature retirement, retirement benefits	Extension of service	GPF/CPF
RRI	Nil	Superannuation, Extension, GPF/CPF, termination, retirement benefits, Gratuity	Retirement on medical ground, voluntary/compulsory retirement
SNBNCBS	Superannuation	Compulsory retirement, provident fund, Gratuity	Extension, voluntary retirement, retirement on medical ground, GPF/CPF, Termination of service

AB	Incorporation of provisions in the Bye Laws as per extant Central Government Rules	Provisions different from extant Government Rules made by GB/GC for which approval of DST and MoF was not found on record	Provisions not incorporated
TIFAC	Age of Superannuation	Extension, Termination	Retirement on medical ground, voluntary/compulsory retirement, Gratuity, GPF/CPF.
WIHG	Pension, Gratuity and GPF	Retirement including Superannuation, Compulsory and Voluntary retirement	Extension, termination, retirement on medical ground.



## Glossary of terms

Abbreviation	Full form
AB	Autonomous Body
ACP	Assured Career Progression
AGP	Academic Grade Pay
AIIMS	All India Institute of Medical Sciences
ARCI	International Advanced Research Centre for Powder Metallurgy and New Materials, Hyderabad
ARI	Agharkar Research Institute, Pune
ARIES	Aryabhata Research Institute of Observational Sciences, Nainital
BI	Bose Institute, Kolkata
BSIP	Birbal Sahni Institute of Palaeobotany, Lucknow
CNSMS	Centre for Nano and Soft Matter Sciences, Bengaluru
DFPR	Delegation of Financial Powers Rules
DoPT	Department of Personnel and Training
DST	Department of Science and Technology
EFC	Expenditure Finance Committee
EPF	Employees Provident Fund
ES	Executive Secretary
FCS	Flexible Complementing Scheme
FRSR	Fundamental Rules and Supplementary Rules
GB	Governing Body
GC	Governing Council
GFR	General Financial Rules
GoI	Government of India
GP	Grade Pay
HBA	House Building Advance
HPCA	Hospital Patient Care Allowance
HRA	House Rent Allowance
IACS	Indian Association for the Cultivation of Science, Kolkata



Abbreviation	Full form
IAS	Indian Academy of Sciences, Bengaluru
IIA	Indian Institute of Astrophysics, Bengaluru
IIG	Indian Institute of Geomagnetism, Mumbai
INSA	Indian National Science Academy, New Delhi
JNCASR	Jawaharlal Nehru Centre for Advanced Scientific Research, Bengaluru
LC	Letter of Credit
LRA	Learning Research Allowance
LTC	Leave Travel Concession
MACP	Modified Assured Career Progression
MHFW	Ministry of Health and Family Welfare
MHRD	Ministry of Human Resources Development
MoA	Memorandum of Association
MoF	Ministry of Finance
MST	Ministry of Science and Technology
NASI	National Academy of Sciences-India, Allahabad
NGO	Non-Government Organisation
NPA	Non-Practicing Allowance
OM	Office Memorandum
R&D	Research and Development
RMC	Resource Management Committee
RRI	Raman Research Institute, Bengaluru
RR	Recruitment Rules
S&T	Science and Technology
SCTIMST	Sree Chitra Tirunal Institute for Medical Science and Technology, Thiruvanthapuram
SNBNCBS	Satyendra Nath Bose National Centre for Basic Sciences, Kolkata
SRC	Structural Reforms Committee
SR	Supplementary Rules
SSC	Search-cum-Selection Committee
TA	Travelling Allowance

<b>Abbreviation</b>	<b>Full form</b>
TDB	Technology Development Board, Delhi
TIFAC	Technology Information, Forecasting and Assessment Council, Delhi
UC	Utilisation Certificate
UGC	University Grants Commission
USSR	Union of Soviet Socialist Republics
WIHG	Wadia Institute of Himalayan Geology, Dehradun

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