

फैक्स: २२०३३०१८

दूरध्वनी: २२०३७५०७/२२०८२५५८

तार का पत्ता: राज्य ऑडिट

भारतीय लेखा तथा लेखापरीक्षा विभाग  
प्रधान महालेखाकार का कार्यालय  
(लेखापरीक्षा) १, महाराष्ट्र  
१०१, महर्षि कर्वे मार्ग,  
मुंबई - ४०० ०२०  
दिनांक : १/३/१३

सं. एस एस - 2(B) / प्रभार-XII/फा.सं.1065/आय. आर.M201213071/ 75-11  
सेवा में,  
The Principal  
Government Polytechnic,  
Bandra, Mumbai.

विषय: 01/01/2008 to 31/12/2012 अवधि तक की आपके कार्यालय के  
लेखाओं का निरीक्षण अहवाल ।

महोदय,

उपरोक्त लेखों का निरीक्षण रिपोर्ट इसके साथ भेज रहा हूँ जिसका स्थानीय  
निरीक्षण लेखापरीक्षा पार्टी द्वारा दिनांक 31/01/2013 से 06/02/2013 तक किया गया था  
और आपसे निवेदन करता हूँ कि इसमें शामिल किए गए सभी पौराग्राफों का पूर्ण रूप  
से दस्तावेजों सहित उत्तर कार्यालय में शीघ्र भेज दिया जाए और आपके कार्यालय में  
इस रिपोर्ट के मिलने की तारीख से किसी भी परिस्थिति में एक माह से अधिक विलंब  
नहीं हो जैसा कि वित्त विभाग के सरकारी अधिसूचना सं. बी.जी.एल. ११६१/९१  
दिनांक २६.०५.१९८१ में निर्धारित किया गया है ।

भवदीया,

*(Signature)*

व.लेखापरीक्षा अधिकारी/ एस एस - 2

*पेडस - निरीक्षण  
- अभिप्राय १५८  
१५/३/१३*

शासकीय तंत्रनिकेतन, मुंबई  
वांद्रे (पूर्व), मुंबई ४०० ०५६.  
नॉटिफिकेशन क्र: 905-  
फाईल क्र: 15/3/13  
दिनांक: 15/3/13

**Inspection Report on the accounts of the Principal, Government Polytechnic, Bandra, Mumbai, for the period from 01.01.2008 to 31.01.2013.**

**Part I A: Introductory**

A test check of the accounts of the Principal, Government Polytechnic, Bandra, Mumbai, for the period from 01.01.2008 to 31.01.2013 was conducted locally between 31.01.2013 to 06.02.2013 by Shri P.K.Upadhyay and Shri C. D'costa, Asstt. Audit Officers under the supervision of Shri Rajendra Purohit. Audit Officer and the following remarks are offered.

**(i) Disclaimer Certificate:**

The Inspection Report has been prepared on the basis of the information furnished and the records made available by the office of the Principal, Government Polytechnic, Bandra, Mumbai. The office of the Pr. Accountant General (Audit)-I, Maharashtra, Mumbai disclaims any responsibility for any non information and / or mis-information on the part of the auditee.

**(ii) Activities:-**

Post S.S.C. diploma courses are being held in various fields like Electrical, Civil, Mechanical, Instrumentation, Computer, Electronics, Information Technology, Rubber Technology and Leather Technology. Testing services are also provided by the Institute to private bodies.

**(iii) Personnel**

The following officials held the charge of the Principal, Government Polytechnic, Bandra, Mumbai during the period covered by audit.

Sr.No.	Name	Period
1	Shri D.P.Nathe	01.01.2008 to 31.08.2012
2	Shri H.P.Taskar	01.09.2012 to till date

*Del*

# Funds Received and Expenditure incurred

(Rs. In lakh)

Particular	2008-09		2009-10		2010-11		2011-12		2012-13	
	Grant	Expr	Grant	Expr	Grant	Expr	Grant	Expr	Grant	Expr
Salary	418.08	404.22	485.15	471.65	730.64	621.50	936.09	920.28	890.12	695.12
Travelling expenses	90.00	78.00	85.00	82.00	148.00	136.00	81.00	43.00	115.00	00.00
Contingencies	56.29	46.33	104.48	95.71	146.63	117.77	183.80	127.09	60.63	52.44

Internal Audit: Internal audit is carried out by the Joint Director, Technical Education, Bandra covering period upto March 2009

## Part I B :-

### Paras outstanding from Previous Inspection Reports

The following paras of the previous Inspection Reports are still outstanding for want of full and final compliance

Inspection Report for the period from 01.04.1999 to 31.08.2000

-Nil-

Inspection Report for the period from 01.09.2000 to 30.09.2001

-Nil-

Inspection Report for the period from 01.09.2004 to 31.12.2007

Para 9:- Non-reconciliation of remittances and withdrawals with PAO records

Final compliance is awaited

Para 12:- Idle/unserviceable machinery and equipments

Final compliance is awaited

## Part-II: - Current Audit

### Part-II-A: - Major irregularities

-Nil-

### Part-II-B:- Other irregularities

✓ Para-1:- Non utilization and non-receipt of remaining grant in aid of Rs 50 lakh Central Assistance for Girls Hostels.

The Deputy Director, Technical Education Mumbai, vide letter dated 9<sup>th</sup> December 2010 conveyed sanction of Rs. one crore for construction of Girls Hostel under the Centrally sponsored scheme - Construction of Women's Hostels in



Polytechnics. The first installment of Rs 50 lakhs was released on 20th December 2010.

On scrutiny of records, it was seen that the amount was transferred to the saving account of the Principal, Government Polytechnic, Bandra Mumbai on 20<sup>th</sup> January 2011 after a lapse of one month. It was also seen that even after lapse of two years, the aforesaid grant in aid was lying unutilized till the date of audit. Even after repeated demand from the Joint Director, Technical Education, the polytechnic had not acquired land, prepared plan and estimate for construction of girls hostel. Due to non-utilization of the grant, the remaining grant of Rs 50 lakhs was not released by the Central Government.

In reply, the department stated that due to non-availability of land, the amount could not be spent and efforts were going on to acquire land at Kalwa near Thane for construction of the hostel. During discussion, the Principal stated that the Department was continuously pursuing for the land without which no administrative approval can be obtained and hence this Institute suggested to acquire land in Thane for five Institutes for which Government has not yet taken any action even though the Director of Technical Education requested for the same.

Further progress in the matter may be furnished to audit.

**Para 2:- Excess payment of maintenance allowance to SC students- Rs. 1045670**

The Government of India, Ministry of Social Justice and Empowerment revised the rates of maintenance allowance and existing grouping A,B,C,D & E to I,II,III & IV vide letter No. 110/7/7/2002-SCD-V dated 28.01.2004 effective from 01.04.2003. As per revised grouping, courses run by Government Polytechnics were classified under Group IV and the maintenance allowance was payable at Rs. 140 and Rs. 235 per month for non-hostlers and hostlers respectively.

However, scrutiny of records pertaining to scholarship to SC students revealed that the maintenance allowance was paid at rate higher than applicable (i.e. Rs. 190 & Rs. 510 for from 2004-05 to 2006-07 and 2009-10 and Rs.230 & Rs.380 for 2011-12) resulting in excess payment of Rs. 1045670 (Rs. 683025+362645) during the years 2004-05 to 2006-07, 2009-10 and 2011-12 as shown in Annexure. It may be mentioned here that rate of Rs. 140 & Rs. 235 has been applied for the years 2008-09 and 2010-11.

In compliance, the Department reiterated that the diploma engineering courses earlier classified in Group B and C have now been classified in Group II for which revised rate of Rs. 510 (hostlers) and Rs. 330 (Non-hostlers) is applicable. It was further

stated that revision generally results in increase of rates and hence pre-revised rates of Rs. 290 (hostlers) and Rs.190 (Non-hostlers) cannot come down to Rs. 235 and Rs. 140 respectively.

The reply is not tenable as similar scheme exists for Other Backward Classes students also and the guidelines issued therefore clearly classify the Polytechnic diploma courses in Group D. Moreover, the department itself has applied rates of Rs. 235 and Rs. 140 in the years 2008-09 and 2010-11. Further the reason for non revision of rate for SC/ST candidates may be stated.

In view of the position explained above the entire issue may be re-examined at Directorate level and progress thereof intimated.

**Para 3: Irregular excess payment of VAT amounting to Rs 1.12 lakh.**

Vide notification No. VAT-1505/C.R.192/Taxation-1. Dated 30<sup>th</sup> December 2006 Government had exempted tax in excess of 4% in respect of all goods sold to Central or State Government offices.

Scrutiny of records revealed that the Government Polytechnic College has paid VAT in excess of 4% on purchases as shown in the annexure attached which resulted in excess payment of VAT of ₹1.12 lakh.

In reply, the department stated that the purchases have been effected at the level of the Director, Technical Education and the matter would be brought to their notice for action.

Further progress may be intimated to audit.

**Para 4:- Excess expenditure of Rs. 486508 under Community Development through Polytechnics scheme (CDTP).**

With a view to fill the gap of technical education between rural, slum and urban population, it was felt that there was an urgent need to train millions of persons every year through a countrywide network of non-formal skill development. It was also felt to evolve a vast network which can help in adoption of appropriate technologies among the rural people and slum dwellers. With this background, the Ministry of Human Resource Development in Government of India (GOI), launched in 2009 a scheme of Community Development through Polytechnics (CDTP) to be implemented through 1000 AICTE approved Polytechnics in the Country. Under the scheme, each Polytechnic is to receive a one time non-recurring grant of Rs. 13/20 lakh and recurring grant of Rs. 17 lakh per annum. The grantee institutions are required to furnish and Quarterly and Half Yearly Reports to the concerned National Institute of Technical



Teachers Training & Research (NITTTR) of their region within 10 days of the close of the quarter.

Vide GOI letter dated 7<sup>th</sup> September, 2009, a non recurring grant of Rs. 6 lakh and recurring grant of Rs. 4.25 lakh released for this Institute for the financial year 2009-10 which was credited into the Bank Account of the Institute on 11.01.2010 after a lapse of 4 months. No grants were released for 2010-11. Grant of Rs. 18 lakh was received for the financial year 2011-12 in April 2012.

Further, as per instruction, the activities under the scheme were required to be limited to the extent of grants available with the grantee at any given time. On going through the 4<sup>th</sup> Quarterly Report for the year 2011-12, it was seen that as against available recurring grant of Rs. 453056 (including interest of Rs. 28056) the Institute had incurred expenditure of Rs. 939564. Thus, there was an excess expenditure of Rs. 486508 which was irregular.

In reply, the department stated that due to non-receipt of grant in the year 2010-11, amount lying under non-recurring grant was utilized to run the already started courses. The amount utilized from non-recurring grant has been recouped from the grant received in April 2012. The matter was reported to the concerned NITTTR also.

However, no justification was furnished for non release of grant for the year 2010-11.

#### ✓ **Para 5: Non utilization of New Machine and Non write off of old Machinery**

eslet. A company of lathe machine named M/s Geeta Machine Tools Pvt Ltd ( RC holder) had approached the institution on 21<sup>st</sup> October 2010 with offer for buy back of old and non-working lathe Machines. The Principal constituted a committee consisting four members for assessment of the proposal of company as 11 machinery were not in working condition since 2005 on account of damage in flood and were beyond repair. The proposal was evaluated considering three parameters namely depreciated cost of the machinery, scrap value based on approximate weight of machine and buy back offer. The committee decided not to accept the offer of the company as the scrap value of the machinery was more than the buy back offer. Thereafter, the Principal intimated the Director of Technical Education for action in respect of disposal of 11 lathe machine. Director of technical Education has directed to submit a write off proposal. No such proposal has however, been submitted so far by the principal.

It was further observed that M/s Geeta Machines Tools had supplied 5 SIGMA lathe Machines against order no 11/DTE/RC/GPMIIMBAT/10-11/448 dated 31-3-2011

for a cost of Rs 19,59,081/- which have not been put in to use from 23 may 2011 i.e. from the date of installation .

In reply, the department stated that the proposal for write off of all the 11 lathe machines would be submitted to the Director, Technical Education. As regards non utilization of newly purchased lathe machines, it was stated that due to electrical supply problem, the same could not be put to use.

The reply is not tenable as the machineries installed in May 2011 has not been put into use even after a period of more than 22 months. Similarly 11 lathe machines which were damaged in 2005 have not been disposed of even after a period of more than 7 years.

#### **Para-6: Diversion of Central Grant.**

Under Centrally sponsored Scheme "Upgradation of Existing /Setting up of new polytechnics, Government of India has approved a grant in aid of Rs.20 lakhs to Government Polytechnic College and the same was released on 7<sup>th</sup> December 2010. As per the terms and conditions attached to the grant release order the grant shall be utilized for setting up of girls hostel and no recurring expenditure was permissible.

On scrutiny of records it was noticed that the central grant was utilized for purchasing of software named Espirit CAM. Thereafter the Director of Technical education decided to purchase the aforesaid software from the central grant in aid and purchased one set of software having 10 educational licenses and one commercial licenses for Rs 17,37,540/-. In this connection the following information and clarification was called for in audit.

- 1) Whether any special sanction/approval for diversion was obtained from Government of India, if so details thereof.
- 2) The reason for non submission of quarterly performance cum achievement reports to Ministry of Human Resources Development Department of Higher Education as prescribed in the grant release order.
- 3) Reason for non maintenance of Asset Register in respect of purchases from the grant in aid.
- 4) Reason for non- utilization of remaining grant.
- 5) Total amount received towards construction of girls polytechnic and the amount spent out of it till date.

In reply, the department stated that quarterly reports would be sent henceforth. Asset register would also be maintained in form OFR-19



The Registrar further stated that commercial licenses was purchased as the same was essential for demonstration of machineries.

The reply is not tenable as the very purpose of giving grant by Government of India was not achieved.

**Para 7: Non remittance of Govt revenue into Govt Treasury- Rs.255993/-.**

According to the provisions of Govt of Mah Higher and Technical Education and Employment department Resolution No. WBP/1093/ (39) dt 29.12.93, fifty percent of the revenue realized on account of testing and consultancy fee was required to be credited into Govt accounts. As per the Rule the revenue collected on behalf of the Govt was required to be credited into Govt Account immediately and in no case should it exceed three days from the date of realization of the same.

During the scrutiny of the records it was observed that an amount of Rs. 676043/- has been collected by the institute during the period from 1.1.2008 to 31.3.2012 as testing fee from different bodies, out of which 50 percent share of Govt i.e. Rs. 3,38,072/- was required to be credited to Govt account. It was, however, observed that the institute had remitted only ₹.82029/- in March 2012 leaving a balance of ₹. 2,55,993/- remained un remitted to Government Account.

Unpaid Govt receipt received as testing fees				
Year	1.1.2008 to 31.3.2009	1.4.2011 to 31.3.2012	1.4.2012 to 31.12.2012	Total
Receipt	20975	436664	218404	676043
Govt share 50percent	10488	218332	109202	338022
Paid by challan No. 222 dt 12.3.2012			82029	82029
Total to be paid to Govt				255993

On this being pointed out, it was sated that the amount on account of testing charges would be credited to the Government account at the earliest.

Further progress may be intimated to audit.

**Para 8: Discrepancies in bills.**

During test check of paid bills during the audit period it was seen that 8 percent surcharge / service charges has been charged for purchases made from Vidyarthi Grahak Sahakari Bhandar as shown below:



Sr No.	Bill No /date	Total Amount of bill inclusive of surcharge	Surcharge amount
1	1013/15.5.2008	3078	228
2	1015/13.5.2008	5316	393
3	1019/21.5.2008	14347	1062.72
4	1009/5.5.2008	3124	231.44
5	1367/21.6.2010	15596	1155.20
6	1404/18.10.2010	13663	1012
7	1402/18.10.2010	18025.2	1335.20
8	1424/2.12.2010	10063.17	745.42
9	1457/24.01.2011	11491.2	851.20
10	1457/24.1.2011	7393	547.60
11	1219/30.7.2009	9082	672.72
12	1020/26.5.2008	13353	989.12
13	1035/11.7.2008	7467	553.12
14	1069/15.10.2008	8972	717.80
	<b>Total</b>		<b>10494.54</b>

This list is illustrative but not exhaustive and the department may verify and ascertain the correctness of charging such extra charges & got it refunded if it is found irregular.

On this being pointed in audit, the department stated the point would be verified and compliance submitted to audit.

**Para 9:- Non-reconciliation of revenue receipts.**

As per Rule 98(2) (v) of Maharashtra Treasury Rules, 1968 read with para 428 and 429 of Maharashtra Treasury Manual, every Govt. Officer on whose behalf Govt. revenue is credited into Govt. treasury is required to reconcile the remittance made into treasury every month with treasury office records by preparing list of remittances from the original challans and get a certificate to that effect from the Treasury Offices.

During scrutiny of the records, it is noticed that no such reconciliation was carried out for the entire audit period i.e. 1.1.2008 to 31.12.2012. ✓

Though this was pointed out during earlier inspection no reconciliation has been done so far.

In reply, the department stated that the reconciliation would be carried out and compliance intimated to audit.

**Para-10: Difference of Rs. 5,08,863=21/- between cash book and bank pass book.**

During scrutiny of Cash Book and bank statement (Axis Bank Account No. 028010200003773) as on 31.7.2010 it was seen that there was a difference of Rs. 5,08,863.21/- between the balances of cash book and bank statement as shown below:-

Balance as per bank statement ₹. 12,99,288=21

Balance as per Salary cash book ₹.7,90,425=00

**Difference: - ₹.5,08,863=21**

In reply, the department stated that the reconciliation would be carried out and compliance intimated to audit.

**Para-11:- G.P.F. accounts of class IV Govt. Servants.**

The following omissions have been noticed in the maintenance of G.P.F. accounts of Class IV Government Employees.

- i) Index column of the employees have not been prepared on the first page of the ledger.
- ii) Each credit & debit entry made in ledger has not been attested.
- iii) Pay of the employee as on 31<sup>st</sup> March has not been recorded in ledger.
- iv) Acceptance of nomination has not been noted in ledger/Pass Book.
- v) Periodical returns of credit/debits has not been intimated to the head of department/Accountant General (A & E), Mumbai.
- vi) The Broadsheet of G.P.F. has not been maintained.
- vii) The G.P.F. pass book has not been issued.
- viii) In 2010-11 & 2011-12 G.P.F. accounts has were not maintained by the office.

In absence of the above it is not clear as to how the principal is keeping the GPF account of class IV employees and managing the account properly.

In reply, it was stated that the point would be verified and compliance submitted.

**Para 12: Undisbursed Schedule Caste Scholarships for 2009-10 amounting to Rs.109500/-.**

During scrutiny of records of Schedule caste scholarships for 2009-10 it was seen that Demand Drafts (DD) amounting to Rs.109500 drawn in favors of students availing scholarships have been expired as they were kept un disbursed. Drawing the money from Government account and keeping it in the form of DD for quite a long time was irregular. Immediate action may be taken to disburse the money to students or to refund the same to Government account.

In reply, it was stated that the point would be verified and compliance submitted.

**Para-13: Lapsed Deposits. (Caution Money)**

As per Rule 506 & 507 of MTR,1968,VOL-I any deposit exceeding Rs.25/- unclaimed for more than three complete accounting years and deposit below Rs.25/- remained unclaimed for one complete accounting year should be treated as 'Lapsed' and credited to Government Account under M.H.0075-Misc. General Services.

Scrutiny of caution money register revealed that an amount of Rs.128600/- was lying with the Institute for the period from 2005-06 to 2008-09 has yet to be lapsed and credited to Government account as detailed below:-



	2005-06	2006-07	2007-08	2008-09	Total
Received	84000	84000	84000	101600	353600
Refunded	52000	53000	60000	60000	225000
Balance	32000	31000	24000	41600	128600

As pointed out by earlier audit in 2007 the details of caution money received before 2000-01 was not made available by the department. The same may also be calculated and credited to Government account.

In reply, it was stated that the amount would be credited to Government treasury and compliance submitted.

#### Para-14: Discrepancies noticed in Personal Ledger Accounts.

During scrutiny of Cash Book, Bank Statement and relevant records of PLA accounts maintained by the department it was seen that there was a difference between the cash book and bank statements as shown below :-

Sr No.	PLA Account No.	Bank account No	Balance as per PLA cash book 31.3.2012	Balance as per PLA bank statement 31.3.2012	Difference
1	6181016009	6181016009	17791995	20394967.37	2602972=37 ✓
2	6184008007	6184008007	1174287.46	1174287.46	Nil ✓
3	--"--	414502010094839	9950520	10264345	313825 ✓

Further scrutiny revealed the following irregularities as given below:

- 1) The receipt received on account of rent from FDDI (Footwear Designing Development Institute) has been credited to PLA account in the following test checked cases. The authority under which receipt realized from rent has been deposited in PLA account was not produced to audit.

Sr No.	Type of receipt	Amount	Dated /No.	PLA Account No.
1	003640	3616	28.9.2011	61810116009
2	007467	5424	21.6.2012	---"---"---
3	036726	5424	6.3.2012	---"---"---
4	19646	3616	16.12.2011	---"---"---
5	011144	3616	4.4.2011	---"---"---

2) As per the Govt of Maharashtra, Higher and Technical Education Department GR No. 1002/ (610/2002)/ estt-I dated 11 November 2002 only one PLA account has to be maintained for all purposes by the department.

Scrutiny however revealed that the department has maintained two PLA account and ~~three~~ bank accounts, as shown above. The reasons for maintaining two PLA & three bank accounts has not been furnished.

As per the Govt of Maharashtra, Higher and Technical Education Department GR No. 2001/(105/02)/ dated 31 May 2003 50% of all receipts received under Continuing Education Programme(CEP) courses conducted by the department should be credited to Government account. Scrutiny has however revealed that 50 percent of the receipts have been credited to Government upto March 2010 but no receipts have been credited to Govt. accounts thereafter.

On this being pointed out in audit, it was stated that the Institute will scrutinize and reconcile with Bank statement and actual transfer would be made from FDDI to Govt. account.

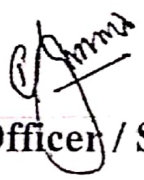
Further progress may be intimated to audit.

### Part III: Test Audit Note

A Test Audit Note containing minor observation which could not be settled was handed to the department. Compliance of the same may be kept ready and shown during next audit

### Part IV: Non-Tax Receipts

Nil

  
Sr. Audit Officer / SS-II (B)