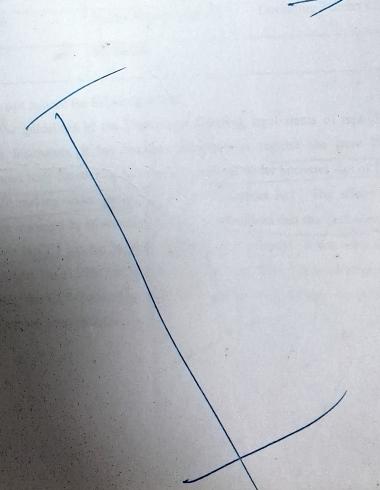


7. College of Engineering Thiruvananthapuram

TB1

7.1 / Implementation of Technology Business Incubation funded by Department of Science and Technology, Government of India.

National Science and Technology Entrepreneurship Development Board of the Department of Science and Technology(DST), Govt. of India is supporting Technology Business Incubators (TBI) primarily in and around academic, technical and management institutions to tap innovations and technologies for venture creation by utilizing expertise and infrastructure already available with the host institutions. The host institution has to play an important role not only in the establishment of the TBI project but also in its smooth and efficient functioning. Only those institutions/



organisations that can provide land and built-up space for TBI and are also willing to share available facilities and expertise would be for setting up of the TBI.

The Department of Science And Technology approved the establishment of a Technology Business Incubator at the College of Engineering Trivandrum at a total project cost of Rs.430 lakh with DST's contribution of Rs.200 lakh on capital, split in two phases and Rs.100 lakh as recurring for five years for TBI operations. Remaining portion (Rs 130 lakh) is to be generated from the TBI activities.

Each TBI is expected to become self-sufficient within a period of five years from the date of sanction of the project. The TBI should, however, start earning from the very first year of its operation.

DST releases financial assistance as follows.

| Financial year | Amount released | Balance as on 31.03.17 |
|----------------|---------------------------|-----------------------------|
| 2011-12 | 44,94,900 (capital grant) | 65,59,896 |
| 2012-13 | 50,30,000 (capital grant) | (including interest earned) |
| | 95, 24,900 | |
| | | |

Audit noticed the following points

As per the guidelines of the Department regarding legal status of new Technology Business Incubators, it has become mandatory to register the new TBIs as an autonomous body functioning as a society registered under Societies Act of 1860/or as a non-profit making under section 25 of the Companies Act. The affairs of the TBI should be managed by an Advisory Board. Audit noticed that the Technology Business Incubation in CET has not yet been registered as a company. It was seen although that vide G.O(Rt) No.313/2015/H.Edn. Government accorded Administrative Sanction for registering the CET-Technology Business incubator as a society, no further action in this regard has been initiated.

1/1.

- Even after the expiry of the Plan period, only 30 % of the released funds could be utilised and the unspent balance of Rs.65, 59,896 as on 31-3-2017 is seen kept in the bank account due to poor implementation of the scheme.
- The DST in its guidelines clearly specified that the TBI should start earning from the very first year of its operation and envisaged internal revenue of Rs.130 lakh. Audit noticed that the CET-TBI has generated revenue of Rs.197300 only for the period 2013-14 to 2016-17.

7.2 TREST -Non achievement of intended objectives

Grest Pa Research Pa

Government Vide G.O (Rt)No.2370/2012/H.Edn. Dt.05.11.2012 accorded Administrative Sanction for establishing a Trivandrum Engineering Science and Technology Research Park (TREST Research Park) in the campus of college of Engineering Thiruvananthapuram under section 25 of the Companies Act 1956. As per the Memorandum of Association, the major objectives of this project is to construct build, erect, establish and operate a "Research Development Park" providing incubation facilities for various research projects undertaken by enterprises and entrepreneurs in engineering science and technology and to facilitate co-operation and interaction between academia and industry.

Audit noticed that even after the completion of five years, activities of the research park are still in its infant stage. Following observations are made by audit.

1. <u>Land acquisition for the park.</u>

In the third meeting of the Directors of Trust held on 17.03.2016, site for the park was identified and it was decided to request the Government to give 4.38 acres of land identified in CET campus to TREST on 99 year lease basis A proposal in regard as per No. TRP/29/2016/Hedn. dt.30.05.16was seen forwarded to Government by the then CEO. No further action is taken.

Implementation detailed Project report of the park

2.

As per the direction of the Board of Directors, a detailed project report has been submitted by M/s Sridhar and Co for the park. Eventhough the project report was forwarded to Government, no further action was seen taken.

3. Non utilisation of fund allotted for the park

| Financial Year | Agency | Amount received | Amount utilised |
|----------------|-------------------------------|-----------------|-----------------|
| 2012 14 | A STATE OF THE REAL PROPERTY. | (Rs in lakh) | (Rs in lakh) |
| 2013-14 | GoK | 100 | NIL |
| 2014-15 | 0.41 | | |
| | GoK | 100 | 0.53 |
| | AICTE | 34.50 | 34.50 |
| 2015-16 | 0.77 | | |
| | GoK | 100 | 29.15 |
| 2016-17 | GoK | 200 | NIL |
| State of Arms | | | |

During 2013-14 to 2016-17, Government of Kerala has allotted 5 crore for the park, only an amount of Rs1.16 crore could be utilised.

4. Lapse of AICTE assistance of Rs 65, 49,333

AICTE sanctioned grant in aid of Rs.1 crore as financial assistance for the research park in College of Engineering Trivandrum and released an amount of Rs.34, 50,667 on 04.06.2013 as the first instalment. As per AICTE guidelines, the duration of the project for which the fund could be utilised was three years. The release of the subsequent grant was subject to the submission of Project Progress report and utilisation certificate. As the first instalment of assistance could be utilised only by March 2017 remaining portion of assistance was lapsed.

5. Members in TREST park

One of the main objectives of the park was to facilitate co-operation and interaction between academia and industry, which can be achieved only by the participation of enterprises and entrepreneurs in various sectors in the research park. But only one company (V Safe High Tech Solutions Pvt Ltd.) has so far been incubated in the TREST research park.

6. Infrastructure facilities for the Park

Lack of infrastructure facilities has been reported to be the major constraint for attracting more companies. Construction of building for the park has not yet been started.

7. Absence of full time CEO

A Chief Executive Officer is very much essential for the coordination of various activities and achievement of intended objectives. The Government initially appointed CEO for a period of one year from 22.01.2016. After the expiry of his tenure, the post has not been filled up. Absence of a full time CEO which affects the development of the park.

Conducting of short term courses /seminars/work shops 7.3

Detailed guidelines were issued by the Director of Technical Education vide proceedings No.L45/19218/16/DTE dt.17.08.2016 for conducting short term training programmes/National Seminar/International Seminar/workshops.

Audit observed that directions issued by the DTE were not complied with while

Short term by course organised by Department of architecture from 23.11.2016 to

25.11.2016

As per the guidelines mentions faculties of self-financed educational institutions participating in short term training programmes (Rs.2000/- for three day and Rs.5000 for one week programme). Course

fee at the rate of Rs.2000 was not realised from 7 participants who were from selffinanced institutions. Non realisation of Rs.14000/- is noticed. Guidelines stipulate the minimum number of participants to be 20 in the short-term training programmes. The number of participants in the above training programme was only 16.

National Seminar organised by Department of Electronics and Communication Engineering from 16.12.16 to 17.12.16

2.

Cleckming, As per the guidelines, honorarium to external faculties handling various sessions shall be paid at the rate fixed for visiting faculty scheme. Payment of honorarium was seen made to external faculties in excess of the admissible rate as shown below.

| SI | Name of the faculty | Designation | Amount | Amount |
|----|--------------------------|----------------------------|------------|--------|
| No | The state of the factory | 2001g.tanien | admissible | paid |
| 1 | Prof.K.G.Satheesh | Director, Centre for | 1000 | 3000 |
| | Kumar | Assisting technology and | | |
| | | Innovation, NISH TVPM | | |
| 2 | Prof.G.Jayasankar | Principal(Rtd.),GEC Barton | 2000 | 3000 |
| / | | Hill Trivandrum | | |
| 3 | Shri.R.Sreenivasan | Sr.Consultant ICFOSS | 1000 | 3000 |
| | 1 | Trivandrum | | |
| 4 | Dr.B.Ramani | Executive Director, CDAC | 1000 | 3000 |
| | | Trivandrum | | |
| 5 | Dr.P.V.Unnikrishnan | Joint Director CDIT | 1000 | 3000 |
| | 1 | Trivandrum | | |
| 6 | Prof.Bijumon | Asst.Professor | 1000 | 3000 |
| | V | Govt.Model Engg College | | |
| | | Thrikkakkara | | |

The excess payment of honorarium may be recovered from the officials who were responsible.

Acoust Acousts

According to the LTC Rules of Govt of Kerala vide GO (P) No5/2013/Fin dated 2-1-2003, a Govt servant who have completed 15 years of service is entitled to get travel fare in the entitled class to travel from his home town to any place in India (single destination) through the shortest route subject to maximum of 6500 km. The place of visit to be declared in advance and original tickets are to be produced along with the claim. Govt assistance would be limited to the fare by the shortest direct route calculated on a through ticket fare, irrespective of whether the journey was performed by the shortest route or any other route (para 4(b) of the GO). On test check of LTC claims it was seen that the following teachers were allowed to claim flight charges for visiting multiple destination in their LTC claim during the audit period:

| SI | Name | Places visited |
|----|-----------------------------------|---------------------------------------|
| No | (Shri/Smt) | |
| ,1 | Dr. A.Samson, Professor in | New Delhi, |
| | Mechanical Engg Dept | Amritsar,Shimla,Kulu,Manali, |
| | | Chandigarh, Srinagar |
| 2 | Dr.N.Asok kumar, Professor in | DO |
| | Mechanical Engg Department | |
| 3 | G.L.Aswinikumar, HOD | New Delhi, Agra, Amritsar, Srinagar, |
| | Mechanical Engineering | Sonmarg, Pahalgam |
| | | lands a s |
| 4 | N.Radhakrishnan, Professor in | New Delhi, Jammu, Srinagar, Amritsar, |
| | Mechnaical Engineering Dept | Agra |
| 5 | Dinesh Pai Professor in EEE | New Delhi, Amritsar, Shimla, Kulu, |
| | | Manali,Chandigarh,Srinagar |
| 6 | Sheeja A.K, Professor | New Delhi, Agra, Amritsar, Srinagar, |
| | in Civil Engineering Dept | Sonmarg, Pahalgam |
| 7 | Farook A, Professor in Mechanical | New Delhi, Amritsar, Shimla, Kulu, |
| | Engineering Dept | Manali, |
| | | Chandigarh, Srinagar |

The claim may be limited to the journey from the home town of the Government Servant to the farthest point of visit through the shortest direct route in the entitled class.

It was replied that action would be taken to recover the excess amount. Action taken to recover the amount may be intimated.

Non-invoking of penal provision in purchase agreements.

As per the conditions stipulated in the standard agreement for the purchase of articles, liquidated damages at the specified rates are leviable from the supplier if he fails to supply articles within the agreed period. If the contractor fails to deliver the items within the mentioned date of supply order, the purchaser shall deduct from the contract price as liquidated damages sum equivalent to 0.5 % to 1% of the delivered price of the delayed stores for each week of delay until actual delivery subject to a maximum of 10% of the contract price of the delayed item. Audit observed that penal provisions for delay in supply as per agreement entered in to with suppliers for the purchase various items were not invoked by the head of institution in the following cases

| 61 No. | Purchaseu item | Price (in rupees) 15,63,273 | Supposed date of supply as per Supply Order 31.03.2016 | Actual date of supply 27.10.2016 |
|--------|---|------------------------------|---|----------------------------------|
| 2 | manipulator (Floor Mounted) (File No. P5/10321/15/PPP) Differentially Driven | 3,43,276 | (Extended up to 20.07.2016) | 05.05.2016 |
| 3 | Autonomous Mobile Robot(File No. P5/10321/15/PPP) 2 Level Inverter (File No. | 3,81,288 | 30.04.2016 | 08.07.2016 |
| 4 | P5/1279/2016/PPP) Data Acquisition System | 10,66,850 | 10.12.2016 | 22.03.2017 |

| | & accessories and | | | |
|---|---------------------|----------|-----------------------|------------|
| | software(File No. | | | 2016 |
| | P5/3135/2016 QIP) | | 20.04.2016 | 23.08.2016 |
| 5 | DSO and Accessories | 8,36,310 | 20.04.20 | |
| | (File No. | | Company of the second | |
| | P5/1493/2016/PPP) | | | |

Reasons for not levying liquidated damages from the firms may be intimated.

Bosch Centre of Excellence-Fixing Training fee for external participants

As per GO(Rt) No.191/2014/H.Edn dated 31.01.2014, Bosch Centre of Excellence was established in CET. The fee structure for Certificate Programme for 180 hours on Basic Level on Automation Technologies was Rs 10,716 as per the Govt order The intended beneficiaries of the scheme are the students who completed first year of B.Tech. It was locally decided in the meeting held on 8/6/2016 to conduct 30 hr training programme charging a fee of Rs. 1786 for students and Rs 2500 for external participants. No ratification for the revised fee structure of Rs 2500 for external participants was obtained from the Government. For eg. Training was conducted from 21/7/16 to 8/8/16 for 18 employees of GES Infotek Pvt Ltd, Technopark charging a fee of Rs 2500.

Govt. ratification received in this regard may be intimated.

Non -utilization of plan fund during the year 2016-17

It was observed that the Plan fund allotted during the year 2016-17 remained unutilized at the end of the financial year as shown below.

| Head of account | Allotment received | Expenditure | Balance |
|--------------------|--------------------|-------------|-------------|
| | | incurred | surrendered |
| 2203-00-112-65-QIP | 167.83 | 157.65 | 10.18 |
| 2203-00-112—56-PPP | 80.95 | 38.67 | 42.28 |

7.6

2203-00-112-TREST 103.27 2.37 100.90

Reason for non utilization of allotted for TREST Plan fund may be furnished along with the proposal for allotment of funds for the year 2017-18.

7.8 Construction of QIP quarters

MOU was signed with BSNL for the construction of quarters for research scholars on 23- September 2015. BSNL tendered the work and awarded the work to a contractor (M/s Subramanian &Co vide Agreement No.14/BSNL/EE-II/TVM/2015-16) for an agreed PAC of Rs.39,19,561. An amount of Rs 4,75,000 was paid during the period from February 2016 to October 2016, BSNL completed and handed over the quarters to the institution on 15-3-2017 .The work has been completed and the BSNL has furnished expenditure statement for Rs 49,16,777 in April 2017 and demanded payment of the balance amount.

Following observations are made by Audit

- 1. In the estimate submitted by BSNL centage charges claimed was only 7% (Rs.307434) and settlement was effected (Rs.354401) accordingly resulting in excess payment of Rs.46967.
- Time is essence of any contract. As per clause 5.14 of the MOU penalty shall be imposed on the delay in completion of the work and the amount so recovered shall be deposited with the Principal. The work started during 2015-16 was completed in March 2017. No amount of penalty is seen imposed on the contractor.

9 Avoidable payment of excess demand charge.

CET, Thiruvananthapuram is a High Tension consumer of KSEB with contract demand of 500 KVA. Though actual demand exceeded the contract demand, no action was taken to enhance the contract demand as a result of which CET is paying excess demand charge every month as shown below

KSEB bill date | Month of demand | Actual demand | Excess demand charge

cochical

ary of the

15

| | | (amount in Rupees) |
|--------------|---|--|
| January 16 | 605 | 105x175=18375 |
| March 16 | 185 | 185x175=32375 |
| May 16 | 284 | 284x175=49700 |
| July 16 | 94 | 94x175=16450 |
| September 16 | 183 | 183x175=32025 |
| March 17 | 174 | 174x175=30450 |
| May 17 | 118 | 118x175=20650 2,00,025 |
| | March 16 May 16 July 16 September 16 March 17 | March 16 185 May 16 284 July 16 94 September 16 183 March 17 174 |

Failure in enhancing the contract demand with KSEB has resulted in loss of Govt. money of Rs 2 lakh in the above cases.

It was replied that the matter has been taken up with KSEB Assistant Engineer for settlement.

Appointment of adjunct faculty 7.10

In order to compensate for the shortage of experienced faculty at the level of Associate Professor/Professor in Govt Engineering colleges, Government of Kerala 6. accorded sanction for the Adjunct Faculty Scheme in GO (Rt) No.34/2012 /HEdn 13-2-2012. Maximum honorarium shall be Rs 25,000 per month. Accordingly Prof. Frahad Musadeekh, Principal (Rtd.), Government Engineering College, Kannur was appointed in Computer Science Department as adjunct faculty from 07.08.2012 and is continuing as such. Audit observed that there was no vacancy in the cadre of Associate Professor in the Computer Science Department during this period and hence appointment, of adjunct faculty in this department is irregular. It was also seen that he is taking only three hours per week.

Remarks of the institution are awaited.

7.11 <u>Centre for Continuing Education - Lack of Internal Control</u>

On scrutiny of the records maintained by the Centre for Continuing Education at CET, Thiruvananthapuram the following deficiencies were noticed.

1. <u>Improper maintenance of Cash Book.</u>

- a. The cash book does not show Opening Balance, Closing Balance or daily totaling of Receipts and payment sides on day to day basis.
- Head of the Office has not attested the entries of the cash book as required in Rule 92 of KTC Vol I.
 - c. Physical verification of cash balance is not seen conducted at the end of each month as required in KTC Vol I
 - d. Analysis of closing balance is not seen written at the end of each month.

Necessary direction may be issued to maintain the cash book properly observing the provisions in KTC.

2. Accumulation of huge balance in the bank account of CCE.

It was seen that there is an accumulated balance of Rs 2, 02, 22,714 as on 31-3-17 in the bank account of CCE (SBI Savings Bank Account No. 57005991583). The amount represents institutional share of course fee /consultancy charges which is intended to be used for the general purpose of the college. This fund is now being used for giving advances for various activities of the college.

3. Unsettled Advances

It was noticed that the advances given from CCE were not settled properly in time. Many of the advances remain unsettled even after years of drawal. According to the existing directions, each advance given to individuals shall be adjusted within a period of three months. If the advances are not adjusted within three months, the entire amount shall be recovered from the individual together with interest @ 18% from the date of drawal to the date of recovery. If advance is settled by refunding the unutilized

portion interest @18 % should be charged on the unutilized portion from the date of drawal to the date of refund.

Audit noticed that the advances amounting to Rs.16,89,471 drawn during 2014-15 and advances amounting to Rs 31,67,038 drawn during 2015-16 is still pending settlement. Some examples in 2014-15 is given below:

| Name and Purpose | Date of Advance | Amount (in rupees) |
|--|--------------------|-----------------------|
| Prof. N Unnikrishnan, Soil Investigation and rectification works of RCB | 02/06/2014 | 2,22,000 |
| Chamravattom Prof. N Unnikrishnan, Conducting course | 24/06/2016 | 80,000 |
| of Piping Engineering through CCE Smt. Ajitha AR, Anticipated expenditure | 07/07/2014 | 2,00,000 |
| for GATE coaching classes | . 1 | reiduals in 2014-15 a |

Apart from these 3 there are other advances drawn by individuals in 2014-15 and 2015-16.

Scrutiny of advance drawn for 2016-17 shows that the amounts unsettled includes advances drawn for purchases, construction purposes, maintenance, training programmes, meeting expenses, GATE coaching, Soil Testing and Consultancy. Due to huge number of advances, a sample check for the month of September 2016 was done and it was seen that an amount of Rs 6,43,928 drawn by different persons during the month still remain unsettled even after expiry of 11 months. Strict instructions may be issued for maintaining better internal control over the transactions of CCE and for the timely settlement of advances drawn by individuals.



Excess Service Tax Paid

As per the balance sheet on 31/3/2016, Excess service tax paid amounting to Rs.5, 70,702. Necessary steps may be taken to refund the excess Service Tax paid.





Accedence

7.12 <u>Lack of monitoring of hostel fee collection</u>.

On verification of hostel records, it was noticed that collection of fee in the hostel is not monitored properly. No Demand Collection Balance statement is being prepared to ensure prompt collection. Audit checked the fee collection status of one month (March 2017) in detail and found out that 183 out of 433 inmates of Men's hostel and 96 out of 404 inmates of Ladies Hostel has not remitted Hostel Fees(which includes Rent, Mess Fee and fine if any) till date.

It was replied that the DCB would be prepared in future.

7.13 Non - remittance of Govt. revenue - eGrants

The college maintains a bank account (Current A/c No. 30856773053, SBI Sreekariyam) for the - e Grants received from SC/ST/Other departments. Usually special fee and tution fee and examination fee in respect of SC/ST/OBC/OEC/SEBC students are credited in the e-grant account. Tuition fee and revenue portion of the special fee are to be credited to revenue head and the remaining balance is to be credited in the P D account maintained by the Principal in the treasury. As such there will not be any balance in this account if the settlement is promptly effected.

Audit noticed that a balance of Rs.1, 12,92,474 was available in the bank as on 31.03.2017.

It was also noticed that the sum of total credits from Jan 2017 to March 2017 was Rs.43.39 Lakhs. Even if there is a delay of 3 months in the e-Grants processing (ie. receiving intimation from Departments/ disbursement of fees/remittance to PD and Govt. revenue, etc), ideally the balance in the account should be in the range of Rs 43.39 lakh. However the balance was Rs.1.12 crore.

This indicates that either the Govt. revenue to be credited to the revenue heads is not being promptly credited or there is delay in the payment of refund amount to students.

Detailed split up of this balance amount as on 31/3/2017 may be intimated to Audit as

of the same of the

amount to be credited to Govt Revenue,

- 2. amount to be credited to PD account,
- 3. amount to be refunded to students.

Non utilization of funds accumulated in Special Fee PD Account 7.14

The Special fee PD account of the college showed a balance of Rs.1,81,50,522 as on 31/03/2017. This amount includes the Special Fee (like Magazine fee, athletic fee, college development fee, college union fee, etc.) collected from students amounting to Rs.1,12,03,572 and Caution Deposit of Rs 69,46,950 which includes undisbursed Caution Deposit . The amount collected as special fee from students is intended to be utilised for the welfare of students in the same academic year itself. Since this amount pertains to previous years, sanction from Government/ competent authority may be obtained for utilising the accumulated amount in the PD account. Hence necessary action may be taken to utilise the accumulated balance of special fee.