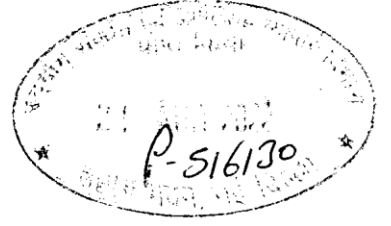


उद्योग एवं कारपोरेट कार्य  
ए.जी.सी.आर. भवन,आई.पी.एस्टेट  
नई दिल्ली-110002



पत्र सं : ए.एमजी.-I /4(22)/आई.आर-18/NPC/2022-23/ 336A दिनांक: 17 AUG 2022

सेवा में,

उप-निदेशक (वित्त),  
राष्ट्रीय उत्पादकता परिषद,  
उत्पादकता भवन, 5-6 संस्थागत क्षेत्र,  
लोदी रोड, नई दिल्ली - 110003

रजि. सं. (उ.सं.आं.व्या.वि.)  
S.C.A. (P.I.I.T.)  
डायरी सं. 516130  
दिनांक / Date..... 26/8/22

विषय: लेखापरीक्षा निरीक्षण रिपोर्ट के संबंध में।

आपके कार्यालय का वर्ष 2019-2020 से 2021-22 की अवधि का 09.05.2022 से 30.05.2022 तक लेखा निरीक्षण किया गया था। इस अवधि के दौरान लेखापरीक्षा दल द्वारा 21 लेखापरीक्षा मांगपत्र तथा 3 स्मरण पत्र प्रेषित किये गए, परन्तु NPC की तरफ से संपूर्ण जानकारी/रिकॉर्ड प्राप्त नहीं किया गया। तत्पश्चात हमारे कार्यालय के अर्ध-शासकीय पत्र दिनांक 04/07/2022 द्वारा NPC को पुनः लेखापरीक्षा की अवधि 05/07/2022 से 18/07/2022 के बारे में सूचित किया गया था। इस अवधि के दौरान भी NPC द्वारा सभी संबंधित रिकॉर्ड प्राप्त नहीं किए गए।

परिणामस्वरूप, NPC के लेखापरीक्षा में बाधा उत्पन्न होने से लेखापरीक्षा पूर्ण रूप से सफल नहीं हो पाया। अतः NPC की निरीक्षण रिपोर्ट आपके कार्यालय को भेजी जा रही हैं। अतः आपसे अनुरोध है कि सभी पैरो के उत्तर इस रिपोर्ट के मिलने के एक माह के भीतर इस कार्यालय को भेजने का कष्ट करें।

भवदीया

वरिष्ठ लेखा परीक्षा अधिकारी (ए.एमजी.-I)

प्रतिलिपि: सचिव, उद्योग संवर्धन और आंतरिक व्यापार विभाग, वाणिज्य एवं उद्योग मंत्रालय, नयी दिल्ली -110011

वरिष्ठ लेखा परीक्षा अधिकारी (ए.एमजी.-I)

Dist (USM)  
ASCAA  
अवर सचिव (पी.आई.)  
1  
26/8

26/8/22  
S. (PI)

**Inspection Report on the Transaction Audit of National Productivity Council, New Delhi for the period 2019-20 to 2021-22.**

Name of the Head of the Department-	Sh. Sundeep Kumar Nayak, Director General
Name of Director (Finance)-Group Head-	Sh. K. P. Sunny
Name of the Sr. Audit Officer-	Sh. Vaibhav Kolhe
Name of Assistant Audit Officer-	Sh. Manvendra Jha, Sh. Dharendra Chaudhary, Sh. Rahul Yadav
Period of Audit-	2019-20 to 2021-2022
Date of Audit-	09.05.2022 to 30.05.2022 & 05.07.2022 to 18.07.2022

**PART-1**

**1. Introduction**

The National Productivity Council of India (NPC) established in the year 1958, is an autonomous organization under Department for Promotion of Industry & Internal Trade, Ministry of Commerce and Industry, Government of India. Besides undertaking research in the area of productivity, NPC has been providing consultancy and training services in areas of Industrial Engineering, Agri-Business, Economic Services, Quality Management, Human Resources Management, Information Technology, Technology Management, Energy Management, Environmental Management etc., to the Government and Public & Private sector organizations. NPC is a constituent of the Tokyo-based Asian Productivity Organization (APO), an Inter-Governmental Body of which the Government of India is a founding member.

Besides its Headquarters, NPC has 12 Regional Directorate at major State capital/Industrial Centre and own in-house training institute, Dr. Ambedkar Institute of Productivity (AIP) at Chennai.

## 2. Scope of Audit

The compliance audit is covering a period of three years from 2019-20 to 2021-22. The records maintained at NPC, New Delhi were test checked. The audit was conducted taking into account the following:-

- Agenda/Minutes of Board of Directors.
- GFR, Govt. of India circulars, guidelines etc.
- Project files, training files
- Files/contract Files, vouchers furnished to audit.

## 3. Organizational Set up

President (Minister of Commerce & Industry)>Chairman (Secretary DPIIT)>Director General (Chief Executive Officer)>Dy. Director General>Dy. Director General >HQ & Regional Directorate> Group Divisions

## 4. Men in position as on 31<sup>st</sup> March 2022

Designation	Sanctioned strength	Men in position	On contract
Group A	295	114	-
Group B	126	17	-
Group C +D	117+77=194	14+18=32	-
Total	615	163	

## 5. Budget & Working Result

Particulars	2019-20	2020-21	2021-22
Total Revenue	50,29,54,666/-	45,12,77,207/-	Information not furnished by NPC as Final Balance sheet is not prepared
Total Expenditure	51,80,78,165/-	46,70,35,274/-	
Profit Before Tax	1,51,23,499/-	1,57,57,977/-	

Provision for Tax	NA	NA	
Exceptional items	NA	NA	
Net Profit available for Appropriation	-1,51,23,499/-	-1,57,57,977/-	
Other Comprehensive Income	NA	NA	
Net Profit available after utilization	-	-	

**Grant-in-aid/other objects head**

Particulars	2019-20	2020-21	2021-22
Grant-in-aid	26,90,00,000	20,33,45,000	13.29,00,000
Other Object Head	50,00,000	18,20,000	46,10,000

**6. Internal Audit**

No Internal Audit of NPC, New Delhi was conducted during the year 2019-20 to 2021-22.

**7. Legal Cases**

There are 10 legal Cases pending in the court.

**8. Cases of Fraud/Theft/Misappropriation/Embezzlement of Cash.**

No Cases of Fraud/Theft/Misappropriation/Embezzlement of Cash was reported by NPC during the period of audit.

**9. Risk and threats**

The following type of risks has been identified by as very important:

- (A) Non conduction of Internal Audit.
- (B) Shortage of staff (163 MIP against 615 SS).
- (C) Non conduct of Physical verification of store.

## **10. Status of computerization**

- NPC, New Delhi is using TALLY Software for Accounting Purpose.
- Maintenance of PBR
- Switching over to e-office is in progress.

## **11. Party Personnel:**

Audit Party consisting of Sh. Vaibhav Kolhe, SAO , Sh. Manvendra Jha, AAO, Sh.Rahul Yadav, AAO and Sh. Dharendra, AAO.

## **12. Disclaimer**

The inspection report has been prepared on the basis of information furnished/made available by NPC, New Delhi. The O/o Principle Director of Audit, Industry & Corporate Affairs, New Delhi disclaims any responsibilities for any misinformation and/or non information on the part of NPC, New Delhi.

### **PART-IIA**

**-NIL-**

### **PART-IIB**

#### **Para 1. Loss of revenue of Rs 68.55 lacs in respect of completed projects.**

1. A project i.e. "Evaluation Study of the 8 Institutions of the Scheme "Tool Rooms and Technical Institutions" of O/o Development Commissioner, Ministry of Micro, Small and Medium Enterprises (MSME) was awarded to NPC, Delhi during the month of March, 2021 at a total cost of Rs. 40.12 lakh (including taxes).

NPC was to conduct Evaluation Studies under the scheme 'Tool Rooms and Technical Institutions' in respect of the 8 intuitions (list of institutions listed below).

1. Central Footwear Training Institute (CFTI) Agra.
2. Central Footwear Training Institute (CFTI) Chennai.

3. Institute for Design of Electrical Measuring Instrument (IDEMI), Mumbai.
4. Electronic Service & Training Centre (ESTC), Ramnagar.
5. Centre for the Development of Glass Industry (CDGI) Firozabad.
6. Process and Product Development Centre (PPDC), Agra.
7. Fragrance & Flavour Development Centre (FFDC), Kannauj.
8. Process cum Product Development Centre (PPDC), Meerut.

#### **Time Period and Work Plan of the Study/assignment.**

The assignment was to be completed within 90 days from the date of commencement of evaluation and the draft report was to be submitted within 45 days from the commencement of the assignment. Revision of the draft report submitted, as suggested by the agencies and deemed necessary by the Govt., need to be completed within one month from the date of such revisions/directions and the Final report was to be completed within 15 days from the date of acceptance of submitted final Draft report.

#### **Cost Estimate and Terms of Payment**

Total fees of the assignments (six assignments) was Rs. 40, 12, 000/- including GST.

1. CFTI Agra and CFTI Chennai- Total 10,03,000/-
2. IDEMI Mumbai and ESTC Ramnagar – Total 10,03,000/-
3. CDGI Firozabad – Total 05,01,500/-
4. PPDC Agra- Total 05,01,500/-
5. FFDC Kannauj- Total 05,01,500/-
6. PPDC Meerut- Total 05,01,500/-

#### **Terms of Payment**

- 20% of the total assignment cost amounting to Rs. 802400/- will be paid to NPC after signing of the agreement between the parties.
- 50% of the total assignment cost amounting to Rs. 2006000/- will be paid to NPC after submission of the draft report (5 Copies) including executive summary and a presentation on the draft report being found to be generally acceptable.

- 30% of the total assignment cost amounting to Rs. 1203600/- will be paid to NPC after submission of the final draft report and its acceptance by the Government.

Scrutiny of records revealed that NPC had submitted all the 8 evaluation study reports of respective Technology Centre/Institute to O/o DC (MSME) in the month of July, 2021. During January, 2022 NPC requested O/o DC (MSME) to release total payment of Rs. 40.12 lakh, refund of EMD of Rs. 1.75 lakh & return of original Bank Guarantees. NPC again reminded MSME in April, 2022 to release the due payment of Rs. 40.12 lakh on account of Evaluation of Study reports under the scheme 'Tool Rooms and Technical Institutions' in respect of the 8 institutions submitted during July, 2021.

However, from scrutiny of documents furnished to audit it was noticed that till date no payment has been received by National Productivity Council from Ministry of Micro, Small and Medium Enterprises which is violation of terms & conditions of the work order.

During scrutiny of records it was also noticed that copy of bid documents, copy of signed Agreement between the parties was not available in the record furnished to Audit. Further, the reason for undertaking assignment/study without receipt of 20% of project cost that was supposed to be paid after signing of the agreement between the parties was also not clarified to Audit. It is also not clear from the available records that whether NPC got refund of Rs. 1.75 lakh in respect of the Earnest Money Deposited and received back original Bank Guarantees of Rs. 8.02 lakh till date. Appropriate justification in support of above will be awaited in Audit.

Thus, from the records furnished to Audit it was evident that due amount of Rs. 40.12 lakh has not been received from O/o DC, MSME even after lapse of 12 months from date of submission of all Evaluation Study reports. The matter regarding release of due payment as per the agreement may be taken up at higher level under intimation to audit.

2. National Productivity Council, regional office at Kolkata entered into an agreement in July 2020 with South Eastern Coalfields Limited (SECL), Bilaspur for consultancy project on 'Spares Parts Management' at a cost of Rs. 64.90 lakh (inclusive of 18% of GST).

The main Scope of Work was (a) Forecasting/planning of spare parts, (b) lead time for procurement, & (c) Inventory control with scope for field study. The Terms and conditions also includes, Methodology for carrying out the study and Pre-requisite for the study. The Duration of the field study was 6-8 months from the date of commencement of the study. The Payment Terms of the project was ;

- First Installment @ 40% of total cost plus applicable GST as advance at the time of confirmation / letter for award of work
- 2<sup>nd</sup> Installment @ 30% of total cost plus GST after three months of study initiation
- 3<sup>rd</sup> Installment @ 20% of total cost plus GST after submission of Draft Report
- Final Installment @ 10% of total cost plus GST after submission of final report

NPC raised first bill for 40% for Rs. 25.96 lakh in September, 2020 and second Installment of 30% for Rs. 19.47 lakh in March, 2021 and for third Installment of 20% in October, 2021 for Rs. 12.98 lakh respectively. But as per information furnished it was seen that NPC has received only 70% of amount i.e Rs. 45.43 lakh till date of audit and balance 30% amount i.e. Rs. 19.47 lacs is still pending for payment even after lapse of more than 7 months. Further, no records in support of reminders, refund of Earnest Money/Bank Gurantee/s (if deposited) etc. was made available to Audit. Non follow up for due amount i.e. unnecessary delay even after execution of work results in loss of revenue to NPC and could result in bad debt.

3. National Productivity Council, regional office at Bangalore entered into an agreement in June, 2021 with M/s Bosch Limited, Bengaluru for consultancy project on 'Study on Job Analysis and Stratification' at Bosch Limited, Bangalore Plant.

The Bosch Group is a leading global supplier of technology and services and employs over 31,500 associates in India. The Terms of Reference includes (i) to review the current Job Value Matrix (JVM), (ii) to analyse the activities which should be part of the job grades as defined in



the JVM & (iii) propose a JVM for Bosch Ltd. Applicable to all categories of workmen under direct and indirect production areas.

The Time and Cost Implication for field study was about 8 week at a revised offer of Rs. 15.20 lakh (excluding tax). The Billing schedule was – First Installment of 50 % + GST of the total amount to be paid before the start of the study, the second installment of 40% + GST to be paid on completion of field study and the Third installment of 10% + GST to be paid on submission of the report which was later revised, two installment of 50% each in june,2021.

The first Tax Invoice for Consulting Engineer Services on Study on Job Analysis and Stratification at Bosch Limited at Bangalore Plant was sent on 6<sup>th</sup> July, 2021 for Rs. 7.60 lakh + taxes. NPC raised second Tax Invoice for balance 50% i.e. Rs. 7.60 lakh + taxes after completion of the Study and Submission of the Report on 16<sup>th</sup> February, 2022. But, as per the information furnished it was seen that NPC has received only Rs. 7.60 lakh + taxes in respect of 1<sup>st</sup> Installment of 50%. Thus, even after completion of the consultancy project 50% of balance amount i.e Rs. 7.60 lakh + taxes remains blocked with M/s Bosch Limited, Bangalore.

Thus, the fact is even after execution of work, balance amount i.e Rs. 7.60 lakh + taxes remains outstanding resulting in loss of revenue to NPC and which could also result in bad debt. The progress made in the project may be intimated to Audit.

**Para. 2 Loss of revenue of 80.27 lacs due to delay/abandonment of project in midway.**

1. National Productivity Council, regional office at Gandhinagar, Gujarat was engaged with Gujarat State Fertilizers & Chemicals Limited (GSFC), Vadodara, Gujarat under project ‘ Manpower Optimization & Restructuring’ study at GSFC Limited covering company’s all the technical and non-technical functions, various units, marketing offices/depots, subsidiary companies etc.

The proposal was accepted by both the parties in October, 2020 & the duration of the project was from October 2020 to June 2021. The scope of work includes (i) entire company , (ii) to scientifically review the manpower deployment based on Industrial Engineering and Time & Motion study, (iii) to optimize manpower requirement (including employees and contractual workers) as per industrial engineering studies for entire cycle of production and support

functions, (iv) to compare wage structure, (v) to suggest improvement in department structure etc.

The total charges payable for the project was Rs. 1.11 Crore including 10% discount (GST extra) & the payment was to be made on the basis of milestones. The Payment Terms of the project was (i) 40 % after submission of project inception report by NPC, (ii) 20% after submission of Report for total 35% of total manpower covered under the scope, (iii) 20% after submission of Report for total 70% of total manpower covered under the scope and (iv) 20% after submission of Report for total 100% of total manpower covered under the scope.

Under the project i.e 'Manpower Optimization and Restructuring Study at GSFC' NPC has raised two bills for 40 % and 20% of amount during October, 2020 and December, 2021 respectively and received Rs. 78.58 lakh only. As on 31/3/2022 there is no change in the status of the project which clearly indicates that NPC failed to deliver the findings/reports. The information/record related to final outcome of the project i.e. whether any extension was sought for completion of the project, progress of work regarding percentage of manpower covered under the scope, whether the project was abandoned etc. was also not furnished to Audit.

2. National Productivity Council, Regional office at Gandhinagar, Gujarat received a work order from Gujarat Narmada Valley Fertilizers Co. Ltd., (GNFC) for 'Manpower Optimization and Restructuring Study at GNFC'. The value of the contract was Rs. 61.00 lakh plus 18% GST i.e. Rs. 71.98 lakh only for the total assignment.

The scope of work includes (i) to optimize manpower requirement covering both staff and officers cadres, (ii) to review organization structure and give suggestion for improvement in department level structure, hierarchy etc. (iii) to analyze the productivity of manpower and suggest possibility of adapting modern technology eliminating duplication of work in all major activities at all levels to assess efficiency utilization of time and other resources presently deployed etc.

The time duration for the project was 24 to 29 weeks and NPC had to commence the exercise immediately after receipt of the work order. The Payment Terms of the project was (i) 40 % after submission of project inception report by NPC, (ii) 20% after submission of Report for total 35% of total manpower covered under the scope, (iii) 20% after submission of Report for total 70% of total manpower covered under the scope and (iv) 20% after

submission of Report for total 100% of total manpower covered under the scope. All payments were to be made against the receipt of the bill.

Under the project i.e 'Manpower Optimization and Restructuring Study at GNFC' against total amount of Rs. 71.98 lakh, NPC has raised bill for 40 % of amount for inception report for Rs. 28.79 lakh only on 13<sup>th</sup> August, 2021 & received the same. As on 31/3/2022 there is no change in the status of the project which indicates that NPC failed to deliver the findings. The final outcome of the project i.e. whether any extension was sought for completion of the project, progress of work regarding percentage of manpower covered under the scope, whether the project was abandoned etc. was not furnished to Audit.

3. National Productivity Council, regional office at Gandhinagar, Gujarat was engaged with the Gem & Jewellery Export Promotion Council (GJEPC), Mumbai for conducting Feasibility Study and prepare the Detailed Project Report for the Mega Common Facility Centers (CFC's) in Mumbai and Surat. The total cost of the project exclusive of taxes was Rs. 20.00 lakh only. The duration of the project was from July 2020 to March 2021. The Payment Terms was given below;

<b>Stage: I – Feasibility Study</b>	<b>Payment Condition</b>
Advance alongwith release of work order	50 %
Within 15 days from the date of submission of draft report by NPC	40%
After submission of Final Report	10%
<b>Stage: II – Detailed Project Report</b>	
Advance upon confirmation to prepare the DPR	50 %
Within 15 days from the date of submission of draft report by NPC	40%
After submission of Final Report	10%

Under the project Project Report for the Mega Common Facility Centers (CFC's) in Mumbai and Surat' NPC has raised total four bills for from July, 2020 to December, 2020 respectively and received Rs. 15.34 lakh only. As on 31/3/2022 there is no change in the status of the project which clearly indicates that NPC failed to deliver the findings/reports even after lapse of more than a year. The information/record related to final outcome of the project i.e. whether any

extension was sought for completion of the project, progress of work regarding percentage of manpower covered under the scope, whether the project was abandoned etc., refund of Earnest Money/Bank Guarantee/s (if deposited) etc. was not furnished to Audit.

**Para.3 Irregularities in Log Books.**

"As per rule **33 of the Staff Car Rules** Officers using staff cars are required to note, in their own hand writing in the log book, the mileage at the start and at the completion of their trips after verifying the mile meter and give sufficient particulars to indicate that the journeys were on official business. It was noticed that in the column purpose of journey the person using the staff cars simply noted 'official' without recording sufficient details.

During the scrutiny of staff car log book of car no DL-3CCC-4225 maintained at NPC Delhi HQ the following shortcomings are noticed on test check basis.

1. The Log book is not being maintained properly. Important entries like date of journey, time of journey, purpose of journey, signature of Officer using car were left blank.
2. Upon test check the following instances have been noticed where kilometer reading is much higher than actual distance travelled.

Kilometer reading	Place visited	Kilometer covered (km)	Actual distance in km (google map)	Difference in distance (KM)
114185 to 114207	Office to Krishi Bhavan	22	4.4	17.6
114062 to 114080	Office to Udyog Bhavan to Krishi Bhavan to office	18	9.2	8.8
113921 to 113946	Office to Gol Dak Khana to office	25	13	12
113877 to 113902	Office to C.P to office	25	13	12

113833 to 113858	Office to C.P to office	25	13	12
113790 to 113833	Office to Pusa to office	43	26	17
113359 to 113379	Office to Udyog Bhavan to Office	20	8	12
113416 to 113453	Office to Bhikaji Kama Place to Udyog Bhavan to Office	37	20	17
112905 to 112926	Office to Udyog Bhavan to Office	21	8	13
112453 to 112473	Office to Udyog Bhavan to Office	20	8	12
112428 to 112453	Office to Scindia House to Office	25	11	14
112360 to 112384	Office to Krishi Bhavan to Office	24	9	15
112303 to 112360	Office to Indian Institute of foreign trade to Rajiv Gandhi Bhavan to North Block to Office	57	32	25
112069 to 112092	Office to SBI, Sansad Marg to office	23	11	12
115733 to 115753	Office to Udyog Bhavan to Office	20	8	12
115934 to 116002	Office to Hauz Khas to Krishi Bhavan to Udyog Bhavan to Bara Khamba Road to Office	68	25	43
117789 to 117810	Office to Nirman Bhavan to Office	21	8	13
<b>Total</b>		<b>494</b>	<b>226.6</b>	<b>267.4</b>

3. As per log book in Col. 7 the name and designation of the officer using the staff car should be recorded. From Km 116308 to to Km 116779 (total 471 Km) the vehicle has been shown to visit Rishikesh and return to Office. However, name and designation of officer using the staff car for outstation visit has also not been given in the log book. The purpose of journey and signature of officer using staff car is also not mentioned. Thus it is evident from above that log book of staff car is not being maintained properly & irregularities could not be ruled out.

The above mentioned facts and figures may be verified and reply, if any, may be furnished to audit.

**Para.4 Non maintenance of Grants-in-Aid Register.**

From scrutiny of Budget files (Grants in Aid) it was seen that National Productivity Council has received funds under Grants in Aid (Salaries, General & for Projects) as per table below;

(Rs. In crore)

	Grants in Aid- General	Grants in Aid - Salaries	Grants in Aid - PBS	Total
2019-20	6.5	20.4	0.5	27.4
2020-21	2.33	17.99	0.36	20.68
2021-22	1.27	12.02	0.46	13.75

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Union Government also gives substantial funds as grants-in-aid to other agencies, bodies and institutions. The grants so released are utilized by these agencies, bodies and institutions for meeting day-to-day operating expenses and for creation of capital assets, besides delivery of services.

Further, Institutions receiving Grants are supposed to maintain subsidiary accounts/Register (including Assets Register) of the Government grant. However, it was observed that NPC was not maintaining any such type of register/accounts. Further, the audited statement of accounts for the period 2019-20 to 2021-22 was also not furnished to audit. In the absence of maintenance of Subsidiary Cash Book, **Register of Grants-in-Aid** (Form GFR - 21), Assets Register etc. audit could not scrutinize the head-wise receipt and expenditure, misclassification etc. in Audit.

As per Rule 229 (iv) of GFR 2017 All autonomous organisations, new or already in existence should be encouraged to maximise generation of internal resources and eventually attain self-sufficiency. It was also noticed that during September, 2021 DG, NPC has written and requested that NPC has become self sustainable and no grant for meeting salary expenditure may be provided to NPC as NPC has surplus receipts to meet its salary and expenditure. After lapse of only a week Director (Finance), NPC wrote DPIIT for release of Grants in Aid for the Three Quarters i.e. from April, 21 to Dec. 2021 which was received (Rs. 13.905 crore) in Feb. and March 2022 respectively which is contradictory to the DG request made to DPIIT. This may please be clarified to audit and action taken by NPC for self sustaining by maximizing generation of internal resources etc. may be elaborated to Audit.

**Para. 5 - Non Conduction of Physical Verification of Stores.**

As per Rule 213(1) of General Financial Rules 2017, the inventory for fixed assets shall ordinarily be maintained at site. Fixed assets should be verified at least once in a year and the outcome of the verification recorded in the corresponding register. Discrepancies, if any, shall be promptly investigated and brought to account.

Rule 213 (2) of GFR 2017 states that a physical verification of all the consumable goods and materials should be undertaken at least once in a year and discrepancies, if any, should be recorded in the stock register for appropriate action by the competent authority.

Further, Rule 208 (iii) of GFR 2017 states that details of the material so received should thereafter be entered in the appropriate Stock Register and the Officer-in-charge of Stores should certify that he has actually received the material and recorded it in the appropriate Stock Register.

Scrutiny of records relating to stores/stock of NPC, New Delhi revealed that the Physical Verification of Fixed Assets, Consumable Stores, IT related stores etc. has not been conducted which is against General Financial Rule. In the absence of physical verification of these items, audit could not verify stock position, obsolete, unserviceable items and loss due to theft, fire, embezzlement etc. if any.

The procured items are entered in General Registers instead of specific Registers i.e. Fixed Assets such as plant, machinery, equipment, furniture, fixtures etc. in the Form GFR-22,

Consumables such as office stationery etc. In the Form GFR-23. Further, columns like quantity received, unit rate, amount are left blank. The entries in respect of receipt of stock was not verified/attested by the competent authority, there were so many corrections and overwriting without proper attestation i.e. the Stock Registers were not being maintained properly. All the above mentioned discrepancies may be rectified under intimation to Audit.

**Para. 6 -Non Production of record.**

The following information/records/documents was not provided to Audit despite requisitions and reminders

1. Copy of last physical verification of stocks and stores conducted (Physical verification was not done due to COVID pandemic)
2. Log books of the vehicles for the year 2021-22
3. Division wise/section wise outstanding balances due and to be recovered from different clients against their projects executed.
4. Project files for the regional directorates
5. a. Hyderabad  
b. Guwahati
6. Record related to internal audit.

**PART III**

**List of outstanding paras**

SL. No.	Period of Audit	IIA/IB	Para No.	Subject/Para Details
1	2014-15 to 2017-18	IIB	1	Non recovery of payment of Rs. 21.15 Lacs from Department of IPP on account of "Evidence based Research Study on Medical Devices Manufacturing in India for Effective Public Policy Intervention in Health Sector.
2	2014-15 to 2017-18	IIB	2	Examining the Effect of FDI on Brownfield and Greenfield Pharmaceutical Industry.



3	2014-15 to 2017-18	IIB	3	Impact study about the Activities of National Co-operative Union of India XII Plan.
4	2014-15 to 2017-18	IIB	4	Delay in completion of Capacity Building Programme on Implementation of Six Waste Management Rules.
5	2014-15 to 2017-18	IIB	5	Impact Evaluation of Free Coaching and Allied Scheme for Candidate/Students Belonging to Minority Communities.
6	2014-15 to 2017-18	IIB	6	Outstanding amount of Rs. 1,98,46,839/- on account of consultancy charges.
7	2014-15 to 2017-18	IIB	7	TDS recoverable of Rs. 1,95,58,071/-
8	2008-10	IIB	6	Delay in completion of project.

**Part – IV –Best Practices**

-Nil-

**Part – V- Acknowledgement**

NPC has extended the full cooperation to the audit party and provided information, records and clarification on the demand of audit party.



Sr. Audit Officer(AMG-I)