



# NATIONAL LAW UNIVERSITY ODISHA

MINUTES OF THE 16<sup>TH</sup> MEETING OF FINANCE COMMITTEE HELD ON 29<sup>TH</sup> JULY 2019  
AT 11:00 AM IN THE CONFERENCE ROOM, II FLOOR OF ADMINISTRATIVE BLOCK  
AT NLU ODISHA

**Present:**

1. **Prof. (Dr.) Srikrishna Deva Rao,**  
Vice-Chancellor,  
National Law University, Odisha, Cuttack
2. **Prof. (Dr) Ranbir Singh**  
VC, National Law University Delhi
3. **Shri Amarendra Mohapatra, CA**  
N6/432, IRC Village, Nayapalli,  
Bhubaneswar – 751012
4. **Shri Subas Chandra Nath,**  
S.C. Nath & Co. , Rajendra Nagar,  
Madhupatna, Cuttack, Odisha
5. **Shri Akhaya Mohapatra, F.C.A.,**  
**Bhubaneswar**
6. **Prof. S. Sachidhanandam**  
Senior Adjunct Professor,  
National Law University, Odisha, Cuttack
7. **Shri Sabyasachi Mohanty**  
Asst. Finance Officer, NLUO
8. **Dr. Yogesh Pratap Singh**  
Associate Professor & Registrar(I/c), NLUO
9. **Shri R.Thyagarajan (Special Invitee)**  
Head, Admin. and Finance (Retd.), CEMCA/ Commonwealth of learning

Prof. Srikrishna Deva Rao, Chairman, Finance Committee and Vice-Chancellor, NLUO, welcomed the members of the Finance Committee. The Chairman in his opening remark sought guidance from all the members for all round development and growth of the University and requested the members suggest ways and means for expediting resolution of all items. He also sought views of all members to give suggestions on the

issues raised by the AG (G & SSA), Odisha state and also special Audit conducted by Shri Amar Patnaik, Former Principal Accountant General, IA & AS (Retd.). Prof. Rao informed the members that Shri R. Thyagarajan, Special invitee will explain the Audit observations vis-vis reply of the University for enabling finance Committee to make recommendations to the Executive Council. The agenda items were presented and following decisions were taken by the Finance Committee:

| Agenda No. | Agenda Items  | Remarks   |
|------------|---|---|
| FC: 16/01  | Confirmation of the Minutes of the 15 <sup>th</sup> meeting of the Finance Committee of the University held on 15 <sup>th</sup> September, 2018 with Action Taken Report.   | Confirmed   |
| FC: 16/02  | Consideration of recommendation for approval of Supplementary Budget (Revised Budget Estimates) for the Financial Year 2018-19.   | Approved  |
| FC:16/03   | Consideration of recommendation for approval of Budget Estimates for the Financial Year 2019-20.  | Approved  |
| FC: 16/04  | Consideration of CAG's Audit Report and Special Audit Report submitted by Shri. Amar Patnaik, Former Principal Accountant General, Govt. of Odisha, Bhubaneswar Vis-a-Vis the Compliance Report of NLUO submitted to Audit and action proposed to be taken. | Finance Committee's recommendations against each observations is given in the Audit Compliance Report attached as Annexure - I  |
| FC: 16/05  | Consideration of Report of Hon'ble Justice A. S. Naidu Committee for settlement of PMC Architectural and Consultancy Fee.   | Finance Committee considered the report of Hon'ble Justice A S Naidu Committee in regard to settlement of PMC architectural and consultancy fees. The Committee recommended PMC Fee as follows: |







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|           |  | <p>For the First Phase of the construction he shall be entitled @ 1.2 % of the project cost only and for the second phase construction @ 2.5 % of the project cost, towards PMC.</p> <p>So far as the Auditorium (steel structure) including interior and finishing work, is concerned he shall be entitled @ 4% of the said project cost. It is pertinent to note that revision that revision of PMC was claimed only at the said rate and the same has been approved by the Building Committee.</p> <p>After elaborate discussions it is resolved that the Architectural and Consultancy fee paid to PMC at the above rate which will also be just and acceptable according to the norms fixed time to time.</p> <p>The Finance Committee recommended for consideration by the Executive Council.</p> |
| FC: 16/06 | To recommend Statutory Auditor for the Financial Year 2018-19 of the University. | The Finance Committee unanimously recommended M/s Rajesh K Jhunjhunwala & Co. Plot No C1/34, Sector - 10, CDA, Cuttack may be appointed as a statutory auditor for the financial year 2019-20 with a audit fee of Rs. 60,000 + applicable Taxes   |
| FC: 16/07 | Any other item with permission of the  | The Finance Committee placed on   |

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|  | Chair | record it's appreciation to the University for being consecutively recognised as Third Best NLU in India as per India Today ranking. |
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Prof. (Dr.) Raubir Singh

  
Prof. Srikrishna Deva Rao

Shri Amarendra Mohapatra, CA


Shri Subas Chandra Nath

Shri Akhaya Mohapatra,

  
Prof. S. Sachidhanandam

Shri Sabyasachi Mohanty

  
Dr. Yogesh Pratap Singh

  
Shri R. Thyagarajan

## I. Compliance Report in respect of AG Audit

| Para No. (A) | Brief of issues raised by A. G. Audit as at the end of 2016-17 (B)   | Brief of issues raised by Special Audit as at the end of NOV 2018 (C)  | Final Compliance by National Law University Odisha (D)   | Further Action Proposed to be taken/ Remarks (E)  |
|--------------|--|--|--|---|
| 1            | Loss of interest due to non-deduction of mobilization advance - ₹1.81 Crore  | Irregular recovery of advance and loss of Interest   | <p>Out of 2.50 Crore 1.03 crore was recovered further and amount of 1.26 crore was recovered from the Security deposit of M/s HPL. The balance amount 21 lakhs will be recovered from pending final bill of HPL, which is yet to be processed.</p> <p>The contractor is liable to pay the interest on mobilisation advance on reducing balance. The interest @ 18 per annum works out to be 2.25 crore. This is required to be recovered from M/s HPL.</p> | The Finance Committee approved the final compliance offered by NLUO and recommended that the Executive Council may accept the compliance report given at Column – D |
| 2            | Loss of interest to the tune of ₹2.05 Crore due to irregular sanction & non-adjustment of adhoc payment to M/s HPL | <p><b>Undue Financial Aid of Rs. 2 Crore to Contractor</b></p> <p>The special Audit has repeated what has been pointed out by CAG and come to conclusion that non incorporation of any clause or condition regarding recovery of the adhoc payment of Rs. 2 Crore and Non recovery of the same as of Nov 2018 resulted in undue financial Aid to M/S HPL to the tune of Rs. 2. Crore along with the interest of 1.05 Crore @ 18 percent per annum for the period 1 May 2013 to 30 Nov 2018. Hence an amount of Rs. 3.05 Crore has to be recovered from M/S HPL. (Upto November 2018)</p> | As pointed out by Audit and Special Audit the unadjusted Advance amount of Rs. 2.00 crore will be recovered from advance. The interest of 1.05 crore @ 18 % per annum for the period May 2013 to Nov 2018 also have to be recovered.   | The Finance Committee approved the final compliance offered by NLUO and recommended that the Executive Council may accept the compliance report given at Column – D |
| 3            | Short deductions of labour cess amounting to Rs. 1.04 Crore  | The special audit has not touched this aspect.   | The total labour Cess works out to Rs. Rs. 104,87,993 and this amount has been recovered out of the security deposit of different companies as reflected in the audit report and   | The Finance Committee recommended to Executive Council that Compliance may be accepted. Audit will be   |

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|  |  | <p>deposited in the Department of Odisha Building and other construction workers welfare Board vide cheque no 255133 dated 11.09.2017.</p>   | <p>requested to drop the paragraph as the labour cess has already been deposited.</p>  |
| <p>4</p> <p><b>Non-imposition of penalty for liquidated damages to the tune of ₹9.22 Crore for delay in execution of different project works of National Law University Odisha</b></p>                                   | <p>Special Audit has not taken up this issue in its scrutiny.</p>  | <p>The Liquidated Damages could have been imposed if the concerned agency intentionally had delayed the work. But the reasons of delay were mainly:</p> <p>A. The non-settlement of bills in 100%.</p> <p>B. Natural Calamities (<i>Kalpaisakhi / Nor'westers</i>) during the Summer Vacation when the work used to be in high pace and restriction on work hour of labors due to the heat wave.</p> <p>C. The works of Hostel &amp; Academic Block used to get slow during Class-hours / Academic Session</p> <p>D. The fund flow from Government of Odisha from time-to-time used to be in sufficient.</p> <p>In view of this the para may not be perused further and audit informed accordingly.</p> <p>Act of God delayed the completion of Work .</p> | <p>The Finance Committee recommends to the Executive Council that the PMC may explain the reasons for non-completion of different works which do not warrant imposing of liquidated damages. Based on the response further action may be taken.</p>  |
| <p>5</p> <p><b>Selection of single agency for construction of Girls' Hostel - II of National Law University Odisha, Cuttack amounting to ₹20 Crores in favour of M/s Sahusons Interiors &amp; Builders Pvt. Ltd.</b></p> | <p>The special audit specifically stated the same issues. However, it has added one more point in regard to non levy of liquidated damages at 5% of the contract value amounting Rs. 1 Crore (one crore) for their failure to complete the work within the stipulated period. The NLUO has not yet recovered the liquidated damages.</p> | <p>The Audit observation regarding selection of single tender for construction of Girls Hostel - II was discussed in the 15<sup>th</sup> meeting of the Finance Committee and the Committee suggested that since the revised estimate of the work was already submitted by the P.M.C, the same may be placed before the Executive Council for approval for dropping the Audit Para.</p>  | <p>As per the report of the Committee there is no irregularity in selection of single agency.</p> <p>The special audit suggested that the liquidated damages at 5% of the contract value amounting one crore for their failure to complete the work in time may be imposed.</p> <p>The Executive Council may accept the above recommendation and accord necessary approval.</p> <p>Executive Council may</p> |
| <p>6</p> <p><b>Irregular execution of work for ₹3.802</b></p>  | <p>Special Audit has not focused on this issue.</p>  | <p>Appropriate approval is still awaited</p>   | <p>Executive Council may</p>   |

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|   | <p><b>Crore and excess payment of ₹0.19 Crore</b></p> |   | <p>As the location of the plantation was not mentioned clearly, there was a mismatch in the MB Quantity and actual planted quantity.</p> <p>The differences in the executed quantity of earth came up as the agency has claimed the cost of the balance 994.89 cum of manure mixed earth in its final bill. The same was spread over the Cricket Ground.</p> <p>The Execution of Granite Stone was different one as earlier as a small flag mast was constructed. When the New Falag Mast was erected, new Granite stones were used as the earlier ones got damaged while removing.</p> | <p>approve the compliance report submitted in Column - D as recommended by the Finance Committee.</p> <p>Finance Committee recommends that NLUO should ask PMC to give reasons for payment of Rs. 19 lakhs more than the budget. Based on the response action may be taken.</p> |
| <p>7</p> <p><b>Excess payment of Rs. 1.98 Crores to PMC towards Architectural and Consultancy charges</b></p> | <p>Special Audit has not focused on this issue.</p>   | <p>A Committee Constituted by Chairmanship of Hon'ble Justice A.S Naidu, Former Judge, Orissa High Court, Shri Satya Ranjan Sethi, Chief Engineer, Building &amp; Works, Government of Odisha, Shri Akhaya Mohapatra, FCA, Chattered Accountant.</p> <p>The Committee recommended that</p> <p>The First Phase of the constructions it shall be entitled @ 1.2 % of the project cost only and for the second phase construction @ 2.5 % of the project cost, towards PMC.</p> <p>So far as the Auditorium (steel structure) including interior and finishing work is concerned it shall be entitled @ 4% of the said project cost. It is pertinent to note that revision that revision of PMC was claimed only at the said rate and the same has been approved by the Building Committee.</p> <p>After elaborate discussions, it is resolved that the PMC was paid which is also just and acceptable according to the norms fixed from time to time.</p> | <p>The Executive Council may accept the compliance report as given as at Column - D and as approved by the Finance Committee.</p>   |   |

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|   | <p>It is stated that PMC was appointed by the Executive Council of NLUO and the PMC services were extended from time to time. The enhancement of architectural and consultancy fee of M/s Rath Architectonic were decided by the Building Committee. As the University was in hurry to complete the work for Third Convocation the PMC fee was released on the basis of rates suggested by Council of Architecture (COA).</p>                                   | <p>It is proposed that University will go for AMC for all the serviceable works.</p>  |  |
| 8 | <p>The Special audit has also highlighted the tampering of tender in favour of particular form i.e. M/S AD-9 Synthetic &amp; Sports. In fact the special audit has stated the entire evaluation process tampered to select a predetermined vendor/ supplier M/S AD-9 Synthetic &amp; Sports, Bhubaneswar.</p> <p>All other details even in the special audit with regard to this subject are already detailed out under column 1 (Observation of AG Audit).</p> | <p>A Committee was constituted under the Chairmanship of Prof. G.C. Mitra, Formerly of IIT, Bhubaneswar to inquire the audit observations with regard to the tampering of Bid Documents. The Committee has come to conclusion that the due process was followed and there was no tampering.</p> <p>Even the AG audit has pointed out some procedural apses in selection of L3 and L2 and the selection was not vitiated.</p> <p>The report of the Committee is placed below. However, in regard to excess payment of 4 lakhs it is suggested that M/s Ad9 may be directed to make the excess payment of Rs. 4.0 lakhs to NLUO.</p> <p>NLUO forwarded a compliance prepared by PMC where in it was mentioned that the entire payment was made under approval from competent authority. It was also stated that the matter of tampering is under investigation and would be communicated further.</p> | <p>Finance Committee recommends to the Executive Council for approval of the recommendation as in Column -D.</p>                                 |
| 9 | <p>Avoidable expenditure of Rs. 15.20 lakh on construction of Main Gates of NLUO</p>  | <p>M/s Niranjan Jena, the agency was disqualified during scrutiny of Financial Bid as the agency had not submitted the corrigendum. The Corrigendum was published 3 Days before the last day of submission of the bids. The revised</p>   | <p>The special Audit has not given any opinion on this issue. Project Management consultant may be asked to furnish proper justification for</p> |

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|  |   | <p>quantity in the corrigendum was not that huge for any agency, that it would take more than 3 days to calculate &amp; quote. Any corrigendum in Financial Bid (However the small in terms of amount) is an integral part of the Bid Documents. Failing to submit corrigendum duly filled in results in cancellation / disqualification of the tender. (at Annexure - 9(i)).</p> <p>M/s SIBPL immediately protested against acceptance of the tender of M/s Niranjana Jena due to same reason. The matter was discussed with competent authority of the University and decision was taken accordingly, then.</p> | <p>avoidable expenses of Rs. 15.20 lakhs. Further action may be taken based on the report of PMC.</p> <p>The Executive Council may accept the above recommendations.</p> |
| <p>10</p> <p>Incomplete works – Rs. 12.55 crores</p> <p>(ii) Incomplete Library Building</p> | <p>Special Audit has not taken up this issue.</p> | <p>It is stated that although tender for the incomplete works was called for during November, 2016 but the same was cancelled due to non-availability of required funds. The entire incomplete work would be completed after receipt of infrastructural grants from Government of Odisha.</p> <p>Library Building will be completed after the receipt of grants from Government of Odisha.</p>  | <p>The Executive Council may kindly note that tender was cancelled.</p>  |
| <p>11</p> <p>Non deduction of royalty – Rs. 1.19 crore</p>                                   | <p>Special Audit has not taken up this issue.</p> | <p>It is stated that the amount would be recovered from the respective agencies based on actual calculation of royalty at the time of settlement of their upcoming RA Bills/Final Bills towards royalty.</p> <p>However early steps will be taken to recover the royalty amount of Rs. 1.19 crore and deposit the same into Government account under intimation to audit or adjusted against the final bill.</p> <p>It is stated that out of total advance an amount of Rs. 0.13 core relates to salary advance and</p>   | <p>Finance Committee recommends to the Executive Council to accept the compliance report given at Column – D.</p>  |
| <p>12</p> <p>Cash book and management of cash</p>  |   |   | <p>The Executive Committee is requested to Note the status of</p>  |

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|    |  |  | <p>PF arrears which is not an advance. It is stated that recovery of advance is a continuous and the balance at given point of time is dynamic and not static and hence it is not possible to quantify the balance of the advances without taking the recovery made during each month of disbursement of salary and adjustment of TA and other advances. For adjustment of balance amount correspondences has been made to the concerned persons. However early steps will be taken to adjust the outstanding advances under intimation to audit.</p> | <p>compliance given in Column - D. Audit may be approached to drop the Audit Para.</p>  |
| 13 | Idle equipment of Rs. 0.14 crore at Amphitheater | Special Audit has not taken up this issue. | <p>It is replied that all the equipments listed in the query are portable and to be used only at the time of performance and some of them are to be used depending on the magnitude of the programme. Being portable the equipments have been kept under lock &amp; key for security purpose. These are not idle assets.</p>  | Finance Committee recommends to the Executive Committee that the compliance report given at Column - D may be accepted. The Finance Committee has conquered with the views of NLUO. |

## II. Audit Compliance of Special Audit

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| 14 | NIL | <p>14. Financial Aspects<br/>14.1 Allotments and Expenditure<br/>14.1.1 Extra liability of Rs. 59.08 crore beyond available funds.</p> | <p>The paragraph is nothing but statement of facts and hence no further observation is offered. It is true that Government of Odisha has offered 191 crore and NLUO had executed contract for 220.90 crore anticipating further grants in the succeeding financial year, The contract over and above 191 Crores has been paid and hence as of now there is no extra liability. However, the Government of Odisha may release 98 crores further.</p> | The Executive Council may approve the compliance report given at Column - D. |
| 15 | NIL | 15. Irregularities in tender procedure and Non-publication of tender in e-procurement portal of Government.                            | <p>This paragraph is nothing but statement of facts and hence no further observation is offered. However in future all the requirements will be uploaded on Government e-market portal. Further the extra cost of 2.12 crore should be recovered from M/S HSCL as it has abandoned the work and the work is carried out by another firm the cost of which is higher in value by 2.34 crore. The work was awarded for Rs. 4.46</p>                   | The Executive Council may approve the compliance report given at Column - D. |

  
  
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| 16 | <p>Acceptance of bid price quoted higher than the estimated cost for construction of Amphitheatre)</p> | <p>Crore.</p> <p>During the negotiation rates of many individual items involving higher money value were to be accepted to be work to be completed as all functions and convocation and other General Meetings were to be held. In the absence of Amphitheatre, the University was required pay huge rent for hiring halls for carrying out the above functions. There were occasions where huge tents was to be erected leading to recurring expenses on year to year basis. Hence even though the construction of Amphitheatre cost an amount Rs. 2.11 crore more than the estimated cost, the work was executed on need basis.</p> <p>The year wise expenditure in respect of conduct of Convocation incurred prior to construction of Amphitheatre is as given Below.</p> <ol style="list-style-type: none"> <li>1. 2014- 15: Rs. 39.55 Lakhs</li> <li>2. 2015-16: Rs. 41.94 Lakhs</li> <li>3. 2016-17: Rs: 62.71 Lakhs</li> </ol> | <p>Finance Committee requests to note the status as at Column - D and suggested to the Executive Council to approve the compliance report as given at Column - D.</p>  |
| 17 | <p>Irregularity in Tender Process:</p>   | <p>The PMC will be penalized for not exercising due diligence and monitoring the tender papers.</p> <p>Interior and furnishing work in administrative building to Godrej &amp; Boyce manufacturing company for Rs. 8.69 crore. It offered 1% special discount over and above all the items besides reducing the rates of seven items which were quoted high by mistake. The comparative statement states that the lowest tender was for 19.15 crore as against 18. 61 crore, hence there was no link between the tender value worked out in comparative statement and value quoted in letter of intent and agreement. This indicates lack of control, due diligence and monitoring by PMC for which it should have been penalized.</p>   | <p>The Finance Committee suggests to seek explanation from PMC for the variation in two different sets of figures. If proper justification is not given, the PMC may be penalized suitably.</p> <p>The Finance Committee recommends to Executive Council to approve the responses as stated as column - D.</p> |

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| 18 | <p><b>Execution of works:</b></p> <p>The building and infrastructural works of National Law University, Odisha has been funded entirely by the Government of Odisha (GoO). During 2009- 18, an amount of Rs 191 crore had been provided for the purpose. GoO, while communicating funds, in different stages, had stipulated to follow provisions of the Odisha Public Works Department (OPWD) Code in execution of all works. Audit found that the provisions in OPWD code regarding administrative approval, detailed estimate and technical sanction, consultancy, preparation of tender documents, invitation and opening of tenders, tender scrutiny and award of works, works agreement, payment to contractors, site records, quality in construction, etc., were largely not followed in none of the works indicated at Annexure I and 2, as described below.</p> <p><b>NIL</b></p> | <p>The codal provisions of OPWD will be strictly followed in future. Non observation of codal provisions of OPWD has been pointed out by the special Audit. The PMC was expected to go by this provisions which was obviously not followed. PMC will be suitably intimated.</p>   | <p>The Executive Council is requested to note the response as given in column D.</p>               |
| 19 | <p><b>NIL</b></p> <p>Absence of detailed estimates &amp; technical sanctions and flawed estimation.</p>   | <p>The Project Management Consultant should be warned suitably for all the works to be estimated first before proceeding further. It is pertinent to note that as the University is in developing stage and the construction of various buildings were undertaken. Otherwise the University would not have been functional.</p>   | <p>The Executive Council may approve the compliance report as given in Column - D.</p>             |
| 20 | <p><b>NIL</b></p> <p><b>Unrealistic estimation of quantities for "Site Development Work".</b></p>   | <p>It is true that the firm executed 366,990 and 49,592 cum as against the estimation of 2924,11 cum sand filling and 97,837 cum of earth filling after the death of five meter. Even though the estimation was done as above, when the actual work was carried out, the requirement of sand filling and earth filling was much higher than the estimated requirement, the exact requirement shall be known only while filling of</p> | <p>The Executive Council is requested to approve the compliance report as given in Column - D.</p> |

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| 21 | <p><b>Higher rates for non-scheduled items:</b><br/>Paragraph 3.4.5 of OPWD Code stipulates that for an item of work for which no corresponding rate is available in the existing standard schedule of rates, rates may be analysed/ prepared from basic principles, and treated as non-schedule item.</p> <p>NIL</p> | <p>the site as the requirement depends upon the nature and quality of sand.</p> <p>The avoidable expenditure of 15.05 lakhs will be looked into after due consultation with PMC and necessary recovery, if any, will be effected.</p>  | <p>The Executive Council is requested to approve the compliance report as given in Column - D.</p> |
| 22 | <p><b>Non-preparation of estimate for the work of "Fabrication and structural glazing work of Amphitheatre.</b></p> <p>NIL</p>  | <p>The Project management consultant would be asked to explain the reason for non preparation of work of "fabrication and structural glazing of Amphitheatre" . Further it was observed that proper procedure was not followed and rules, regulations were over looked. PMC will be warned to be more careful in future.</p>   | <p>The Executive Council is requested to approve the compliance report as given in Column - D.</p> |
| 23 | <p><b>Unrealistic estimates</b></p> <p>NIL</p>  | <p>The total value of the agreement is 9.06 crore. However the Corporate Décor executed items of work valued for 6.48 crore. It is true that that it did not execute 70 items provided in the agreement and the value of which works out to 0.75 Crore.</p> <p>It is also true that the contractor executed 44 items in excess of quantities which were high valued for Rs. 0.55 Crore while ignoring the low priced items. The audit points are nothing but statement of facts and no further comments are offered.</p> <p>Further it was observed that proper procedure was not followed and rules, regulations were over looked. PMC will be warned to be more careful in future.</p> | <p>The Executive Council is requested to approve the compliance report as given in Column - D.</p> |

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| 24 | <p><b>Progress in execution of works:</b></p> <p>As reported by NLUO, M/s HPL has been paid of Rs 73,67,63,700 as of February 2018 and a further claim of Rs 9,96,86,646 is pending for payment. Total value of work done is Rs. 83,64,53,46 against which the payment made was Rs. 73, 67, 63,700. Thus the balance claim works out Rs 9,96,86,646. Out of eight buildings five buildings were completed except sanitary work, the works not completed are civil and electrical work of Administrative building, balance work of library building and Girls Hostel – II.</p> <p style="text-align: center;">NIL</p> | <p>The audit statement reflects the exact status of works.</p>   | <p>The Executive Council is requested to approve the compliance report as given in Column - D.</p>                        |
| 25 | <p><b>Serious irregularities in execution of work and measurements by PMC.</b></p> <p>(a) Haphazard and unsystematic execution and measurements.</p> <p>(b) There were wide scale deviations in quantities as well as extra items during execution of works.</p> <p>(c) The measurement against bill of "Interior works of Academic buildings" included some items executed for Boys' Hostel.</p> <p>(d) There were no estimates, no analysis, no supplementary agreement for extra items of both scheduled and non-scheduled items.</p> <p style="text-align: center;">NIL</p>                                      | <p>Interior furnishing and stage craft work of Amphitheater was carried out by M/S Godrej and Boyce Ltd. While carrying out the work the deviation in certain items of work was felt and accordingly the works were carried out. The audit points out that the Chief Engineer can't approve the deviation in excess of 10 % in respect of tender accepted by any authority. As the work has already been done, the Finance Committee may recommend to Executive Council for accord Ex- post facto approval.</p> <p>It is observed that the PMC did not follow regular procedure, overlooked rules and regulations and not maintained measurement book properly, in view of the above PMC would be warned to be more careful in future, and meanwhile, it is also observed that the cost of the project has risen very high because of non exercise of due diligence of PMC.</p> <p>Further action will be taken after the response of the PMC.</p> | <p>Finance Committee is requested to recommend to Executive Council for approval of the action proposed in Column - D</p> |
| 26 | <p><b>Non Sanction of deviation in Work Contract:</b></p> <p style="text-align: center;">NIL</p>   | <p>The PMC will be asked to explain the reasons</p>  | <p>The Executive Council may accept the compliance report</p>   |

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|    | As per Paragraph of OPWD Code, the extra/substituted items of works should be got approved by the competent authority.    | for variations. Besides it will be asked to how it has advised NLUO to make the payment when there is no provision beyond Rs. 9, 02, 692/-  | given at Column - D as recommended by the Finance Committee.  |
| 27 | Payments made for works of other buildings.   | (ii) Extra Expenditure of Rs. 17 lakhs<br>M/s Sahu & Sons may be asked to make the payment to the tune of Rs, 17 lakhs to NLUO.   | The Executive Council may accept the compliance report given at Column - D as recommended by the Finance Committee. |
| 28 | Extra payment of Rs 0.17 lakhs In respect of "Landscaping and allied works".  | In future, the works of the particular building will not be added to another building and carried out. This is unintended mistake of clubbing the bills. However, as the work has been done, payment has been made accordingly. Moreover, the audit observations just points out about clubbing of bills only.<br>The extra payment made to the tune of 16.54 lakhs will be recovered while making the payment against the final bills. | The Finance Committee recommended that Executive Council may kindly approve compliance report as given Column - D.  |
| 29 | Irregular preparation of RA Bill and absence of control over payment to the contractor.                                   | The audit Para speaks about the deficiencies in maintaining the RA bills and absence of control register wherein the running payments are recorded properly. Noted for future guidance.   | The Finance Committee recommends to the Executive Council to kindly approve compliance report as given Column - D.  |
| 30 | Other irregularities<br>30.1 Excess payment of Rs. 3.58 crore to five contractors in form of reimbursement of Service Tax | After due checking and after consulting PMC the action will be taken for recovery of the excess payment made if any.  | The Finance Committee recommended that Executive Council may kindly approve compliance report as given Column - D.  |
| 31 | Undue financial aid of Rs.1.21 crore to the contractor M/s Godrej & Boyce (Interior works of Amphitheatre)                | After due checking and after consulting PMC action will be taken for recovery of the excess payment made if any.  | The Finance Committee recommended that Executive Council may kindly approve compliance report as given Column - D.  |
| 32 | Extra liability of Rs.13.09 crore in External Development work.   | The original agreed amount as per the contract was for 37.79 Crore and the contractor has executed the work to the tune 27.04 Crore   | The Finance Committee recommended that Executive Council may kindly approve   |

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| 33 | <p>Infructuous expenditure of Rs 0.89 crore</p> | <p>leaving the balance work costing 10.75 crore to be carried out by the University. As he abandoned the work the University has to work out the estimate for the balance work due time run over and cost run over. The time gap between the work abandoned and the estimation done for carrying out the left over work has also need to be taken into account. In view of the above, The University is of the opinion that there is no extra liability as observed by Audit. .<br/>Unfortunately the first contractor HSCL has abandoned the work after carrying out part of the work awarded to it. Naturally the balance work has to be given to the New Firm which is the contractor M/s Surendra Behera. Since landscaping work has to be redone, the University has incurred an additional expenditure 0.89 Crore for carrying out the landscaping work at Administrative block, Academic building, Boys' hostel and Girls Hostel - I. Thus there is no Infructuous expenditure to the tune of Rs 0.89 crore as observed by Audit. However the PMC shall be asked to look in to the matter comprehensively and give report to NLUO. Excess payment, if any, will be recovered.</p> | <p>compliance report as given Column - D.</p> |
|    |   | <p>The Finance Committee recommended that Executive Council may kindly approve compliance report as given Column - D.</p>  |   |

NIL



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| 34 | NIL | Avoidable extra expenditure of Rs.4.37 crore. | The Audit observations has been split into two points which is actually covered under 33 above. As such there is no extra expenditure. | The Finance Committee recommended that Executive Council may kindly approve compliance report as given Column - D. |
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Prof. (Dr.) Rambir Singh



Prof. Srikrishna Deva Rao

Shri Amarendra Mohapatra, CA

Shri Subas Chandra Nath

Shri Akhaya Mohapatra



Prof. S. Sachidhanandam



Dr. Yogesh Pratap Singh

Shri Sabyasachi Mohanty



Shri R. Thyagarajan

29/1/18