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REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA

FOR THE YEAR ENDED 31 MARCH 1994

No 1 OF 1995

UNION GOVERNMENT (CIVIL)

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24.11.95

MEMORANDUM FOR THE RECORD

DATE: 10/10/54

RE: THE KOREAN WAR - JAPANESE MILITARY  
OPERATIONS IN THE SOUTH

**REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA**

**FOR THE YEAR ENDED 31 MARCH 1994  
No 1 OF 1995**

**UNION GOVERNMENT (CIVIL)**

REPORT OF THE  
COMPTROLLER AND AUDITOR GENERAL  
OF INDIA

FOR THE FINANCIAL YEAR 2011-12  
PART I - GENERAL

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## PREFACE

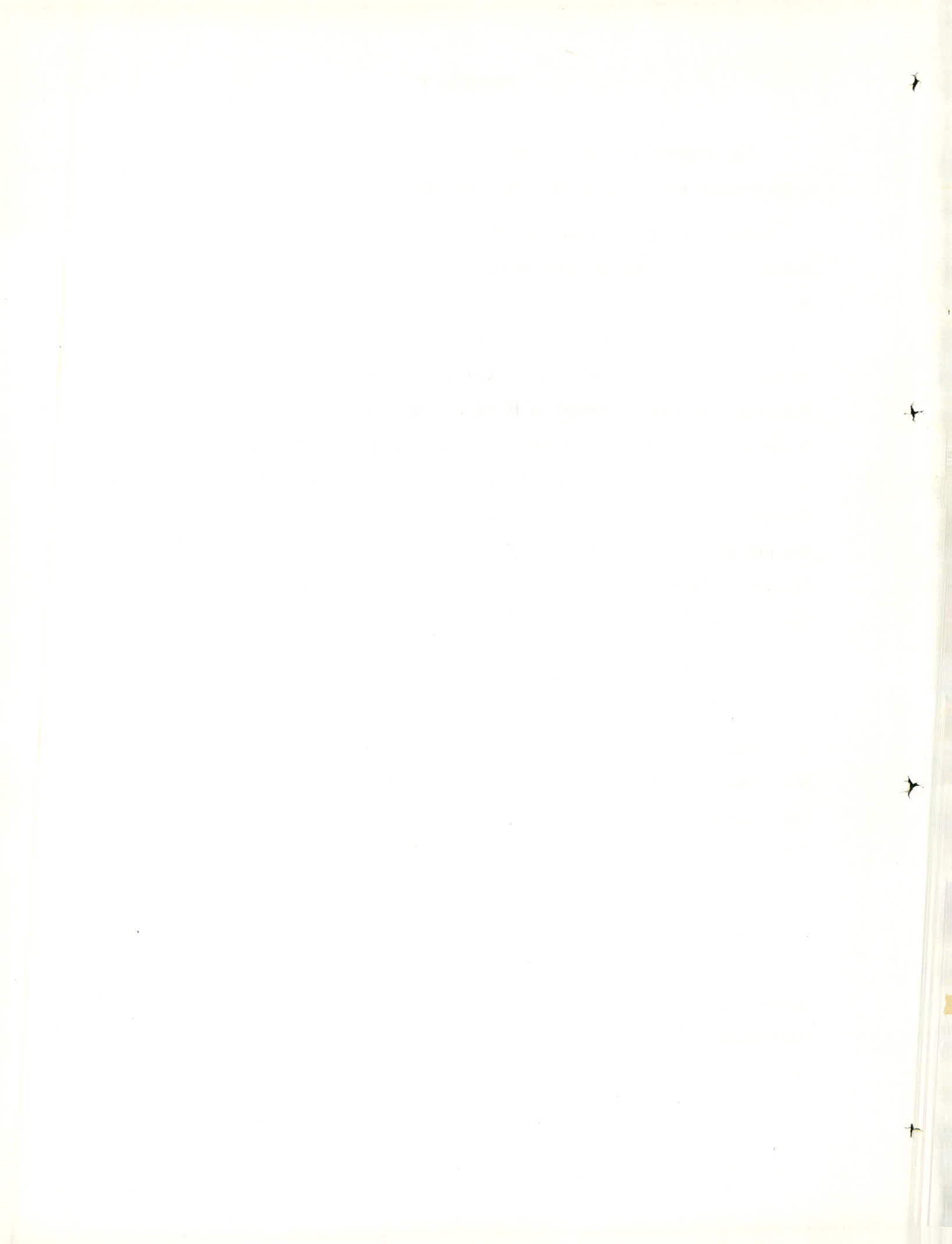
This Report for the year ended 31 March 1994 has been prepared for submission to the President under Article 151 of the Constitution.

The Audit Report (No.1 of 1995) covers matters arising from the Finance Accounts of the Union Government (Civil) for 1993-94 and the results of audit of Appropriation Accounts. Observations based on test audit and performance audit of the financial transactions of the Ministry of Agriculture, Ministry of Coal, Ministry of Civil Aviation and Tourism, Ministry of Commerce - Department of Commerce and Department of Supply, Ministry of External Affairs, Ministry of Finance, Ministry of Health and Family Welfare and Ministry of Human Resource Development of the Union Government are also included. Matters relating to the remaining Ministries and Departments are dealt with in Audit Report No.2 of 1995 (being issued separately). Separate Reports are also issued for Scientific Departments (No.6), Railways (No.10), Ministry of Defence (Nos.8 and 9), Posts and Telecommunications (No.7), National Capital Territory of Delhi (No.3) and Receipts of the Union Government (Nos.4 and 5).

The present Report includes audit reviews of the following programmes, projects and organisations:

- (i) Building for permanent mission at New York
- (ii) National Cancer Control Programme
- (iii) Government Medical Store Depot, Calcutta
- (iv) Improvement of Science Education in Schools
- (v) National Bharatiyam 1989

The cases mentioned in this Report are among those which came to notice in the course of audit during 1993-94. For the sake of completeness, matters which relate to earlier years but not covered in the previous reports are also included. Similarly results of audit of transactions subsequent to 1 April 1994 have been mentioned, wherever available and relevant.



## OVERVIEW

This volume of the Audit Report for the year ended 31 March 1994 contains 54 paragraphs including 5 reviews. The major findings are summarised below :

### **I. Accounts of the Union Government**

During the year 1993-94 the total receipts and expenditure of Government of India on revenue account were Rs 119601.60 crores and Rs 152317.17 crores respectively, resulting in a revenue deficit of Rs 32715.57 crores. Similarly, the total receipts and expenditure on capital account were Rs 177200.60 crores and Rs 164475.43 crores respectively resulting in a capital surplus of Rs 12725.17 crores.

The total deficit under the Consolidated Fund after adjusting the surplus of Rs 12725.17 crores on capital account was Rs 19990.40 crores in 1993-94 as compared to Rs 15470.90 crores during 1992-93 which constituted an increase of 29.2 per cent over that in 1992-93. The surplus of Rs 12725.17 crores on capital account went towards reducing the revenue deficit of the Government.

Borrowed funds constituted 57.1 per cent of the total Consolidated Fund receipts of Rs 296802 crores in 1993-94. The major component of increase in internal debt was on account of market borrowings (net) which increased from Rs 3676 crores in 1992-93 to Rs 28929 crores in 1993-94.

The major components of revenue expenditure were Interest payments, Subsidies, Grants-in-aid and Contributions to States and Rural Development and poverty alleviation programmes.

During the year 1993-94 the actual revenue receipts were lower by Rs 11249 crores than the budget estimates. Actual collection of tax revenue in 1993-94 declined by Rs 604 crores as compared to the previous year. This can mainly be attributed to the declining rate of growth of tax revenue and a sharp increase in tax arrears. The growth of



non-tax revenue slowed down during the year primarily because of the poor returns from public enterprises.

As a result of the growing gap between revenue receipts and revenue expenditure the deficit in the revenue account increased to Rs 32715 crores in 1993-94, an increase of 175 per cent since 1989-90.

During the period 1989-94 capital expenditure rose from Rs 13400 crores to Rs 24650 crores. The subscription towards IMF and investment in nationalised banks accounted for Rs 11423 crores in 1993-94 which was more than 46 per cent of the capital expenditure during the year.

Although the total investment of the Government in corporations and government companies amounted to Rs 63005.84 crores as on 31 March 1994 which constituted an increase of 21.1 per cent over the previous year, the total dividend was only 3.9 per cent as against 4.75 per cent in the previous year\*

The total loans and advances given to States/Union Territories amounted to Rs 15263 crores in 1993-94, an increase of 14.4 per cent over the previous year. The total arrears of principal and interest recoverable from State/Union Territory Governments and PSUs and other organisations as on 31 March 1994 were Rs 591.18 crores and Rs 17408 crores respectively.

## **II. Appropriation Accounts**

Out of 92 grants, the expenditure from 7 grants exceeded the amounts voted or appropriated (charged) under 'Revenue' or 'Capital' sections by a total sum of Rs 6.72 crores. This requires ex post facto approval of Parliament.

The actual expenditure during 1993-94 fell short of the budget provision in 218 cases. The net saving was Rs 20817 crores which constituted 7.13 per cent of the total

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\* The figures relating to total investment reflect the investment made in PSUs/Statutory Corporations, Government Companies, other Joint Stock Companies, Co-operative Banks and other Banks, Co-operative Societies etc.



allocation of Rs 291935 crores. A supplementary provision of Rs 14470 crores was made in the revenue and capital sections (excluding public debt and loans and advances) of the grants, although there was an overall saving of Rs 7317 crores in these grants. In 24 cases relating to 21 grants, the supplementary grants totalling Rs 827 crores remained unutilised.

In 8 grants the savings exceeded 50 per cent of the budget provision. In 16 cases relating to 11 grants and 3 appropriations, savings exceeded Rs 100 crores in each case and in 38 cases of 31 grants and 2 appropriations, savings exceeded Rs 20 crores in each case.

In a number of grants/appropriations the savings were not surrendered in time. Against final savings of Rs 20817 crores the amount surrendered was Rs 14680 crores out of which 99 per cent (Rs 14599 crores) was surrendered on the last day of the financial year. In 58 cases (32 voted and 26 charged appropriations) the entire savings of Rs 1884 crores were not surrendered. In 7 cases the amount surrendered exceeded the overall savings while in 2 cases amounts were surrendered even though no savings were available.

In case of 94 sub-heads in 30 grants/appropriations, re-appropriation of Rs 222.12 crores was injudicious as the (i) the final savings under sub-heads was more than the amount re-appropriated to sub-heads and (ii) final excess under the sub-heads was more than the amount re-appropriated from the sub-heads.

In one case, expenditure was incurred on 'New Service' or 'New Instrument of Service' without prior approval of Parliament or without reporting the facts to Parliament.

In three cases, supplementary grant of Rs 508.67 crores obtained in March 1994 was delayed and uncoordinated.

(Chapter II)

### **III. Building for Permanent Mission at New York**

In June 1980, a plot was purchased in mid-Manhattan at a cost of US \$ 990,000 with the intention of constructing a building which would meet the bulk of the office and

residential requirements of the Permanent Mission of India to the United Nations (PMI) as well as the Consulate General of India (CGI), New York.

Government appointed an Indian architect for the project without fully comprehending the implications. The architect's inability to execute the project without associating a local architect firm and the protracted process of negotiations led to delays in the project. As a result, the cost escalated from an initial estimate of US\$ 5.3 million to US\$ 27 million.

The adoption of the "Construction Management" system rather than awarding the contract on a turn key basis to a Prime Contractor resulted in the project specifications remaining open-ended without the benefit of speedy execution; the substantial cost escalation was almost inbuilt and inevitable.

The Floor Area Ratio envisaged in the project could not be realised due to failure to obtain the requisite approvals from the local authorities.

The Indian uniqueness in the design was progressively compromised bringing to doubt any substantial advantage gained from engaging an Indian architect who had otherwise delayed the construction.

Local circumstances were not taken into account while preparing estimates and designs, and superiority of ambience had been given precedence over considerations of economy even though the project had already exceeded the budgeted estimates.

According to the norms of the Government the project was not financially viable from the very beginning. Despite this the project was cleared resulting in substantial outgo of foreign exchange during a period when the country was facing a foreign exchange crisis.

(Paragraph 7.1)



#### **IV. National Cancer Control Programme**

The National Cancer Control Programme was started by Government of India during 1975-76 when Central assistance was given for purchase of cobalt therapy units to the Regional Cancer Centres (RCCs) for improvement of cancer treatment facilities.

During the Seventh Plan, Rs 23.84 crores were released to various State governments/ institutes for prevention and treatment of cancer and strengthening of the therapeutic services on national scale through RCCs and medical and dental colleges.

During the Eighth five Year Plan greater emphasis was laid on prevention and early detection of cancer particularly in rural areas and urban slums. A sum of Rs 58.40 crores was released during 1990-94 for this purpose.

(i) Fifteen medical colleges and hospitals in the country were selected for development of well equipped oncology wings with emphasis on prevention and early detection of cancer in the regions where adequate facilities for its treatment were not available. In six States (Assam, Karnataka, Maharashtra, Rajasthan, West Bengal and Uttar Pradesh) out of Rs 8.70 crores released by the government during 1990-94 an amount of Rs 5.70 crores released to 8 colleges/hospitals could not be utilised as of May 1994. Cobalt therapy units purchased by 3 colleges/hospitals were not commissioned. Thus none of the 11 hospitals and medical colleges audited had set up the oncology wings.

(ii) Only 180 cobalt therapy units (CTUs) were installed against the estimated requirement of 900 units; even these were not evenly distributed. In seven States, CTUs and other equipment acquired at a cost of Rs 6.32 crores were commissioned with delays ranging from 3 months to 8½ years due to non-availability of buildings and lack of staff. In four States Rs 64 lakhs released mainly for establishing cobalt therapy units were kept in personal ledger accounts for periods ranging from 9 to 48 months. In seven States, grants amounting to Rs 2.70 crores for establishing cobalt therapy units remained unutilised mainly due to inadequate Central assistance. Out of Central assistance, seven cobalt therapy units and other equipment acquired at a cost of Rs 5.48 crores during 1985-93 by five States (Assam, Karnataka, Orissa, Rajasthan and Madhya Pradesh) could not be commissioned mainly due



to delayed buildings in Assam, Madhya Pradesh and Orissa and for want of cobalt source in Karnataka and Rajasthan. Test check also showed that a linear accelerator valuing Rs 1.75 crores procured under Japanese grant-in-aid programme during 1988-89 by an Institute in Lucknow was only partly functional for want of spare parts.

Despite accelerated funding during the Eighth Five Year Plan, newly introduced schemes like District projects, development of oncology wings in selected medical colleges/hospitals, involvement of voluntary organisations in the programme for health education and early detection of cancer did not take off as projected. Funds released to the State governments and grantee institutions were much below the budgetary provision and the State governments failed to utilise the funds because the grants were not commensurate with the cost of equipment.

Out of Rs 29.52 crores sanctioned as grants to 13 States during 1985-94, six States (Punjab, Karnataka, West Bengal, Uttar Pradesh, Tamil Nadu and Delhi) were not able to utilise even 50 per cent of the funds due to the State governments not releasing these further. The State governments/ grantee institutions could not create the necessary infrastructure and provide other requisite facilities in the medical colleges and RCCs resulting in poor implementation of the programme. Out of Rs 4.17 crores sanctioned to nine States, an amount of Rs 2.28 crores was utilised outside the objectives qualifying for the grant.

Against Rs 82.24 crores released by Government of India during 1985-94 for implementation of the programme by the State governments, utilisation certificates along with audited statements of accounts for Rs 68.18 crores were awaited. There was no system in the Ministry to expedite and link further release of funds with the furnishing of the required utilisation certificates and audited statements of accounts.

No system of effective co-ordination between various agencies as well as monitoring the overall programme was evolved by the State governments.

(Paragraph 9.1)

## **V. Government Medical Store Depot, Calcutta**

Government Medical Store Depot, Calcutta (MSD), a subordinate office of the Ministry of Health and Family Welfare, is administered through the Directorate General of Health Services. The main functions of MSD are to purchase and supply medicines, surgical instruments and other medical stores required by various indentors.

There were inordinate delays in the compilation of the proforma accounts of MSD. Proforma accounts for the years 1985-86 onwards had not been prepared so far (December 1994). Long delays in compilation of these accounts impaired managerial control.

MSD failed to supply a large number of items indented. The supply ranged from 53 to 62 per cent.

Despite the Public Accounts Committee's recommendations that local purchases should be scaled down to minimum, local purchases constituted 88 to 100 per cent of total annual purchases during 1989-94. Further, there was an avoidable expenditure of Rs 29.07 lakhs in two cases of local purchases.

In spite of repeated supply of sub-standard drugs, the offending firms were not blacklisted. Sub-standard drugs were issued to indentors. Recovery of Rs 8.22 lakhs was due from private firms.

Medicines worth Rs 1.36 crores became life expired between March 1980 and January 1994.

MSD sustained loss of Rs 33.32 lakhs due to short-receipt of supplies by an indenter. MSD procured banned drugs worth Rs 5.85 lakhs.

(Paragraph 9.2)

## **VI. Improvement of Science Education in Schools**

The scheme "Improvement of Science Education in Schools" is a Centrally sponsored scheme funded by the Central Government. This has been in operation since 1987.



Against the grant of Rs 163.79 crores released during the seven years only Rs 116.05 crores were spent, leaving an unspent balance of Rs 47.74 crores with the States/UTs.

In seven States Rs 13.99 crores provided for implementation of the Scheme were retained in personal deposit accounts/personal ledgers accounts/banks. This irregularity was particularly pronounced in Rajasthan and Karnataka which together accounted for Rs 9.62 crores.

Against the target of 69287 upper primary schools identified for providing science kits, only 37316 upper primary schools, were actually covered. In Jammu & Kashmir, out of 593 science kits purchased against the target of 1517, only 451 kits were distributed.

Several cases of avoidable/excess expenditure amounting to Rs 6.86 crores on account of purchase of non-essential or excess equipment or items not according to the specifications were noticed in 12 States. Out of this 4 States (Madhya Pradesh, Manipur, Tamil Nadu and Andhra Pradesh) accounted for Rs 5.78 crores. In seven States, there was an irregular expenditure of Rs 3.25 crores on account of furniture items which included steel items of furniture for schools without proper laboratories or non-receipt of challans or items purchased in excess of requirements. Out of this, Uttar Pradesh accounted for Rs 2.34 crores.

In ten States, equipment worth Rs 1.37 crores were held in stock or unused, out of which Punjab accounted for Rs 69.75 lakhs. Books worth Rs 60.03 lakhs purchased in seven States were not distributed to the schools.

In eight States/ UTs, District Resource Centres were not opened and no training programmes were organised. Against the target of 2.23 lakh upper primary teachers only 29652 were trained during 1987-94. For secondary and higher secondary teachers also the training was less than ten per cent of the target. The percentage of teachers trained was low in Sikkim and West Bengal. However, in Jammu & Kashmir, Karnataka, Orissa, Rajasthan and Madhya Pradesh the number of teachers trained was significantly higher compared to other States. Of the 26488 resource persons to be trained only 1305 (five per cent) were

imparted training. The shortfall was due to non-sanction of funds by the State governments towards travel expenses for the trainees.

In twenty one States there was no mechanism for monitoring the progress of the implementation of the Scheme at school level. Quarterly progress reports had not been prepared since the inception of the Scheme. The Ministry of HRD set up a Committee for evaluation of the Scheme which showed in its report that kits, laboratory equipment and books had not reached all the schools to be covered under the Scheme. Setting up of District Resource Centres was given low priority by the States and implementation of the teachers training programme was poor. Moreover, analysis of curriculum and text books of many States showed that necessary changes had not been made in the syllabus.

(Paragraph 10.1)

## **VII. National Bharatiyam 1989**

In November 1986 Government decided to conclude the Nehru Centenary Celebrations with a massive display of sports and athletics by young school children from all over the country. The event called "*Bharatiyam 1989*" was organised by the Sports Authority of India (SAI) and Lakshmibai National College of Physical Education (LNCPE), Gwalior on 14 November 1989. SAI constituted a committee for managing the programme which was designated "Special Organising Committee" (SOC) by the Ministry in September 1989.

SOC was not an autonomous body, a registered society or an attached or subordinate office of the Ministry of HRD or the Department of Youth Affairs & Sports. Yet SOC received grants from the Union Government through SAI and even directly, totalling Rs 2.69 crores and Rs 1.96 crores from State Governments and public sector undertakings. These amounts and the expenditure from these amounts were kept outside the government account.



The Director General and Secretary of SAI exercised financial powers (which they did not possess) in 37 cases involving expenditure of Rs 83.62 lakhs. Sanctions totalling Rs 1.26 crores were given by Member-Secretary of SOC which were beyond his powers.

Modular housing was specially constructed at Scouts & Guides camping site to accommodate the large number of out-station participants of Bharatiyam 1989. These modules were got constructed without inviting tenders or proper analysis of rates. Central Vigilance Commission inspection and Audit revealed extra expenditure of Rs 58.43 lakhs. Also, the modules were found to be defective and the roofs leaked during rains. The modules and toilets constructed at a cost of Rs 1.47 crores remained unutilised after November 1989 as no further programmes were organised by the Department or SAI. The modular facility was incomplete when the event concluded. Tentage and bedding had to be hired for the function.

Hiring of buses (7229 bus-days) in excess of actual requirements (5810) resulted in extra expenditure of Rs 7.59 lakhs. The rates paid were much higher than prevailing market rates.

Catering and refreshments contract was awarded at higher rates leading to extra expenditure of Rs 4.05 lakhs. Rs 0.94 lakh was recoverable from the caterer who was an approved contractor for Delhi Administration; in addition, theoretical calculations showed excess payment of Rs 13.04 lakhs to the caterer (out of Rs 72.26 lakhs paid).

LNCPE, Gwalior spent Rs 13.69 lakhs on training of participants. While details of expenditure on equipment were on record, no information was available about the number of teachers and school children covered by the programmes.

Specially designed costumes worth Rs 36.80 lakhs were not taken back from the participants after the finale and were charged to stores account.

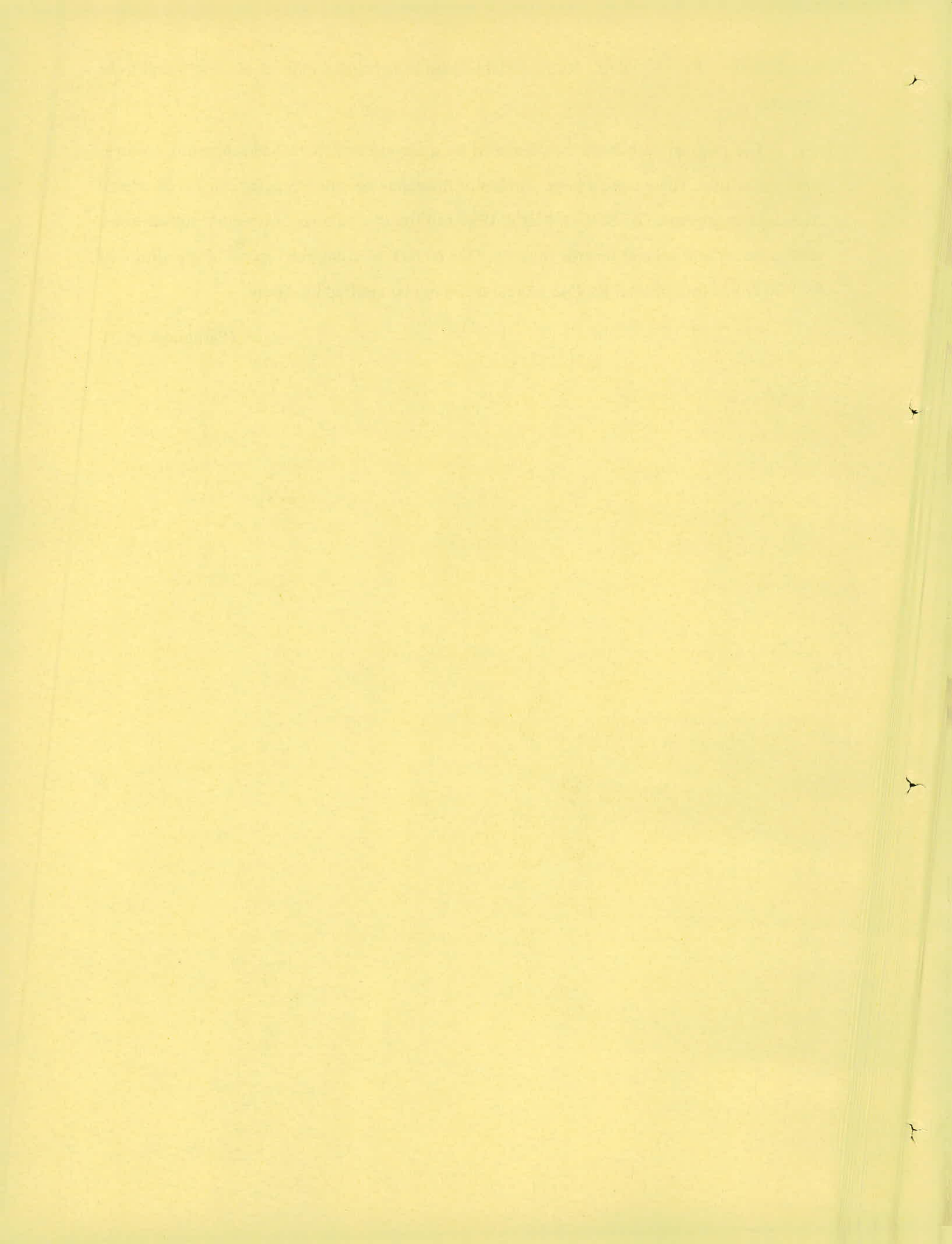
Stocks valued at Rs 21.39 lakhs were not accounted for. There were other irregularities: purchase in excess of requirement — Rs 8 lakhs, unauthorised loan of equipment — Rs 1.64 lakhs, stocks finally charged off to stores — Rs 32.87 lakhs and stocks



found short — Rs 3.87 lakhs. Rs 26.79 lakhs paid to firms and individuals was found to be irregular.

The original cash book was replaced by a second one; both had numerous erasures and overwriting. There were a large number of discrepancies and irregular entries. Chartered Accountants appointed by SOC in March 1991 had found a number of irregular transactions, serious errors and several records missing. Due to lack of complete records, expenditure of Rs 1.66 crores (out of total Rs 4.45 crores) could not be verified by Audit.

(Paragraph 10.3)



## CHAPTER I

### ACCOUNTS OF THE UNION GOVERNMENT

#### 1.1 Introduction

##### 1.1.1 Structure of Government Accounts

The accounts of the Government are kept in three parts: (i) Consolidated Fund (ii) Contingency Fund and (iii) Public Account.

All receipts of the Government from revenues, loans and recoveries of loans go into the Consolidated Fund, constituted under Article 266(1) of the Constitution of India. All expenditure of Government is incurred from this Fund and no amount can be withdrawn from the Fund without authorisation from Parliament. It consists of two main divisions, namely Revenue Account (Revenue Receipts and Revenue Expenditures) and Capital Account ( Capital expenditure, Public Debt and loans etc.).

All other public moneys received by or on behalf of the Government of India are credited to the Public Account of India constituted under Article 266(2) of the Constitution. For example, provident funds, small savings collections, other deposits, etc do not constitute normal receipts of the Government. They continue to belong to the depositors, but are in the possession of the Government for a specific period or purpose. Parliamentary authorisation for payments from the Public Account is not required.

Occasions may arise when Government has to incur urgent unforeseen expenditure pending authorisation from Parliament. The Contingency Fund created under Article 267(1) of the Constitution is in the nature of an imprest placed at the disposal of the President to meet such situations. Parliamentary approval is subsequently obtained for such expenditure and for transfer of an equivalent amount from the Consolidated Fund to the Contingency Fund. The corpus of this Fund authorised by the Parliament, at present, is Rs 50 crores.



### 1.1.2 Annual Accounts

The accounts of the Union Government are compiled annually by the Controller General of Accounts in the Ministry of Finance. The accounts are prepared in two volumes, viz., the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all the transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts on the other hand, present the details of amounts actually spent by the Government vis-à-vis the amounts authorised by the Parliament in the budget grants. Any expenditure in excess of the grants requires regularisation by the Parliament.

### 1.1.3 Audit Report

The Finance Accounts and the Appropriation Accounts as well as various transactions in these accounts are audited by the Comptroller & Auditor-General of India in accordance with the CAG's (Duties, Powers & Conditions of Service) Act, 1971. CAG certifies the accounts and also submits separate Audit Reports to the President in terms of Article 151 of the Constitution of India.

CAG's reports for the year ending on 31 March, 1994 are structured as follows:

Report No.	Containing observations on
1 of 1995	Finance and Appropriation Accounts and on some of the Union Ministries
2 of 1995	Union Ministries not covered in Report No. 1
3 of 1995	NCT of Delhi *
4 of 1995	Union Government Indirect Taxes
5 of 1995	Union Government Direct Taxes
6 of 1995	Union Government Scientific Departments

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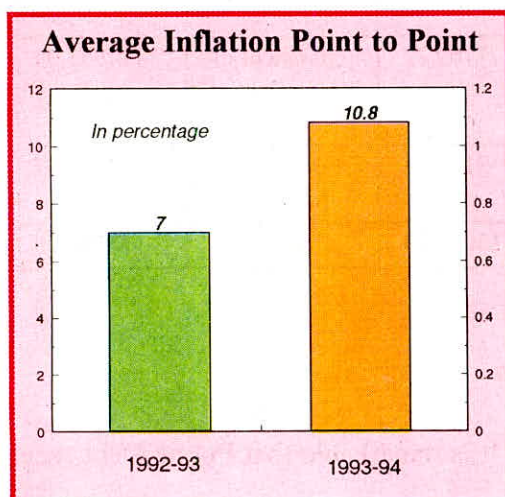
\* Funding upto end of November 1993 part of Union Government Accounts, out of budget grant from Parliament.

Report No.	Containing observations on
7 of 1995	Union Government Posts & Telecommunication
8 of 1995	Union Government Defence (Army & Ordnance Factories)
9 of 1995	Union Government Defence (Air Force & Navy)
10 of 1995	Union Government Railways
11 of 1995	Union Autonomous Bodies

In addition to these, several reports are also submitted to the President on the working of Public enterprises under the Union Government.

## 1.2 Price trends during the year

The Reserve Bank of India, in its report for the year 1993-94 has observed that an



important development of serious concern during 1993-94 was the strong persistence of inflationary pressures in the economy. The wholesale price index for 'all commodities' tended to be on the rise almost throughout the year, particularly from June 1993 onwards. The annual inflation rate during 1993-94 on a point-to-point basis was 10.8 per cent, 3.8 percentage points higher than that in the previous year. On the average

basis, however, the inflation rate was lower in 1993-94 at 8.3 per cent compared to 10.00 per cent in the preceding year. This analysis of the accounts of the Union Government should ideally be viewed in the context of these trends. The receipts, particularly from *ad-valorem* duties, expenditure on various services as well as the investment in various sectors of the economy have to be seen against the backdrop of the price trends.



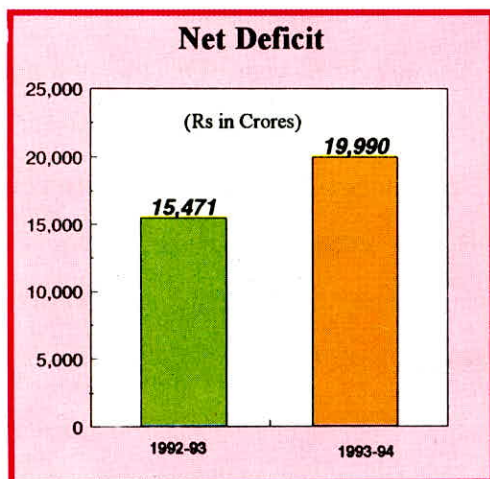
### 1.3 Consolidated Fund

1.3.1 The receipts and expenditure under the Consolidated Fund of India for 1993-94 along with figures for the previous financial year were as under:

**Table 1.3.1: Consolidated Fund of India**

(Rupees in crores)

Receipts			Expenditure		
1992-93		1993-94	1992-93		1993-94
<b>Revenue Account</b>					
114219.93	Revenue Receipts	119601.60	132794.48	Revenue Expenditure	152317.17
18574.55	Deficit	32715.57			
<b>132794.48</b>		<b>152317.17</b>	<b>132794.48</b>		<b>152317.17</b>
<b>Capital Account</b>					
1961.00	Capital Receipts	(-) 47.74	20586.31	Capital Expenditure	24650.07
7678.21	Loans and Advances Received	7611.28	17618.71	Loans and Advances Paid	21874.05
103379.18	Receipts booked as Public Debt	169637.06	71709.72	Repayment of Public Debt	117951.31
			3103.65	Capital Surplus	12725.17
<b>113018.39</b>		<b>177200.60</b>	<b>113018.39</b>		<b>177200.60</b>
15470.90	Net deficit in Consolidated Fund	19990.40			

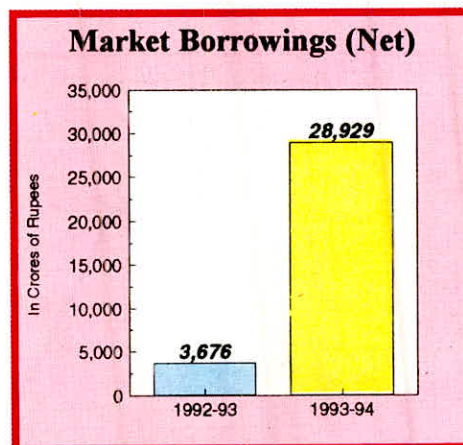


It is remarkable that Public Debt receipts (borrowed funds) constituted 57.1 per cent of the total consolidated fund receipts (Rs 296802 crores) in 1993-94. Since government borrowings are on the security of the Consolidated Fund of India, raising of funds through borrowings at such levels amounts to taking loans on a collateral, a substantial part of which already comprises borrowed funds.

The actual Consolidated Fund receipts exceeded the Budget Estimates by Rs 42878.65 crores and also the Revised Estimates by Rs 6800.30 crores. The net deficit under the Consolidated Fund after adjusting the Capital Surplus was Rs 19990.40 crores in 1993-94 as compared to Rs 15470.90 crores during 1992-93 and constituted an increase of 29.2 per cent over the previous year. The surplus of Rs 12725.77 crores on Capital Account went towards reducing the revenue deficit of the Government. During 1993-94 the capital expenditure was Rs 24650 crores. However, the subscription to International Monetary Fund (IMF) and investment in nationalised banks accounted for Rs 11423 crores i.e. over 46 per cent of capital expenditure. The implications of this are discussed in detail in paragraphs 1.5 and 1.6 below.

It is noteworthy that the major component of increase in internal debt was on account of market borrowings (net) which increased from Rs 3676 crores in 1992-93 to Rs 28929 crores in 1993-94.

As regards Treasury Bills (which are financial instruments issued by the Government of India to the Reserve Bank of India for raising short term loans of 91\364 days to temporarily fill a gap in resources) and Treasury Bills converted into securities, Rs 123213.14 crores were raised during 1993-94. Against this, Rs 111622.02 crores were "discharges" leaving a net receipt of Rs 11591.12 crores in 1993-94.



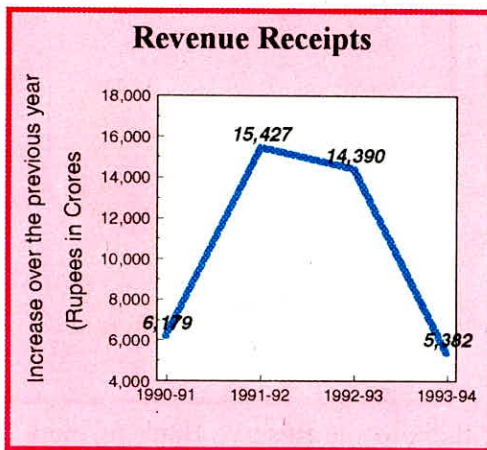
### 1.3.2 Revenue Receipts

The revenue receipts (excluding States' shares of Income Tax and Estate Duty and Union Territories' share of Estate Duty on agricultural land) during the year 1993-94 and previous three years are given below:-



**Table 1.3.2.1: Revenue Receipts***(Rupees in crores)*

Year	Revenue Receipts		Increase over the previous year
	Budget Estimates	Actual	
1990-91	87769	84403	6179
1991-92	100249	99830	15427
1992-93	114518	114220	14390
1993-94	130851	119602	5382



It would be observed from the above table that the budget estimates of revenues receipts for the last four years were relatively higher than the actuals, i.e. the projections were higher at the time of presenting the budget. During the year 1993-94 the actual revenue receipts were lower by Rs 11249 crores than the budget estimates but increased in absolute terms by Rs 5382 crores, over the

previous year.

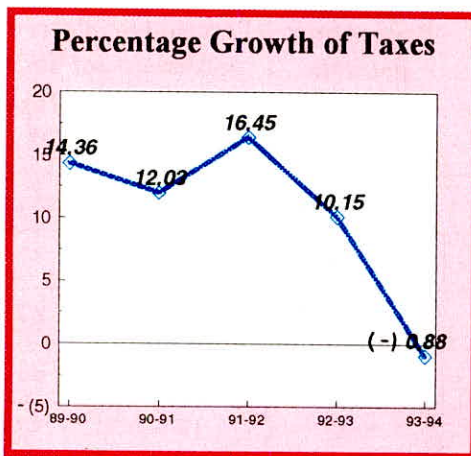
This was mainly due to increases in revenue from corporation tax (Rs 1162 crores), interest receipts (Rs 2557 crores) and from Union Excise Duties (Rs 865 crores). At the same time taxes on income other than corporation tax decreased by Rs 484 crores, taxes on wealth decreased by Rs 314 crores, gift tax by Rs 4.34 crores (i.e. by 50 per cent) and Customs Duties by Rs 1583 crores from the previous year. The share of profit from nationalised banks has also decreased by Rs 77 crores from the previous year. The details of tax revenue during 1989-90 to 1993-94 are as under:-



**Table 1.3.2.2: Tax Revenue***(Rupees in crores)*

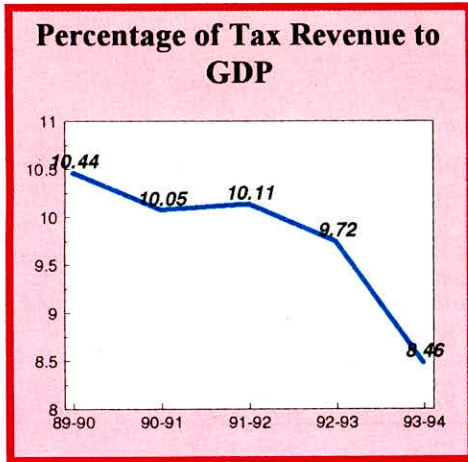
Year	Tax revenue	Percentage over previous year (%)	Gross Domestic Product at market prices of the relevant year	Percentage of tax revenue to GDP (%)
1989-90	47714	14.36	456820	10.44
1990-91	53456	12.03	532030	10.05
1991-92	62257	16.45	615655	10.11
1992-93	68579	10.15	705566	9.72
1993-94	67975	(-) 0.88	803632	8.46

(Source for GDP: Economic Survey 1993-94 and RBI Estimates for 1993-94)



The above table shows that the lower rate of growth of receipts has been mainly due to the declining rate of growth of tax revenue; there was a *negative* growth of *minus* 0.88 per cent in 1993-94. Tax revenue as percentage of GDP has also declined from 10.44 per cent in 1989-90 to 8.46 per cent in 1993-94. The other important factors for the lower growth rate of revenue has been a sharp increase in tax

arrears. Cumulative arrears of corporation tax and income tax increased from Rs 9488.54 crores in 1992-93 to Rs 11365.33 crores during the period ending 31 March 1994. Similarly in case of central excise duties the amounts involved in outstanding demands increased from Rs 5160.32 crores in 1992-93 to Rs 35075.83 crores in 1993-94. (The Ministry has been requested to recheck the figures in view of wide variation). The amount of custom duty assessed upto 31 March 1994 which was still to be realised on 30 June 1994 was Rs 117.61 crores as against similar amount of Rs 106 crores in the previous year.



This decrease in tax revenue amounted to a shortfall of Rs 10297 crores from Budget Estimates and Rs 1003 crores even from Revised Estimates for 1993-94. The actual collection of tax revenue in 1993-94 has also declined by Rs 604 crores from that of the previous year, a development that needs attention in view of the growing revenue deficit.

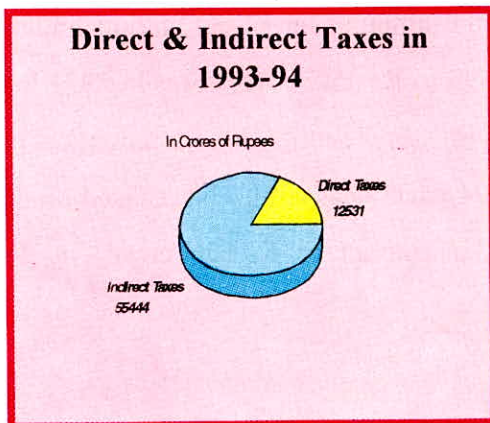
A further analysis of growth of direct and indirect taxes over the last five years shows the following:-

**Table 1.3.2.3: Growth of Direct & Indirect Taxes**

(Rupees in crores)

Year	*Direct taxes	Percentage growth (%)	Indirect taxes	Percentage growth (%)	Percentage of Direct taxes and Indirect taxes	
					Percentage of Direct taxes	Percentage of Indirect taxes (%)
					over the previous year	
					in Total tax revenue	
1989-90	6087	0.13	41627	16.78	12.76	87.24
1990-91	6910	13.52	46546	11.82	12.93	87.07
1991-92	10248	48.31	52009	11.74	16.45	83.53
1992-93	12082	17.90	56497	8.63	17.62	82.38
1993-94	12531	3.72	55444	(-) 1.86	18.43	81.59

\* Excludes receipts from Land Revenue and Stamps and Registration



The percentage growth of direct taxes declined from the peak 48.31 per cent in 1991-92 to 3.72 per cent in 1993-94, which is partly attributable to reduction in income tax rates.

Similarly in 1993-94 the collection of indirect taxes i.e. duties levied on goods and services, such as excise and sales tax, came down



by 1.86 per cent from the previous year. The main reason for decrease in indirect taxes was a substantial decline in customs receipts by Rs 1583 crores from the previous year. Although the sale proceeds of confiscated goods increased by Rs 142 crores as compared to the previous year, import duties decreased by Rs 1588 crores and export duties by Rs 85 crores from the previous year.

Detailed observations on tax revenue receipts (direct and indirect) are contained in C&AG's Reports Nos. 4 and 5 of 1995 on Revenue Receipts.

### 1.3.3 Growth of Non Tax Revenue

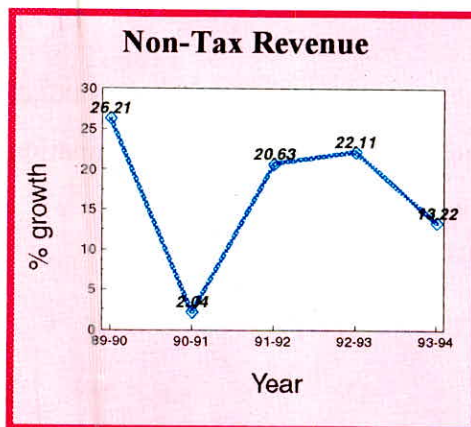
The trend of total non-tax revenue for the last five years is given below:

**Table 1.3.3: Non-tax Revenue**

*(Rupees in crores)*

Year	Non-tax revenue	Percentage growth over the previous year (%)
1989-90	29755	26.21
1990-91	30361	2.04
1991-92	36625	20.63
1992-93	44721	22.11
1993-94	50634	13.22

The table shows that the percentage growth of non-tax revenue has declined from



26.21 per cent in 1989-90 to 13.22 per cent in 1993-94. The growth of non-tax revenue also slowed down during the year primarily because of the poor returns from public enterprises and subsidised rates of interest charged on loans to State Governments during 1993-94. The Government Companies and Corporations contributed a dividend of Rs 633 crores on an investment of Rs 44116

crores which constituted a rate of return of only 1.44 per cent (see paragraph 1.6).



Further, though the growth of non-tax revenue decreased by 8.89 per cent in 1993-94 from the previous year, the receipts increased in absolute terms from Rs 44721 crores in 1992-93 to Rs 50634 crores in 1993-94. This increase in non-tax revenue was mainly due to an increase in interest receipts by Rs 2557 crores. However, dividend and profits which had increased by Rs 1435 crores during 1992-93 over the previous year decreased by Rs 42 crores during 1993-94 as compared to the previous year.

### 1.3.4 Revenue Expenditure

The growth of revenue expenditure (Plan and Non-Plan) during the last five years was as given below:-

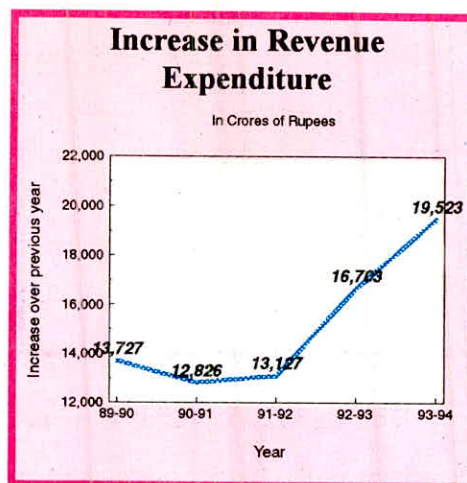
**Table 1.3.4: Revenue Expenditure**

*(Rupees in crores)*

Year	Revenue Expenditure				Revenue expenditure as percentage of GDP	Increase over the previous year
	Budget Estimates	Plan	Non-Plan	Total	(Actual) %	
1989-90	85295	12071	78067	90138	19.73	13727
1990-91	100800	12703	90261	102964	19.42	12826
1991-92	114103	15160	100931	116091	18.86	13127
1992-93	128399	19862	112932	132794	18.82	16703
1993-94	148480	24890	127427	152317	18.95	19523

The above table shows that the actual revenue expenditure exceeded the budget estimates in all the five years. This would indicate the need for more realistic estimation and concurrent control over expenditure and the deficit.

The total revenue expenditure increased from Rs 132794 crores in 1992-93 to Rs 152317 crores in 1993-94 which constituted an increase of 14.7 per cent over the previous year. The plan expenditure jumped by 25 per cent from Rs 19862 crores in 1992-93 to Rs 24890 crores in 1993-94 whereas, the non-plan expenditure increased from Rs 112932 crores in 1992-93 to Rs 127427 crores in 1993-94, which constituted an increase of 12.8 per cent over the previous year. The revenue expenditure was 18.95 per cent of GDP in 1993-94.



The areas in which there have been major increases have been discussed in the succeeding paragraphs.

#### 1.3.4.1 Interest Payments

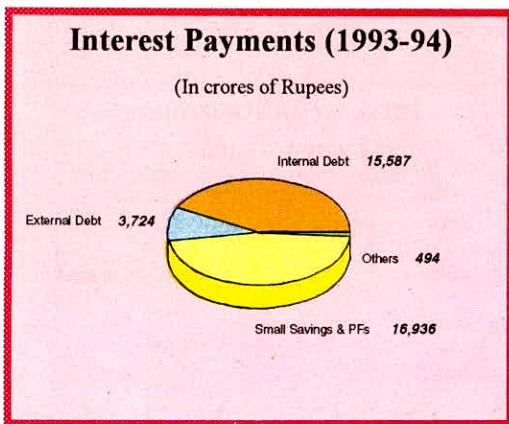
The interest payments increased by Rs 5666 crores over the previous year. The interest payments accounted for 24.1 per cent of the total Revenue Expenditure and 30.7 per cent of the total Revenue Receipts during 1993-94. The trend in interest payments during the last five years is given below:-

**Table 1.3.4.1: Interest Payments**

(Rupees in crores)

Year	Interest on				Total
	Internal Debt	External Debt	Small savings, provident funds etc.	Others	
1989-90	8273	1494	7573	417	17757
1990-91	9814	1834	9413	437	21498
1991-92	11317	2704	12083	492	26596
1992-93	13542	3529	13436	568	31075
1993-94	15587	3724	16936	494	36741

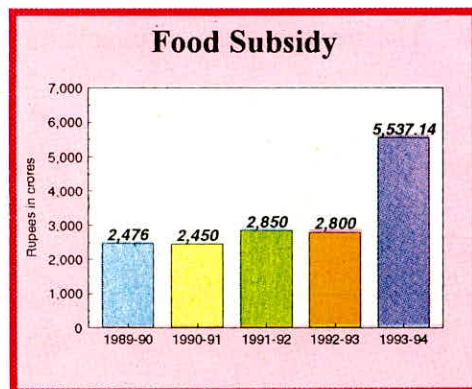




The total interest payments increased from Rs 17757 crores in 1989-90 to Rs 36741 crores in 1993-94 which constituted an increase of 107 per cent. The interest payment on Public Debt (Internal *plus* External) was 53 per cent and interest payment on small savings and provident funds and others was 47 per cent of the total interest payments during 1993-94.

The significant increase in absolute terms was in payment of interest on internal debt which is Rs 2045 crores showing an increase of 15.10 per cent over the previous year. The component of interest payment on Treasury Bills and Treasury Bills converted into securities was around 40 per cent of the total interest payment on internal debt during 1993-94, while the interest on market loans was 59 per cent. The market borrowings during the year increased by nearly five times over the previous year.

#### 1.3.4.2 Subsidies



The major subsidies during the year 1993-94 practically remained at the same level as the previous year. However, over a five year period they increased from Rs 9700.83 crores in 1989-90 to Rs 11823.46 crores in 1993-94 which constituted an increase of 21.9 per cent. The food subsidy increased sharply by Rs 2737.14 crores over the previous year. The table below gives the item-wise major subsidies for the last five years



**Table 1.3.4.2.1**  
**Expenditure on Subsidies during 1989-90 to 1993-94**

*(Rupees in crores)*

	1989-90	1990-91	1991-92	1992-93	1993-94
Food subsidy	2476.00	2450.00	2850.00	2800.00	5537.14
Subsidy on indigenous fertilisers	3771.00	3729.73	3500.00	4800.00	3800.00
Interest subsidy	435.79	349.10	323.09	112.56	147.74
Assistance for export promotion and market development	2014.34	2741.53	1753.77	818.50	664.72
Subsidy to Railways towards dividend relief etc.	232.60	283.35	311.76	352.61	412.03
Subsidy on imported fertilisers	771.10	659.33	1299.60	996.11	761.83
Debt relief to farmers	—	1502.00	1425.00	1500.00	500.00
<b>Total</b>	<b>9700.83</b>	<b>11715.04</b>	<b>11455.22</b>	<b>11379.78</b>	<b>11823.46</b>

**Comparison of subsidies with budget estimates**

Actual subsidies on food, indigenous fertilisers and export were substantially higher than the budget estimates as the following table indicates:-

**Table 1.3.4.2.2: Comparison of subsidies with Budget Estimates**

*(Rupees in crores)*

Year	Food Subsidy			Indigenous fertilisers			Export Subsidy		
	BE	Actual	% increase over BE	BE	Actual	% increase over BE	BE	Actual	% increase over BE
1990-91	2200	2450	11	3250	3730	15	2316	2742	18
1991-92	2600	2850	10	2900	3500	21	1224	1754	43
1992-93	2500	2800	12	3500	4800	37	480	819	71
1993-94	3000	5537	85	3500	3800	9	500	665	33

It would be observed that the budget estimates for food subsidies were Rs 3000 crores whereas the actuals were Rs 5537 crores which showed a sharp increase of 85 per cent over the budget estimates during 1993-94. The export subsidies also exceeded the budget estimate by 33 per cent during 1993-94.

### 1.3.4.3 Rural Development

The Rural Development and poverty alleviation programmes showed a substantial increase during the year. The expenditure on Jawahar Rozgar Yojana increased manifold from Rs 14.73 crores in 1992-93 to Rs 1002.71 crores in 1993-94. Similarly expenditure on IRDP increased from Rs 356.75 crores in 1992-93 to Rs 563.70 crores in 1993-94.

### 1.3.4.4 Grants-in-Aid and Contributions

Grants-in-aid and contributions increased from Rs 32590 crores in 1992-93 to Rs 35637 crores in 1993-94 which constituted an increase of 9.3 per cent over the previous year and represented 23.4 per cent of the total revenue expenditure in 1993-94.

The major rise was on account of larger payments of grants to the State Governments which increased by Rs 3000 crores over the previous year. Similarly the grants to the Union Territories increased by Rs 13 crores during the year 1993-94. The break-up of grants to the State Governments and Union Territories during 1992-93 and 1993-94 is given below:-

**Table 1.3.4.4: Grants to State and UTs Governments**

*(Rupees in crores)*

	1992-93	1993-94
<b>Non-Plan</b>	3171.64	3192.37
<b>State Plan Schemes</b>	8027.92	9812.24
<b>Central -do-</b>	1386.15	1380.66
<b>Centrally Sponsored -do-</b>	5299.36	6494.89
<b>Special -do-</b>	58.01	75.70
<b>Total</b>	<b>17943.08</b>	<b>20955.86</b>



Detailed study of some of the schemes, the observations on which have been contained in this and other reports indicate the need for closer monitoring of the utilisation of grants-in-aid given to State Governments as also autonomous bodies, non-government and voluntary organisations.

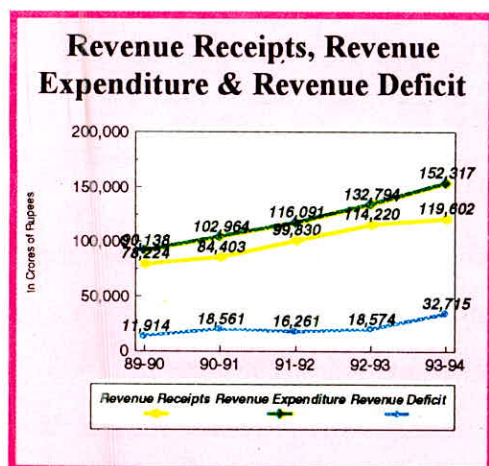
#### 1.4. Growth of revenue deficit

The following table shows that the revenue expenditure was increasing at a faster pace than the revenue receipts during the last five years

**Table 1.4.1: Comparison between Revenue Receipts and Revenue Expenditure**

*(Rupees in crores)*

Year	Revenue receipts	Revenue expenditure	Budget estimates of revenue deficit	Revenue deficit	Percentage of revenue deficit to total revenue expenditure (%)
1989-90	78224	90138	7012	11914	13.22
1990-91	84403	102964	13031	18561	18.03
1991-92	99830	116091	13854	16261	14.01
1992-93	114220	132794	13881	18574	13.99
1993-94	119602	152317	17629	32715	21.48



As a result of the growing gap between revenue receipts and revenue expenditure the deficit in the revenue account increased from Rs 11914 crores in 1989-90 to Rs 32715 crores in 1993-94 which constituted an increase of 175 per cent. It is noteworthy that the revenue deficit has increased by 76 per cent over the previous year i.e. from Rs 18574 crores in 1992-93 to Rs 32715 crores in 1993-94. The percentage of revenue deficit to total revenue expenditure increased from 13.22 per cent in 1989-90 to 21.48 per cent in 1993-94 whereas the percentage increase over the previous year itself



was 7.49 per cent. Incidentally the revenue deficit exceeded the budget estimates by Rs 15086 crores i.e. an increase of 86 per cent in 1993-94.

Thus the present financial position of the Government could be attributed mainly to large absorption of resources by non-plan expenditure, declining growth of tax revenues, sharp increase in tax arrears and poor returns from public enterprises.

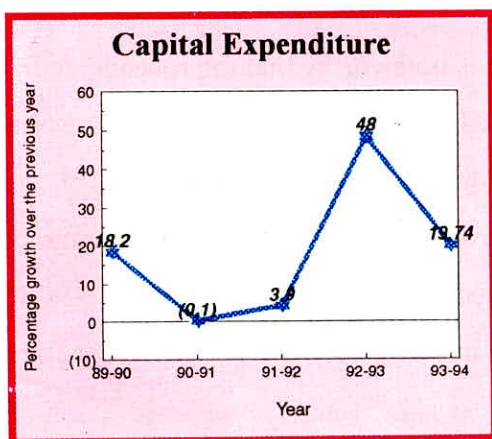
### 1.5. Capital expenditure

Assets are created mostly out of capital expenditure, resulting in tangible and intangible assets as are capable of generating revenues and returns. In addition, financial assets arise from moneys invested in institutions or undertakings outside the Government (e.g. public sector undertakings, corporations). The details of the capital expenditure during the last five years were as under:-

**Table 1.5: Capital Expenditure**

*(Rupees in crores)*

Year	Capital Expenditure	Percentage growth of capital expenditure over the previous year	GDP at current market prices	Capital expenditure as percentage of GDP (%)
1989-90	13400	18.20	456820	2.93
1990-91	13387	(-0.10)	532030	2.52
1991-92	13911	3.90	615655	2.25
1992-93	20586	48.00	705566	2.92
1993-94	24650	19.74	803632	3.07



It would be observed from the above table that the average annual growth rate of capital expenditure from 1989-90 to 1993-94 was 20 per cent. Capital expenditure has been less than 3 per cent of GDP except during 1993-94 when it was 3.07 per cent. This increase was primarily due to increases in subscription given to

IMF which was Rs 1805 crores in 1991-92 and rose to Rs 7017 crores in 1992-93 and Rs 5698 crores in 1993-94. Further, there was an increase in the investment in nationalised banks from Rs 761 crores in 1992-93 to Rs 5725 crores in 1993-94. If the component of IMF subscription and investment in nationalised banks is excluded from the total capital expenditure, the real growth of capital expenditure shows a trend towards stagnation.

## **1.6 Investments and Returns**

The details of investments by Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies, international bodies etc. along with dividend received in percentage of return during the years 1989-90 to 1993-94 is given in Appendix I

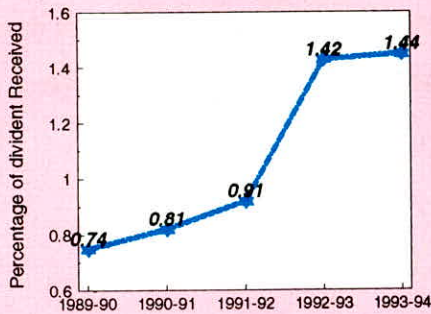
The total investment of the Government in statutory corporations, government companies, other joint stock companies, co-operative banks and societies, international bodies etc. increased from Rs 52038.46 crores on 31 March 1993 to Rs 63005.84 crores on 31 March 1994 which constituted an increase of 21.1 per cent. This includes Rs 2464.50 crores which has been converted as equity from loans in respect of Vishakhapatnam Steel Project.

No dividend was due on Rs 6309.51 crores invested in 5 enterprises still in the project implementation phase. Of these Vishakhapatnam Steel Project started in 1981-82 accounted for an outlay of Rs 6276.24 crores till end of 1993-94. Also, no dividend was due on Rs 718.85 crores invested in international bodies although interest is receivable.



From the investment of Rs 44116.15 crores in 238 Government companies and

### Public Sector Undertakings & Corporations



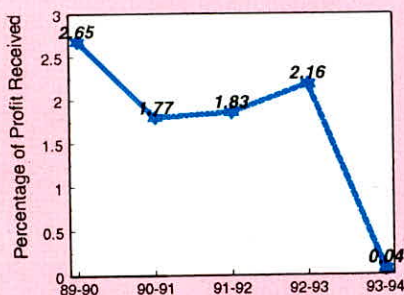
corporations, the average dividend was only 1.44 per cent. No dividend was received from 178 Public Sector Undertakings. The total dividend on investment of Rs 63005.84 crores in 1993-94 was only 3.9 per cent as against 4.75 per cent in the previous year. The Budget Estimates for total dividends and profits during 1993-94 was Rs 2690.81 crores and Revised Estimates was Rs 2737 crores whereas the actuals were

Rs 2450.80 crores, disclosing that both beginning and end of year estimates were overstated by more than 10 percent.

Total dividend on investment of Rs 691 crores in State co-operative banks and other banks excluding nationalised banks, Industrial Development Bank and Reserve Bank of India was only Rs 12 crores constituting 1.79 per cent. From Rural Banks set up in 1975 no dividend has been received so far on the total investment of Rs 68.75 crores upto 31 March 1993. A further amount of Rs 3.25 crores has been invested in these banks during 1993-94. National Bank for Agriculture and Rural Development (NABARD) in which total investment upto 1992-93 was Rs 50 crores and which was augmented by Rs 10 crores in 1993-94 paid no dividend. This trend in rural credit would indicate the need for a closer monitoring of the working of these institutions with a view to improve their functional efficiency and return on the investment.

The investment in nationalised banks has increased from Rs 3740 crores at the end

### Nationalised Banks



of 1992-93 to Rs 9465 crores at the end of 1993-94. But the percentage of profits received has decreased from 2.16 per cent in 1992-93 to 0.04 per cent during 1993-94. Budgetary support is also being given to the nationalised banks to raise their share capital with the objective of strengthening their capital base. The



allocations/expenditure made during the last four years and reinvestment by banks in special non-negotiable Government securities out of above capital are as under:-

**Table 1.6.1: Budgetary support to Nationalised Banks**

*(Rupees in crores)*

Year	Budget Estimate	Actual payment	Re-investment made in Government securities
1990-91	719.65	770.86	707.19
1991-92	718.00	817.55	705.27
1992-93	753.00	760.58	701.25
1993-94	5760.00	5725.30	5722.77

The details of profit received on total investment and interest paid on securities issued to nationalised banks during the last five years are given below:-

**Table 1.6.2: Interest paid on securities**

*(Rupees in crores)*

Year	Profit received	Interest paid
1989-90	55.47	74.07
1990-91	50.70	68.02
1991-92	54.59	170.38
1992-93	80.88	209.89
1993-94	3.58	327.73

It would be seen from the above table that the share of profits received from the nationalised banks decreased from Rs 80.88 crores in 1992-93 to Rs 3.58 crores in 1993-94 i.e. by 95.6 per cent. This fall in profits is to be viewed in the light of the Budget Speech of the Finance Minister in February 1993 which mentions about the basic restructuring of the banking system and requirement on the part of the banks to make necessary provisions against bad and doubtful loans.

## 1.7 Loans and Advances

The loans advanced to State and Union Territory Governments for developmental and non-developmental purposes and the amounts repaid and interest received as well as principal and interest recoverable during 1993-94 and the previous three years are given below:-

**Table 1.7.1: Loans & Advances to State Governments and Union Territories**

*(Rupees in crores)*

	1990-91	1991-92	1992-93	1993-94
Opening Balance	64242	74111	82858	91555
Amount advanced during the year	14552	13199	13336	15263
Amount repaid during the year	4653	3781	4639	5192
<b>Closing Balance</b>	<b>74111</b>	<b>83529</b>	<b>91555</b>	<b>101626</b>
Net increase over the previous year's balance	15%	13%	9.61%	11%
<b>Interest received during the year</b>	<b>5174</b>	<b>6565</b>	<b>7843</b>	<b>9558</b>
Arrears of Principal recoverable	97.71	155.51	241.45	250.32
Arrears of Interest recoverable	94.19	152.78	396.19	340.86
<b>Total arrears recoverable</b>	<b>191.90</b>	<b>308.29</b>	<b>637.64</b>	<b>591.18</b>

# Change in opening balance due to prior period adjustment

Receipts from State and Union Territory Governments on account of repayment of loans during 1993-94 was Rs 5192 crores against the Budget Estimates of Rs 5411 crores disclosing a shortfall of Rs 219 crores compared to Rs 53 crores over the previous year. Similarly interest received during 1993-94 was Rs 9558 crores against the Budget Estimates of Rs 9766 crores disclosing a shortfall of Rs 208 crores. Whereas the Budget Estimates for disbursement of loans to States and Union Territories was Rs 13152 crores in 1993-94, the actuals were Rs 15263 crores which exceeded the Budget Estimates by Rs 2111 crores. This combination of a shortfall in repayment of loans and simultaneous excess of disbursements over the Budget Estimates in 1993-94 would indicate that budget estimates on this account were over optimistic.



The total loans and advances given to States/Union Territories increased from Rs 13336 crores in 1992-93 to Rs 15263 crores in 1993-94 i.e. by 14.4 per cent over the previous year.

The total arrear of principal and interest recoverable from States/Union Territory Governments as on 31 March 1994 were Rs 591.18 crores.

The details of loans given to various other bodies (Government corporations, non-Government institutions, local funds, Government servants etc.) and the repayments during 1993-94 and the earlier three years are given below:-

**Table 1.7.2: Loans & Advances to "Others"**

*(Rupees in crores)*

	1990-91	1991-92	1992-93	1993-94
Opening Balance	35550	*38487	41328	*40962
Amount advanced during the year	4468	4369	4015	6564
Amount repaid during the year	1317 (+ 191)	1528	1913	2157
Closing Balance	38510	41328	43430	45369
Loans to PSUs and other undertakings from minor head 190 (included in above)	(22300)	(24082)	(24565)	(24530)

\* Differs from closing balance due to prior period adjustment.

It would be seen from the above table that the closing balance as on 31 March 1994 of loans to PSUs and other organisations remained more or less at the same level. During 1993-94, Rs 3752 crores was disbursed to the PSUs and other organisations as loans; however, the Principal recoverable as on 31 March 1994 amounted to Rs 7970 crores. Similarly, the Interest received from PSUs and others was Rs 3224 crores as against the arrears of Interest recoverable amounting to Rs 9438 crores as on 31 March 1994. In the case of certain PSUs and other undertakings the loans are in arrears ranging from 20 to 41 years (see Appendix II)

Fresh loans amounting to Rs 802 crores (as against Rs 102 crores in the previous year) were sanctioned by various Ministries/Departments to Public Sector undertakings. Out of this Rs 791 crores were given as fresh loans to Rashtriya Ispat Nigam, Vishakhapatnam, alone.



The terms and conditions of loans aggregating to Rs 1284 crores advanced to Government owned companies/corporations, non-Government institutions, local funds etc. have not yet been settled, in some cases even many years after the disbursement of the loans e.g. Indian Rare Earths Ltd., Bombay and Central Secretariat Cantèen, New Delhi.

It is pertinent to mention that had the outstanding arrears of principal and interest receivable from States/UTs and PSUs/others been paid up, the Government would have had to borrow correspondingly lesser amounts from the market at higher rates of interest.

### 1.8. Total Expenditure of the Union Government

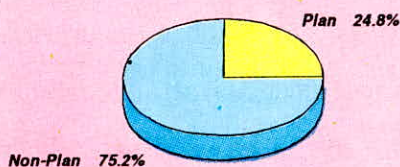
The total expenditure of the Union Government during the last five year was as under:

**Table: 1.8: Total Plan and Non Plan Expenditure of the Union Government**

*(Rupees in crores)*

Years	Revenue Expenditure		Capital Expenditure		Loans		Total Expenditure	GDP at current Market prices	Percentage of 8 to 9 (%)
	Plan	Non plan	Plan	Non Plan	Plan	Non Plan			
1	2	3	4	5	6	7	8	9	10
1989-90	12071	78067	7269	6131	9061	8309	120908	456820	26.47
1990-91	12703	90261	7286	6101	9165	11543	137059	532030	25.76
1991-92	15160	100931	6411	7500	10182	8521	148705	615655	24.15
1992-93	19862	112932	7023	13563	10561	7058	170999	705566	24.23
1993-94	24890	127427	10879	13771	13658	8216	198841	803632	24.74

#### Total Expenditure of the Union Government (1993-94)



It would be seen from the above table that the total expenditure of the Union Government increased from Rs 120908 crores in 1989-90 to Rs 198841 crores in 1993-94 which constituted an increase of 64.5 per cent. Although the total expenditure as percentage of GDP decreased overall

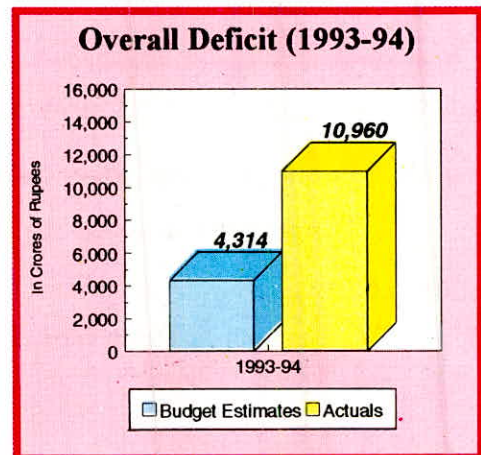
during 1989-90 to 1993-94, but it showed an increasing trend during the last three years.. During 1993-94 the Plan expenditure was 24.8 per cent of the total expenditure whereas the non-plan expenditure was 75.2 per cent i.e. more than three times the plan expenditure.

## 1.9. Deficit

### 1.9.1 Overall Deficit:

The overall deficit in the expenditure and receipts of the Government is the amount by which the total expenditure (under revenue and capital accounts) exceeds the total receipts (under revenue and capital accounts) of the Government. The overall deficit during the year 1993-94 decreased from Rs.12312 crores to Rs. 10960 crores, a reduction of 11.79 per cent over that of the previous year.

The budget estimate for the overall deficit included miscellaneous capital receipts of Rs 3500 crores on account of disinvestment of Government equity holdings in Public Sector Undertakings. However there were no actual capital receipts on this account. The actual deficit finally exceeded the budget estimates by Rs 6646 crores.



### 1.9.2 Monetised deficit:

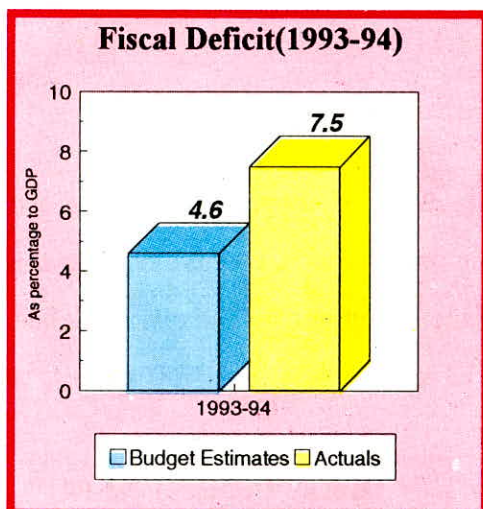
The net RBI credit to Government is the monetised deficit which measures the money impact of fiscal operations provided by the RBI's credit to the Government.

The monetised deficit (i.e. net Reserve Bank credit to the Central Government) in 1993-94 amounted to only Rs 260 crores (0.03 per cent of GDP) as against Rs 14257 crores (0.60 per cent of GDP) in the preceding year. This, however, was rendered possible by two factors: firstly, RBI undertook open market operations effecting outright sales of Rs 9047 crores of Government of India securities from its own account, and secondly, the Government raised substantial resources at market related rates of interest.



### 1.9.3 Fiscal deficit:

The fiscal deficit may be defined as the excess of revenue and capital expenditure (including net loans given) over the revenue receipts (including grants and aid received).



The fiscal deficit increased from Rs 40173 crores in 1992-93 to Rs 60256 crores in 1993-94 i.e. increased by almost 50 per cent over the previous year and constituted 7.5 per cent of GDP in 1993-94. The budget estimates of percentage of fiscal deficit to GDP were only 4.6 per cent for 1993-94.

A detailed analysis of deficit in Union Government's Accounts was also included in the

C&AG's Report No. 12 of 1994 on Public Debt.

### 1.10 Public Debt and other liabilities

The total liabilities of the Union Government during 1992-93 and 1993-94 are given below:-

**Table 1.10: Public Debt and other Liabilities**

*(Rupees in crores)*

	1992-93	%age GDP	1993-94	%age GDP
<b>Gross Domestic Product(GDP)</b>	<b>705566</b>		<b>803632</b>	
1. Internal Debt	199100	28.22	245712	30.58
2. External Debt	42269	5.99	47345	5.89
<b>Public Debt (1+2)</b>	<b>241369</b>	<b>34.20</b>	<b>293057</b>	<b>36.47</b>
3. Other Internal Liabilities	160554	22.76	184911	23.01*
4. External Debt <sup>#</sup>	120813	17.12	127798	15.90
<b>Indebtedness (1+3+4)</b>	<b>480467</b>	<b>68.10</b>	<b>558421</b>	<b>69.49</b>

# at exchange rates on 31.3.93 and 31.3.94

It may be seen that the internal debt increased from Rs 199100 crores in 1992-93 to Rs 245712 crores in 1993-94 which constituted an increase of 23.4 per cent over the previous year.

The external debt part of Public Debt increased from Rs 42269 crores in 1992-93 to Rs 47345 crores in 1993-94 at historical rates of exchange. However when converted



at current exchange rates it increased from Rs 120813 in 1992-93 to Rs 127798 in 1993-94.

Other internal liabilities increased from Rs 160554 crores in 1992-93 to Rs 184911 crores in 1993-94. Small savings (net) increased from Rs 4373 crores in 1992-93 to Rs 7157 crores in 1993-94 which constituted an increase of 63.7 per cent over the previous year. On the other hand, interest payments on small savings increased from Rs 5219 crores in 1992-93 to Rs 7347 crores in 1993-94 which constituted an increase of 40.7 per cent over the previous year.

Other Accounts including special deposits (net) increased from Rs 7979 crores in 1992-93 to Rs 12681 crores in 1993-94 which constituted an increase of 58.9 per cent. This was mainly on account of special securities issued to nationalised banks which increased from Rs 701.25 crores in 1992-93 to Rs 5722.77 crores in 1993-94.

The indebtedness of the Union Government as on 31.3.94 (at current exchange rates) was 69.49 per cent of the GDP which constituted a significant increase of 1.39 per cent over the previous year.

### **1.11 Guarantees given by the Union Government**

Under Article 292 of the Constitution, the Union Government "may give guarantees within such limits, if any, as may be fixed by Parliament by law." No law prescribing the limit has, so far, been enacted; although the Public Accounts Committee in paragraph 1.11 of their Sixty Fourth Report (Fourth Lok Sabha, 1968-69) recommended for working out a workable limit on borrowings for purpose of incorporation in a statute as contemplated in Article 292 of the Constitution. The position regarding the maximum amount of guarantees for which Government have entered into agreements and sums guaranteed outstanding at the end of the years 1989-90 to 1993-94 are given below:

**Table 1.11: Guarantees given by the Union Government***(Rupees in crores)*

<b>Position at the end of the year</b>	<b>Maximum amount of guarantee for which Government have entered into agreement</b>	<b>Total guarantees outstanding (Internal &amp; External)</b>	<b>External Guarantees outstanding</b>	<b>Percentage Col 4 to Col 3 %</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1989-90	60917	54537	13478	24.7
1990-91	49353	40394	20964	51.9
1991-92	55063	46744	19857	42.5
1992-93	79552	58027	28194	48.6
1993-94	84738	62857	30311	48.2

It would be observed from the above table the total outstanding guarantees (Internal + External) increased from Rs 54537 crores in 1989-90 to Rs 62857 crores in 1993-94 which constitutes an increase of 15.3 per cent. It is interesting to note that the increase of External guarantees was 124.9 per cent over the same period. These have not been converted at current rates of exchange in the Union Government Finance Accounts. During 1993-94 external loan guarantees was 48.2 per cent of the total outstanding guarantees of the Union Government.

### **1.12 Utilisation Certificates**

The certificates of utilisation of grants were required to be furnished by the Ministries/Departments in respect of grants released to statutory bodies, non-Government institutions etc. The purpose of furnishing the certificate is to ensure that grants had been properly utilised for the purpose for which they were sanctioned and where the grants released were conditional, the prescribed conditions had been fulfilled. The certificates are required to be submitted by the sanctioning authority not later than 18 months from the date of sanction of the grant.



14843 utilisation certificates relating to Rs 3312.9 crores in respect of grants released upto September 1992 from 27 Ministries/Departments were outstanding at the end of March 1994. The Ministry/ Department-wise details indicating the position of outstanding utilisation certificates at the end of March 1994 are given in Appendix-III. The Ministries/Departments of Chemicals and Petro-Chemicals, Human Resource Development, Ministry of Welfare and Union Territory Chandigarh have not furnished the required information.

Action is required to be taken for streamlining the procedure of watching the timely receipt of utilisation certificates and regulating the further release of grants after satisfactory utilisation of the grants given earlier.

### 1.13 Comments on Accounts

#### 1.13.1 Suspense balances

Under Suspense heads are recorded all such transactions as are ultimately cleared either by payment or recovery in cash or by book adjustment. All balances under Suspense heads have to be reviewed at short intervals so that it may be secured that no item remains unadjusted longer than is reasonably necessary to bring about its clearance in the ordinary course with due regard to the rules applicable to each case. There is therefore a need to clear these amounts expeditiously and classify them to appropriate heads of accounts. The figures lying under Suspense Heads for the last five years are given below:-

**Table: 1.13.1.1: Suspense Balances**

*(Rupees in crores)*

Year	Amount
1989-90	Dr.3130
1990-91	Dr.4031
1991-92	Dr.4625
1992-93	Dr.5894
1993-94	Dr.28085

Thus the suspense balances have increased from Rs 3130 crores at the end of 1989-90 to Rs 28085 crores at the end of 1993-94 constituting 797 per cent increase over the five year period. The major increase in suspense balances are seen in the following heads:-

**Table 1.13.1.2: Suspense Balances**

*(Rupees in crores)*

<b>Balance as on →</b>	<b>31.3.92</b>	<b>31.3.93</b>	<b>31.3.94</b>
<b>Suspense Account-Civil</b>	Dr. 59.86	Dr. 361.76	Dr. 829.02
<b>Suspense Account-P&amp;T</b>	Dr. 282.75	Dr. 239.46	Dr. 20573.09
<b>Public Sector Bank Suspense</b>	Dr. 317.76	Dr. 360.23	Dr. 528.55
<b>Suspense Account for purchases abroad</b>	Dr.1272.33	Dr.1365.09	Dr.1539.50

The Suspense Account of P&T increased from Rs 282.75 crores at the end of 1991-92 to Rs 20573.09 crores at the end of 1993-94, which was due to prior period adjustment by transferring the amount of Rs 19977.03 crores by contra-adjustment with the head 'Cheques and Bills-Postal Cheques'. The Accounting Officers need to devote special attention to the increasing outstanding balances under Suspense and Miscellaneous heads and in particular steps should be taken to clear the old outstanding balances to show a true and fair picture in the annual accounts of the Government.

### **1.13.2 Review of balances**

It is imperative that the Government should ascertain at regular intervals, its precise liabilities in respect of outstanding balances in the Public Accounts under various Debt, Deposit and Remittance heads. All Accounting Officers are therefore required to review and verify such balances and ascertain whether the correctness of the balances is accepted by the persons/parties by whom the balances are owned or to whom these are due and are required to furnish annually a detailed statement showing the unreconciled



differences and the cases where acceptance of balances is awaited. The Principal Accounts Officer is required to send a consolidated report for the Ministry/Department as a whole to the Controller General of Accounts by 15 October. The purpose of conducting this review is to ascertain the quality of maintenance of various books of accounts and reconcile the figures of Debt, Deposits and Remittances. It has been noticed that in respect of Civil Departments the review of balances for the year 1993-94 has been completed only for Ministry of Food Processing Industries and Rajya Sabha. The remaining Principal Accounts Officers have not completed the review of balances inspite of this fact being pointed out every year in the Inspection Reports issued to them.

### **1.13.3 Adverse Balances**

The adverse balances are negative balances appearing under those heads of accounts where there cannot normally be a negative balance. For example, in any loan or advance, a negative balance will indicate more repayment than the original amount advanced. Such situations arise largely due to accounting errors or accounting situations arising out of rationalisation of the classification of accounts or administrative re-organisation breaking up one accounting unit into many. In the Finance Accounts of the Union Government for the year 1993-94, there are 50 cases of adverse balances under Debt, Deposit and Remittance heads. Out of these 9 balances became adverse during the year 1993-94. 41 cases are continuing to occur in the Finance Accounts for a number of years. All these cases are qualified by a note mentioning that adverse balances are under investigation. As mentioned above, these balances are indicative of the existence of errors, omission, misclassification, etc. Exceptionally these may conceal irregularities or fraud. The major items of adverse balances are given in Appendix-IV.

Action is required to be taken for rectification of the adverse balances in Finance Accounts under the Debt, Deposit and Remittances Heads so that the statements of balances held by the Government are correctly exhibited in the annual accounts. The accounting arrangements should also be streamlined to check the recurrence of such balances.

**1.13.4** In the progressive total of capital outlay, the investment in public sector and other undertakings, (included in the Minor Head 190 under each Capital Major Head of expenditure) amounted to only Rs 32658 crores as against the figures in Part I and Part II, of Statement No.11 of Rs 50646 crores. The difference between these two figures is yet to be reconciled by the Chief Accounting Authorities in Ministries and Departments. Similar action needs to be taken on investments in co-operative banks, co-operative societies and co-operative credit societies included in progressive capital outlay in Statement No.10 and also reflected in Statement No.11 of the Finance Accounts. A similar Audit comment was made in the Audit Report for the year ended 31-3-1993 (Para 1.8, Chapter I), but the action taken by the Government in this regard has not been reported.



## CHAPTER II

### Appropriation Accounts

#### 2.1 Budget Grants and Expenditure

A summary of Appropriation Accounts (Civil) of sums expended in the year ended 31 March, 1994 compared with the several sums authorised in the schedule appended to the Appropriation Acts, 1993 passed under Articles 114 and 115 of the Constitution of India, is given below:-

**Table 2.1: Appropriations & Expenditure**

*(Rupees in crores)*

	Original grant/ appropriation	Supplementary	Total	Actual expenditure	Savings
I. Revenue:					
Voted	51778.18	9558.62	61336.80	57543.93	3792.87
Charged	57803.38	37.65	57841.03	55584.72	2256.31
II. Capital					
Voted	14358.04	4871.28	19229.32	17972.27	1257.05
Charged	17.87	2.31	20.18	9.73	10.45
III. Public Debt					
Charged	90628.77	39612.00	130240.77	117951.31	12289.46
IV. Loans and Advances					
Voted	5194.77	2307.78	7502.55	6980.59	521.96
Charged	13082.74	2681.36	15764.10	15074.88	689.22
<b>Grand total</b>	<b>232863.75</b>	<b>59071.00</b>	<b>291934.75</b>	<b>271117.43</b>	<b>20817.32</b>

Note: (1) In a demand for grants, provision for the charged expenditure is called appropriation and for voted, grant.

(2) Excludes Posts & Telecommunications, Defence Services and Railways; details given separately in C&AG's Reports Nos. 7, 8 and 10 of 1995.

The overall savings of Rs 20817.32 crores constituted 35.24 per cent of the supplementary grant of Rs.59071.00 crores and 7.13 per cent of the total revised provision of Rs 291934.75 crores.

## 2.2 Results of Appropriation Audit

The overall saving was the net result of savings in 218 cases and excess in seven cases as shown below:-

**Table 2.2: Net Savings in selected Grants/Appropriations**

*(Rupees in crores)*

	Savings		Excess		Net savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
Voted	3799.30	1779.14	6.43	0.14	3792.87	*1779.00
No of grants	(85)	(68)	(2)	(3)		
Charged	2256.43	12989.16	0.12	0.03	2256.31	12989.13
No of Appropriations	(41)	(24)	(1)	(1)		

\* difference due to rounding off

The supplementary grants and appropriations obtained during 1993-94 constituted 25.37 *per cent* of the original grants and appropriations, against 5.61 *per cent* in 1992-93 i.e. 4.5 times.

## 2.3 Excess over grant/appropriation

In the revenue section, there was an excess of Rs 642,69,746 in two grants and Rs 12,42,937 in one appropriation. Excess in capital section amounted to Rs 13,65,433 in three grants and Rs 3,16,985 in one appropriation. Details of these grants/ appropriation are given below:-



**Table 2.3: Excess over Grants**

Sl No	Grant	Total grant or appropriation	Actual expenditure	Amount of excess (%)	Contributing reasons as stated by the Government
1.	2.	3.	4.	5.	6.
Rupees					
<b>Revenue-Voted</b>					
1.	33-Pensions	80927,00,000	81568,12,316	641,12,316 (0.79%)	Increase in the number of pensioners.
2.	61-Ministry of Non-Conventional Energy Sources	19798,00,000	19799,57,430	1,57,430 (0.008%)	Higher achievement in targets and settlement of pending claims of past years in respect of National Project on Bio-gas Development
<b>Total Revenue-Voted</b>		100725,00,000	101367,69,746	642,69,746	
<b>Revenue-Charged</b>					
3.	97-Lakshadweep	22,00,000	34,42,937	12,42,937 (56.50%)	Unanticipated payments to casual labourers in satisfaction of Central Administrative Tribunal decision.
<b>Capital-voted</b>					
4.	57-Ministry of Labour	71,00,000	75,29,764	4,29,764 (6.05%)	Increase in the receipt of proposals under financial assistance to co-operative societies of Beedi workers for construction of godowns and worksheds than anticipated.
5.	65-Planning	1835,00,000	1844,13,192	9,13,192 (0.50%)	More expenditure incurred on various civil and electrical works than anticipated
6.	96-Dadra and Nagar Haveli	1818,00,000	1818,22,477	22,477 (0.01%)	Completion of spillover as well as taking up more new non-functional works of various departments
<b>Total Capital-Voted</b>		3724,00,000	3737,65,433	13,65,433	
<b>Capital-charged</b>					
7.	44-Police	2530,00,000	2533,16,985	3,16,985 (0.13%)	Unanticipated payments made in satisfaction of court decree / arbitration awards.

The excess expenditure over the budget estimates in Pensions grant during 1993-94 administered by Ministry of Finance has been a recurring feature since 1991-92 which indicates lack of effective monitoring system. In other grants during the year 1993-94 such excess expenditure is indicative of lack of control over expenditure and monitoring system of the concerned Ministries/ Departments.

These seven cases detailed above, where moneys have been spent in excess of the amount granted for that service for that year, require regularisation under Article 115(1)(b) of the Constitution of India.

#### **2.4 Savings in grants/appropriations**

Savings in the grant or appropriation indicate that the expenditure could not be incurred as estimated, anticipated and planned. It may be indicative of poor budgeting or shortfall in performance depending upon the circumstances and the purpose for which the original grant or appropriation was provided. As already mentioned in para 2.1 above, the overall savings in the budget of the Government (other than Posts, Telecommunications, Railways and Defence Services) totalled Rs 20817.32 crores which is 7.13 per cent of the total provisions under these grants and appropriations.

It is noteworthy that in 24 cases relating to 21 grants the supplementary provisions were obtained in anticipation of higher expenditure. However, the final expenditure was even less than the original grants. The savings in these cases thus exceeded the entire amount of supplementary provision amounting to Rs 826.97 crores. Details of these cases are given in Appendix. V.

The Public Accounts Committee in para 1.24 of their 60th Report (10th Lok Sabha) presented in February 1994 commented on the sharp increase in the savings as compared to the sanctioned provision. The Committee desired that the Ministry of Finance should take the issue seriously with appropriate measures to overcome the unfortunate situation of large savings and also desired that detailed note in respect of savings from a grant or appropriation during each year involving Rs 100 crores and above be furnished to the Committee along with explanatory notes for excess expenditure incurred. Details of cases covered by the above criteria as noticed in the course of the Appropriation Audit are given in Table 2.4.1 below:-



**Table 2.4.1: Savings under various Grants**

Sl. No	Grant	Amount of savings (%)	Contributing reasons as stated by the Government
<b>Voted Grants</b> <i>(Rupees in crores)</i>			
<b>Revenue</b>			
1.	1-Agriculture	232.74 (11.50%)	Transfer of scheme of building up operational stock of seeds to States, merger of the scheme of pulses with the National Pulses Development Project, adjustment of unspent balances lying with the implementing agencies, non finalisation of scheme of Rice Development including Rice minikits, Wheat including minikits, Maize and millets including minikits, deferment of proposed purchases of major machinery and equipment non-payment of grants-in-aid direct to implementing agencies for want of utilisation certificates, non-finalisation/non-approval of scheme by Planning Commission under Crop Husbandry, transfer of some of the schemes from central sector to centrally sponsored sector, non-receipt of utilisation certificates from Union Territory/ State Governments, delayed clearance of schemes under Horticulture and vegetable crops, less demand from State Governments than anticipated under Plan Schemes and integrated programme, non-receipts of audited accounts from State government and economy measures.
2.	4-Department of Animal Husbandry and Dairying	112.78 (30.56%)	Non-sanctioning of the project proposal by Ministry of Finance for National Poultry Development Agency and Technology Mission on Dairy Development, non-finalisation of proposal for Externally Aided Project, release of grants to State Governments as Central Plan Scheme instead of Centrally Sponsored Plan Scheme, non-finalisation of proposal for purchase of machinery & equipment and materialisation of global tenders etc. for externally Aided Projects, less requirement of funds by Delhi Milk Scheme and release of less grants-in-aid to State Governments owing to non-receipt of complete proposals.
3.	29-Transfers to State Governments	388.92 (5.03%)	Release of less grants to State Governments.
4.	45-Other Expenditure of the Ministry of Home Affairs	126.55 (30.87%)	Non-receipt of claims for Ex-gratia payment to the affected persons from State Government of Assam, non/less release of grants to State Governments for relief and rehabilitation, non-repatriation of refugees to Colombo, non receipt of claims from Ministry of Railways, less expenditure on Swatantrata Sainik Samman Pension Schemes, non-receipt of approval and revision of some of the Schemes.
5.	51-Department of Industrial Development	525.37 (39.96%)	Non-materialisation of the schemes of workers compensation packages Voluntary Retirement Scheme and transfer to National Renewal Fund and other Schemes. Non release of external aid in some project, non-approval of the project, slow implementation of the project and less demands from States.

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Sl. No	Grant	Amount of savings (%)	Contributing reasons as stated by the Government
6.	68-Ministry of Power	108.50 (22.27%)	Non-receipt of clearances from Reserve Bank of India/Income Tax Department for making payments to foreign consultancy firms, non-realisation of power tariff from Delhi Electric Supply Undertaking following linking of release of funds with receipt from DESU by Badarpur Thermal Power Station, less grants-in-aid owing to late taking up of construction works by Power Engineers Training Society, non-drawal of grant portion of the Swiss mixed credit as no remittance was due in this regard for Central Power Research Institute, non-finalisation of awards by the State Electricity Boards.
7.	69-Department of Rural Development	167.09 (2.97%)	Less release of grants for National Programme - Employment Assurance Schemes owing to less requests from implementing agencies, Water Supply - Rural Water Supply Programmes due to delay in setting up of desalination Plants and Solar Photo Voltaic Pumping System by executing agency and non starting of new sub-missions.
8.	78-Ministry of Textiles	172.85 (24.20%)	Non release of subsidy towards losses on procurement of Indigenous Cotton due to non receipt of proposal from various agencies, non-setting up of Expenditure Finance Committee, less release of funds owing to receipt of less proposals, non approval of some proposals, non-completion of certain formalities in Handloom, Handicraft and Sericulture Industries, less payment to Textile Labour Rehabilitation Fund, release of less funds owing to poor response for Voluntary Retirement Scheme from National Textiles Corporation and Cawnpore Textile Mills, less payment of subsidy/Special Rebate on sale of Handloom Cloth and Janata Cloth and less release of grants-in-aid to states.
9.	94-Delhi	544.84 (42.01%)	Due to formation of separate Consolidated Fund of National Capital Territory of Delhi w.e.f. 1-12-1993.
<b>Capital</b>			
10.	10-Ministry of Coal	139.73 (18.24%)	Lesser receipt of claims for assistance to Coal India Limited for import of spares under UK Grant, non-approval of new proposal for Modelling and Control of Water system in Coal mining environment, short receipt of matching contribution than anticipated under Coal Mines Family Pension Scheme 1971, non release of funds to Institutions for Research and Development owing to non-utilisation of funds released in previous years and also for works not sanctioned by competent authority.
11.	44-Police	120.93 (25.98%)	Non-availability of manpower at site, non-sanction of works, non-completion of works, shortfall in requirement of funds than anticipated owing to slow progress of works, less expenditure booked by Central Public Works Department due to prolonged monsoon season and non-availability of land required, non-receipt of expenditure statement from the executing agency and less requirements projected by implementing agency owing to late receipt of administrative sanction.
12.	94-Delhi	413.06 (42.58%)	Due to formation of separate Consolidated Fund of National Capital Territory of Delhi w.e.f. 1-12-93.
	<b>Total</b>	<b>3053.36</b>	

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Sl. No	Grant	Amount of savings (%)	Contributing reasons as stated by the Government
<b>Charged Appropriation</b>			
<b>Revenue</b>			
13.	28-Appropriation Interest Payments	1259.45 (3.31%)	Less payment of interest on External and internal debts.
14	29-Transfers to State Governments	975.53 (5.05%)	Release of less Plan and Non-Plan grants to State Governments, less payment of State share of Basic and Additional Excise Duties owing to less collections of these duties than anticipated.
<b>Capital</b>			
15.	29-Transfers to State Governments	605.51 (4.00%)	Less payment of loans/ways and means advances and lesser requirement from State Governments.
16.	31-Appropriation Repayment of Debt	12289.46 (9.43%)	Less discharge and cancellation of treasury bills, encashment of less securities and bonds, fluctuations in the rate of foreign exchange and revision of schedule of repayment of external debt.
	<b>Total</b>	<b>15129.95</b>	

The above details show that there were 11 grants and 3 appropriations involving Rs 3053.36 crores and Rs 15129.95 crores respectively where the savings were in excess of Rs 100 crores. It will also be seen that large savings occurred in developmental areas like agriculture, animal husbandry, dairying, industrial development, power, rural development and coal. The reasons given also indicate that the schemes for development in these areas as planned during the year failed to materialise.

Apart from the above cases, there were 31 grants and 2 appropriations where the savings were less than Rs 100 crores but in excess of Rs 20 crores amounting to Rs 1973.96 crores and Rs 59.40 crores in grants and appropriations respectively.

Details of these case are given in Table 2.4.2 below:-

**Table 2.4.2: Savings under Grants (Rs 20-100 crores)**

Sl No	Grant	Amount of savings (%)	Contributing reasons as stated by the government
<b>Voted Grants</b>		<i>(Rupees in crores)</i>	
<b>Revenue</b>			
1.	2-Other Services of Department of Agriculture and Cooperation	31.14 (13.86%)	Transfer of the scheme of Marine Fisheries from Central Plan to Centrally Sponsored, change of implementing agencies and pattern of assistance, non-filling up of vacant posts, economy measures and late receipt of proposals of studies by Research Institutes under National Land Use and Conservation Board, slow progress of construction work of Fishing Harbours, less requirement of fund by State Government non-meeting of matching contribution of funds by the State Governments of Haryana, Punjab and Uttar Pradesh according to pattern of assistance for Reclamation of Alkali Soil, delay in establishment of Brackish Water Fish Farms in the State of Uttar Pradesh and West Bengal, non-receipt of proposals from the State Governments of West Bengal, Maharashtra and Goa etc. and also adjustment of unspent balances of previous years released to State Governments of Andhra Pradesh, Karnataka and Tamil Nadu.
2.	6-Department of Fertilisers	72.03 (1.30%)	Non-receipt of claim for payment on account of interest and custom duty concessions to new and recently commissioned fertiliser units, non-identification of any specific proposals for Research and Development for fertilisers, no employees in HFC, FCI & PDIL opted for voluntary retirement as anticipated and availability of unspent balance of the previous year, non-receipt of any reimbursement claims of Deemed Export Benefits from the Ministry of Commerce for payments towards Deemed Export Benefits for New Fertiliser Projects without multilateral financing, non-finalisation of retention price for the VI pricing period commencing from 1-4-1991 for payments under Fertilisers Retention Price Scheme, non-extension of scheme to HFC for IBFEP, non-receipt of Overseas Development Administration Assistance from UK Government to KRIBHCO for Rainfed Farming Project.
3.	11-Department of Commerce	44.13 (4.94%)	Non-release of funds to Tobacco Board due to availability of internal resources, non-requirement of funds for payments to Foreign Governments under other expenditure, non-approval of some of the schemes, less requirement of funds owing to non-implementation of certain schemes of coffee replantation and funding of some of the schemes of Rubber Board by the World Bank, delay in implementation of the World Bank assisted project of Rubber Board, less release of funds owing to non-participation in certain fairs by India Trade Promotion Organisation, shortfall in requirement of funds owing to non-completion of certain formalities for Export Promotion and Market Development, discontinuance of scheme relating to the payment of Interest Subsidy under Export Credit Development, less release of funds owing to receipt of less proposals from certain international organisations, lesser reimbursement of losses to the State Trading Corporation owing to less receipt of proposals.

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SI No	Grant	Amount of savings (%)	Contributing reasons as stated by the government
4.	16-Ministry of Defence	48.63 (3.04%)	Non-release of grants-in-aid, procurement of less items for office expenditure and also due to non-materialisation of purchases owing to non-finalisation of contracts and due to employment of less number of casual labour.
5.	26-Currency, Coinage and Stamps	47.97 (9.72%)	Due to non-sanction/finalisation of new posts, non-receipt of sanction for proposed vehicles and non-completion of works by CPWD and non-receipt of imported ink in Currency Note Press, due to transfer of proposed import of Security Paper and less receipt of water marked paper and less deployment of Government Capital on account of non-finalisation of procurement of two lines machines in Bank Note Press, late filling up of vacant posts, less demand by CISF, less office expenditure as an economy measure, non-materialisation of import of Security thread and supply of other material by contractors, less expenditure on Excise duty and Railway freight than anticipated in Security Paper Mills, non-finalisation of procurement formalities, less/non-receipt of claims from CPWD, State Government and PAO Supplies and less expenditure on Estate in India Security Printing Press Nasik, non-filling up of vacant posts, delay in sanction of posts for new Inland Letter Card Machine due to reduction in procurement of paper and spares for new Inland Letter Card Machines and delay in receipt of paper from the mills in Security Printing Press, Hyderabad.
6.	27-Payments to Financial Institutions	92.30 (8.04%)	Less release/reimbursement of funds to National Bank for Agriculture and Rural Development (NABARD), Industrial Credit and Investment Corporation (ICICI), Industrial Development Bank of India (IDBI) and Export Import Bank of India. Due to reduction in the rate of periodic charges payable against drawals from the International Monetary Fund, shortfall in requirement of funds for subsidy towards interest differential owing to less claims received than anticipated from certain Shipping Companies.
7.	37-Indirect Taxes	44.59 (8.55%)	Non-procurement of crafts and finalisation of less reward cases, non-procurement of computer and non-settlement/receipt of rent bills of certain hired buildings, non-receipt of vouchers from DGS&D on account of acquisition of machinery and equipment, less expenditure on cost of collection payable to Central Excise Department, less expenditure on motor vehicles and leave travel concession than anticipated and due to non-filling up of vacant posts.
8.	38-Ministry of Food	59.58 (1.00%)	Due to settlement of less subsidy claims for sugar industry, post-budget decision to provide funds under Food Subsidies for reimbursement charges on import of fertilisers, delay in delivery of machinery and equipment and economy measures.
9	40-Department of Health	95.04 (10.97%)	Non /less release of grants to State Governments under other Health Schemes, National Leprosy Control Programme, National AIDS Control Programme owing to availability of unspent balances of previous years, non-materialisation of foreign assistance, less procurement of anti-leprosy drugs, slow implementation of the schemes, non-fulfilment of prescribed norms under Cancer Research and Treatment programme, National Trachoma and Blindness Control Programme and late/non-procurement of anti-T.B. drugs.



SI No	Grant	Amount of savings (%)	Contributing reasons as stated by the government
10.	41-Department of Family Welfare	27.26 (1.64%)	Release of less grants to States/Union Territories/voluntary organisations based on their actual requirement/their performance under Family Welfare Programme, less payment due to partly execution of supply orders by the firms/non-payment of bills due to delay in receipt of material, non-filling up of vacant posts and non-introduction of new contraceptives.
11.	47-Department of Education	92.57 (4.23%)	Release of less grants to various voluntary organisations and academic institutions and State/Union Territory Governments in respect of elementary education, secondary education, non-formal education, University, higher & technical education owing to receipt of less proposals/incomplete proposals, non-approval of some schemes pending clearance from Expenditure Finance Committee and non-submission of accounts and adjustment of unspent balance of previous year lying with some voluntary organisations, non-release of grant to Indira Gandhi National Open University for counterpart rupee payment under Japanese assistance project.
12.	54-Department of Small Scale Industries and Agro and Rural Industries	36.74 (9.71%)	Due to post-budget decision to release grants through Ministry of Finance for plan schemes in village and Small Scale Industries, non-materialisation of scheme of Training, delay in finalisation and approval of schemes owing to late receipt of concrete proposal from State Government for Development of SSIs in rural areas, non-opening of Tool Rooms, non-finalisation of claims by Reserve Bank of India Bombay, slow implementation of the scheme in other village Industries, non-filling up of vacant posts, adoption of economy measures and closing of certain centres.
13.	56-Broadcasting Services	83.52 (7.95%)	Non-commissioning of transmitters and non-materialisation of orders under maintenance, non-commissioning of stations, non-receipt of bills of Armed Guards and non-sanctioning of MLF Schemes, non-receipt of indigenous and imported spares, non-filling up of vacant posts, less materialisation of supply orders, non-finalisation of revised rates of Microwave rentals and less issue of initial spares etc. due to commissioning of less High Power Transmitters/Low Power Transmitters, non-settlement of rent disputed rental buildings, non-hiring of foreign agencies based transponders and lesser expenditure on import of television films and production of programmes through outside producers for morning transmission and non-settlement of bills of royalties by Doordarshan Kendra Bombay.
14.	65-Planning	27.22 (30.45%)	Non-receipt of foreign aid from Government of Norway, non-filling up of vacant posts, less number of research scheme and studies than anticipated, less release of funds to States and less release to Planning Board/District Planning machinery due to non-receipt of utilisation certificates and non-submission of expenditure statements by some States.
15.	75-Surface Transport	45.08 (41.66%)	Non-filling up of vacant posts, non-receipt of claims of custom duty from DGS&D, insufficient/poor response from the employees of Delhi Transport Authority/Central Inland Water Transport Corporation Ltd. for seeking voluntary retirement, slow progress of works, non-receipt of sufficient proposal for interest subsidy to Banks/Financial Institutions for loans to Inland Water Transport entrepreneurs and other incentive schemes.

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Sl No	Grant	Amount of savings (%)	Contributing reasons as stated by the government
16.	81-Stationery and Printing	23.16 (18.19%)	Due to receipt of less stores indented, non-filling up of vacant posts and non-receipt of claims for stores supplied by suppliers, non/less receipt of papers' indented through Director General of Supplies and Disposals and non-materialisation of supply orders relating to Directorate of Printing, non-receipt of claims/consignments of materials and consequential less payment of railway freight etc. relating to Printing Presses.
17.	82-Ministry of Water Resources	33.08 (9.25%)	Non-signing of Memorandum of Understanding with Railways regarding Rail-cum-Road Bridge across river Gandak, non-receipt of proposal from State Governments for Survey and Investigation, non-sanctioning of scheme/proposals relating to the projects in Nepal and Bhutan, non-engagement of casual labour on projects in certain States, Nepal and Bangladesh, non-receipt of proposals from State Governments for central plan schemes for Flood Proofing programme in North Bihar and other Ganga basin States, non-sanctioning of the certain schemes, delay in awarding contracts/getting project reports, conducting of less training courses/seminars, non-sanctioning of the revised cost estimates in respect of Sutlej Yamuna Link Canal Project, adjustment of unspent balances of previous years available with National Project and Construction Corporation Ltd., non-filling up of vacant posts, non-taking up of construction works and non-procurement/postponement of certain equipments and late sanctioning of replacement of small vehicles under Central Ground Water and Power Research Station, Pune.
18.	83-Ministry of Welfare	41.53 (6.99%)	Non-receipt of adequate/complete/less proposals from State/ Union Territory Governments and voluntary organisations, non-finalisation of scheme with the approval of the Planning Commission, post budget decision to release of funds to Scheduled Caste Development Corporations directly instead of through State Governments, UT Administration, non-setting up of National Minorities Finance and Development Corporation.
19.	85-Nuclear Power Schemes	93.09 (21.08%)	Reduction in expenditure on interest on depreciation reserve due to adjustment of the same in previous year and reduced requirements on the maintenance of the power station due to shutdown in Rajasthan Power Station, reduction in procurement of stock of fuel owing to shortfall in production, delay in settlement of terms of absorption of Department of Atomic Energy personnel in Nuclear Power Corporation.
20.	86-Department of Electronics	28.44 (18.53%)	Non-utilisation of the provision owing to pending approval of specific project, slowdown procurement activities, curtailment of activities of the programme, non-receipt of contribution from European Community towards expert/training/equipment as anticipated, non-receipt/non-transfer of equipment under Foreign Assistance.

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Sl No	Grant	Amount of savings (%)	Contributing reasons as stated by the government
21.	88-Department of Space	44.38 (6.93%)	Due to non-finalisation and modification in the contract with M/s GLAVKOMOS relating to Technology Transfer and less requirements in GSLV Project, non-materialisation of components procurement from USA, postponement/delay in finalisation of orders/less requirement of certain indigenous as well as imported materials, equipment, postponement of payment for INSAT-2B Launch All Risks Insurance charges to 1992-93, non-exercise of "Cash Option" for launch contracts with ARIANE, France in respect of INSAT-II Launch Service, less requirement for deputation and travel abroad due to reduction in number of trips to Russia for testing, non-filling up of vacant posts under IRS Continuation Project.
<b>Capital</b>			
22.	2-Other Services of Department of Agriculture and Cooperation	34.32 (16.65%)	Less requirement of funds by National Co-operative Development Corporation for share capital participation in Co-operative Sugar Mills owing to adjustment of unspent balances of previous years lying with Corporation and less release of loans to implementing agencies through National Co-operative Development Corporation due to non-receipt of proposals from State Governments, non-approval of the scheme for co-operative fisheries programme, non-approval of revised Memo of the scheme of National Agriculture Co-operative Marketing Federation Ltd. by the Expenditure Finance Committee.
23.	24-Ministry of External Affairs	23.33 (29.25%)	Due to non-materialisation of some of the projects and non-utilisation of credit facility by Government of Bangladesh.
24.	25-Department of Economic Affairs	85.36 (59.00%)	Due to non-receipt of contracts from the foreign government, non-payment against credit to foreign government as a post budget development and partly due to non receipt of anticipated claims, shortfall in requirement of funds owing to less receipt of claims against foreign credits, less excise duty paid by the claimants and disbursement having been restricted to 50% of the actual amount paid by the claimants during the year, shortfall in requirement of funds owing to non-receipt of certain shipment of goods against credit to foreign government, less claims received against credit to foreign governments than anticipated.
25.	26-Currency, Coinage and Stamps	90.31 (14.29%)	Non approval of modernisation and expansion programme of India Security Press Nasik and Currency Note Press, non-approval of land acquisition plan, non-finalisation of design of postal stationery by the Postal Department, delay/non-completion of works by executing agency, non-finalisation of formalities for purchase of two line machine numbering boxes and wagons, non procurement/import of certain machinery and equipment owing to non-approval/non-completion of requisite formalities, non receipt of Coin Blanks from the manufacturers/conversion agents in time and less purchase of metal for Coinage than anticipated and non-finalisation of proposal for procurement of Copper, non-receipt of custom duty claims and extension delivery period of perforating machine.
26.	27-Payments to Financial Institutions	86.49 (0.68%)	(a) Less investment in Industrial Financial Institutions and less release of loans to Public Sector and other Undertakings. (b) less subscription to Regional Rural Banks, African Development Fund, Export Import Bank of India and Nationalised Banks

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SI No	Grant	Amount of savings (%)	Contributing reasons as stated by the government
27.	30-Loans to Government Servants etc.	43.80 (17.88%)	Less demands for advances than anticipated.
28.	40-Department of Health	25.59 (9.04%)	Less procurement of anti-leprosy, anti-T.B. drugs by medical store organisation and decrease in malaria cases in urban areas.
29.	52-Department of Heavy Industry	95.69 (38.56%)	Non-receipt of machinery and equipment through Asian Development Bank by Hindustan Cables Ltd., non-approval of Plan Schemes of Paper and Newsprint in Hindustan Paper Corporation, non approval of plan schemes and less requirement of loans by Bharat Ophthalmic Glass Ltd. and Cycle Corporation of India Ltd.
30.	56-Broadcasting Services	30.43 (11.65%)	Due to slow progress of civil and electrical works, non-approval/deferment of some schemes, shortfall in requirement of funds for some civil works and non-sanction of some projects, lesser requirement of materials and less receipt of Debit memos, non-receipt of spectrum analyser, Frequency Counter etc., Vector I M P Meters, slow progress of some security/additional office accommodation schemes and no advance payment for RTNs, non-receipt/non procurement/receipt of equipments for various schemes, non-finalisation of scheme relating to TV coverage in Border areas and delay in supply of equipments.
31.	64-Ministry of Petroleum and Natural Gas	80.00 (30.03%)	Non-drawal of the World Bank Loans by the Oil India Ltd following in their cash flow portion, less relending of World Bank Loans to Oil and Natural Gas Commission following non-receipt of requisite reimbursement certificate from Ministry of Finance.
32.	76-Roads	30.56 (4.46%)	Less release of grants to State Governments due to non receipt of proposals from State Governments owing to non-identification of certain schemes.
33.	77-Ports, Light Houses and Shipping	66.63 (22.61%)	Less release of funds to some of ports for better internal resources, non-receipt of approval from Expenditure Finance Committee, non-receipt of equipment environmental clearance, slow progress of construction works, termination of contract for construction works, non-submission of claims relating to schemes sponsored by Asian Development Bank.
34.	78-Ministry of Textiles	44.28 (18.31%)	Less release of funds due to poor response from financial institutions for modernisation purposes and also due to diversion of funds for payments to Australian Wool Suppliers relating to British India Corporation, due to post budget decision to provide funds as loan instead of equity in respect of National Jute Manufacturers Corporation, non-materialisation of some of the proposals regarding building for weavers Service Centre and Indian Institute of Handloom Technology, less release of loans owing to receipt of less proposals than anticipated relating to National Co-operative Development Corporation.
35.	79-Urban Development and Housing	65.42 (25.57%)	Non-investment in Housing and Urban Development Corporation, less expenditure on Construction of residential buildings and lesser funds received from KFW for the schemes of HUDCO.

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Sl No	Grant	Amount of savings (%)	Contributing reasons as stated by the government
36.	84-Atomic Energy	60.27 (9.60%)	Rescheduling of implementation schedule of certain projects and postponement of certain works, delay in supply of the equipment from USA under National Programmes, delay in finalisation of tenders, non-utilisation of fund by CPWD, reduction in expenditure due to delay/postponement of procurement under machinery & equipment materials and supplies, less expenditure on consultancy charges, overtime allowance, travel/deputation expenses, office expenses and salaries due to non-filling up of vacant and additional posts and enforcement of economy measure.
<b>Total</b>		<b>1973.96</b>	
<b>Charged Appropriation</b>			
<b>Capital</b>			
37.	58-Law and Justice	30.00 (100.00%)	Due to non-implementation of new scheme.
38.	76-Roads	29.40 (88.42%)	Non release of loans due to non-construction of second Hooghly Bridge.
<b>Total Capital charged</b>		<b>59.40</b>	

Apart from these cases, in case of 8 grants the savings exceeded 50 per cent of the budget provision. In 34 grants the savings exceeded 20 per cent of the budget provision. Details of the grants where savings exceeded by a sum of Rs 50 lakhs or above and 20 per cent or more of the provision are given in Appendix VI.

## 2.5 Surrender of funds

Savings in a grant or appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the last day of the year. Savings should also not be held in reserve for possible future excess.

In the Accounts for 1993-94 it was noticed that against final savings of Rs 20817.32 crores, the amount surrendered was Rs 14679.64 crores out of which 99 per cent (Rs 14599.06 crores) were surrendered on the last day of the financial year. Surrender of funds on the last day of the financial year deprived the Government of the opportunity to transfer the funds to other needy sectors. This shows that there was no effective control and monitoring of expenditure.

In 32 voted grants and 26 charged appropriations, the entire savings amounting to Rs 621.79 crores and Rs 1262.35 crores respectively were not surrendered.



In 6 voted grants and 1 charged appropriation, the amount surrendered was more than even the overall savings by Rs 8.88 crores. Further in case of two charged appropriations, Rs 0.21 crore were surrendered although the expenditure exceeded the appropriations and no savings were available for surrender which is indicative of the need for a more precise accounting information system and financial control mechanism.

(A) Surrender of funds in excess of available savings

**Table 2.5 (a) Excess surrender**

*(Rupees in crores)*

Sl. No.	Grant	Amount of Savings	Amount surrendered
1.	2.	3.	4.
<b>Revenue-Voted</b>			
1.	2-Other Services of Department of Agriculture and Cooperation	31.14	31.28
2.	8-Department of Tourism	1.00	1.25
3.	77-Ports, Lighthouses and Shipping	5.62	13.84
4.	94-Delhi	544.83	544.94
<b>Capital-voted</b>			
5.	10-Ministry of Coal	139.73	139.74
6.	75-Surface Transport	15.18	15.30
<b>Capital-charged</b>			
7.	2-Other Services of Department of Agriculture and Cooperation	2.21	2.24
<b>Total</b>		<b>739.71</b>	<b>748.59</b>

(B) Surrender of funds inspite of overall excess expenditure

**Table 2.5 (b) : Surrender despite excess expenditure**

(Rupees in crores)

Sl. No.	Grant	Amount of excess expenditure	Amount surrendered
<b>Revenue-Charged</b>			
1.	97-Lakshadweep	0.12	0.02
<b>Capital-Charged</b>			
2.	44-Police	0.03	0.19
	<b>Total</b>	<b>0.15</b>	<b>0.21</b>

Savings were partly surrendered in many cases. Details of major variations where savings greater than 20 per cent and amounting to more than Rs 1.00 crore were not surrendered, are given in Appendix VII.

## 2.6 Injudicious re-appropriation

A grant or appropriation for charged expenditure is distributed by sub-heads or standard objects (called primary units) under which it is accounted. Re-appropriation of funds can take place between primary units of appropriation within a grant or appropriation before the close of financial year to which such grant or appropriation relates. Re-appropriation of funds should be made only when it is known or anticipated that the appropriation from the unit to which funds are to be transferred will not be utilised in full or that savings can be effected in the appropriation of the unit.

During test-check of the accounts for 1993-94, it was observed that in the case of 94 sub-heads in 30 grants/ appropriations, re-appropriation amounting to Rs 22212.36 lakhs was injudicious as (i) the original provision under the sub-head to which funds were transferred by re-appropriation was more than adequate and consequently final saving under the sub-head was greater than the amount re-appropriated to that sub-head; or (ii) the original provision from which funds were transferred was inadequate and the final excess under that sub-head was greater than the amount re-appropriated. This was indicative of lack of adequate control over expenditure. Details are given in Appendix-VIII.



## 2.7 Recoveries in reduction of expenditure

The demands for grants are for the gross amount of expenditure i.e. inclusive of recoveries arising from use of stores etc. procured in the past or expenditure transferred to other Departments or Ministries. While appropriation audit is done by comparing the gross expenditure with the gross amount of grant, the excess and shortfall in recoveries indicate inaccurate estimation of recoveries and defective budgeting.

In the revenue section against estimated recoveries of Rs 2552.31 crores, actual recoveries were Rs 2566.62 crores. In the capital section, against estimated recoveries of Rs 1269.41 crores, actual recoveries were Rs 1488.60 crores. Grant-wise details of major variations involving more than 20 *per cent* of the original estimates and not less than Rs 5.00 crores are given in Appendix-IX.

## 2.8 Reserve Funds

In respect of 18 reserve funds created by different Ministries/Departments and deposits kept with Government by non-Government bodies, explanatory notes have been given in the Appropriation Accounts (Civil). Amounts deposited into and withdrawn from the funds for use on a service are included in the grants or appropriations. The figures of additions to and payments from the above funds/ deposits for the year 1993-94 are given below:-

*(Rupees in crores)*

Opening balance	390.09
Receipts	414.85
Payments	390.75
Closing balance	414.19

There were no transactions in respect of the following reserve funds.

**Table 2.8 : Moribund Reserve Funds**

Sl. No.	Name of the fund	Object of the fund	Closing Balance (Rupees in thousands)	Name of the Ministry/ Department who operates the fund	Date from which no transaction in the fund
1.	Civil Aviation Development Fund	(i) Indian Airlines Corporation for operating services which the Corporation would not otherwise undertake on purely Commercial considerations (ii) for construction of air strips and provision for ancillary facilities	22361	Department of Civil Aviation	March 1976
2.	Depreciation Reserve for Government Medical Stores Depots	For replacement of fixed assets like buildings, plants and machinery, fixtures and motor vehicles etc.	1269	Ministry of Health	April 1976 (since its creation)
3.	Renewal Reserve Fund	To undertake phased replacement of obsolete and unserviceable transmitters, studio, receiving centres and other uneconomical equipment by All India Radio and Doordarshan	153	Ministry of Information and Broadcasting	1987-88
4.	Personal injuries (Compensation) Fund 1965	For payment of Compensation to workers employed in factories, mines, major ports, plantation etc. for personal injuries sustained	6639	Ministry of Labour	March 1977
5.	Personal injuries (Compensation Insurance Fund 1972)	For payment of compensation to workers employed in factories, mines, major ports, plantation etc. for personal injuries sustained during the emergency	369	-do-	March 1988
6.	Central Coal Mines Rescue Station Fund	For payment on account of rescue and recovery work	(-)4432	-do-	March 1986

The optimal utilisation of all reserve funds need to be looked into by the Chief Accounting Authorities of the administrative Ministries and Departments. In particular the negative balance under Central Coal Mines Rescue Station Fund needs to be adjusted by suitable



subventions from the Ministry. In the absence of any transaction in the above funds during the last several years, it was not possible to ascertain as to what arrangements were made for serving the objectives for which these funds were created.

## 2.9 Unauthorised re-appropriation of funds

(i) On the recommendation of the Public Accounts Committee, Government has prescribed that any order for re-appropriation which has the effect of increasing the budget provision under a sub-head by more than 25 per cent of the budget provision or rupees one crore, whichever is more shall be reported to Parliament along with the last batch of supplementary demands for the financial year and if such re-appropriation is made after the last batch of supplementary demands, prior approval of the Secretary (Expenditure) in the Ministry of Finance should be obtained by the Financial Advisor of the Department.

On test-check of accounts for the year 1993-94, it was observed that in five cases as detailed below the re-appropriation exceeded the twin limits of rupees one crore and 25 per cent of the sanctioned provision, but the Ministries/Departments neither reported the augmentation to Parliament nor obtained the prior approval of the Secretary (Expenditure).

**Table 2.9.1: Unauthorised re-appropriation**

Sl No	No. and Name of Grant	Major Head	Sub-head	Amount (Rs crores)	
1.	56-Broadcasting Services	"4221"-Capital Outlay on Broad casting	AA.2(5)(2)- Miscellaneous Works Scheme	O.	13.57
				R.	13.18
2.	68-Ministry of Power	"2801"-Power	B.2(2)(7)(1)(1)- Inter Accounts Transfer	O.	9.95
				R.	3.74
		"4801"-Capital Outlay on Power Projects	AA.2(1)(4)-Land for Ash Pond	O.	8.00
				R.	7.16
3.	82-Ministry of Water Resources	"2702"-Minor Irrigation	C.2(2)(1)-Scheme on assistance to draught affected states	O.	18.89
				S.	3.98
				R.	32.75
4.	94-Delhi	"5075"-VV16-Capital outlay on other Transport Services	VV.-16(1)(1)- Other Expenditure	O.	18.20
				R.	5.35

O: Original; S: Supplementary; R: Re-appropriation;

Note: 1. An ex post facto approval of Secretary, Ministry of Finance (Department of Expenditure) was obtained by the Ministry of Power for reappropriated amounts of Rs 3.74 and Rs 7.16 crores in January 1995 at the instance of Audit.

2. In case of re-appropriated amount of Rs 13.18 crores under subhead AA2(5)(2)-Miscellaneous Works Scheme, Ministry of Information and Broadcasting had obtained an ex post facto approval for Rs 12.89 crores of Secretary, Ministry of Finance (Department of Expenditure) in April 1994.

3. Out of re-appropriated amount of Rs 32.75 crores under subhead C2(2)(1)-Scheme on assistance to drought affected States in Grant No 82-Ministry of Water Resources, Ministry had reported to Parliament for their additional requirement of funds for Rs 7.45 crores only in second batch of Supplementary Demands (December 1993) and the difference of additional requirement of funds viz Rs 25.30 crores was neither reported to Parliament nor had the prior approval of Secretary, Ministry of Finance (Department of Expenditure).

4. In case of re-appropriated amount of Rs 5.35 crores under sub head VV-16(1)(1)-other Expenditure, an ex post facto approval of Secretary, Ministry of Finance (Department of Expenditure)j was obtained by the Government of NCT of Delhi in April 1994.

(ii) In the context of the efforts for keeping the final deficit under control, Government had prescribed that all re-appropriation which would have the effect of increasing the budget provision by more than Rupees one crore under a sub-head should be made only with the approval of the Secretary, Ministry of Finance (Department of Expenditure).

On test-check of the accounts for the year 1993-94, it was observed that in ten cases as detailed below the re-appropriation exceeded the limit of Rs one crore without the approval of Department of Expenditure.

**Table 2.9.2 : Unauthorised appropriation**

Sl. No	No. and Name of Grant	Major Head	Sub-head	Amount (Rs crores)	
				O.	R.
1.	10-Ministry of Coal	"4801"-Capital Outlay on Power Projects	AA.1(1)(1)(1) (1)-Externally Aided Projects/ Schemes	O.	20.70
				R.	4.72
2.	38-Ministry of Food	"2236"-Nutrition	B.2(3)(3)- Integrated Education in Nutrition	O.	0.60
		"2408"-Food Storage and Warehousing	C1(1)(2)-Other offices	R.	1.06
3.	40-Ministry of Health	"2210"-Medical and Public Health	C1(2)(1)-CGHS Delhi	O.	37.47
				S.	15.21
				R.	2.15
			C1(3)(5)-KSCH- New Delhi	O.	5.50
				S.	0.49
				R.	1.03
C4(3)(9)-Other Health Schemes	O.	9.18			
	S.	0.45			
	R.	1.28			

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Sl. No	No. and Name of Grant	Major Head	Sub-head	Amount (Rs crores)	
4.	50-Department of Women and Child Development	"2235-Social Security and Welfare	B1(2)(3)- Assistance to Voluntary Organisations for hostels for working women GIA	O	6.00
				R	1.18
5.	57-Ministry of Labour	"2230"-Labour and Employment	C2(1)(1)(1)(1) General Component	O	347.57
				R	2.66
6.	82-Ministry of Water Resources	"3601"-Grants-in-aid to State Government	G3(1)(1)- Command Area Development	O	107.28
				R	5.26

O: Original      S: Supplementary      R: Re-appropriation

Note: 1. In Supplementary Demands for grant (March 1994) in respect of Grant No 40-Ministry of Health there is no mention that additional requirement to the extent of Rs 4.46 crores will be met from savings within the grant and for the balance a supplementary is sought. However, the ex post facto approval of Secretary, Ministry of Finance (Department of Expenditure) was obtained by the Ministry of Health in respect of two sub heads C1(2)(1)-CGHS Delhi & C1(3)(5)-KSCH-New Delhi at the instance of Audit.

2. Out of the re-appropriated amount of Rs 2.66 crores under subhead C2(1)(1)(1)-General Component- Major Head "3601" the Department of Women and Child Development is required to obtain the approval of Secretary, Ministry of Finance (Department of Expenditure) of only the balance amount of Rs 1.58 crores (approval of Rs 1.08 crores have already been obtained by the Department).

3. Ministry of Labour, while re-appropriating the amount of Rs 57.71 crores under subhead C1(10)(1) Family Pension Cum life-Assurance Scheme an amount of Rs 56.53 crores was reported to Parliament vide Annexure V of the Supplementary Demands for Grants (March 1994). Thus the excess re-appropriation of Rs 1.18 crores exceeded the limit of Rupees one crore which was understated to Parliament and the approval of Secretary, Ministry of Finance (Department of Expenditure), was required to be obtained by Ministry.

## 2.10 Expenditure on "New Service/New Instrument of Service"

On the recommendations of the Public Accounts Committee, Government has prescribed certain financial limits for different categories of expenditure beyond which the expenditure constitutes New Service/New Instrument of Service and required prior approval of Parliament.

During test-check in audit of the Appropriation Accounts of Ministry of Textiles for the year 1993-94, it was noticed that the Ministry had incurred an expenditure of Rs.10.00 crores towards grants-in-aid to National Jute Manufacturers Corporation under Voluntary Retirement Scheme against the budget provision of Rs.2.00 crores. The additional expenditure of Rs.8.00 crores which was in excess of the prescribed limit of Rs 2.00 crores, was met by re-appropriation within the grant without prior approval of Parliament.

## 2.11 Unnecessary supplementary grant/appropriation

If the amount provided for in the sanctioned budget for any service in a financial year is found to be insufficient for the purpose in that year or when a need has arisen during that year for supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, the Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution. Detailed procedure to be followed for demands for supplementary grants is laid down.

While obtaining the supplementary grant, Ministry has to keep in view the resources available or likely to be available during the year and exercise due caution while forecasting its additional budgetary requirement of funds and seeking supplementary provision. Resort to supplementary demands should only be in exceptional and urgent cases.

### (i) *Ministry of Human Resources Development*

*Grant No.49-Department of Art and Culture-* It was noticed in audit that Ministry of Human Resource Development, Department of Art and Culture had obtained supplementary grant of Rs.1.49 crores under the Major Head "2205"-Sub-head B.2(1)-Directorate (Archaeological Survey) in March 1994 for payment of additional instalment of Dearness Allowance etc. but there was a final saving of Rs.1.92 crores under the same sub-head. Reasons for saving have been explained as due to non-filling up of vacant posts and non-receipt of bills from Indian Airlines and Printing press. On scrutiny of the original records, it was noticed that Archaeological Survey of India has asked for the said supplementary grant under the following sub-heads as detailed below:-

*(Rupees in crores)*

1.	B.2(1)-Directorate	0.20
2.	B.2(2)-Conservation of Ancient Monuments	1.20
3.	B.2(5)-Archaeological Museums	0.09
	<b>Total</b>	<b>1.49</b>

Further, the Archaeological Survey of India has stated that the position regarding requirement of supplementary grant was informed to the Ministry on 2-8-1994, but the Ministry has shown the whole amount of supplementary grant of Rs.1.49 crores under B.2(1)-Directorate



which remained wholly unutilised and resulted in corresponding excess of Rs.0.89 crore under the sub-head B.2(2)-Conservation of Ancient Monuments.

(ii) *Ministry of Industry*

*Grant No.51-Department of Industrial Development-* On test check of the Appropriation Accounts in respect of Department of Industrial Development for the year 1993-94, it was noticed that the supplementary grant of Rs.506.45 crores towards various schemes as detailed below under the Major Head 2852-Industries, obtained by the Department in December 1993, remained wholly unutilised due to non-materialisation of the schemes. The supplementary grant to the extent of Rs.506.45 crores under the above Major Head was therefore obtained by the Ministry, without ensuring the prospects of materialisation of the following schemes:

(Rupees in crores)

Sl. No.	Schemes	Budget Provision	Supplementary Provision
1.	Transfer to National Renewal Fund	700.00	320.00
2.	Implementation of Voluntary Retirement Schemes in State Public Sector Undertakings	nil	140.05
3.	Counselling, Retraining and Area Regeneration Schemes	nil	46.30
4.	Miscellaneous/Contingent Expenditure	nil	0.10

(iii) *Ministry of Planning & Programme Implementation*

*Grant No.66-Department of Statistics-* A supplementary grant of Rs 0.73 crore was obtained in March, 1994 (Rs 0.21 crore under head AA1(1) land & building and Rs 0.52 crore under head AA 1(3)-Machine & Equipment). It was noticed in Audit that out of Rs 0.73 crore of supplementary grant Rs 0.28 crore (Rs 0.13 crore from sub-head AA(1) and Rs 0.15 crore from sub-head AA1(3) were surrendered in the same month i.e. March 1994. Further there was also final savings of Rs 0.09 crore under these heads, totalling surrender and savings of Rs 0.37 crore which works out to be more than 50 per cent of the supplementary grant obtained. In reply to audit observation, Department stated that savings in supplementary grant were due to less expenditure on NSSO Building at Calcutta and on machinery and equipment than originally anticipated. Thus the estimation for the supplementary grant to the tune of Rs 0.73 crore was inaccurate.

## CHAPTER III

### Ministry of Agriculture

#### 3.1 Losses in distribution of milk by Delhi Milk Scheme

A mention was made in para 67.11.3(D) of the Report of the Comptroller and Auditor General of India, No. 1 of 1988 - Union Government (Civil) that during seven years ending 1986-87, the Delhi Milk Scheme (DMS) incurred an additional expenditure of Rs 88.22 lakhs in reprocessing the unsold milk returned by the sale depots. The Ministry in their Action Taken Note then stated (February 1989) that through the efforts of DMS, there had been progressive decline in the quantity of the returned milk which compared favourably with the tentative norms fixed by the DMS viz. one *per cent* for bottles and two *per cent* for polypacks. A test check in audit, however revealed as under:-

(i) The quantity of returned milk exceeded two *per cent* in the years 1989-90, 1990-91 and 1993-94, DMS incurred an additional expenditure of Rs 2.31 crores in reprocessing the whole quantity of milk returned during the period 1988-94 as per table given below :-

Table 3.1.1

#### Additional Expenditure in reprocessing the returned milk

Year	Quantity of milk reprocessed (litres in lakhs)	Per centage of returned milk %	Cost of reprocessing per litre (Rs)	Value (Rs in lakhs)
1988-89	21.90	1.51	1.08	23.65
1989-90	46.17	2.93	1.03	47.55
1990-91	45.88	2.54	1.03	47.26
1991-92	20.03	1.20	1.11	22.23
1992-93	27.95	1.79	1.36	38.01
1993-94	35.02	2.39	1.50	52.53
			<b>Total</b>	<b>231.23</b>



(ii) The level of fat and solid non fats (SNF) contents in the returned milk was also found to be lower than that at the time the milk was despatched for distribution. The losses in quantities of fat and SNF and their value aggregating to Rs.1.23 crores were as under :-

**Table 3.1.2 : Value of losses due to lower quantities of fat and SNF in milk**

Year	Quantity of milk returned (kg in lakhs)	Loss of fat (kg)	Rate of fat per kg (Rs)	Value (Rs in lakhs)	Loss of SNF (kg)	Rate of SNF per kg (Rs)	Value (Rs in lakhs)
1988-89	22.56	11509	45.20	5.20	18520	29.05	5.38
1989-90	47.55	28018	47.38	13.27	48111	31.87	15.33
1990-91	47.26	22517	48.50	10.92	32608	32.94	10.74
1991-92	20.63	13720	59.04	8.10	18308	43.82	8.02
1992-93	28.79	18879	64.68	12.21	24365	48.89	11.91
1993-94	36.09	18407	63.08	11.61	24894	43.00	10.70
<b>Total</b>			<b>(a)</b>	<b>61.31</b>		<b>(b)</b>	<b>62.08</b>

**Total (a) + (b) = Rs 1.23 crores**

The matter was reported to the Ministry in October 1992 and November 1993. The Ministry in their reply (July 1994) stated that the main reasons for losses in distribution of milk were attributed to :

- (a) polypack machines being very old and the polypack pouches not setting well leading to milk leaking from the pouches and
- (b) possibility of the workers deliberately causing leakages in the pouches.

Thus, despite the assurances given in the Action Taken Note submitted by the Ministry in 1989 that all efforts were being made to reduce the quantity of returned milk as far as possible, DMS failed to contain the losses on account of the additional expenditure incurred for reprocessing the returned milk and also the losses on account of reduced fat and solids content in the milk returned.

The matter was again referred to the Ministry in November 1994; their reply is awaited (November 1994).

## **CHAPTER IV**

### **Ministry of Coal**

#### **4.1 Non-recovery of excise duties on coal/coke**

The levy and collection of excise duty on coal and coke are regulated by the Coal Mines (Conservation and Development) Act, 1974 and rules made thereunder. Under the provision of the Act, the final assessment of the duties due from the owners of the coal mines is made by the Coal Controller's Organisation and the amounts realised are also credited to Government Account. The net proceeds of the duties are disbursed by the Government of India to the owners as financial assistance. The Act also provides that any outstanding dues of excise duty, should be recovered from the owner of the coal mines as land revenue.

It was seen that excise duty amounting to Rs 87.20 lakhs due from three public sector undertakings (PSUs) for the year 1985-86 remained unpaid till August 1994 and this amount was not adjusted from the financial assistance of Rs 156.80 crores given to those PSUs during 1985-94.

Thus, lack of appropriate action for recovery of the long outstanding dues of excise duty resulted in non-realisation of revenue of Rs 87.20 lakhs.

The matter was reported to the Ministry in April 1994; their reply is awaited (October 1994).



## CHAPTER V

### Ministry of Civil Aviation and Tourism

#### (Department of Civil Aviation)

#### 5.1 Improper release of funds for purchase of 'Swati' aircrafts

The Scientific Advisory Committee of the Ministry of Civil Aviation in September 1989 assessed that the existing fleet of seventy trainee aircrafts in the country was insufficient. Additional ninety new aircrafts were needed to impart training to an increasing number of pilots in the country and the old aeroplanes had to be phased out.

The Director General of Civil Aviation (DGCA) designed and developed an aircraft named 'Swati' and entered into a Memorandum of Understanding (MOU) in May 1991 with Bharat Heavy Electricals Ltd. (BHEL) to get these aircrafts manufactured. DGCA also placed an indent for supply of ten aircrafts on BHEL in April 1991. BHEL indicated in December 1991 the price for the first eight aircrafts as Rs 23.5 lakhs each and for the ninth and tenth aircrafts Rs 26.5 lakhs each (excluding taxes, duties and levies). This quotation was revised to Rs 26.9 lakhs and Rs 29.9 lakhs each respectively in August 1992 due to conversion of aircraft from 'tail wheel version' to 'nose wheel version' at the instance of the DGCA. BHEL offered to deliver one aircraft by March 1992, five by March 1993 and the remaining four aircrafts by March 1994. An ad hoc payment of Rs one crore was also released by DGCA in March 1992 to BHEL.

DGCA placed another order for thirty more aircrafts on BHEL in September 1992 followed by a further advance payment of Rs 5 crores rupees in March 1993.

Scrutiny of the records showed that BHEL did not supply any aircraft to DGCA against either supply order. It was also learnt that an aircraft manufactured by BHEL met with an accident in June 1993 at the time of a handling test carried out by DGCA. The case was under investigation with DGCA.

Following irregularities came to notice of Audit :

- (i) DGCA placed the two supply orders in April 1991 and September 1992 for ten and thirty aircrafts on BHEL without taking approval of the Expenditure Finance Committee on the proposal and pending finalisation of the price of each aircraft.
- (ii) DGCA placed the second order of thirty additional aircrafts without taking into account the satisfactory progress of the earlier order of April 1991. No delivery schedule for this second lot was indicated either by DGCA or by BHEL.
- iii) Due to non-supply of aircrafts by BHEL the objective of the project to quickly augment the pilot training infrastructure suffered a set back.
- (iv) The justification given for manufacture of 'Swati' by BHEL was that HAL had stopped manufacture of Pushpak aircrafts. The fact is that DGCA did not make any enquiries from HAL whether they could manufacture the newly designed trainer aircraft. Also, no market enquiries were made by DGCA before placing orders on BHEL.



## Department of Tourism

### 5.2 Infertuous expenditure on vacant accommodation

The Embassy of India, Paris (Mission) in September 1956, hired on a 15 year lease, a two-floor building having a total area of 494.14 sq m (ground floor: 25.14 sq m and first floor: 469 sq m) for its Commercial Wing and for the Government of India Tourist Office, Paris (TO). The initial lease was renewed every nine years, till September 1989, after which the terms of lease were to be renegotiated with the landlord by TO.

Meanwhile, in 1976, the Commercial Wing of the Mission was shifted to the Chancery building and State Trading Corporation (STC), a Government of India Undertaking, was allowed to occupy 202.80 sq m, on the first floor. The Tourist Office continued to occupy the ground floor and the remaining area measuring 266.20 sq m on first floor. While the rent for the entire property was paid to the landlord by TO, STC reimbursed one third of the rent for the portion occupied by its office.

In December 1990, STC vacated the premises with prior intimation to TO in August 1990. But TO did not surrender the extra space vacated by STC even after suggestions made by the Mission (November 1990) and Department of Tourism (November 1991) and continued to pay rent for the vacant accommodation. The rent paid, for the period January 1991 to June 1994, was Rs.40.44 lakhs.

In reply, TO stated (February 1994) that the extra space could not be surrendered immediately after its vacation by STC as the Mission had indicated that it may be utilised for their cultural/consular wing. TO further stated that action was initiated to surrender the extra space when the Mission had so advised in 1993.

The reply is not tenable because Mission (November 1990) had already advised TO to surrender the extra space.

The matter was reported to the Ministry in June 1994; their reply is awaited (December 1994).

## CHAPTER VI

### Ministry of Commerce

#### (Department of Commerce)

#### 6.1 Cases relating to Cash Compensatory Support (CCS)

##### 6.1.1 *Irregular payment of Cash Compensatory Support on export of textile items*

Additional Cash Compensatory Support (CCS) of 5 per cent was payable on export of cotton processed fabrics and cotton yarn to "non-quota GCA countries" during September 1988 to March 1990.

A test check of the CCS payments made by the Joint Director General of Foreign Trade (JDGFT) Calcutta revealed that additional CCS of Rs 16.30 lakhs was paid to some firms on export of cotton processed fabrics and cotton yarn to Bangladesh during March 1989 to January 1990. The transactions were made in Indian Rupees. No specific order was, however, issued by the Government of India to treat Bangladesh as non-quota GCA country for the purpose of grant of CCS (including Additional CCS) on export of textile items.

It was stated by JDGFT Calcutta (October 1993) that Bangladesh was an Asian Clearing Union (ACU) country and as per agreement between the participating countries of the Asian Monetary Union who have accepted the procedure of the ACU, for promotion of trade among the member countries, this specific relaxation had been allowed. Ministry, however, clarified (July 1994) that no special relaxation had been given to the members of the ACU for export contracts. Thus, the payment of additional CCS amounting to Rs 16.30 lakhs made to the exporters stands recoverable.

The matter was reported to the Ministry in November 1994; their reply is awaited (December 1994).



### *6.1.2 Irregular payment of Cash Compensatory Support of steel bright bars and forged flanges*

Cash Compensatory Support at 10 per cent was admissible on export of steel bright bars and shafting from 1 April 1989 until 31 March 1992. Government of India clarified in January 1991 that exports of stainless steel bright bars and shafting in pursuance of offers/ orders/ contracts received and finalised on or after 1 April 1989 and valid upto 31 March 1992 will be eligible for CCS at 10 per cent.

A firm exported stainless steel bright bars and forged flanges worth Rs 150.21 lakhs during January and February 1989. Joint Director General of Foreign Trade (JDGFT), Bombay (the erstwhile Joint Chief Controller of Import & Export (JCCI&E) paid CCS amounting to Rs 15.26 lakhs. As no CCS was admissible on stainless steel bright bars and forged flanges exported during January and February 1989, the entire payment of CCS of Rs 15.26 lakhs made to the firm was irregular.

The matter was reported to the Department in June 1994 and to the Ministry in October 1994. JDGFT, Bombay stated in July 1994 that the firm was directed to surrender the CCS amount of Rs 15.26 lakhs. In their reply, the Ministry also stated (November 1994) that JDGFT, Bombay was being reminded to pursue the matter. The recovery of the amount is awaited as of November 1994.

### *6.1.3 Irregular payment of Cash Compensatory Support on deemed exports*

Government of India decided in November 1979 that for supplies made for IBRD/IDA aided projects in India and treated as 'deemed exports' should be granted Cash Compensatory Support to the extent of 75 per cent of that admissible for corresponding physical exports. It was further clarified in July 1987 that the existing policy of restricting the CCS rates to the cut-off point of 25 per cent of the value added will continue.

A firm supplied cryogenic storage tanks to another firm for FOB value of Rs 7.36 crores during May 1988 to March 1989 against Special Imprest Licence issued in January 1988. CCS of Rs 55.21 lakhs was paid to the firm by the erstwhile Joint Chief Controller

of Imports and Exports, Bombay without applying the cut-off point formula which resulted in excess payment of CCS amounting to Rs 11.04 lakhs to the firm.

The matter was reported to the Department in August/ September 1991 and June 1994 and the Ministry in July/ October 1994. Though recovery of the entire amount was ordered by the Joint Chief Controller of Imports and Exports Bombay (since renamed) Joint Director General of Foreign Trade in November/ December 1992 and again in August 1994, the amount is yet to be recovered as of November 1994.

#### *6.1.4 Irregular payment of Cash Compensatory Support on export of cotton readymade garments*

Cash Compensatory Support on export items of cotton readymade garments which are not slow moving under quota to "quota" countries during July 1986 to December 1991 was not admissible.

A test check in audit of the CCS payments made by the erstwhile Joint Chief Controller of Imports and Exports, New Delhi and Jaipur revealed that CCS amounting to Rs 6.21 lakhs was irregularly paid to 36 firms on export of aforesaid items during July 1986 to December 1991.

The Department stated (January 1995) that recoveries to the extent of Rs 28219 had been effected in April 1994 and further recovery/adjustment, if any, would be intimated on hearing from parties. The recovery of balance amount of Rs 5.93 lakhs is thus awaited as of December 1994.

#### *6.1.5 Irregular payment of Cash Compensatory Support on exports from Free Trade Zone*

In terms of Import Export Policy 1988-91, no Cash Compensatory Support was admissible on export of goods by 100 per cent Export Oriented Units and units located in Free Trade Zone.

Joint Director General of Foreign Trade (JDGFT), formerly Joint Chief Controller of Imports and Exports, Bombay paid CCS of Rs 5.88 lakhs to a firm located in Kandla



Free Trade Zone (KFTZ) in May/November 1990 on export of Rayon Readymade Garments during July to September 1989. Rs 5.88 lakhs paid to the firm was irregular.

The case was brought to the notice of the JDGFT Bombay in August 1993 and the Ministry in June and August 1994.

JDGFT, Bombay stated (July 1994) that a notice had been served on the firm for refund of Rs 5.88 lakhs.

Meanwhile the Department stated (October 1994) that exports were made from outside KFTZ. This is not tenable as the goods though exported from outside KFTZ were manufactured at firm's factory located in KFTZ for which CCS was not admissible.

The recovery of irregular payment of CCS amounting to Rs 5.88 lakhs is awaited.

#### *6.1.6 Irregular payment of Cash Compensatory Support on export of sports goods*

Government of India decided in March 1989 that Cash Compensatory Support on export of sports goods made on or after 1 April 1989 and upto 31 March 1992 will be at 10 per cent of FOB value provided the export does not exceed the 25 per cent cut off point of net foreign exchange earned.

A test check in audit of the payments made during April 1989 to March 1992 by the erstwhile Joint Chief Controller of Imports and Exports, New Delhi and Deputy Chief Controller of Imports and Exports, Panipat showed that CCS amounting to Rs 5.62 lakhs was irregularly paid to three firms on export of leather sports shoes and sports shoe uppers by classifying them as 'Leather Goods'. At the instance of Audit, a sum of Rs 0.63 lakh was recovered. The recovery of the balance amount of Rs 4.99 lakhs is awaited as of September 1994.

The matter was reported to the Ministry in August 1994; their reply is awaited (September 1994).

*6.1.7 Overpayment of Cash Compensatory Support amounting to Rs 4.26 lakhs on export of textile items*

Cash Compensatory Support on export of synthetic blended yarn and viscose staple fibre spun yarn made on or after 1 April 1989 and upto 31 March 1992 was payable at eight per cent of FOB value.

A test check in audit of the payments made by erstwhile Joint Chief Controller of Imports and Exports, Jaipur revealed that two firms exported these yarns during 1990-91 and 1991-92 and were paid CCS at 13 per cent of FOB value instead of eight per cent resulting in an over payment of Rs 4.26 lakhs.

The matter was reported to the Department in March/August 1994 and the Ministry in October 1994. Their reply is awaited (January 1995).

## **6.2 Follow up on Audit Reports**

The Lok Sabha Secretariat issued instructions (April 1982) to all the Ministries requesting them to furnish notes indicating remedial/corrective action taken by them to the Ministry of Finance (Department of Expenditure) on the various paragraphs, contained in the Audit Reports, as soon as they were laid on the Table of the House, duly vetted by Audit.

A review of the position regarding receipt of Action Taken Notes on the paragraphs included in the various Audit Reports upto the period ending 31 March 1993 revealed that the Ministry has not submitted (December 1994) the remedial/corrective Action Taken Notes on the following paragraphs in spite of repeated instructions.

**Table 6.2: Corrective Action on Audit Reports**

<b>Audit Report Number &amp; Year</b>	<b>Paragraph Number</b>	<b>Subject</b>
1 of 1988	10	Irregularities in payment of CCS
-do-	11	Cash assistance for export of frozen fish, frozen lobstertails and whole cooked lobsters.
1 of 1989	8	Cash Compensatory Support on export of leather footwears.

Contd ⇨



Audit Report Number & Year	Paragraph Number	Subject
13 of 1990	8	Irregular payment of Cash assistance on export below minimum export price.
--do--	9	Cash assistance for the export of printed books.
--do--	10	Cash assistance for the export of sodium cyanide.
--do--	11	Inadmissible cash assistance against a time-barred claim.
--do--	13	Cash Compensatory Support on leather shoe uppers.
1 of 1993	5.2	Payment of Cash assistance
1 of 1994	5.2	Cases relating to Cash Compensatory Support

The matter was reported to the Ministry in October 1994; their reply is awaited (December 1994).

## Department of Supply

### 6.3 Supply of lamps due to defective inspection

Directorate General of Supplies and Disposals (DGSD) concluded a Rate Contract (R/C) in July 1992 with a firm valid from July to December 1992, for supply of four lakhs ISI marked General Lighting Service Electric Lamps (GLS). Later the R/C was extended upto 28 February 1993 and the total quantity increased to 15 lakhs.

The R/C provided for supply of the stores to the direct demanding officers after inspection by DGSD at the factory of the firm in Chandigarh, and 98 percent payment on proof of despatch of the inspected stores to the consignee.

Based on this R/C, the Commander Works Engineers, Bareilly Cantonment (CWE) placed a supply order in July 1992 on the firm for supply of one lakh GLS lamps of 100 and 60 watts. The firm supplied 90000 lamps to CWE in a single lot after inspection by the DGSD in July 1992 and obtained payment of Rs 5.83 lakhs in August 1992.

CWE reported to DGSD in January 1994 that the performance of the lamps in actual use was found to be very poor and the bulbs got fused in 1-10 days. Before making this complaint, CWE took up the issue with the Bureau of Indian Standards (BIS) in February and March 1993 (i.e., within the guarantee period of 12 months) for testing the lamps since they were 'ISI' marked.

Dissatisfied with the results of the tests conducted by BIS which recorded favourable results in case of 60 watts bulbs and showed high average life of 943 hours in the case of 100 watts bulbs, CWE held an 'open enquiry' (November 1993) on the life performance test of bulbs at their premises and assessed the life of bulbs as 155 and 159 hours in case of 100 and 60 watt bulbs, respectively.

Based on the unsatisfactory performance and their own test results, CWE stopped further issues from the lot and requested DGSD in January 1994 to arrange for refund of the total cost alongwith interest.



DGSD, however, failed to resolve the issue and also to recover the amount paid, nor could they arrange a joint inspection as suggested by CWE in February 1994.

Thus, due to defective inspection of the stores by DGSD the firm succeeded in supplying sub-standard stores, not conforming to the 'ISI' specifications resulting in infructuous expenditure of Rs 5.83 lakhs.

The matter was reported to the Ministry in November 1994; their reply is awaited (December 1994).

#### **6.4 Avoidable expenditure on purchase of tents**

Directorate General of Supplies and Disposals (DGSD) invited tenders in December 1990 for supply of 9110 tents for the Army. Supplies were to be completed by May 1991.

Tenders were opened on 21 January 1991 and in March 1991, DGSD distributed the order between firms 'C', 'D', 'E' and 'F' at rates ranging between Rs 1757 and Rs 1838 per tent (exclusive of sales tax) for completion of supplies by May-June 1991 ignoring the first and second lowest offers of the firms 'A' and 'B' on the ground that the longer delivery period beyond May 1991 would not suit the indenter.

Firms 'A' and 'B' who were registered and past suppliers and had a capacity to supply 750 and 400 tents per month and whose tenders were otherwise acceptable had proposed to commence supplies after one month from the date of receipt of the formal order/five months or earlier at the rate of Rs 1640 and Rs 1690 per unit exclusive of sales tax.

Based on their offered rates and supply schedule DGSD could have obtained the first 2700 units from firms 'A' and 'B' at the cheaper rates quoted by them leaving the balance quantity of 6410 units to be supplied by firms 'C', 'D' and 'E' which would have resulted in saving an amount of Rs 4.89 lakhs.

Supplies were completed by firms 'C', 'D', 'E' and 'F' within the delivery period.

Thus, by ignoring the lower offers of firms 'A' and 'B' on the ground of longer delivery period, DGSD incurred an extra cost of Rs 4.89 lakhs on coverage of the indent.

The matter was reported to the Ministry in July 1994; their reply is awaited (November 1994).



## **CHAPTER VII**

### **Ministry of External Affairs**

#### **7.1 Building for Permanent Mission at New York**

##### **7.1.1 Introduction**

In June 1980, a plot measuring 610 sq m was purchased in Mid-Manhattan, New York at a cost of US\$ 990000. This was done with the intention of constructing a building which would meet the bulk of the office and residential requirements of the Permanent Mission of India to the United Nations (PMI) as well as the Consulate General of India (CGI), New York.

##### **7.1.2 Scope of Audit**

The records of PMI at New York relating to the Project were test checked in audit to examine the factors contributing to delay and cost escalation.

##### **7.1.3 Highlights**

- **As per their own criteria, the Government considered the Project not financially viable. Despite this they went ahead with the Project resulting in substantial outgo of foreign exchange during a period when the country was reeling under a severe foreign exchange crunch.**
- **The implementation of the Project was afflicted by series of delays and cost escalation. The Project expected to cost US\$ 5.3 million (1981) was completed in January 1993 at more than 5 times the cost (US\$ 27 million).**
- **The Government's decision to appoint an Indian architect without fully studying and comprehending the implications resulted in delays in the execution of the Project and the consequent cost escalation.**
- **The adoption of the "Construction Management" system rather than awarding the contract on a turn key basis to a Prime Contractor resulted in the project specifications remaining open ended without any benefits of**

speedy execution; the substantial cost escalation was almost in-built and inevitable.

- **Despite selection of the Construction Management method, no technical personnel were posted at New York to scrutinise proposals for changes and the cost estimates.**
- **Detailed analysis of the cost escalation reveals that local circumstances had not been fully considered while preparing estimates and designs and "superiority of ambience" had been given precedence over considerations of economy even though the Project had already exceeded the budgeted estimates.**
- **Public interest could not be protected in recovering fully the additional costs attributable to changes due to errors and omissions on the part of the Architect. Lack of technical expertise and supervision by the Mission must be considered responsible.**

#### **7.1.4 Economic Justification**

According to Ministry of External Affairs (MEA) guidelines of 1978 comparison of capital cost of acquiring/constructing property vis-a-vis the recurring rental expenses is an important consideration in determining economic viability. While pronouncing the policy for acquisition of property for missions abroad (1978), MEA had also elaborated detailed guidelines for such evaluation. Simultaneously, MEA had also emphasised that their experience had shown that with a few exceptions it would be more economical and advantageous to buy built-up property rather than construct buildings.

An exercise to assess the economic viability of the New York building was carried out by the Integrated Finance Unit of the Embassy of India, Washington in 1981. Taking into account estimates of annual rental costs, maintenance expenses of owned buildings, annual escalation of rentals, the rate of inflation as envisaged in MEA instructions of 1978, the economic cost of a building to suit the projected requirements worked out to US\$ 2.297 million. As the estimated cost of construction was US\$ 5.315 million the



Project was not considered viable. The analysis by Integrated Finance Unit was forwarded by the Mission, at the instance of the Ambassador, to MEA. The Government nevertheless finally went ahead with the project.

The final cost of the building having risen to over US\$ 27 million, the economic viability of the Project would be even more questionable. Keeping in view the fact that such large outflow of foreign exchange took place during the years 1989 to 1992, when the country faced the severest foreign exchange crunch necessitating harsh measures to conserve the real cost to the economy would be much higher than US\$ 27 million released at the official rate.

Furthermore, the records test checked in Audit did not reveal that the alternate option of buying built-up property, the preferred option of the Government, was explored or examined in detail before going in for the option of construction.

#### **7.1.5 Delays and cost escalation**

*7.1.5.1* The chronology of events of this project provide material for a case study in series of delays and cumulative cost escalation. MEA had invited all the foreign missions to come up with proposals regarding acquiring of property in April 1976. The Consulate General in New York came up with the proposal to procure land in March, 1980. The approval of the Government for construction of the buildings was accorded in May 1981. A high level Property Team from MEA visited New York in March 1982. Notice for registration of Indian Architects for construction of the Project was advertised in September 1982.

The project was offered to an Indian Architect firm, sixteen months later in January 1984. The firm submitted its concept report in July, 1984. An agreement with the firm engaging them as Consultant and Construction Manager was signed after eighteen months, in January 1986. The firm came up with a revised report after seventeen months (June 1987) envisaging appointment of a New York based registered firm of architects as their Associates and a separate Construction Manager. Cabinet approval for the project was obtained in May 1988.

A revised agreement was signed with the Indian Architect firm and their Associates in New York and the Construction Manager, in September and December 1988 respectively. The construction commenced in June 1989 and was expected to be completed by January 1991. The construction work was finally completed only in January 1993. In the process the project which was expected to cost US\$ 5.315 million in 1981 was completed at more than 5 times the cost: US\$ 27 million.

Audit examination of the factors leading to delays at various stages and the exorbitant cost escalation revealed several failures in planning and execution of the project which are discussed in the succeeding paragraphs.

7.1.5.2 The plot purchased for the purpose despite being located close to the UN Headquarters was of an odd size, i.e. 200 ft. long and an extremely narrow 25 ft. at one end and 41 ft. at the other. In fact, the three member team headed by the Additional Secretary (Administration) from MEA which visited New York in March 1982 for selection of an architect was dissatisfied with the size and shape of the plot and recommended that selection of an architect was not necessary till an alternative plot was found. There were indications of problems and delays right from the beginning.

7.1.5.3 The Government appointed (January 1984) an Indian firm as the Architect, Consultant and Construction Manager on the premise that with limited permission from the local authorities the firm could execute the Project at New York. They failed to take into consideration that the local insurance rules would have created practical problems in the execution of the Project in case of a non-local architect. Considerable time was lost thereafter in the Indian Architect firm associating a local architect so as to appoint the latter as Associates also called the 'Architect-on-Record'. This hampered the progress of the Project from July 1984 until September 1988.

Moreover, this entailed engagement of yet another firm as Construction Manager at a later date (December 1988) resulting in additional payment on this account (\$ 673396). Since the local architect was to be an associate of Indian Architect firm the Government had no say in his selection. Ironically, the local architect firm was not



among the leading firms initially considered by the Government. Soon after construction began, the local architect firm began to face financial problems and their contribution to the project became negligible, thereby causing further delays in the project.

In their reply (July 1994), the Ministry conceded that the full implications of engaging the non-local architect came to their notice only later and the Indian Architect having done substantial work by then, they had no option but to engage a local architect as Architect-on-Record. The reply is not tenable. The Government could have ascertained all the implications of engaging a non-local architect before commencing a project of this magnitude.

#### **7.1.6 The open ended Management Approach**

*7.1.6.1* The Government chose to execute the project through the "Construction Management System" coupled with the "fast track method" rather than award the entire contract on a turn key basis to a contractor after firmly determining the detailed technical specifications i.e. the Prime Contractor Method. It is not clear from the records audited whether a cost benefit comparison of the two approaches was made before making this choice. This resulted in the Architect being treated as a Consultant and the contractor supervising the work as a Construction Manager and the Government, through the PMI, remaining continuously responsible for the execution of the Project. This further resulted in creating a situation in which there were repeated changes in design and other specifications with the inevitable and concomitant delays and cost escalations.

While the Ministry in their response tried to justify the large number of changes effected during the process of construction on the grounds that they were either necessary due to local bye laws, on aesthetic considerations, etc. the fact remains that it was not possible to control either the time schedule or costs under the approach selected. Apart from this, the multiplicity and piecemeal nature of changes also made it difficult for the Government to consider their total financial impact on the entire project and its financial viability. Had all local legal and climatic requirements been taken into account at the

outset, the Government may well have come to refer again to the viability of the Project which did not meet their criteria from the very beginning.

**7.1.6.2** Although the Government chose to go in for the Construction Management Method they posted a non-technical career diplomat as the First Secretary (Project) at PMI during the execution of the project. His contribution towards monitoring, management and evaluation of the multiple and piecemeal changes in designs and specifications would obviously have been limited by the lack of appropriate background and experience.

In fact, the role of PMI in scrutiny and evaluation of financial estimates of change orders as well as payments to sub-contractors was restricted to ascertaining whether these had been duly certified by the Construction Manager and the Architect. Such perfunctory supervision more suited to a turn key contract is indicative of lack of control on the expenditure on the project.

#### **7.1.7 Floor area ratio**

Cabinet approval for the project was obtained with the assumption that the floor area ratio (FAR) would be 12. Thus PMI office, 41 residences and car parking for 27 cars would be built on the plot. The building was however constructed with the FAR of 10 as the Government failed to apply for the required approval from the local authorities. This resulted in a shortfall of 19 residences and 16 car parking slots. The Ministry stated that the proposal for FAR of 12 was given up as it would have taken one year to get the approval. This reply is not tenable since the Government had ample time between 1984 and 1988 to obtain the necessary approval.

#### **7.1.8 Diluted cultural uniqueness**

An important consideration that led to the selection of the Indian Architect was the main theme of the building presented by him. This theme was based on the stone columns found in the Hall of 1000 columns at Tanjore and other Indian temples and was to dominate the facades along the two streets from which the building could be accessed. For the exhibition entrance of 44th Street, the theme was to be embodied in unpolished



granite columns; on 43rd Street a reverse image of mirrored glass columns in a frame work of polished granite were to announce the entrance to the chancery and residence. Further, the theme of these columns was to continue into the entrance foyers, which, with the help of the mirrored glass were to set up multiple images evoking the image of 1000 columns. This architectural concept, on the basis of which the contract was awarded to the Indian Architect, underwent a total change and the final concept, as it stood after revisions made by the Indian Architect did not incorporate any of the original design concepts. As such it was doubtful whether any significant non-monetary advantage had been obtained in constructing a building through an Indian architect thereby delaying the construction process and incurring exorbitant costs.

The Government stated (July 1994) that the building had unique architectural features such as Shekhawati doors, pergola bars, specific structural features borrowed from Indian mythology and use of columns. It is doubtful whether this diluted cultural uniqueness offsets the additional costs of engaging an Indian architect.

#### **7.1.9 Micro analysis of Cost Escalation**

Trade costs i.e. cost of material and labour provided by individual sub-contractors for various sub-contracts such as stone works, masonry, wood work etc. constitute a major component of a construction project. The budget estimates prepared by the Construction Manager at the time of commencement of construction had envisaged an amount of US\$ 15,212,825 on the various trades. As of May 1993 the expenditure on this account had gone up to US\$ 18,606,823. Some of the significant increases were visible for the following trades:

- (i) An additional amount of US\$ 305,000 was incurred due to the change in the design from brick cavity wall to metal panel curtain wall. The latter was chosen for its superior maintenance characteristics and greater resilience to environmental deterioration.

- (ii) An additional expenditure of US\$ 220,000 was incurred in changing from red travernite stone to granite since the former which had been selected by the Indian Architect would not have been able to withstand the New York climate.
- (iii) A further amount of US\$ 612,000 was incurred on additional wood work. The Government justified this on the ground that the original design had provided for minimal wood work and additions were made on the recommendations of the interior decorators on aesthetic considerations.
- (iv) An additional expenditure of US\$ 842,000 was incurred on electrical works due to the factors such as replacement of standard by superior fixtures and certain design changes. This included an amount of US\$ 11,071 charged by the firm for deletion of already installed lighting fixtures on account of overhead and profit charges.

This illustrative list indicates that the local circumstances had not been fully considered while preparing the estimates and designs. It also reveals that "superiority of ambience" was given precedence over considerations of economy even though the project had already exceeded the budgeted estimates.

#### **7.1.10 Liability for error and omission changes**

As per article 17 of the contract entered with the Architect-on-Record for providing architectural and engineering services for the construction of the project, "the architect should re-design at its cost any portion of its work or its consultants, which due to its consultants failure to use a reasonable degree of skill, shall prove elective within one year from the date of start of regular use of the portion of the work affected. The owner shall grant the right of access to the architect to those portions of the work claimed to be defective for inspection"

When the construction work was under execution, the Construction Manager gave in July 1992 a list of 46 change orders issued between November 1990 and June 1993 involving an amount of US\$ 268,442 owing to errors and omissions. The Mission analysed these change orders and directed the firm to adjust as back charges an amount of US\$ 196,848 which had resulted from architectural errors and omissions. The firm did



not accept the liability on several grounds including that the scope and purpose of the project had not been made clear during the initial negotiations, that they were not aware that the interior decorators appointed later would not accept the products specified by them, that the project would go on for 16 months beyond the anticipated date of completion. They also attributed (October 1992) the number of changes and escalations to the lack of understanding of the local building process by the owner and his indecisiveness.

Finally the firm only accepted liability for US\$ 47,089 the balance had to be borne by the Government. PMI, New York attributed their inability to establish the liability of the firm conclusively to factors such as inadequate documentation, change of personnel and the difficulty experienced by non-technical persons in the Missions in visualising all the inputs that had gone into these change orders.

This is indicative of poor monitoring and supervision by the office at New York resulting in the Government accepting almost entirely the liability for change orders due to errors and omissions which should normally have been borne by one of the architects as the Construction Manager.

#### **7.1.11 Impact of increased trade cost and delay on other costs**

The rise in trade costs and the time taken in completion of the project resulted in the general condition costs rising significantly from US\$ 1,964,000 to US\$ 4,590,749. The former also resulted in increased payments to the Indian Architect, Architect-on-record and the Construction Manager since their payments were determined as a percentage of the total cost. The total additional expenditure on this account was US\$ 475,907. Additional amounts on insurance aggregating US\$ 85,075 had also to be incurred because of cost escalation and longer duration of the project.

#### **7.1.12 Non-recovery of advance payment/security deposit**

Although the work had been completed in January 1993, an amount of US\$ 125,000 out of the total US\$ 200,000 to the Construction Manager was still to be adjusted.

Moreover a sum of US\$ 800 paid to the Construction Manager as security deposit for hiring a field office had not been recovered.

### **7.1.13 Summing-up**

The Government's Mid Manhattan Construction Project at New York was not cost effective, the benefits accruing therefrom not being commensurate with the scarce foreign exchange resources appropriated for it. The Government's decisions of associating an Indian Architect, adopting the allegedly fast track method of the Construction Management System and giving precedence to superiority of ambience over economy together contributed to the delays and steep cost escalation. Completion of the Project at more than 5 times the originally estimated cost of \$5.3 millions raises serious questions about the financial prudence of going in for a Project which even at the stage of original estimation was considered financially unviable.

### **7.2 Unauthorised expenditure on engineering drawings - London**

Mention was made in Para 29.5 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1990 - Union Government (Civil) - No.1 of 1991 regarding demolition of a leased annexe building in London in 1988 at a cost of £0.45 lakh (Rs 12.05 lakhs) without obtaining financial sanction of the Government.

Further scrutiny of records revealed that the High Commission had entered into an agreement with a firm of engineers who had been appointed for the main building also for the architectural and structural drawings for a building to be constructed on the site of the demolished annexe. During 1986 to 1989, the engineers prepared drawings and were paid £64,683. In addition, a sum of £72,409 was due to them for the drawings prepared so far. Besides, an expenditure of £2654 was also incurred in July 1988 towards checking of drawings and planning fees. However, the High Commission in awarding the additional work of preparation of drawings of the annexe site building and for payment of fees to the engineers had neither obtained the approval nor any financial sanction from the Ministry. Besides technical estimates were also not prepared and approved by the competent authority.



Planning permission was given by Westminster Council in February 1988 and March 1989, which was valid for five years, for the construction of a building comprising basement, ground floor and five upper floors for residential purposes.

The Ministry, in response to the request of High Commission, approved (September 1989) in principle, the proposal for preparation of detailed drawings, vetting by district surveyor and obtaining cost estimates from a quantity surveyor subject to the condition that no expenditure would be incurred. In case of likely expenditure the Mission was asked to obtain financial sanction. In December 1989, the Ministry further directed the High Commission to obtain and send at least 3 quotations from different firms of architectural and structural engineers to enable further action in the matter. Having already engaged and paid the engineers for the work without Ministry's sanction, the High Commission next directed the engineers to stop the work on the drawings and, in March 1990, informed the Ministry that since it had appointed the engineers for the main building and for the annexe building, it would be necessary to first cancel these appointments before inviting fresh quotations. In May 1993 the High Commission further intimated that a substantial portion of the drawings had already been completed by the engineers and requested that the same engineers may be allowed to complete this job.

Ministry's decision in the matter was still awaited (August 1994).

Thus, award of work without preparation of technical estimates and prior financial approval of the Ministry resulted in blocking of funds amounting to £67,337 (equivalent to Rs 18.03 lakhs) for the last 6 to 8 years besides unliquidated liability of £72409.

The matter was reported to the Ministry in June, 1994; their reply is awaited (December 1994).

### **7.3 Idle and malfunctioning computer facility at passport office - Bombay**

With the objective of providing efficient and error-free services to the public, at the same time observing all the required security norms, the Ministry of External Affairs in the year 1986 took up the computerisation of important Passport Offices in the country.

Accordingly, Regional Passport Office, Bombay was provided with a computer costing Rs 9.78 lakhs in June 1987. Rs 1.96 lakhs was incurred on computer stationery upto January 1990. A contract for annual maintenance for the year 1988-89 was also entered into with a firm at Rs 0.98 lakh per annum. Rs 4.62 lakhs was spent on site preparation, computer furniture and installation of nine air-conditioners in the Computer Cell. However, the servicing of the computer system and the repair and maintenance to air-conditioners were not carried out after August 1989. Supply of computer stationery was also stopped. The stated reason for these was non-payment of dues.

The Regional Passport Office, Bombay had thus to close down the computer cell and the whole system is lying idle since July 1990. CPWD also did not undertake the maintenance of the computer room due to non-payment of their bills.

The Department also incurred a sum of Rs 3.35 lakhs for building up a national bank of passports issued for four years, but due to high incidence of errors, it was not utilised.

Due to non-functioning of the computer facility, the Regional Passport Office, Bombay regularly hired casual labour for carrying out the job expected to be turned out by the computers. During 1989-93, the expenditure incurred on casual labour amounted to Rs 6.03 lakhs.

Due to lack of proper co-ordination and timely follow up action, an expenditure of Rs 20.69 lakhs on the system was unfruitful besides avoidable expenditure on casual labour as the computer system installed in June 1987 fell into disuse.

The matter was reported to the Ministry in July 1994; their reply is awaited (October 1994).

#### **7.4 Follow up on Audit Reports**

The Lok Sabha Secretariat issued instructions (April 1982) to all the Ministries requesting them to furnish notes indicating remedial/corrective action taken by them to the Ministry of Finance (Department of Expenditure) on the various paragraphs,



contained in the Audit Reports, as soon as they were laid on the Table of the House, duly vetted by Audit.

A review of the position regarding receipt of Action Taken Notes on the paragraphs included in the various Audit Reports upto the period ending 31 March 1993 revealed that the Ministry has not submitted (December 1994) the remedial/corrective Action Taken Notes on the following paragraphs in spite of repeated instructions.

**Table 7.4 : Corrective Action on Audit Reports**

<b>Audit Report Number &amp; Year</b>	<b>Paragraph Number</b>	<b>Subject</b>
1 of 1993	6.3	Purchase of Embassy residence.
--do--	6.7	Irregular hiring of residential accommodation.
1 of 1994	6.2	Blocking of funds on land Purchase
--do--	6.3	Purchase of land at Warsaw in excess of requirement.
--do--	6.6	Avoidable hiring of hotel accomodation.-
--do--	6.8	Non-enforcement of risk purchase.
--do--	6.12	Avoidable excess expenditure on handling and transport.
--do--	6.13	Losses incurred in property transactions in Cairo.

Ministry stated in December 1994 that concerned Divisions in the Ministry are being pursued for expediting the remaining Action Taken Notes.

## CHAPTER VIII

### Ministry of Finance

#### (Department of Economic Affairs)

#### 8.1 Non-recovery of guarantee fees from financial institutions for bonds

A decision was taken by the Ministry of Finance (Ministry) in December 1988, for levying guarantee fee in respect of guarantee extended by Government for floating of bonds by financial institutions. However, formal instructions for levying guarantee fee at the flat rate of 0.25 per cent per annum were issued only in April/May 1990 effective from September 1989 onwards.

(1) A test check of the records of Banking Division of the Ministry revealed that in the case of five financial institutions, Government guarantees for floating of bonds were given during January to June 1989. Due to delay in implementation of the Government decision, guarantee fees amounting to Rs 5.34 crores could not be levied on these bonds for the period from the date of floating the bonds upto March 1992.

The Ministry stated (May 1992) that the initial delay in imposition of guarantee fee was unintentional and due to unavoidable reasons; also, as the decision was taken for the first time, proper procedure needed to be evolved which contributed to the delay. The Ministry further stated (January 1993) that a proposal for waiver of outstanding guarantee fees for the period from 21 December 1988 to August/October 1989 was under consideration. The unavoidable reasons leading to the delay were however not elaborated.

(2) The Ministry of Finance issued further clarifications in September 1992 and April 1993 that guarantee fees would also be levied in respect of guarantees already given but where loans raised by bonds were still partially outstanding and that the guarantee fee will be calculated on the balance amount at the beginning of the guarantee year, the financial year being reckoned as the guarantee year for the purpose of this levy. The fee was to be charged at double the normal rate, where the guarantee fee was not paid on due date, for the period of default.



It was noticed in Audit that the Ministry has even now neither evolved a proper system nor maintained suitable records to watch the recovery of the guarantee fees (including at the penal rate(s) in case of default) from the financial institutions. A test check of the records in respect of six financial institutions revealed that guarantee fees of Rs 27.46 crores was also recoverable during 1992-93 as calculated by Audit with reference to the guarantees outstanding as on 31 March 1992.

The matter was reported to the Ministry in July 1993/October 1993. Further, the Ministry was also requested (September 1994) to send details of guarantees outstanding on 31st March 1993 and 1994 and guarantee fee recoverable during 1993-94. The Ministry neither furnished its reply nor the requisite data, despite repeated reminders (December 1994).

## **8.2 Idle Air-Conditioning Plant**

In April 1988, Ministry of Finance sanctioned centralised air-conditioning and setting up of a main receiving station (MRS) of 5 MVA capacity at an estimated cost of Rs 2.78 crores for India Security Press, Nashik. The construction was proposed to be completed urgently.

In February 1989, the cost was revised to Rs 3.90 crores on the basis of estimates prepared by CPWD, who were directed to complete the work on priority basis. The work was, however, completed in October 1992 at a cost of Rs 3.82 crores.

In October 1992, CPWD requested India Security Press to take over possession of the airconditioning plant and MRS but India Security Press replied (February 1994) that they had not received sanction for manpower for operation of the AC plant. Thus, despite creation of the infrastructure at a cost of over Rs 3.82 crores in October 1992, the plant has not been commissioned so far (July 1994) due to non-availability of required manpower for operation of the plant resulting in blocking of government capital without any resultant benefit besides defeating the very purpose for which the work was done on priority basis.

The matter was reported to the Ministry (June 1994); their reply is awaited (October 1994).

### **8.3 Non-realisation of sale proceeds of silver**

In January 1992, a public sector undertaking (PSU) placed an indent on the India Government Mint, Calcutta (Mint) for supply of one tonne of silver. In February 1992, the Ministry approved the supply on credit with interest at the rate of 18 per cent upto ninety days and an additional interest of 2.75 per cent (raised to 6 per cent from October 1993) for delays in payment beyond ninety days.

In June 1992, the Ministry approved a proposal of the Mint for sale of silver on credit against an indemnity bond by the PSU and the Mint released silver worth Rs 71.88 lakhs in the same month. The Mint did not ensure realisation of the sale proceeds by obtaining either a pre-deposit as required in case of purchases made by the PSUs through the Director General of Supplies and Disposals or a letter of credit as in the case of supplies made by the PSUs to Government departments. The PSU did not pay the cost of silver which accumulated to Rs 107.40 lakhs inclusive of interest as of August 1994.

The matter was reported to the Ministry in June 1994; their reply is awaited (October 1994).

### **8.4 Irregular recovery of administrative expenses**

Government of India introduced the Annuity Deposit Scheme, 1964: from October 1964 and the Annuity Deposit Scheme, 1966 from April 1967 under the Income Tax Act, 1961. In accordance with the arrangements made by the Reserve Bank of India (RBI) the schemes were administered by the Public Debt Offices (PDOs) and the administrative expenses were to be recovered from the Government of India by the RBI on receipt of statements from PDOs. The schemes ceased to be operative from 1 April 1969 and the provisions were omitted by the Finance Act 1988 from 1 April 1988.

Test check of records of PDO, Calcutta revealed that even after discontinuation of the annuity schemes, sanction for all the posts related to the administration of these schemes was extended from time to time and the posts finally abolished only from July



1989. It was seen that the administrative expenses for the period July 1989 to December 1992 amounting to Rs 19.21 lakhs had been recovered from the Government.

The recovery from Government of the costs for annuity schemes, discontinued from 1 April 1988, for periods after this date was irregular.

The matter was reported to the Ministry in May 1994; their reply is awaited (October 1994).

### **8.5 Delay in commissioning of Air-Conditioning unit**

With a view to improve the quality of inland letters and also to reduce paper wastage at India Security Press, Nashik Road, Government sanctioned, in April 1986, the air-conditioning of the bay accommodating the Timson Versatile Machine at an estimated cost of Rs 7.48 lakhs. Tenders were floated in May 1987. Due to increase in the levy of excise duty and general rise in the prices of material and labour during December 1985 to May 1987, the estimates were revised to Rs 15.52 lakhs in November 1987 which were approved by the Government in July 1989.

The work which was scheduled for completion by November 1990 was almost completed by August 1990 at a total cost of Rs 13.80 lakhs except for trial of one unit. The work of trial and commissioning had, however, still not been completed (June 1994).

Even after completion of work at a cost of Rs 13.80 lakhs by August 1990, the plant has not been commissioned so far (October 1994) defeating the objective besides blocking of funds over Rs 15 lakhs.

The matter was reported to the Ministry in June 1994; their reply is awaited (October 1994).

### **8.6 Unwarranted leniency towards supplier**

The India Security Press, Nashik in August 1988, placed an order on a paper mill for supply of 50 MT of sensitive cheque paper at Rs 8.70 lakhs for printing of Income Tax forms. The supplier, in March 1989, supplied 48.22 MT of blue wove paper instead of cream wove. Supplied quantity was accepted at a price reduction of 5 per cent on contract price on the ground that such paper was being used in other printing work despite the fact

that the terms of the contract provided for reimbursement by the contractor of the value of the material found rejected.

Audit scrutiny revealed that the Press had on the date of acceptance of the consignment in March 1989 a stock of 19,331 reams of blue wove paper and actual consumption was 2486 reams during 1988-93. As there were sufficient stocks of blue wove paper, the acceptance of a further quantity of 2486 reams (48.22 MT) costing Rs 7.96 lakhs without assessment of further requirement was unwarranted resulting in unnecessary blocking of funds especially where the supply did not conform to the specification.

The Ministry while accepting the facts in September 1994 stated that the paper had to be accepted on account of the established practice that watermarked paper required to be supplied to the Security Press could not be allowed to be supplied to any other agency. The Ministry, however, stated that all efforts were being made to consume the old stocks and no further indent for the paper would be placed till the paper is consumed.

The Ministry's reply is not tenable as the existing clause providing for reimbursement of the value of the rejected material was rendered inoperable for security reasons and there was no effective safeguard in the contract against any defective paper being supplied by the firm.

### **8.7 Follow up on Audit Reports**

The Lok Sabha Secretariat issued instructions (April 1982) to all the Ministries requesting them to furnish notes indicating remedial/corrective action taken by them to the Ministry of Finance (Department of Expenditure) on the various paragraphs, contained in the Audit Reports, as soon as they were laid on the Table of the House, duly vetted by Audit.

A review of the position regarding receipt of Action Taken Notes on the paragraphs included in the various Audit Reports upto the period ending 31 March 1993 revealed that the Ministry has not submitted (December 1994) the remedial/corrective Action Taken Notes on the following paragraphs in spite of repeated instructions.



**Table 8.7 : Corrective Action on Audit Report**

<b>Audit Report Number &amp; Year</b>	<b>Paragraph Number</b>	<b>Subject</b>
1 of 1992	12.2	Adjustment to be made in Finance Accounts
--do--	12.8	Dysfunctional repair and disposal procedure
1 of 1994	7.1	Lack of planning and coordination in installation of rolling mills.
--do--	7.2	Avoidable payment of brokerage charges
--do--	7.3	Delay in construction and allotment of Government quarters.
2 of 1994	10.7	Non-realisation of revenue due to delayed re-assessment of rent.

The matter was reported to the Ministry in November 1994; their reply is awaited (December 1994).

## Department of Revenue

### **8.8 Idle engines purchased for prototype patrol boat**

Pursuant to a decision (September 1985) to develop a prototype 100 feet dhow for adoption by the Customs and Central Excise Department, Government approved the engagement of the services of a firm of marine consultants for assistance and sanctioned the duty free import of 2 sets of propulsion equipment for the prototype multiscrew customs patrol dhow in June 1986 at a cost of Rs 27.14 lakhs. Accordingly two engines were imported at a cost of Rs 22.83 lakhs in early 1987.

In 1987 the proposal for the 100 feet twin engine prototype was dropped as unwieldy and sophisticated, requiring special personnel for operation, and a decision was taken to go in for two 80 feet dhows fitted with one machine each. Meanwhile, the consultants for the 100 feet dhow were paid a sum of Rs 1.19 lakhs for its drawings and various tests though no prototype was finally constructed.

The contract for the construction of the two 80 feet dhows was awarded to a firm, in October 1989 at a cost of Rs 85 lakhs subject to the Department providing the two engines with the delivery schedule as 12 months from the date of approval of drawings and within 6 months thereafter for the first and second boats. Records revealed that the construction of the dhows was still not completed (April 1994) and the contractor was paid (till January 1994) a sum of Rs 33.66 lakhs.

Thus, the engines purchased in 1987 at a cost of Rs 22.83 lakhs were still lying unused even after 7 years of their receipt due to lack of proper planning and appraisal. In addition, the supply of the crafts under the second contract had also fallen far behind schedule for over 3 years and the payment of Rs 1.19 lakhs for the drawings for a 100 feet prototype was rendered infructuous.

The Department had accepted the facts in July 1994.

### **8.9 Unfruitful expenditure due to non-operational vessel**

In November 1988, the Collectorate of Customs, Calcutta procured one vessel built in 1976-77 from the Collectorate of Customs, Cochin for use in preventive



operations. An expenditure of Rs 0.68 lakh was incurred on its transportation, insurance etc. The Collectorate engaged four crew members for operation of the vessel. But, they could not operate the vessel. The engine was sent to a firm in November 1988 for major overhauling and other repairs and was received back in May 1991. In August 1992, the engine was sent to the firm again for major repairs as it developed some defects. The engine was repaired and fitted on the vessel in May 1994 but the vessel had not been operated as of October 1994. The Collectorate spent Rs 4.79 lakhs between May 1989 and October 1994 on its repairs and maintenance besides salary of Rs 5.09 lakhs paid as wages to the idle crew during 1989-94.

Accepting the facts, the Collectorate stated in August 1994 that the vessel could not be put into operation since its receipt due to persistent defects in the engine and its accessories.

Thus, procurement of the vessel with a defective engine resulted in unfruitful expenditure of Rs 10.56 lakhs.

The matter was reported to the Ministry in September 1994; their reply is awaited (October 1994).

## CHAPTER IX

### Ministry of Health & Family Welfare

#### (Department of Health)

### 9.1 National Cancer Control Programme

#### 9.1.1 Introduction

Cancer is a disease with a high rate of mortality unless it is detected and treated early. In India it is estimated that there are about 2 million cancer patients at any given point of time with 0.5 million new cases emerging every year.

The National Cancer Control Programme (NCCP) was started by Government of India in a rudimentary form during 1975-76 when Central assistance was given for purchase of cobalt therapy units to medical institutions. Assistance was also given for improvement of treatment facilities to 10 major institutions which were recognised as Regional Cancer Centres (RCCs).

During the Seventh Five Year Plan, the Cancer Research and Treatment Programme was launched with the objectives of: (i) Primary prevention of tobacco related cancer, (ii) Secondary prevention of cancer of uterine cervix, and (iii) Extension and strengthening of the therapeutic services including pain relief on a national scale through RCCs and medical and dental Colleges.

During the Eighth Five Year Plan greater emphasis has been laid on prevention and early detection of cancer particularly in rural areas. With this end in view the following new schemes have been undertaken from 1990-91:

- (i) District Projects for health education, early detection of cancer including pain relief measures.
- ii) Financial assistance to voluntary organisations.
- iii) Development of oncology wings of medical colleges/ hospitals.
- iv) Financial assistance for setting up of cobalt therapy units



### **9.1.2 Scope of Audit**

The implementation of the programme during 1985-94 was test checked by Audit with reference to records of the nodal Ministry - Health and Family Welfare and by the Accountants General in a few districts of 14 States and 1 Union Territory.

### **9.1.3 Highlights**

- **Out of Rs 29.52 crores sanctioned as grant to 13 States during 1985-94, six States (Punjab, Karnataka, West Bengal, Uttar Pradesh, Tamil Nadu and Delhi) were not able to utilise even 50 per cent of the funds released. This was mainly due to State governments not fully releasing grants in turn, infrastructure not being developed and additional funds for the equipment, not being provided as well as execution not conforming to the Scheme etc.**

**(Paragraph 9.1.4.1)**

- **Out of Rs 4.17 crores grants-in-aid sanctioned to 9 States, Rs 2.28 crores (55 per cent) was diverted and spent outside the objectives qualifying for the grant.**

**(Paragraph 9.1.4.2)**

- **Against Rs 82.24 crores released during 1985-94, utilisation certificates along with audited statement of accounts for Rs 68.18 crores were wanting. There was no system in place in the Ministry to expedite and link further release of grants with the furnishing of utilisation certificates and audited statement of accounts.**

**(Paragraph 9.1.4.3)**

- **In 4 States, Rs 64 lakhs sanctioned mainly for establishing cobalt therapy units were kept outside the Government account in personal ledger accounts even upto 4 years.**

**(Paragraph 9.1.4.5)**

- **Against 900 cobalt therapy units required, only 180 cobalt therapy units have been installed which are quite inadequate and not evenly distributed in the country.**

**(Paragraph 9.1.5.1)**

- **In 7 States, 11 cobalt therapy units, and other related equipments, acquired at a cost of Rs 6.32 crores were commissioned with delays ranging from 3 months to 8 1/2 years mainly due to non-availability of funds for construction of special buildings, incomplete infrastructure and staff not being posted.**

**(Paragraph 9.1.5.1(a))**

- **Seven cobalt therapy units, one gama camera and one fluoroscopic microscope costing Rs 5.48 crores acquired out of central assistance sanctioned during 1985-93 could not be commissioned by Five States (Assam, Karnataka, Orissa, Rajasthan and Madhya Pradesh)**

**(Paragraph 9.1.5.1(c))**

- **Grants-in-aid amounting to Rs 2.70 crores to Uttar Pradesh, West Bengal, Rajasthan and Karnataka and 3 other States for establishing of cobalt therapy units remained unutilised mainly due to inadequate Central assistance and lack of infrastructure facilities to be provided by the State governments.**

**(Paragraph 9.1.5.2)**

- **Of the 11 hospitals and medical colleges test checked in audit none had set up the oncology wings, although 3 had purchased cobalt therapy units.**

**(Paragraph 9.1.6)**



- **Against Rs 2.10 crores released during 1990-93 under the scheme for district projects, expenditure of Rs 71.33 lakhs (34 per cent) was reported to have been incurred.**

**(Paragraph 9.1.7.1(b))**

- **No training for medical/paramedical personnel could be arranged in 7 States mainly due to non-provision of funds and staff.**

**(Paragraph 9.1.7.4)**

- **In the RCCs of Assam, Madhya Pradesh and West Bengal equipments purchased with Central assistance were not put to use for 16 to 62 months due to delay in installation/ completion of buildings etc.**

**(Paragraph 9.1.8)**

- **No system for effective coordination between various agencies involved as well as monitoring and evaluating the overall programme was evolved in 8 States.**

**(Paragraph 9.1.13)**

#### **9.1.4 Financial arrangements**

Ministry of Health and Family Welfare released grants-in-aid directly to 9 out of 10 RCC's recognised by it out of which one Centre was partially funded by the Government of India as well as the State government of West Bengal. Financial assistance to the selected institutions was channelised through the concerned State governments while the amount was released to the concerned voluntary organisations directly on the recommendation of the State governments.

During Seventh Plan, against the budget provision of Rs 51.28 crores, Rs 23.84 crores had been released to various State governments/institutions. Similarly against the budget provision of Rs 90.92 crores, a sum of Rs 58.40 crores was released during 1990-

94. In addition 15 whole body CT scanners involving Rs 17.04 crores were received under the Japanese grant-in-aid programme. A test check of the records revealed as under:-

#### *9.1.4.1 Non-utilisation of government grants*

Out of Rs 29.52 crores sanctioned as grants under the programme to 13 States during 1985-94, Rs 15.53 crores (53 per cent) remained unutilised as of 31 March 1994. Out of the total grant sanctioned for the States, the Institute Rotary Cancer Hospital (IRCH) in AIIMS, New Delhi accounted for Rs 7.69 crores. IRCH could utilise only Rs 3.19 crores. It was seen that non-utilisation of grant ranged from 15 to 100 per cent. Six States (Karnataka, West Bengal, Uttar Pradesh, Punjab, Tamil Nadu and Delhi) were not able to utilise even half the amount. The reasons were mainly failure of by the State governments to further release the grants, non-development of infrastructure for the equipment, inadequacy of the funds provided and execution not in conformity with the Scheme.

#### *9.1.4.2 Diversion of funds*

The grantee institution was not authorised to divert the grant-in-aid or entrust the execution of the Scheme to another institution or organisation. In case it was not in a position to execute or complete the Scheme, the grant was required to be refunded to the government. It was noticed that in 9 States, out of Rs 4.17 crores released during 1985-94, an amount of Rs 2.28 crores (55 per cent) was diverted and spent outside the objective qualifying for the grant: purchase of machinery/ equipment relating to cancer treatment activities in 5 States (Assam, Rajasthan, Punjab, West Bengal and Madhya Pradesh), construction of building in Kerala, salary of officers and staff, contingency, furniture and vehicles in 3 States (Orissa, Karnataka and Maharashtra). No concrete reasons were put forth by any of the States for such irregular diversion except in Orissa in which the institution attributed it to non-receipt of the grant from the State government. The Ministry had also not evolved any mechanism to check such irregular diversion of funds by the grantee institutions.



#### *9.1.4.3 Non-submission of utilisation certificates*

Rs 82.24 crores were released during 1985-94 against which utilisation certificates and audited statements of accounts for Rs 68.18 crores were wanting (September 1994).

It was noticed that there was no system in place in the Ministry to expedite and link further release of grants with the furnishing of the required utilisation certificates and the audited statements of accounts. In the absence of such a system, it was not understood how the Ministry satisfied itself regarding the fulfilment of the terms and conditions governing the sanction of the grant. Instead the Ministry was continuously sanctioning and releasing grants without insisting on the required utilisation certificates and audited statements of accounts. Ministry's comments in this regard were awaited.

#### *9.1.4.4 Delay in release of grant by the State governments*

A test check of records of States revealed that there was inordinate delay on the part of State governments in releasing of the Central assistance to the concerned grantee institutions which ultimately delayed the implementation of the Scheme. It was noticed that in 4 States (Assam, Kerala, Rajasthan and Tamil Nadu), there was delay ranging from 6 to 25 months in release of Central assistance to the grantee institutions.

#### *9.1.4.5 Deposit of funds in personal ledger account*

It was noticed that in four States (Maharashtra, Orissa, Rajasthan and West Bengal) Rs 64 lakhs sanctioned mainly for the purpose of establishing cobalt therapy units in their respective cancer institutes/hospitals were kept in personal ledger accounts for periods ranging from 9 to more than 48 months. The reasons for non-utilisation of funds cited were: Maharashtra - want of State government orders, Orissa - amount could not be utilised as funds were inadequate. No reasons were put forth by the remaining States.

### **9.1.5 Setting up of cobalt therapy units**

*9.1.5.1* Cobalt therapy plays an important role in the treatment of cancer. More than half the cancer patients require radiation treatment at one stage or the other. One cobalt

therapy unit is needed for one million population. On the basis of this estimate the country for its 900 million population required 900 cobalt therapy units against which 180 cobalt units have been installed in the country so far. The available cobalt units are quite inadequate and even these few are unevenly distributed in the country.

With a view to extend radio therapy treatment to cancer patients under the National Cancer Control Programme, Central assistance was provided for establishment of cobalt therapy units in various Government medical colleges/hospitals and Cancer Institutes.

Central assistance was provided to Government medical colleges/hospitals from the inception of programme in 1975-76 at the rate of Rs 2.5 lakhs which was gradually increased. The rate of financial assistance for cobalt therapy units is now Rs 50 lakhs per unit, since 20 January 1993. The assistance was to be used for the purchase of cobalt therapy units along with ancilliary equipment and cobalt source, the last to be supplied by Board of Radiation and Isotope Technology (BRIT) on the recommendations of Bhabha Atomic Research Centre (BARC). The Central assistance was given subject to the condition that the recipient of Central assistance agrees to provide the requisite infrastructure and trained technical staff.

(a) During the course of test check of records it was noticed that in seven States (Assam, Kerala, Karnataka, Orissa, Rajasthan, Madhya Pradesh and Delhi) 11 cobalt therapy units and other related equipments acquired at a cost of Rs 6.32 crores out of Central assistance sanctioned during 1982-90 were commissioned with a delay ranging from 3 months to 8 1/2 years. The reasons for the delay were mainly: Assam - non-availability of funds for construction of building; Kerala - delay in taking up of construction work and further delay in completion of building; Orissa - non-completion of infrastructure and non-posting of qualified staff especially by BARC; Rajasthan - delay in placement of orders for supply of cobalt source.

(b) Test check also revealed that Brachy therapy unit, purchased by RCC Cuttack worked only for 10 months and treated 136 patients upto 15 April 1994 (115 patients upto



16-10-1992, and 21 patients partially treated between 17-10-1992 to 15-4-1994). Similarly a special x-ray machine valuing Rs 4.33 lakhs worked only for 18 months with six repairs during May 1988 to March 1994 while the image intensifier and the TV monitor valuing Rs 5.78 lakhs could not be utilised since its purchase in July 1991 as the interlinked special x-ray machine was lying idle. Also the treatment planning system purchased at a cost of Rs 7.86 lakhs in June 1989 remained inoperative from June 1992 due to its unsatisfactory treatment. Remedial action taken by the Institute to get the equipment repaired was not intimated to Audit.

(c) Test check further revealed that seven cobalt therapy units, one gamma camera and one fluoroscopic microscope acquired out of Central assistance sanctioned during the period 1985-86 to 1992-93 by five States (Assam, Karnataka, Orissa, Rajasthan and Madhya Pradesh) at a cost of Rs 5.48 crores could not be commissioned mainly due to non-completion of buildings in Assam, Madhya Pradesh and Orissa and for want of cobalt source in Karnataka and Rajasthan. Action taken by the States for the early installation/commissioning of the equipment was awaited.

(d) Test check also showed that a linear accelerator valuing Rs 1.75 crores procured under the Japanese grant-in-aid programme during 1988-89 by Sanjay Gandhi Post-Graduate Institute of Medical Sciences, Lucknow was partly functional for want of spare parts while a radiation field analyser procured during 1989 (cost Rs 16 lakhs) out of Government grants installed in November 1991 could not be calibrated due to faults in its software. After repairs, the equipment functioned but two years later it became non-functional in October 1993. Although the new software was loaded in June 1994, but the problem remained unsolved as of September 1994. Further, a thermoluminescence dosimeter, irradiator and programmable oven procured by the same Institute in October 1988, failed when installed (March 1991) for calibrating the unit. Thus even after six years of its procurement, the equipment could not be put to use. Similarly a therapy unit called selectron LDR purchased by JK Cancer Institute, Kanpur in July 1988 at a cost of Rs 23.90 lakhs was put to use in November 1991 without necessary clearance from BARC. 91 female cancer patients were treated between November 1991 to April 1993

although an essential equipment called clinical dosimeter/rectal dosimeter required to start the treatment was not available. The machine worked for one and half years and was later shifted and installed at a cost of Rs 0.34 lakh in a newly constructed room in June 1993 but it could not be put to use despite clearance for its commissioning from BARC in October 1993 due to the absence of clinical dosimeter/rectal dosimeter and new x-ray machine. Besides above, service charges of Rs 1.36 lakhs paid to the firm for the maintenance of machine during the period from February 1991 to January 1994 were not commensurate to the benefits derived from the machine. Besides six treatment tube channels which were accessories to the selectron LDR valuing Rs 2.47 lakhs purchased in July 1988 were not commissioned.

#### *9.1.5.2 Non-utilisation of funds by the States*

Grants-in-aid amounting to Rs 2.70 crores sanctioned to seven States (Uttar Pradesh, West Bengal, Rajasthan, Maharashtra, Orissa, Punjab and Karnataka) during the period 1985-1994 for setting up of cobalt therapy units in medical colleges/hospitals remained unutilised mainly due to insufficiency of Central assistance and lack of infrastructural facilities to be provided by the State governments.

It was noticed that the funds were deposited in the respective accounts of the three Institutes in Uttar Pradesh as the cost of the therapy unit had gone up and the difference in the cost was not provided by the State government. In West Bengal, though one Institute had the required infrastructural facilities and the manpower, the entire amount was kept in a current account with a bank, outside the Government account and could not be utilised for want of additional funds. In Maharashtra, the amount was kept in a personal ledger account and not utilised for want of State government orders. However, the State government had since instructed the amount to be deposited in Government account.

Similarly, in Orissa, the Central assistance of Rs 20 lakhs was lying in civil deposit account since April 1992 for want of additional grant from the State government. It was also noticed that one Institute in Punjab retained Central assistance amounting to Rs 20 lakhs sanctioned in March 1991 in a savings bank account till April 1994 when it



was finally refunded to the Government. The grant was sanctioned without ascertaining that this Institute had already been equipped with one cobalt therapy unit in July 1984. It was further noticed that Rs 50 lakhs sanctioned by the Government of India in March 1994 had not been released by the State government to the Institute till June 1994.

#### *9.1.5.3 Diversion of funds*

The assistance under the National Cancer Control Programme was to be utilised for setting up cobalt therapy units within one year from the date of the grant-in-aid sanctioned for the purpose. Any portion of the grant not utilised on the objects for which it was sanctioned was to be refunded to the Government.

During the test check of records, it was noticed that Mohan Dai Oswal Cancer Treatment and Research Foundation, Ludhiana in Punjab spent Rs 9.02 lakhs on purchase of 200 RMM source and Rs 2.98 lakhs on other cancer treatment related activities out of Rs 12 lakhs sanctioned in March 1988 for setting up of a cobalt therapy unit.

#### *9.1.5.4 Performance of cobalt therapy units*

(i) Five cobalt therapy units were procured in three States (Himachal Pradesh, Uttar Pradesh and Assam). It was noticed that at IGMC, Shimla, percentage of patients treated ranged from 29 to 86.5 during the period 1986-87 to 1993-94. The under-utilisation was attributed to fewer patients reporting for treatment from nearby areas due to non-awareness of the facilities available at the Institute.

(ii) At Sanjay Gandhi Post-Graduate Institute of Medical Science, Lucknow, the percentage of patients treated ranged from 19.5 to 51.66 during the years 1990-94. Besides one linear accelerator with capacity of 2000 cases per annum installed in the Institute in October 1992 at a cost of Rs 1.75 crores from Japanese grants could provide treatment only to 193 patients during 1992-93 and 1993-94 which was only 4.80 per cent of its capacity. Reason put forth by the Institute for under-utilisation of the equipments was that it was a tertiary care super-speciality referral institute and treated only referral patients. This is not tenable as under-utilisation of equipments was due to procurement of both the cobalt unit and the linear accelerator instead of going in for either one unit of

cobalt 60 or one unit of linear accelerator as per the recommendation of the Association of Radiation Oncologists of India. At SN Medical College, Agra also, the cobalt therapy unit could not be fully utilised. The treatment chart showed a declining trend during the period 1985-94 (except 1989-90) from 56.5 to 43.16 per cent. Reasons were attributed to frequent failure of the machine due to its being an old unit.

(iii) At Dr Baruah Cancer Institute, Assam the percentage of treatment of patients fell during 1990-92. This was attributed to the decline in the strength of cobalt source which was replaced only in August 1993.

#### **9.1.6 Development of Oncology Wing in Medical Colleges/Hospitals**

The Programme proposed development of well-equipped oncology wings in 15 medical colleges/hospitals in the country during the Eighth Plan with emphasis on prevention and early detection of cancer in the regions where adequate facilities for its treatment were not available. Under the Scheme the three modes of therapies viz. surgical treatment, radio therapy and chemotherapy were to be made available in the oncology wings proposed to be established.

Upto Rs 1 crore was proposed to be provided to each selected medical college/hospital for purchase of equipments with the implied condition that the concerned State government would provide necessary infrastructure and staff.

(i) A test check of the records of six States (Assam, Karnataka, Maharashtra, Rajasthan, West Bengal and Uttar Pradesh) revealed that an amount of Rs 8.70 crores was released by the Government of India during 1991-94 for development of the oncology wings in 11 government medical colleges/hospitals.

(ii) Out of the grant of Rs 8.70 crores released for development of oncology wing in 11 medical colleges/hospitals, an amount of Rs 5.70 crores released to eight medical colleges/hospitals could not be utilised as of May 1994 as no action was initiated to procure the essential equipments. An amount of Rs 1.40 crores granted at the rate of Rs 70 lakhs each to BRD Medical College, Gorakhpur and Karnataka Medical College,



Hubli in March 1992 and March 1993 respectively was not released by the State governments to these colleges as of May 1994.

(iii) The remaining 3 colleges/hospitals viz. Silchar Medical College (Assam), Jawaharlal Medical College, Ajmer (Rajasthan) and North Bengal Medical College (West Bengal) were given grants-in-aid at the rate of one crore rupees each for procurement of 12 items of equipment for development of the oncology wing. The present status of each of these items was as under:-

a) Purchase order for one cobalt therapy unit was placed on a Canadian firm in March 1993 by Silchar Medical College, Assam although the first instalment of the grant amounting to Rs 70 lakhs was released by Government of India in March 1992. The equipment was lying at Calcutta sea port since October 1993 for want of category certificate (for customs duty exemption) from DGHS which was received only in May 1994. The delay in procuring the equipment was attributed to late release of grant by the State government beyond one year, delay in issue of category certificate and non-availability of the building for housing the unit. The construction of the building has still not started for want of approved design and drawings from Bhaba Atomic Research Centre (BARC). The equipment was lying in the warehouse due to non-payment of port charges and awaiting installation as of May 1994.

b) A cobalt unit was purchased at a cost of Rs 90.99 lakhs in August 1993 by Jawaharlal Medical College, Ajmer was yet to be installed as of April 1994. Reason for delay in commissioning of the unit was attributed to non-supply of cobalt source.

c) A cobalt unit for the oncology wing was purchased in November 1993 by the North Bengal Medical College and Hospital, Siliguri, West Bengal. The machine was lying in the bonded warehouse of Calcutta port since November 1993 for want of custom duty exemption certificate from DGHS which was yet to be obtained as of May 1994. Services of two Radio Therapists posted in March and April 1993 in the hospital could not be utilised for the purpose in the absence of the machine.

Thus the objective with which the Scheme was initiated in selected colleges/hospitals could not be achieved as in none of the eleven colleges/hospitals test checked in audit, could the oncology wing be set up. Eight colleges/hospitals did not utilise the assistance at all, while 3 colleges/hospitals purchased the cobalt therapy units but these were yet to be commissioned. The desirability of purchasing the equipment for other therapies viz. chemotherapy and surgery as envisaged in the scheme was not considered.

### **9.1.7 Scheme for District Projects**

*9.1.7.1* A Scheme for District Projects was introduced from 1990-91 under the National Cancer Control Programme for prevention and early detection of cancer cases particularly in rural areas. The main aim of the Scheme was to create awareness among people about early symptoms of cancer, importance of observing personal hygiene and healthy life style, ill effects of tobacco consumption. The main components of the scheme comprised of

- (i) dissemination of information in rural areas in the form of literature;
  - (ii) establishment of 3-4 cancer detection centres at sub-divisional level;
  - (iii) training of medical and para medical personnel;
  - (iv) provision of palliative treatment to terminal patients; and
  - (v) evaluation and monitoring.
- (a) Under the scheme, financial assistance of Rs 15 lakhs each was provided to the State governments/UT administration for each district project selected and the project was linked with RCCs/government medical colleges/ hospitals having reasonably good facilities for treatment of cancer. During 1990-92 twelve district projects had been undertaken in 8 States (Gujarat, Karnataka, Madhya Pradesh., Kerala, Orissa, Tamil Nadu, West Bengal and Delhi). In 1992-93 five more districts were taken up in 3 States (Gujarat, Punjab and Tamil Nadu). A test check of the records of seven States (Karnataka,



Kerala, Orissa, West Bengal, Punjab, Tamil Nadu and Madhya Pradesh) revealed that only 34 per cent of available funds could be utilised during 1990-94.

(b) From the details of financial assistance released and the expenditure reported, it was noticed that out of Rs 2.10 crores released during 1990-93, Rs 71.33 lakhs were spent of which Rs 27.69 lakhs in Karnataka, West Bengal and Kerala was on items not approved under the programme such as payment of salary, expenditure on contingencies and advertisement charges. No specific reasons for such expenditure were put forth by any of the States.

#### *9.1.7.2 Development of health education material*

During Eighth Plan programme, emphasis was laid on creation of awareness among people regarding early symptoms of cancer, importance of observation of personal hygiene and healthy life style, ill-effects of tobacco consumption etc. A sum of Rs 3 lakhs was being provided to each district selected under the scheme.

(i) A test check of the records of Rajasthan and West Bengal showed that neither had any work connected with creation of public awareness in regard to ill effects of tobacco consumption been carried out nor were any funds allocated for this purpose. The programme could not be launched in Himachal Pradesh due to non-provision of funds by the Government while in Uttar Pradesh Rs 2 lakhs sanctioned in 1989-90 remained unutilised as of May 1994.

(ii) In Haryana, an expenditure of Rs 1.45 lakhs was incurred through 13 Civil Surgeons in 1990-91 resulting in lapse of an unspent balance of Rs 0.55 lakh. It was noticed that out of Rs 0.72 lakh spent by 4 out of the 13 Civil Surgeons (Ambala, Karnal, Sonapat and Sirsa) Rs 0.70 lakh was diverted towards purchase of laboratory equipment and chemicals etc.

#### *9.1.7.3 Setting up of cancer detection centres*

Under NCCP, Central assistance at the rate of Rs 0.50 lakh was provided for the purchase of equipment required for establishing early cancer detection centre subject

to the condition that the recipient of Central assistance agreed to provide trained staff like cyto-pathologists, cyto-technicians/technologists, lab assistants etc. During Eighth Five Year Plan, more emphasis was given on prevention and early detection of cancer particularly in rural areas. For this an amount of Rs 5 lakhs was being provided to set up atleast 3-4 cancer detection centres each having equipment worth Rs 1.30 lakhs approximately at sub-divisional level in the States.

(i) During test check of records, it was noticed that Central assistance of Rs 0.50 lakh was provided to Rajasthan Government in September 1988 for establishment of one early cancer detection centre at Ravindra Nath Tagore Medical College, Udaipur. Neither was any such centre established nor was any separate staff provided by the State government. No explanations were forthcoming.

(ii) It was further noticed that no cancer detection centres were opened at divisional level in Tamil Nadu though Government had released (March 1991) Rs 1.30 lakhs to each of the cancer detection centres for this purpose (April 1994).

In Madhya Pradesh no Central assistance for setting up of early cancer detection centre was allotted resulting in no such centres being established in the State except under the scheme of district projects for Morena and Bhind.

#### *9.1.7.4 Training of medical and paramedical staff*

Imparting training to medical/para-medical personnel/ staff was one of the important components of NCCP for detection of oral cancer in the early stages and for propagation of health education. Funds amounting to Rs 2 lakhs were being provided under the scheme for district projects. The training was to be organised jointly by Indian Council of Medical Research and Regional Cancer Centres.

During a test check of the records of 7 States (Assam, Haryana, Himachal Pradesh, Madhya Pradesh, Rajasthan, Orissa and Delhi) it was noticed that no training was arranged for medical/para-medical personnel. The reasons were mainly non-provision of funds/ staff - Haryana, Himachal Pradesh and Rajasthan while no reasons were stated in respect of Assam, Madhya Pradesh, Orissa and Delhi. In Tamil Nadu,



though the project contemplated training of medical and para-medical personnel, 53 per cent of para-medical staff in Cuddalore and 71 and 95 per cent of medical and para-medical staff respectively in Villupuram were yet to be trained.

#### *9.1.7.5 Palliative and pain relief measures*

One of the functions under NCCP was extension and strengthening of therapeutic services including pain relief on a national scale through RCCs and medical and dental colleges. Due importance was to be given to palliative and pain relief measures for terminal cases. Financial assistance of Rs 4 lakhs was being provided by the Government under the scheme for supply of oral morphine and other pain relief measures.

(i) A test check of the records of 5 States (Haryana, Orissa, Rajasthan, Madhya Pradesh and Tamil Nadu) showed that financial assistance for the purpose had been received only by Madhya Pradesh and Tamil Nadu. Though 3 beds were allotted for palliative treatment to terminal patients in the District Headquarters Hospital at Cuddalore in Tamil Nadu no beds were earmarked in the Villupuram Hospital. Further, no drugs like oral morphine were purchased and supplied as of February 1994 to the Headquarters hospital out of the allotted amount of Rs 4 lakhs. However, only 15 cases were treated at the hospital during 1993-94 utilising the 3 earmarked beds.

(ii) In Madhya Pradesh no palliative care ward was established so far at District Hospital, Bhind though such a ward with four beds was established in District Hospital, Morena in 1992-93. It was noticed that no patient of palliative care was admitted in the ward since no facilities for terminal care were developed. Further no supply of morphine tablets was made due to lack of demand from the CMHOs.

#### **9.1.8 Regional Cancer Centres**

Under the National Cancer Control Programme, Government of India recognised ten Regional Cancer Centres spread all over the country to work as nodal treatment centres. Financial assistance for purchase of equipment is provided in full to eight of these RCCs. Tata Memorial Hospital, Bombay receives grants from the Department of Atomic Energy and the assistance to Chittaranjan National Cancer

Institute, Calcutta is shared by the Central and West Bengal governments on proportionate basis.

During 1985-94 grants-in-aid to the tune of Rs 42.64 crores (Rupees.32.66 crores under plan and Rs 9.98 crores under non-plan provision) were released by Government of India as financial assistance for purchase of equipments.

During the course of test check of records of 3 States (Assam, Madhya Pradesh and West Bengal) it was noticed that equipments purchased with Central assistance were not put to use from 16 to 62 months due to delay in installation, delay in completion of building and lack of development of infrastructural facilities etc. The grant was also diverted for the purchase of equipment other than for which it was originally sanctioned, under-utilisation of installed capacity of the equipments, avoidable extra expenditure in purchase of equipment due to delay in taking timely action for procurement of "Not Manufactured in India" Certificate (NMIC) and custom duty exemption certificates etc., non-utilisation of the assistance fully and shortfall in the share of State government leading to non-fulfilment of terms of agreed financial pattern.

*9.1.8.1* Central assistance of Rs 12 lakhs was received by Dr.Baruah Cancer Institute, Guwahati, during 1987-88 for purchase of treatment planning system. The equipment which was received and installed in the Institute in March 1989 could not be put to use till May 1994.

(i) Against the grant of Rs 12 lakhs sanctioned during 1989-90 for the purchase of linear accelerator, the Institute after keeping the entire amount unutilised for three years, purchased a therapy simulator at a cost of Rs 58.34 lakhs in April 1992. The balance amount was met from other resources of the Institute. Ex-post-facto sanction for diversion of funds was yet to be obtained as of May 1994. The equipment was installed in August 1993 after a lapse of 16 months which was yet to be commissioned as of May 1994. The delay in installation and commissioning of the equipment was attributed to non-availability of components and delay in construction of building.



(ii) A review of the utilisation of two machines viz. selectron and ultra sound unit purchased and put to use by the Institute under the programme revealed that the capacity utilisation during the period from 1988 to 1993-94 varied from 1.83 to 15.8 per cent. The reasons for under-utilisation were not on record.

9.1.8.2 According to the agreed financial pattern, share of West Bengal is to be one third of the plan grants released by the Government of India for Chittaranjan National Cancer Institute. During 1989-94, Government of India released a grant of Rs 8.59 crores. Against its share of Rs 2.86 crores the State government contributed a sum of Rs 90.80 lakhs only. Shortfall in State government's share on this account worked out to Rs 1.95 crores.

The Institute procured in January 1993 a Theratron 780-C Tele cobalt machine at a cost of Rs 58.13 lakhs from Canada, the highest bidder through their Indian agent at Calcutta ignoring the lowest (Rs 44.73 lakhs) and the second lowest (Rs 46.76 lakhs) bidders without assigning any reason. This resulted in avoidable extra expenditure of Rs 13.40 lakhs.

9.1.8.3 Of the grants-in-aid for purchase of equipments received by CHRI Gwalior from the Government of India, unspent balances amounted to Rs 25.65 lakhs at the end of March 1994. While the entire amount of grant received was required to be utilised within a period of one year from the date of sanction, the utilisation of available funds ranged between zero to 82 per cent during 1985-94. The Director, CHRI Gwalior stated (August, 1994) that the grants were released on adhoc basis and were not commensurate with the cost of equipments included in the proposals of grant submitted to Government. Besides this, most of the equipments were not available in India and had to be imported, which has a long lead time. Due to these reasons grants could not be utilised within the stipulated time.

CHRI Gwalior placed orders on foreign firms in May 1988 and February 1991 for purchase of Treatment Planning System Unit (TPS) and Ultra Sound Scanner EUB-515 along with accessories and optional attachments at a cost of Rs 13.87 lakhs in

Netherland's currency i.e. 201050 guilders (1 NGL = Rs 6.90) and Rs 23.97 lakhs in Japanese currency respectively. The machines were received in December 1990 and May 1992 i.e. after 31 and 15 months respectively. The delay in receipt of machines was mainly due to late receipt of NMIC (Not manufactured in India Certificate) and CDEC (Custom Duty Exemption Certificate) which were applied for after the issue of supply order. During this period the Rupee had devalued in comparison to Guilder and Japanese Yen. Consequently, payment of Rs 22.35 lakhs for TPS and Rs 41.17 lakhs for Ultra Sound Unit was made through letter of credit. This resulted in extra payment of Rs 25.68 lakhs (Rs 8.48 lakhs and Rs 17.20 lakhs respectively). Had the formalities like obtaining of NMIC and CDEC been completed in time before placing the supply orders the extra payment could have been avoided.

#### **9.1.9 Survey on pattern of prevalence**

One of the aims of the National Cancer Control Programme was to study the pattern of prevalence and incidence of cancer in the country so as to devise appropriate early detection programme followed by a system of referral and treatment. During a test check of records of 8 States (Himachal Pradesh, Kerala, Karnataka, Rajasthan, Orissa, West Bengal, Uttar Pradesh and Tamil Nadu) it was noticed that survey on prevalence and incidence of cancer in the State was conducted only by the Tamil Nadu Government, which did not furnish any information on the subject.

Further, no funds were provided either by the State government or by Government of India. It was also noticed that an attempt was made by the Kidwai Memorial Institute in Karnataka during April 1992 to March 1993 to conduct survey regarding tobacco related cancer amongst randomly selected population of about 0.36 lakh persons the results of which were awaited (June 1994). Similarly 24 surveys/camps conducted from March 1989 to January 1994 by the oncology wing of RCC in Kerala, revealed 127 cancer cases out of 0.14 lakh persons who attended those camps instead of revealing any pattern of prevalence and incidence of cancer in the State.



### 9.1.10 Japanese Grant-in-Aid programme

Under the Japanese Grant-in-aid programme 15 whole body CT scanners costing Rs 17.04 crores were received and installed in 15 institutions with a view to provide diagnostic tool for early cancer detection and for assessment of extent of tumour and for proper treatment planning. Test check of records disclosed the following points :

#### 9.1.10.1 Delay in installation of CT scanners

In five States and one UT (Assam, Haryana, Rajasthan, Orissa, Uttar Pradesh and Chandigarh) the CT scanners were received in the hospitals/institutions which remained idle from 2 to 10 months due to their late commissioning for which no reasons were given in five out of seven cases as detailed below:-

**Table 9.1.10.1 : Delay in installation of CT scanners**

Sl No	Name of the State	Name of the Institution	Date of receipt of the scanner	Date of installation	Date of commissioning	Delay in commissioning	Reasons for delay
1.	Assam	Dr Baruah Cancer Institute, Guwahati	1991 (Exact date not intimated)	November/1992	November/1992		Due to the defective air conditioner
2.	Haryana	Medical college, Rohtak	7-6-1990	12-11-1990	23-12-1990	6 months	No reasons were intimated
3.	Rajasthan	Sawai Man Singh Hospital, Jaipur	17-5-1989	21-7-1989	21-7-1989	2 months	Non-completion of electrical fittings
4.	Orissa	AHRCCRTS Cuttack	June/1990	April/1991	--	--	No reasons intimated
5.	Uttar Pradesh	i) Kamla Nehru Memorial Hospital, Allahabad ii) King George Medical College,	Feb/1989 Feb/1986	Aug/1989 Dec/1986	Aug/1989 Dec/1986 Lucknow	6 months 10 months	-do- -do-
6.	Union Territory, Chandigarh	PGIMER, Chandigarh	30-4-1986	21-1-1987	5-2-1987	10 months	-do-

### 9.1.10.2 Under-utilisation of equipment

A test check of records in a few States revealed that the equipments (CT scanners) were not utilised optimally for screening the cancer patients. Under utilisation of equipments ranged from 15.27 per cent to 97.80 per cent as shown in the following table:

**Table 9.1.10.2: Under-utilisation of CT scanners**

Name of the Institution/ State	Screening capacity of the equipment	Year	Actual number of patients screened	Short fall in screening	Percentage shortfall per year
1. Dr B.Baruah Cancer Hospital, Guwahati (Assam)	3600 patients per year	1992-93 1993-94	79 346	3521 3254	97.80 90.38
2. Medical college, Rohtak (Haryana)	-do-	Dec/1990 to Feb/1994	7853	3847	32.88
3. AHRCCRTS, Cuttack (Orissa)	-do-	1991-92 1992-93 1993-94	827 3050 2815	2773 550 785	77.02 15.27 21.80

9.1.10.3 In Rajasthan, due to non-functioning of the CT scanner on 9 occasions (for 162 days) about 2270 patients remained deprived of the benefit during the period July 1989 to January 1994.

### 9.1.11 Grant-in-aid to Indian Cancer Society, Bombay

Under NCCP, Indian Cancer Society, Bombay is being given grants-in-aid to undertake a project on "Educational Aspect of Cancer Research and Treatment Programme"

(i) A project on Educational aspect of Cancer Research and Treatment Programme involving an outlay of Rs 1.50 crores submitted by a voluntary organisation was approved by the Ministry of Health and Family Welfare in 1986, initially for a period of three years, commencing from April 1986. The project period was subsequently extended upto March 1992.



Audit scrutiny revealed that the expenditure on the major components of the project were not adhered to by the voluntary organisation and the expenditure of Rs 86.29 lakhs on public education was 102 per cent in excess of the provision and the money spent did not make any appreciable impact on the public according to findings of a survey conducted during 1989-91.

(ii) Grants-in-aid to voluntary organisation cannot be diverted to a third party. It was however noticed in audit that Rs 71.59 lakhs out of Rs 86.29 lakhs on Public Education and Rs 3.67 lakhs meant for Research Survey were actually paid to a private party who was appointed as consultant.

(iii) As per the project report submitted in 1983-84 four mobile cancer detection centres one each for Bombay, Calcutta, New Delhi and Madras were provided at a total cost of Rs 35.66 lakhs (capital cost of mobile units :Rs 28.44 lakhs; recurring cost Rs 7.22 lakhs). The cost was further raised to Rs 54.69 lakhs in the revised estimated schedule submitted in 1986 which was approved by Government of India in December 1986. However, during actual implementation of the programme only two mobile cancer detection units costing Rs 22.67 lakhs were procured between January 1988 and March 1988 and supplied to Calcutta and New Delhi centres. While the centre at Bombay already had a mobile unit, the centre at Madras was not provided with a mobile detection unit.

#### **9.1.12 Voluntary organisations**

A scheme for providing financial assistance upto Rs 5 lakhs to voluntary organisations under the National Cancer Control Programme was introduced from the year 1990-91 for their involvement in the following areas:-

- (i) Health education activities particularly in the rural areas and urban slum of the country.
- (ii) Setting up of early cancer detection facilities and holding cancer detection camps.

Financial assistance of Rs 91.75 lakhs was released by the Government of India to 21 voluntary organisations in 8 States (including Union Territory of Delhi) during 1990-94. Test check of the records of the Ministry in this context revealed that neither was any utilisation certificate furnished by any voluntary organisation nor insisted upon by the Ministry. The Ministry was not in a position to ascertain whether the amount of financial assistance released to the voluntary organisations had actually been utilised for the purpose for which it was released as there was no mechanism evolved by it to keep a watch over its utilisation.

### **9.1.13 Monitoring and evaluation**

In order to monitor smooth implementation of the National Cancer Control Programme in the States, a State Cancer Control Board was to be constituted in each State. The function of the State Cancer Control Boards was to co-ordinate cancer control activities including health education, early cancer detection, diagnosis, treatment, rehabilitation and research and to work out the details of strengthening the existing infrastructure at different levels in terms of physical facilities, human resources, equipment and framing facilities. According to Government instructions, the State Cancer Control Board was required to meet atleast once in three months.

During a test check of records of 8 states (Assam, Himachal Pradesh, Haryana, Karnataka, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh), it was noticed that no system for effective co-ordination between the various agencies as well as monitoring the overall programme was evolved by the State governments at any stage. Although in 4 States (Himachal Pradesh, Karnataka, Orissa and Rajasthan) State Cancer Control Boards were constituted, they met once in the States of Karnataka and Orissa while no meeting was ever held by the Boards since their constitution in the States of Himachal Pradesh and Rajasthan. No Board or Committee was functional in Uttar Pradesh as of May 1994. No reasons for this non-observance of the government instructions for effective coordination and monitoring the programme were put forth by any of the States.



At the Central level, it was observed that no periodical returns/reports were prescribed to be furnished by the grantee institutions except a few annual reports from the Regional Cancer Centres received by the Ministry. Further, the National Cancer Control Board constituted in June 1986 held its meeting twice; first in October 1986 and then in February 1989. No meeting was held thereafter to follow up the various suggestions and recommendations made in the two meetings.

It was further noticed that NCCP was neither evaluated by any agency of the State nor Central government to ascertain the impact of the programme. However, one external review of the initial implementation of district cancer programme in the districts of Morena (Madhya Pradesh) and Dharwar (Karnataka) was conducted by a representative of WHO in February 1993 to assess whether the model was workable and that the project was on track and to make recommendations on indicators and information needs for programme assessment and monitoring. There were no indications that these pilot indicators were utilised to develop a monitoring and evaluation mechanism.

**9.1.14** The National Cancer Registry Project (NCRP) was initiated by the ICMR in 1981-82 by augmenting/establishing three Population Based Cancer Registries (PBCR) one each at Bombay, Bangalore and Madras and three Hospital Cancer Registries(HCR) at Chandigarh, Dibrugarh and Trivandrum. The current network of the NCRP has since been extended to six PBCRs and six HCRs. The NCRP was intended to collect data on the incidence of cancer.

Initially it was proposed to start hospital based registry in the Seventh Five Year Plan and later on expand to population based registry. It was accordingly decided in the first meeting of the State Cancer Control Board, Orissa held in June 1988 to take up the work of cancer registry in selected districts of the State. But it was noticed that no cancer registry had been started so far (May 1994). On inquiry, the reasons for non-starting of cancer registry were attributed to non-provision of adequate infrastructure like staff and office equipment.

#### *9.1.14.1 Avoidable extra expenditure*

Government of Uttar Pradesh sanctioned staff and funds (Rs 22 lakhs) simultaneously in March 1984 for purchase of a cobalt machine for installation in a building constructed at a cost of Rs 19.44 lakhs in 1982 at LLR Medical College Meerut. After finalisation of proceedings for purchase and installation the Medical College placed a supply order in March 1990 and the machine was received in the college at a cost of Rs 46.95 lakhs in October 1990. The unusual delay in completion of formalities for purchase and installation escalated the cost of machine and the college had to incur extra expenditure of Rs 26.45 lakhs on the purchase of the cobalt machine. Besides the new building constructed at a cost of Rs 19.44 lakhs also remained unutilised for about 9 years.

*9.1.14.2* Government of Uttar Pradesh sanctioned Rs 1.30 lakhs to BRD Medical College, Gorakhpur (Rs 0.63 lakh) and Medical College, Jhansi (Rs 0.67 lakh) during the year 1985-86 to 1986-87 to purchase equipment for establishment of cancer detection centres in their medical colleges. While BRD Medical College, Gorakhpur did not purchase the equipment though it drew the money in March 1986, the equipment purchased by Medical College, Jhansi has not been put to use since the date of purchase (March 1988) due to non-availability of an air conditioned room. The money drawn by BRD Medical College, Gorakhpur was lying in a personal ledger account as of April 1994.

#### **9.1.15 Summing up**

While Government of India released funds to the State governments and grantee institutions which was much below the budgetary provision the State governments failed to utilise the funds partly because the grants were not commensurate with the cost of equipments and also because the State governments could not create the infrastructure and provide other requisite facilities in the medical colleges and Regional Cancer Centres resulting in the poor implementation of the programme.



- Despite accelerated funding during the Eighth Plan, newly introduced schemes like district projects, development of oncology wings in selected medical colleges/hospitals, involvement of voluntary organisations in the programme for health education and early detection of cancer did not take off as projected.

- The scheme of Oncology wings for selected hospitals and medical colleges was expected to augment the availability of cancer therapy in the country and to fill up the geographical gap in the cancer treatment facilities in the country. The geographical gap could not be reduced to the extent envisaged as the oncology wings could not be set up as of May 1994. Even at the sub-divisional level, no significant work could be done in the selected districts. The early cancer detection centres failed to make any significant impact in the rural areas.

The draft review on National Cancer Control Programme was issued to the Ministry of Health and Family Welfare (Department of Health) in November 1994 for confirming facts and figures mentioned therein but no reply has been received (January 1995).

## **9.2 Government Medical Store Depot, Calcutta**

### **9.2.1 Introduction**

The Government Medical Store Depot, Calcutta (MSD) is under the Medical Stores Organisation of the Ministry of Health and Family Welfare and is administered through the Directorate General of Health Services (DGHS). The main functions of MSD are to procure and supply medicines, surgical instruments and other medical stores required by Central Government indentors including Central Government Health Scheme (CGHS), Director Health Services (DHS) - Andaman and Nicobar Islands (ANI).

MSD maintains stock of about 18000 varieties of stores comprising various items in common medical and related use. It has also a chemical testing laboratory to ensure quality of drugs purchased from the suppliers.

### **9.2.2 Organizational set up**

MSD is headed by an Assistant Director General who is assisted by a Deputy Assistant Director General.

### **9.2.3 Scope of Audit**

The working of MSD for the years 1989-94 was reviewed in Audit between June and August 1994.

### **9.2.4 Highlights**

- **There were inordinate delays in compilation of proforma accounts. Proforma accounts for the years 1985-86 onwards had not been prepared so far (December 1994). As a result, the working results of MSD viz., sales, profit and loss, outstanding amount owed by indentors etc. were not available or verified. Long delays in compilation of these accounts impaired managerial control.**
- **MSD failed to supply a large number of items indented. The supply ranged from 53 to 62 per cent.**
- **Despite the Public Accounts Committee recommendation that local purchase should be scaled down to the minimum, local purchases constituted 88 to 100 per cent of total annual purchases during 1989-94. Further, there was an avoidable expenditure of Rs 29.07 lakhs in two cases of local purchase.**
- **In spite of repeated supply of sub-standard drugs, offending firms were not black-listed. Sub-standard drugs so received were issued to indentors. An amount of Rs 8.22 lakhs being cost of sub-standard drugs remained unrecovered.**
- **While a large number of indents could not be met there was over-stocking of medicines worth Rs 7.13 lakhs.**



- Medicines in stock worth Rs 1.64 crores became life expired' between March 1980 and January 1994.
- MSD sustained loss of Rs 33.32 lakhs for short-receipt by the indentor.
- MSD procured banned drugs worth Rs 5.85 lakhs.

#### 9.2.5 Proforma Accounts

There were inordinate delays in compilation of proforma accounts. Proforma accounts for the years 1985-86 onwards had not been prepared so far (December 1994) The dates on which the proforma accounts for the years 1978-79 onwards were prepared, are indicated below:

**Table 9.2.5: Delay in compilation of proforma accounts**

Year of Accounts	Date on which prepared
1978-79	August 1981
1979-80	December 1982
1980-81	January 1985
1981-82	October 1990
1982-83	February 1992
1983-84	January 1993
1984-85	October 1993
1985-86 onwards	Not yet prepared

Long delays in compilation of proforma accounts rendered managerial control ineffective. In the absence of proforma accounts for the years 1985-94 the working results of MSD viz., sales, profit and loss, outstanding amount owed by indentors etc. for the last ten years could not be verified.

#### 9.2.6 Supply of medical stores

The position of demand and supply of medical stores during the last three years is as detailed below:

**Table 9.2.6 : Demand and supply of medical stores**

Year	Number of indents received	Number of indents filled	Number of items indented	Number of items supplied	Percentage of items supplied	Value of sale against indents (Rs in crores)
1989-90	Details not made available to Audit					
1990-91			-do-			
1991-92	541	541	12247	7646	62.43	14.46
1992-93	929	929	6452	3496	54.18	28.38
1993-94	755	755	7194	3837	53.34	31.09

It would emerge from the above table that the percentage of items supplied had been declining progressively.

### 9.2.7 Purchase

The MSD manual allows local purchase of stores only in case of emergency like a natural calamity or procure items not covered under centrally placed orders and to maintain minimum stock level.

Considering the fact that local purchase is generally costlier as compared to purchase through a centralised agency like Director General, Supplies and Disposals (DGSD), the Public Accounts Committee in paragraph 1.25 of its 103rd Report (Fourth Lok Sabha) had recommended that efforts should be made to scale down local purchase to the minimum. But such local purchase by MSD constituted 88.26 to 99.61 per cent of total annual purchase during 1989-94 as detailed below:

**Table 9.2.7 : Local purchases by MSD**

(Rupees in lakhs)

Year	Total purchase	Purchase through DGSD	Local purchase	Percentage of local purchase (%)
1989-90	1344.11	157.75	1186.36	88.26
1990-91	1475.06	5.68	1469.38	99.61
1991-92	1308.08	109.85	1198.23	91.60
1992-93	2525.41	72.83	2452.58	97.12
1993-94	2950.09	101.69	2848.40	96.55

Accepting the facts, MSD stated in December 1994 that local purchase had to be made as obtaining DGHS approval for purchase was a lengthy process. The reply is



not tenable as Government rules and procedures were prescribed after taking into account all relevant factors like lead time.

*9.2.7.1 Avoidable expenditure on local purchase*

(i) The formulary of medicines of CGHS, a major indenter of MSD had certain proprietary medicines having the same ingredient of formulation or composition as a bracketed or alternative drug. The procedure prescribed requires inquiries be made for selecting the lowest rate among the rates of other bracketed/alternative drugs listed in the formulary. A test check of records revealed that MSD procured 474650 capsules "Macox plus - 450 mg" "Not Included in Vocabulary" (NIV) of Medical Store from a firm at a cost of Rs 28.52 lakhs through a local purchase at a rate substantially higher than the rate of another alternative capsule R-cinex - 450 mg having the same composition resulting in avoidable expenditure of Rs 10.86 lakhs. MSD stated in December 1994 that this medicine had to be procured as it was specifically demanded by the indenter. The reply is not tenable as the composition of the capsule Macox was comparable to capsule R-cinex which was cheaper.

(ii) MSD had been procuring bleaching powder in polythene packs or in drum containers to meet the demand of indentors. The cost of a drum container was substantially higher than the polythene pack. During the years 1991-94, MSD purchased 782 MT of bleaching powder packed in drums at a cost of Rs 52.65 lakhs though there was no specific demand for drum packing. Procurement of bleaching powder in drum packing resulted in avoidable expenditure of Rs 18.21 lakhs. MSD stated in December 1994 that in most of the cases bleaching powder was purchased as emergency requirement only. Hence, nature of packing as readily available was purchased and supplied. However, there was no record available with MSD to show that the bleaching powder was purchased in emergency cases only. The fact remains that there was no mechanism with MSD for periodical assessment of the requirement as a result of which MSD had paid extra for the bleaching powder.

## 9.2.8 Sub-standard medicines

9.2.8.1 Firms supplying sub-standard drugs were required to be removed from the list of suppliers and all concerned were to be informed of the decision. Test check of records revealed that medicines supplied by some pharmaceutical firms were found sub-standard on testing. In spite of repeated supply of sub-standard drugs, MSD continued to place supply orders on these firms instead of blacklisting the errant firms. A few cases are detailed below:

- (i) During October-November 1991, MSD procured paracetamol tablets valuing Rs 0.48 lakh from a firm. The medicine failed the test. Four more orders valuing Rs 1.92 lakhs were placed on the same firm between July 1992 and August 1993 for supply of various medicines.
- (ii) In January 1992, MSD placed an order on a firm for supply of 'pectilin suspension'. The drug received in June 1992 was found to be sub-standard. MSD placed further orders on the firm in July 1992, March and April 1993 and procured drugs valuing Rs 1.43 lakhs in June 1993.
- (iii) Vitamin-C tablets procured from a firm in May 1992 were found sub-standard on testing. MSD placed five more orders on the firm for supply of medicines during December 1992 and procured Vitamin-C tablets valuing Rs 0.50 lakh in January 1993.
- (iv) Medicines Ampicillin mixture procured by MSD in September 1991 from a firm were found sub-standard. MSD placed six more supply orders on the firm between March 1992 and July 1993 and procured medicines valuing Rs 2.86 lakhs during April 1992 - November 1993.
- (v) Penadryl expectorant supplied to MSD by a firm in May 1992 was found sub-standard during testing. MSD placed three more supply orders on the firm during 1992-93 and procured various medicines valuing Rs 0.47 lakh in August 1992.



(vi) A drug procured from a firm in June 1993 was tested and found sub-standard. MSD placed two more orders on the firm during 1993-94 and procured drugs valuing Rs 0.96 lakh during July 1993 and January 1994.

MSD stated in December 1994 that de-registration is done at DGHS level and MSD does not have any power of de-registration of firms supplying sub-standard medicines. The fact remains that MSD had been procuring sub-standard medicines due to non-deletion of their names from the list of suppliers.

9.2.8.2 MSD purchased locally 270000 capsules of TIX (NIV) valuing Rs 13.06 lakhs from a firm during August-October 1991. The medicine was issued to DHS, ANI and seven other indentors between December 1991 and May 1992.

Samples of the medicine supplied to DHS, ANI were tested by the Central Drugs Standard Organisation, Eastern Region which reported that the medicine was sub-standard in quality and was not fit for human consumption. Consequently, MSD issued a circular to all the indentors in September 1992 for suspending the issue of the medicine and returning it to them. But by that time, the entire batch of the medicine had been issued and consumed by the indentors. MSD, however, recovered Rs 4.84 lakhs being the cost of one lakh capsules supplied to DHS. ANI instead of recovery of Rs 13.06 lakhs being cost of 2.70 lakhs capsules from the firm.

MSD stated in August 1994 that as no complaint was received from other indentors, recovery of cost of 1.70 lakhs capsules was not made. The fact remains that cost of sub-standard drugs worth Rs 8.22 lakhs remained unrecovered from the supplier.

9.2.8.3 MSD purchased locally 175400 tablets of unienzyme MPS from a firm at a cost of Rs 0.72 lakh in August 1992. Samples of these batch of medicine were tested in October 1992 and the medicine was found sub-standard. Before receipt of the test report, the entire stock of sub-standard medicine had been issued to the indentors.

### **9.2.9 Overstocking**

MSD had been procuring medicines without assessing the actual requirement. This resulted in excess procurement of medicines. Some cases noticed in test check are detailed below:

(i) As on 1 April, 1986 the stock of progesic tablets was 2.27 lakhs. During the year 1986-87, MSD placed four separate orders on a firm for supply of eight lakhs tablets. During the years 1986-91, only 0.54 lakh tablets were issued. As a result, 9.73 lakhs tablets worth Rs 2.23 lakhs remained unused and eventually got 'life expired'.

(ii) Though MSD had a stock of 7.24 lakhs 'Crampin' tablets, 2.99 lakhs more tablets were procured in October 1989. As there was no demand and the medicine was not required to meet needs of indentors, the life of 9.53 lakhs tablets worth Rs 3.06 lakhs expired in October 1991.

(iii) MSD, without assessing the requirement, purchased 23.95 lakhs 'Winsprin' tablets during August-October 1988. The stock was not exhausted even in two years resulting in life expiry of 9.67 lakhs tablets worth Rs 1.74 lakhs in September 1990. Accepting the facts, MSD stated in December 1994 that the matter was being pursued with the suppliers to adjust the cost of these stores.

### **9.2.10 Life expired medicines**

There was a provision in contracts made with the firms for periodical replacement of life expired medicines. But no action was initiated to exchange such stocks. Some illustrations are given below:

(i) 280 items of different categories of medicines worth Rs 1.36 crores purchased between July 1975 and August 1991 became life expired between March 1980 and January 1994 but MSD could not ensure replacement of these items by the firm. No recovery was effected from the bills for subsequent supplies. MSD stated in December 1994 that efforts were being made to get replacement of these items from the suppliers.



(ii) Five items of different categories of medicines worth Rs 15.94 lakhs were returned by the indentors as these were not indented. These medicines had become life expired. MSD stated in December 1994 that these items were supplied on firm demand. However, no records were available with MSD to show that these were indented.

(iii) In May 1990, MSD despatched nine items of diagnostic kit/antigen valuing at Rs 0.72 lakh to DHS, ANI. On their receipt in August 1990, the stores were sent back as these were either life expired or had short balance of life. The stores were lying unused and life expired. Accepting the facts, MSD stated in December 1994 that expiry of shelf life occurred due to refusal by DHS, ANI to accept these items.

(iv) As per MSD manual, Not in Vocabulary (NIV) items were not be stocked. It was noticed that 36 items of medicines worth Rs 11.46 lakhs became life expired as these were not indented by the dispensaries due to deletion of their names from formulary. Accepting the facts, MSD stated in December 1994 that the situation was beyond their control in view of deletion of these items from formulary. Thus, these items were procured without proper verification, with the result that these could not be utilised and became life expired.

#### **9.2.11 Loss of medicines**

DHS, ANI is a major indenter of MSD. MSD prefers claims in the form of priced issue vouchers for the supplies against indents placed by DHS.

Test check revealed that during 1987-91, DHS deducted an amount of Rs 33.32 lakhs from the issue vouchers for short receipt of items. Reasons for short receipt of the medicines were not investigated by MSD nor was any claim preferred for the loss. This resulted in loss of Rs 33.32 lakhs.

It was also noticed that on two occasions during 1991-93, DHS made a further deduction of Rs 9.35 lakhs from the issue vouchers without assigning any reasons. MSD neither investigated the reasons for deductions nor took any action for realisation of the amount. Accepting the facts, MSD stated in December 1994 that the matter was being pursued vigorously and further development would be intimated to Audit in due course.

## 9.2.12 Banned drugs

Government of India, Ministry of Health and Family Welfare prohibits the manufacture and sale of certain categories of drugs from time to time on the grounds that the use of these drugs based on research data of hazards and therapeutic justification.

Test check revealed that some of the drugs banned by notifications of December 1990 and February 1991 were procured by the MSD as detailed below:

**Table 9.2.12 : Procurement of Banned Drugs**

Sl No.	Drug banned	Date of procurement	Quantity (bottles)	Value (Rs in lakhs)	Quantity issued
1.	Fixed dose combination of salbutamol or any other bronchodilator with centrally acting anti-tussive and/or anti-histamine	May 1991	588	0.36	Full
2.	-do-	July 1992 & Jan. 1994	1000 1000	0.19	Full
3.	Fixed dose combination containing more than one anti-histamine	Dec. 1991	4996	0.75	Full
4.	Fixed dose combination containing pectine and/or kaoline with any drug which is systemically absorbed from GI tract except for combination of pectine and/or kaoline with drugs not systemically absorbed.	June 1991 & Aug. 1991	4000 1710	0.34	Full
5.	Liquid oral tonic preparations containing glycerophosphates and/or other phosphates and/or other central nervous system stimulant and such preparations containing alcohol more than 200 proof.	Feb. 1991	985	0.43	Full
6.	Fixed dose combination of sedatives/hypnotics/anxiolytics with analgesic antipyretics	Nov. 1991 Aug. 1994	513900 tablets	3.78	Full
				<b>5.85</b>	



The audit review was reported to the Ministry in October 1994; their reply is awaited (December 1994).

### 9.3 Follow up on Audit Reports

The Lok Sabha Secretariat issued instructions (April 1982) to all the Ministries requesting them to furnish notes indicating remedial/corrective action taken by them to the Ministry of Finance (Department of Expenditure) on the various paragraphs, contained in the Audit Reports, as soon as they were laid on the Table of the House, duly vetted by Audit.

A review of the position regarding receipt of Action Taken Notes on the paragraphs included in the various Audit Reports upto the period ending 31 March 1993 revealed that the Ministry has not submitted (December 1994) the remedial/corrective Action Taken Notes on the following paragraphs in spite of repeated instructions.

**Table 9.3 : Corrective Action on Audit Reports**

Audit Report Number & Year	Paragraph Number	Subject
1 of 1988	24	Non-installation of X-Ray Plant.
1 of 1990	2	Central Government Health Scheme.
--do--	4	Construction of nurses hostel in Safdarjung Hospital
--do--	8	Temporary mis-appropriation of hospital receipts
11 of 1991	40	Construction of building (Central Council for Research in Unani Medicine)
6 of 1992	1.1	Follow up on Accounts
--do--	1.2	Adjustment to be made in Finance Accounts
6 of 1992	1.5	Management failure in realising insurance claim.
--do--	1.7	Irregular purchase of drugs.
6 of 1993	1.2	Unplanned procurement.
11 of 1993	10	Avoidable expenditure (National Institute of Homoeopathy, Calcutta)
2 of 1994	1.1	Family Welfare Programme
--do--	1.2	Irregular payment of House Rent Allowance to nurses occupying hostel accommodation
--do--	1.3	Time expired medicine in medical stores depot.
--do--	1.4	Blocking of funds due to non- functioning of a medical equipment

The matter was reported to the Ministry in November 1994; their reply is awaited (December 1994).

## CHAPTER X

### Ministry of Human Resource Development (Department of Education)

#### 10.1 Improvement of Science Education in Schools

##### 10.1.1 Introduction

The Government of India launched a Centrally sponsored Scheme for Improvement of Science Education in Schools' in the last quarter of 1987-88. The objective was to improve the quality of science education and scientific temper in the schools as set out in the National Policy on Education (1986).

The components of the Scheme were:

- i) providing science kits to upper primary schools;
- ii) upgradation and strengthening of science laboratories in secondary and higher secondary schools;
- iii) library assistance to secondary and higher secondary schools;
- iv) setting up of District Resource Centres for science education for teachers training and development of instructional material etc. and
- v) training of science and mathematics teachers.

##### 10.1.2. Organisational set up

The Ministry of Human Resource Development (Department of Education) is responsible for overall administration and budgetary control of the Scheme at the Central level. At the State level the Directorate of School Education or the designated nodal department of the State government is responsible for coordination and implementation of the Scheme.

The Education Departments in the State/UT Administrations are the implementing agency for this Scheme. Voluntary or other non-Government organisations are also involved in the programme.



### **10.1.3 Scope of Audit**

The review of the Scheme is based on test check of the records of Department of Education and the State units responsible for implementation of the Scheme for the period 1987-88 to 1993-94.

### **10.1.4 Highlights**

- **Against the grant of Rs 163.79 crores, released during the years 1987-94, Rs 116.05 crores were spent for the implementation of the Scheme, leaving an unspent balance of Rs 47.74 crores.**

**(Paragraph 10.1.5)**

- **Rs 13.99 crores provided for the implementation of the Scheme were not spent but contrary to financial instructions, Rs 6.75 crores were kept in personal deposit accounts in Rajasthan, West Bengal and Andhra Pradesh. In Karnataka a sum of Rs 3.88 crores was kept in personal ledger account and an amount of Rs 90.57 lakhs was kept in deposit at call in two States.**

**(Paragraph 10.1.7)**

- **Out of 152954 upper primary schools, 69287 schools were identified for provision of science kits upto 1993-94. Only 37316 schools were assisted under the Scheme.**

**(Paragraph 10.1.9)**

- **Out of 69580 secondary and higher secondary schools, 30286 schools were identified for supply of science equipments but only 20920 schools were assisted.**

**(Paragraph 10.1.9)**

- **Against 30197 schools selected for supply of library books 23054 schools were covered.**

**(Paragraph 10.1.9)**

- Central assistance of Rs 2.10 crores was given to six States for providing science kits. The states had only utilised an amount of Rs 58 lakhs. In Bihar, Rs 48 lakhs was provided for science kits but no amount was utilised.

(Paragraph 10.1.10.1)

- In Uttar Pradesh, an investment of Rs 53.74 lakhs on provision of science kits to 3081 upper primary schools remained unutilised as teachers were not trained to handle them.

(Paragraph 10.1.10.4)

- In nine States, no survey was conducted to identify the deficient laboratories. In Rajasthan survey was done of only ten per cent of the schools. In Andhra Pradesh, survey was not conducted though the questionnaires were designed.

(Paragraph 10.1.11.1)

- In four States equipments worth Rs 35.82 lakhs were lying idle due to non-establishment of laboratories.

(Paragraph 10.1.11.2)

- In ten States equipments worth Rs 1.37 crores were either lying unused or not distributed to schools.

(Paragraph 10.1.11.3)

- In Madhya Pradesh, Manipur, Tamil Nadu and Andhra Pradesh excess/avoidable expenditure of Rs 5.40 crores was incurred due to purchase of items at higher rates or items purchased in excess.

(Paragraph 10.1.11.4)

- Infertuous/irregular expenditure of Rs 1.49 crores due to purchase of equipments which were either not according to the specifications or were not



required by the schools was noticed in Tripura, West Bengal, Orissa, Punjab and Maharashtra.

(Paragraph 10.1.11.9)

- In Uttar Pradesh, allotment for furniture which included steel items of furniture amounting to Rs 2.04 crores was made to schools without labs.

(Paragraph 10.1.11.9)

- In Bihar, during 1989-90, books worth Rs 68.64 lakhs were purchased but revised syllabus as per NPE 1986 was introduced only in 1993. Thus, the expenditure proved to be largely unfruitful.

(Paragraph 10.1.12.4)

- In seven States books worth Rs 60 lakhs were lying undistributed with the Education Department.

(Paragraph 10.1.12.5)

- Non-utilisation of extra copies/English books worth Rs 43.40 lakhs which were supplied to 1275 schools was noticed in Orissa.

(Paragraph 10.1.12.8)

- In eight States/UTs which included Bihar, Gujarat, Haryana and Madhya Pradesh, District Resource Centres were not opened and no training programmes were conducted.

(Paragraph 10.1.13.1)

- In twenty one States, there was no mechanism for monitoring the progress of the implementation of the scheme. Quarterly progress reports had not been prepared since the inception of the Scheme. Moreover no evaluation of the programme had been done by the States.

(Paragraph 10.1.16)

### 10.1.5 Financial arrangements

This is a Centrally sponsored scheme under which 100 per cent financial assistance is provided by the Government of India to the State government/Union Territory Administration for approved purposes. The assistance was conditional on the States undertaking the responsibility for maintenance and refurbishing of laboratories and libraries after these were brought to the desired standard with Central assistance. Funds were to be released on the basis of proposals submitted by the State governments. The funds released by the Government of India and expenditure incurred by the States during the period 1987-88 to 1993-94 was as follows:-

**Table 10.1.5.1 : Grants and Expenditure**

Year	Amount released by the Central Government	Expenditure incurred by States	<i>(Rupees in crores)</i>
			Savings (-) Excess (+)
1987-88	29.15	9.47	(-) 19.68
1988-89	28.98	25.30	(-) 3.68
1989-90	21.20	19.93	(-) 1.27
1990-91	20.33	10.44	(-) 9.89
1991-92	18.18	12.37	(-) 5.81
1992-93	24.50	15.73	(-) 8.77
1993-94	21.45	22.81	(+) 1.34
<b>Total*</b>	<b>163.79</b>	<b>116.05</b>	<b>(-) 47.74</b>

\* State-wise break-up is given in the Appendix X.

Grants were not fully utilised in most of the States. Seven States (Andhra Pradesh, Haryana, Karnataka, Orissa, Jammu & Kashmir, Rajasthan and Tamil Nadu) accounted for savings of Rs 30.43 crores. The shortfall in utilisation of funds by the States/Union Territories against the grants released by the Ministry is summarised below:-



**Table 10.1.5.2 : Shortfall in Utilisation of Funds**

Shortfall in utilisation of funds	States
Upto 25 per cent	Gujarat, Goa, Himachal Pradesh, Kerala, Maharashtra, Manipur, Mizoram, Meghalaya, Sikkim, West Bengal, Andaman & Nicobar, Chandigarh, Dadra & Nagar Haveli & Pondicherry.
26 to 50 per cent	Assam, Bihar, Karnataka, Madhya Pradesh, Orissa, Tamil Nadu, Rajasthan and Uttar Pradesh.
51 to 75 per cent	Haryana, Jammu & Kashmir, Tripura & Delhi

Shortfall in the utilisation of Central assistance was attributed by the States mainly to the late release of funds by Central government, delay in processing and finalisation of tenders for purchase of integrated science kits, laboratory equipments, library books, delay in supply of material by the firms and State governments not releasing the full amount of grants to the nodal agencies.

#### 10.1.6. Release of funds towards the end of financial year

The major portion of the funds under the Scheme were released to the States almost at the very end of the year as shown in the table below:-

**Table 10.1.6 : Funds released towards the end of year**

*(Rupees in crores)*

Year	Total release during the year	Funds released during February	Funds released during March	Percentage of 3 & 4 to total release
1	2	3	4	5
1987-88	29.15	-	6.57	22.54
1988-89	28.98	2.03	8.06	34.81
1989-90	21.20	2.70	0.62	15.66
1990-91	20.33	-	2.00	9.84
1991-92	18.18	7.58	6.98	80.09
1992-93	24.50	9.79	4.07	56.57
1993-94	21.45	5.38	9.31	68.48

The funds could not be utilised by the States during the same financial year due to late release of funds. This resulted in slow progress and faltering implementation of the Scheme.

#### 10.1.7. Diversion of funds

Funds were released each year to the States for providing science kits to upper primary schools, laboratory equipments and library books to secondary and higher secondary schools under the Scheme. It was noticed in seven States that a sum of Rs 13.99 crores was kept in nationalised banks or spent on items not envisaged in the scheme as shown below:

**Table 10.1.7 : Diversion of funds**

*(Rupees in lakhs)*

Name of State	Amount involved	Remarks
1. Rajasthan	630.82	An amount of Rs 573.45 lakhs received during 1990-91 and 1991-92 was transferred to personal deposit account of the SIERT and a sum of Rs 57.37 lakhs was spent on the purchase of items (sports material, utensils, computers) which were not a part in the Scheme.
2. Karnataka	388.26	An unspent balance of Rs 388.26 lakhs had been held in a personal ledger account for periods ranging from 11 to 39 months in the name of Commissioner of Public Instruction.
3. West Bengal	252.17	An unspent balance of Rs 252.17 lakhs was kept in different accounts like personal deposit: Rs 61.84 lakhs, current account: Rs 127.95 lakhs and deposit at call receipt: Rs 62.38 lakhs.
4. Punjab	50.53	Rs 56.09 lakhs were drawn during 1987-94 for purchase of science kits to upper primary schools. Out of this, Rs 50.53 lakhs were kept in current accounts.
5. Andhra Pradesh	40.00	An unspent balance of Rs 40 lakhs was transferred to Personal Deposit Account of APREIS in November 1991.
6. Mizoram	28.19	During 1993-94, Rs 28.19 lakhs which were sanctioned by the Government of India were kept out of the Government account as deposit at call.
7. Madhya Pradesh	9.00	Rs 9 lakhs were kept in savings bank accounts with nationalised banks and out of this, Rs 8.38 lakhs were diverted for expenditure on purchase not sanctioned by Government of India.
<b>Total</b>	<b>1398.97</b>	



### **10.1.8 Expenditure incurred in excess of grant**

In Punjab, Rs 12.57 crores were released by the Government of India during 1987-94 against which an expenditure of Rs 13.07 crores was incurred. Reasons for excess expenditure of Rs 50.63 lakhs were not intimated by the State Government.

### **10.1.9 Physical performance**

The Scheme contemplated supply of science kits to all Government and Government-aided upper primary schools, covering one third of these annually. The total number of Government and Government-aided upper primary schools in 23 States and 6 Union Territories upto 1993-94 was 1.53 lakhs. Out of this, only 69287 schools were identified to provide science kits upto 1993-94 but only 37316 schools were actually assisted under the Scheme. The reasons for shortfall in achievement were mainly due to:

- (i) Non-supply/short supply of kits by the agencies
- (ii) Non-distribution of science kits
- (iii) Kits distributed to ineligible schools
- (iv) Funds were not fully utilised by the State governments

Out of 50248 and 19332 Government and Government-aided secondary and higher secondary schools in 23 States and 6 UTs upto 1993-94, 30286 schools were identified for supply of science equipment (5384 schools for new labs and 24902 schools with inadequate labs) by the State and UT governments. But only 20920 schools (2684 for new labs and 18236 for inadequate labs) were actually assisted. 30197 schools were selected for supply of library books but only 23054 schools were actually covered. The reasons for shortfall in achievement were attributed to:

- (i) delay in supply of science equipment and science books
- (ii) improper distribution of science equipment and science books
- (iii) Non-utilisation of grants by the State governments

#### 10.1.10. Provision of science kits to upper primary schools

National Council for Educational Research and Training (NCERT) has developed integrated and grade science kits for States/UTs. Local agencies and non-government organisations had also developed a composite science kit which was also considered suitable for schools.

**Table 10.1.10 : Targets and achievements;  
supply of science kits to schools**

Year	Target	Achievement	Percentage
1987-88	21930	5931	27
1988-89	11131	7235	65
1989-90	6402	8143	127
1990-91	9033	7575	84
1991-92	8571	377	04
1992-93	10475	2844	27
1993-94	1745	5211	299
<b>Total</b>	<b>69287</b>	<b>37316</b>	<b>54</b>

##### 10.1.10.1 Non-procurement of science kits by the States

Central assistance of Rs 2.10 crores was given to six States to procure science kits for upper primary schools. The States utilised only an amount of Rs 0.58 crore leaving an unspent balance of Rs 1.52 crores. Punjab, Bihar and Madhya Pradesh accounted for savings of Rs 124.49 lakhs. In Bihar, Rs 48 lakhs was provided to purchase science kits for 3000 upper primary schools but funds were not utilised at all.

##### 10.1.10.2 Delay in supply of science kits

In Tamil Nadu, the science kits, developed by NCERT, comprising of 90 items of equipment, 24 chemicals and 18 items of glassware, were to be supplied to the upper primary schools. The cost per kit was fixed at Rs 1200 for 1987-88 and 1988-89, Rs 1600 for 1990-91 and Rs 2000 for 1991-92. It was observed by Audit that the payment for supply of science kits was made at the rates prescribed by Government, though only 35 per cent items of kits were supplied resulting in undue benefit to the suppliers. Though science kits were supplied to 3056 schools, no training was imparted to upper primary teachers for proper utilisation of the science kits. Further, an advance payment of



Rs 30.03 lakhs was made in March 1993 to a co-operative society for supply of kits to 2002 upper primary schools but no supply had been made by the society as of May 1994.

In Kerala, an amount of Rs 1.34 crores including Rs 38.37 lakhs for integrated science kits for 2699 schools was given as advance to Kerala State Co-operative Consumer Federation upto March 1991, in three phases, without stipulating the period of supply. The list of items to be included in the science kits was issued to them only in May 1992. However, no purchase orders had been issued to KSCCF as of March 1994.

In Meghalaya, an advance of Rs 4 lakhs was paid to NCERT for supply of 200 science kits at Rs 2000 each. Only 66 science kits valuing Rs 1.32 lakhs were received from NCERT (January 1994) and the remaining 134 kits valued at Rs 2.68 lakhs are yet to be received (May 1994).

#### *10.1.10.3 Non-receipt of material*

In Orissa, it was noticed in audit that out of 1000 schools stated to have been supplied with science kits by a firm, only 445 acknowledgements and supply challans were available. The receipted challans or acknowledgements in token of delivery of 555 science kits valuing Rs 6.66 lakhs were not available.

#### *10.1.10.4 Non-utilisation of science kits*

In three States, 634 science kits (Punjab: 358 kits, Mizoram: 210 kits and Meghalaya: 66 kits) were purchased during different periods, but only 234 kits were distributed to upper primary schools. The remaining 400 kits were lying idle with the Directorate of Education of these States.

In Jammu & Kashmir, the Director of School Education Jammu had observed in July 1992 that in most of the schools science kits had not been opened and were lying in stock. Further, out of 593 integrated science kits purchased against the target of 1517, only 451 kits were distributed and the remaining 142 kits were lying in stock as on February 1994.

In Uttar Pradesh, an investment of Rs 53.74 lakhs on provision of science kits to 3081 upper primary schools so far (June 1994) remained unproductive as teachers supposed to handle these kits were not trained.

In Manipur, it was noticed that though the Department distributed 209 kits during 1990-91 and 1991-92. 100 schools could not use the kits as the science teachers posted in the schools were not trained for the task, students and teachers of 5 schools were not aware of the purpose of the kits and in 85 schools the kits were damaged.

#### *10.1.10.5 Irregular distribution of science kits*

During the test check of records it was noticed that 84 science kits (Punjab: 25 kits, Himachal Pradesh: 13 kits and Madhya Pradesh: 46 kits) which were meant for upper primary schools were issued to secondary and higher secondary schools.

In Rajasthan, 301 iron boxes (value Rs 0.84 lakh) and 338 science kits (value Rs 2.53 lakhs) out of 556 meant for upper primary schools in Udaipur district were issued to secondary/higher secondary schools which were not eligible for science kits under the Scheme.

#### *10.1.10.6 Accounting of science kits*

In Mizoram, during test check of records it was noticed in audit that during 1991-92, science kits which were procured for 71 middle schools for Rs 1.42 lakhs were neither taken into stock nor entered in the distribution register.

#### *10.1.10.7 Short supply of science kits to schools*

In Kerala, out of 89 upper primary schools test checked, 46 schools had stated that they had not received items ranging from 1 to 62 included in the list but full payment was made to the suppliers. The failure on the part of the State government department to ensure that all the items in the kit were received in good condition for which payments were made resulted in avoidable expenditure which had not been assessed.



#### *10.1.10.8 Excess payment made to a firm*

In Orissa, a firm was given the purchase order @ Rs 1100 per kit box to 1000 upper primary schools for delivery at school level. After supply of 206 kit boxes at school level, the firm represented to the Director of Secondary Education to supply the science kit boxes at District Inspector of Schools level ( on the ground of non-availability of address of upper primary schools, also that some schools were not connected by approach roads and some schools were no longer existed).

The firm had also undertaken to bear transportation charges from District Inspector of School level to the respective schools without specifying any amount for transportation. The firm was eligible to get Rs 980 per kit box plus sales tax, etc. But actual payment was made to the firm @ Rs 1100 plus sales tax etc. without deduction of transportation charges. The firm further supplied 324 kit boxes to District Inspector of Schools @ Rs 1100 plus 12 per cent (for sales tax). At Rs 980 per kit box for supplies block level the firm was entitled to Rs 12.04 lakhs but it had received a sum of Rs 13.51 lakhs from the Director of Secondary Education. Thus, there was an excess payment of Rs 1.47 lakhs to the firm.

#### *10.1.10.9 Prescribed norms not followed*

NCERT designed the integrated science kit consisting of 132 items intended for upper primary schools and a list of items constituting the science kit and the list of suggested activities was furnished by NCERT to State governments.

In Andhra Pradesh, SCERT reduced the items in the science kits from 132 (prescribed by NCERT) to 107 keeping in view the teachers and syllabus in vogue limiting the cost of a kit to Rs 1600. In three districts (Prakasam, Nellore and Guntur) science kits containing 25 to 84 items were procured and supplied to the schools, resulting in a partial coverage of the integrated science kit concept.

#### *10.1.10.10 Purchase of Science Kits at higher rates*

The rate for procuring NCERT science kits during 1987-88 was Rs 1200 per kit. But science kits in three states (Mizoram, Himachal Pradesh and Gujarat) were purchased at higher rates. In Mizoram, 100 kits were purchased at the rate of Rs 2262.

In Himachal Pradesh, 342 kits were purchased at the rate of Rs 1846 per kit and in Gujarat, against 488 kits, only 405 kits were purchased at the rate of Rs 1600 per kit. This resulted in an extra expenditure of Rs 4.89 lakhs.

In Uttar Pradesh, a firm in Delhi had offered to supply the kits at quoted rates viz Rs 1467.60 per kit to 2289 upper primary schools but the tenders were cancelled on technical grounds in March 1990 inspite of the availability of funds. Science kits were purchased @ Rs 1742 per kit at retendered rates from the same firm. Thus, the purchase of 2289 kits (November 1990) at a higher rate of Rs 274.40 per kit resulted in avoidable expenditure of Rs 6.28 lakhs.

#### **10.1.11 Upgradation and strengthening of science laboratories in secondary and higher secondary schools**

Assistance was to be provided under the Scheme for upgrading laboratories in all government and government-aided schools to the optimum level. Assistance to each school was restricted to the extent it lacked such equipments with reference to the standard list prepared by NCERT or the State Board of Secondary Education. The State governments/Union Territory Administrations were to conduct a survey to determine the existing deficiencies. It was the responsibility of the States/UTs to ensure availability of teachers and laboratory space before claiming the assistance from the Central government. The State governments/UT administration were also expected to give an undertaking that adequate funds for repair/ replacement would be provided on a continuing basis.

The year-wise targets and achievements of the component are given below in the table.



**Table 10.1.11 : Targets and Achievements ; Upgradation of Laboratories***(Numbers)*

Year	New labs.		Upgradation of existing labs.	
	Target	Achievement	Target	Achievement
1987-88	720	404	5990	2431
1988-89	1794	1163	3065	3375
1989-90	367	293	2630	4407
1990-91	606	377	3362	2743
1991-92	1429	61	2859	1044
1992-93	340	88	4756	1967
1993-94	128	298	2240	2269
<b>Total</b>	<b>5384</b>	<b>2684</b>	<b>24902</b>	<b>18236</b>

*10.1.11.1 Survey*

It was noticed by Audit that in nine states (Himachal Pradesh, Gujarat, Mizoram, Goa, Bihar, Tripura, Orissa, Jammu & Kashmir and Tamil Nadu) no survey was conducted to identify the deficient laboratories for supply of equipments in accordance with the master list prepared by NCERT.

In Punjab, no survey was conducted except in Patiala and Ropar. In the absence of survey, 2794 schools were provided at the uniform scale of Rs 25000/30000 meant for upgradation of existing science laboratories, notwithstanding the fact that the schools without any laboratories were eligible for the assistance of Rs 75000/90000.

In Maharashtra, survey of laboratories was conducted but data regarding deficiencies in the school laboratories could not be produced to audit.

In Andhra Pradesh, surveys to assess the requirement of equipments for each school to ensure availability of desired number of teachers and adequate laboratory space were not conducted though questionnaires were designed for finding out the physical facilities.

In Rajasthan, survey of only ten per cent schools was done in phase I thereafter no survey was conducted.

#### *10.1.11.2 Non-establishment of laboratories*

State governments and Union Territories did not provide for teachers and laboratory space before claiming Central assistance as is shown in cases listed below:

In Himachal Pradesh, laboratories in 15 schools for which assistance amounting to Rs 8.06 lakhs had been provided during 1987-89 had not been established for want of accommodation.

In Assam, science equipments valued at Rs 4.44 lakhs remained unutilised for want of laboratories and furniture.

In West Bengal, 22 schools could not put to use equipment valued at Rs 8.32 lakhs for want of accommodation for laboratories.

In Punjab, laboratory equipments and material worth Rs 15 lakhs were lying with 60 schools for want of laboratories in three districts namely Bhatinda, Ludhiana and Patiala.

#### *10.1.11.3 Equipment lying idle*

In Punjab, due to lack of coordination between schools and District Education Office, Amritsar, equipments/apparatus worth Rs 69.75 lakhs received during October, 1993 were not issued to 279 schools. Audit test checks in nine States (Himachal Pradesh, Madhya Pradesh, Karnataka, Rajasthan, Manipur, Kerala, Bihar, Tamil Nadu and Haryana) showed that science equipments and laboratory chemicals worth Rs 67.58 lakhs were either lying unused or not distributed to the schools.

#### *10.1.11.4 Excess expenditure as against the provision*

In Madhya Pradesh, against the admissibility of Rs 25000 per school for upgradation of science laboratories, an order for supply of science equipments for 650 secondary/higher secondary schools at Rs 75000 was placed. This resulted in excess expenditure of Rs 2.21 crores over and above the financial norms.



In Manipur, a perusal of purchase records showed that scientific equipments/chemicals valuing Rs 4.36 lakhs were purchased by the State government department in excess over limits set by the selection committee during 1990-91.

In Tamil Nadu, for supply of laboratory equipments to 1204 schools selected in 1988-89, Small Industries Development Corporation (SIDCO) placed orders with 38 suppliers, based on the samples of a particular supplier and the rates approved by the committee. It was observed that though the rates quoted by 9 out of 38 suppliers were less than the rates approved by the committee, orders were placed at higher rates which were in excess by 140 to 400 per cent. There were no recorded reasons for the approval of higher rates. The purchase of equipments at higher rates resulted in avoidable expenditure to the tune of Rs 73.24 lakhs.

Further, Director of School Education (DSE) placed orders with 14 societies for supply of equipments to 1591 schools selected during 1990-92. DSE was purchasing the same equipments from M/s SIDCO at "rate-contract" rate under other State schemes. On comparison of rates quoted by the societies with the rates of SIDCO, it was observed that the rate accepted for supply of equipment by the societies were in excess by 123 to 1032 per cent. This resulted in extra committed liability of Rs 150.18 lakhs on the purchase orders in respect of 141 items.

The penalty of Rs 5.96 lakhs collected by Small Industries Development Corporation (SIDCO) for delays in supply by the manufacturers was retained by SIDCO instead of crediting it to Government account.

Supply of two compound binocular microscopes and one overhead projector to higher secondary schools contrary to guidelines, resulted in avoidable expenditure of Rs 51.24 lakhs. Test check also revealed that schools having projectors supplied under the State Scheme were also supplied projectors under the Central Scheme. Supply of two demonstration tables and 10 wooden stools as alternative items which were not contemplated under the Scheme resulted in avoidable expenditure of Rs 17.18 lakhs.

In Andhra Pradesh, new labs in Nellore district were supplied with thrice the quantity of items purchased for upgradation of labs. This resulted in procurement exceeding the requirements prescribed by NCERT/SCERT by Rs 19.71 lakhs. Similarly, material to the extent of Rs 3.16 lakhs was purchased in excess of the required quantity in Mehboobnagar district.

*10.1.11.5 Purchase procedure not followed*

In Goa, lack of centralised system of purchase of laboratory equipments resulted in non-availability of competitive rates. Moreover the procedure for procurement of material by calling for tenders was not followed. Purchase of laboratory equipments was left to the choice of the school contrary to Central directions.

In Punjab, chemicals valued at Rs 48.58 lakhs were injudiciously purchased from a firm in Delhi without inviting open tenders by treating the firm as a sole manufacturer, notwithstanding the fact that the chemicals had no special characteristics and could not be legitimately termed as proprietary items.

*10.1.11.6 Lack of planning*

In Maharashtra, compulsory purchase of 4 lab equipments by all the secondary schools and 13 lab equipments by all the higher secondary schools had resulted in duplication of equipment available with some schools. Instead of identifying the schools to be assisted after undertaking a survey the State government based its proposal on estimated number of schools. This resulted in saving of Rs 75.08 lakhs out of funds received for the upgradation of laboratories.

*10.1.11.7 Prescribed norms not followed*

In Himachal Pradesh, norms for providing assistance were not followed. During 1988-89 to 1992-93, an amount of Rs 172.50 lakhs was provided for establishment of new laboratories in 230 schools @ Rs 75,000 per school. Instead of providing Rs 75000 various amounts between Rs 80000 and Rs 1 lakh were provided to 92 schools. Lesser amounts were provided to 272 schools ranging between Rs 10000 and



Rs 54000. Assistance in excess of norms provided to 92 schools worked out to Rs 10.40 lakhs and assistance below the norms was Rs 109.35 lakhs.

Similarly, Rs 1.21 crores were provided during 1988 to 1993 for strengthening the laboratories of 484 schools @ Rs 25000 per school. In 169 schools, assistance was provided @ Rs 35000 and in 328 schools were provided with amounts ranging between Rs 10000 and Rs 20000. Assistance in excess of norms worked out to Rs 16.90 lakhs and assistance less than prescribed norms worked out to Rs 24.77 lakhs

In Pondicherry, eleven articles viz. video cassette recorder, triangular research microscope, binocular microscope, dot matrix printer valued at Rs 3.72 lakhs though not included in the proposed list of NCERT were purchased and supplied to the schools.

In Maharashtra, assistance for upgradation of science laboratories to secondary schools during 1988-89 was reduced from Rs 20000 to Rs 18206 per school. Standard list of science equipments for secondary and higher secondary schools was not developed by the Board of Secondary/ Higher Secondary Education or State Council for Educational Research and Training.

In Manipur, during the years 1989-90 to 1992-93 the State government Department purchased science equipments/chemicals valuing Rs 7.20 lakhs which were neither listed by NCERT nor by State Board of Secondary Education.

#### *10.1.11.8 Accounting of equipment*

In Punjab, equipments valued at Rs 1.70 lakhs were found unaccounted for in their stock registers in three districts (Bhatinda, Ludhiana and Patiala).

In Haryana, out of 136 schools test checked, 77 schools produced the stock register. As per their stock register non/short accountal of science material supplied during May 1992 to March 1993 valued at Rs 1.06 lakhs was noticed in 50 schools.

In Chandigarh, science material costing Rs 1.38 lakhs stated to have been distributed to 16 schools by the DEO, Chandigarh was not found accounted for in the books of schools.

#### *10.1.11.9 Infructuous/Irregular Expenditure*

In Tripura and West Bengal equipments worth Rs 6.92 lakhs were supplied to the schools which could not be used by the schools because the equipments were either not according to specifications or were not required by the schools.

In Orissa, science material worth Rs 30 lakhs supplied to 75 science colleges who were already in possession of the equipments, resulted in duplication of the items.

Payment was made to the firms for supply of equipments to 130 schools for Rs 24.87 lakhs without receipt of challans. The firms have not supplied equipments to 36 schools although payments had been received in full.

In Punjab, equipments/ material valued at Rs 10.18 lakhs were also supplied to 86 schools of Bhatinda, Ludhiana and Patiala districts which were already in possession of adequate stocks. Moreover chemicals valued at Rs 22.95 lakhs were issued to 2104 high schools though these were not within the syllabus and there were cases of duplicate issue of equipments/material valued at Rs 11.75 lakhs to 47 schools in Bhatinda and Ludhiana.

In Maharashtra, expenditure of Rs 41.86 lakhs incurred on the purchase of 7695 beam balances by secondary schools during 1988-89 was unfruitful as these were not required upto tenth standard.

In Uttar Pradesh, allotment for furniture which included steel items of furniture amounting to Rs 2.04 crores was made to labless schools out of Central assistance of Rs 429.40 lakhs.

#### *10.1.11.10 Provision of maintenance and repair*

In Maharashtra, no separate fund was provided for repair/replacement of equipment provided under the Scheme. The schools were asked to meet the expenses on this account from 12 per cent non-salary grant.

In five States (Manipur, West Bengal, Punjab, Rajasthan and Gujarat), the provision for adequate funds on continuing basis for repair and replacement of



unserviceable equipments was not provided by the State governments since inception of the Scheme.

#### 10.1.12 Library assistance to secondary and higher secondary schools

In view of the importance of reference books and supplementary readers for upgrading standard of education a one time library grant of Rs 15000 upto 1992-93 (Rs18000 since 1993-94) was given to each school to enable them to purchase about 500 new volumes in different subjects. The States/UTs. were to contact the publishers and work out arrangements for translation and printing of selected books in the required regional language.

Year-wise targets and achievements of library assistance to secondary & higher secondary schools are given below.

**Table 10.1.12 : Targets and Achievements; Library Assistance**

Year	Target	Numbers (%)	
		Achievement	Percentage
1987-88	8221	3705	45
1988-89	5822	6800	117
1989-90	1726	2822	163
1990-91	3698	2869	78
1991-92	4179	1179	28
1992-93	4445	1971	44
1993-94	2106	3708	176
<b>Total</b>	<b>30197</b>	<b>23054</b>	<b>76</b>

##### 10.1.12.1 Prescribed norms not followed

Punjab: Teachers in the State up to the high school was in Punjabi and the Scheme had specifically provided that at least 50 per cent of the books purchased should be in the regional language. The purchase of books in Punjabi during 1989-90 to 1991-92 ranged between 31 and 47 per cent only. In 325 libraries, no student was issued a single book in English which constituted 24 to 49 per cent of the books purchased during 1989-90 to 1992-93.

In Mizoram, Maharashtra, West Bengal, and Manipur very few books were supplied in the regional language. It was also noticed in some of these States that the books were not the ones suggested by NCERT. While in Jammu & Kashmir books were supplied in excess of the norms in six districts. In Himachal Pradesh, the supply of books was below the norms.

#### *10.1.12.2 Excess/short supply as against requirement*

In Punjab, scrutiny by Audit revealed that 106 sets of books valued at Rs 15.90 lakhs were issued to the Director of Public Instruction (Schools) in excess of the requirement of Amritsar District. Further, the District Education Officer, Amritsar, had issued 300 sets to 235 schools including double issue of 65 sets valued at Rs 9.75 lakhs.

In Jammu & Kashmir, 45 schools (36 Secondary and 9 higher secondary) of Doda and Udhampur district already covered in the first two phases were once again provided books during the third phase. Library books worth Rs 12.31 lakhs were supplied in excess of prescribed norms in six districts.

#### *10.1.12.3 Books supplied to non-eligible schools*

In Punjab, 21 sets of science books had been issued to non-eligible schools. This resulted in irregular expenditure of Rs 3.15 lakhs and undue financial aid to private schools in contravention of the provision of the Scheme. In Karnataka, an amount of Rs 2.26 lakhs was spent for supply of library books to 15 Teachers Training Institutes which were not covered under the Scheme. In Jammu & Kashmir, books valued at Rs 5.93 lakhs meant for secondary and higher secondary schools were issued to five Zonal Education Officers of Udhampur District for distribution among primary and upper primary schools.

#### *10.1.12.4 Infructuous/extra expenditure*

In Bihar, text books purchased during 1989-90 incurring an expenditure of Rs 68.64 lakhs were obsolete. Revised syllabus as per NPE 1986 was introduced only in 1993. Books purchased were not according to the revised syllabus. Thus the expenditure proved to be largely unfruitful.



According to the guidelines circulated by the Ministry for any school only one copy of every title was to be purchased. However, in Tripura during 1991-93, it was observed that in violation of the provisions 22523 copies were supplied to 78 schools against 6146 copies resulting in extra expenditure of Rs 4.28 lakhs on 16377 surplus copies.

In Maharashtra, irregular grant of assistance during 1988-89 separately to secondary and higher secondary divisions in 15 colleges having combined library had resulted in overpayment of grant of Rs 2.05 lakhs.

In Punjab, supply of 2405 reference books to some of the schools in excess against the orders of the Director of Public Instruction (DPI) resulted in unfruitful expenditure of Rs 2.84 lakhs. In 363 high schools of Punjab, 3 costly books (Discovering chemistry Rs 480, Modern chemistry Rs 287 and Science for Today Rs 231 each) in English medium purchased by DPI at a cost of Rs 3.62 lakhs were issued to the schools but during test check in none of the 325 schools in four districts were these books issued to the students.

In Karnataka, in 73 high schools/higher secondary schools test checked, books in English worth Rs 8.97 lakhs were not issued to students as the medium of instruction in these schools was not English. As a result 22000 students studying in these institutions were deprived of the benefits provided under the Scheme.

In West Bengal, during test check of 4 districts it was seen that books supplied were of higher standard for secondary students. Thus, these books could not serve the purpose for which they were procured.

In Tamil Nadu, payment for Tamil books at the rates quoted by the suppliers without adopting the page-price formula resulted in an extra expenditure of Rs 1.14 lakhs and Rs 4.46 lakhs respectively for supplies made to schools selected in 1987-88 and 1988-89. There was an infructuous expenditure of Rs 11.14 lakhs due to supply of text books of higher secondary schools to secondary schools. There was also wasteful expenditure of Rs 1.85 lakhs due to supply of an atlas of 1981 vintage with obsolete statistical data.

Further, the supply of 5 titles of low priced editions of foreign books instead of original edition and supply of photocopies of books of 12 titles instead of original books resulted in unintended benefit of Rs 0.88 lakh and Rs 3.78 lakhs respectively to the publishers. The supply of books printed in India but claimed in foreign currency resulted in extra expenditure of Rs 2.71 lakhs.

There was an unintended benefit of Rs 6.34 lakhs by allowing a discount of 15 to 20 per cent by the suppliers as against 25 per cent allowed to public libraries and allowing of 5 per cent instead of 7.5 per cent to State Text Book Corporation.

Reduction of discount rate by the Director of Secondary Education (DSE) to all the suppliers from 25 to 15 per cent though only 10 out of 22 suppliers asked for reduction resulted in an extra expenditure of Rs 9.51 lakhs by purchase at discount rate of 15 per cent as against 20 per cent agreed to by 32 suppliers resulted in over payment of Rs 1.02 lakhs.

In Madhya Pradesh, non-deduction of commission at prescribed rate from the bills of suppliers of science books resulted in overpayment of Rs 1.16 lakhs in three out of five districts test checked.

In Orissa, excess payment of Rs 2.71 lakhs was made to two firms (Orissa Text Book Bureau and Prachi Prakasam) as a result of non-deduction of discount on books.

Irregular payment of Rs 1.17 lakhs was made to a firm in Orissa without challans in support of supply of books.

In Uttar Pradesh, a sum of Rs 28.61 lakhs was overpaid to publishers of science books as State government commission @ 33.5% was not deducted.

In two districts of Uttar Pradesh, irregular expenditure on the purchase of double sets of science books amounted to Rs 1.82 lakhs in the second phase.

In four out of 12 test checked districts, five sets of nationalised text books on science were to be purchased per school. Purchase of more than 5 sets of text books, text



books by private authors, text books on arts subjects accounted for an expenditure of Rs 4.31 lakhs.

*10.1.12.5 Non-distribution of books*

(a) In Punjab, in test check of records of 4 districts it was noticed that science text books meant for use of teachers & poor students were not supplied to 302 (70%) of high schools and higher secondary schools and 91 sets of books costing Rs 13.65 lakhs were lying undistributed.

(b) In Assam, 72320 science reference books were lying in the store for a period ranging from one year to more than 3 years. The value of books lying in the store worked out to Rs 22.43 lakhs.

(c) In Jammu & Kashmir books valued at Rs 9.02 lakhs were lying undistributed with the Director School Education.

(d) Audit test checks in Madhya Pradesh, Karnataka, Manipur and Tamil Nadu disclosed that books worth Rs 14.93 lakhs were lying undistributed.

(e) In Tamil Nadu, test check revealed that books valued at Rs 17.24 lakhs, not related to science subjects were purchased.

(f) In Bihar, Karnataka, Jammu & Kashmir and Chandigarh books valuing Rs 4.81 lakhs were not accounted for.

*10.1.12.6 Non-utilisation of extra copies/English books*

In Orissa, a list of books with extra volumes was approved by the Purchase Committee to be supplied to 1000 schools in the first phase and 275 schools in the second phase. From the test check of records of Police High School, Phulbari it was noticed that 310 title of books containing extra volumes of 343 books were supplied. The copies supplied ranged from 2 to 5 copies per school. The total additional copies valued at Rs 3404 per school were supplied after incurring an expenditure of Rs 34.04 lakhs in the first phase and Rs 9.36 lakhs in the second phase, resulting in a infructuous expenditure of Rs 43.40 lakhs for 1275 schools as the books supplied were in English.

### **10.1.13 Setting up of District Resource Centres for science education (DRECSE)**

District Resource Centres for science education (DRC), were to be established in each district where the District Institutes of Education & Training (DIET) were not in a position to attend to the urgent need of improving science education for upper primary, secondary and higher secondary level, to look after the job of training of teachers in science and mathematics and also to take up other activities for promotion of science education. Financial assistance upto a maximum of Rs 1 lakh was admissible for creation of necessary facilities in the DRECSE. Against the target of setting up 256 centres from 1987-94, 127 centres were established.

*10.1.13.1* In eight States and Union Territories (Bihar, Gujarat, Haryana, Madhya Pradesh, Meghalaya, Delhi, Dadra & Nagar Haveli and Lakshadweep) District Resource Centres were not opened and no training programmes were conducted.

#### *10.1.13.2 Infructuous/excess expenditure*

In Rajasthan, for each District Resource Centre, the cost of micro computer was restricted to Rs 17,000. The Director purchased (March 1989) 10 micro computers at the rate of Rs 0.79 lakh each one for the Institute of Advance Studies in Education, Bikaner (IASE) which was not covered under the Scheme and nine for District Resource Centres. This resulted in excess expenditure of Rs 6.20 lakhs on purchase of 10 computers.

In Tamil Nadu, placing of orders with the cooperative societies at rates higher than the rates of Small Industries Development Corporation for similar items resulted in additional commitment of Rs 2.70 lakhs.

In Orissa, material worth Rs 4.67 lakhs was supplied to 5 colleges for establishment of DRC during January 1991 and April 1992 but no programme was started.



### *10.1.13.3 Equipments lying idle*

In Mizoram, Jammu & Kashmir, Karnataka, Tamil Nadu, Manipur, Rajasthan, Punjab and Andaman & Nicobar Islands science equipments and instructional material worth Rs 24 lakhs was lying in the centres test checked by audit. In Uttar Pradesh training facilities credited at a cost of Rs 36 lakhs remained grossly under utilised.

### **10.1.14 Training of Science and mathematics teachers**

Teacher's training programme was to be coordinated by NCERT. NCERT was to organise workshop for orientation of officials at the State level and training to key persons and resource persons and for preparation of guidelines/syllabi and instructional material. Moreover NCERT was to coordinate training programme of about 3 weeks for science and mathematics teachers of higher secondary schools in about 500 summer institutes.

In 23 States and 6 Union Territories against the target of training 2.23 lakh upper primary teachers only 29652 were trained during 1987-94. For secondary and higher secondary teachers also the number of teachers trained was less than ten per cent of the training targets for 1987-94. While in eleven States and Union Territories (Assam, Gujarat, Goa, Haryana, Maharashtra, Meghalaya, Manipur, Punjab, Tripura, Delhi and Dadra Nagar Haveli) no training programmes were organised. In Uttar Pradesh, no training programmes were held for upper primary school teachers and training programme suffered due to lack of financial contribution by the State government. The percentage of teachers trained was low in Sikkim and West Bengal. In Tamil Nadu, no training was organised for upper primary school teachers and for the other two categories the number of teachers trained was far below the targets. Himachal Pradesh Government did not organise training courses for six District Resource Centres and in Kerala hardly any training programmes were organised. However, in Jammu & Kashmir, Karnataka, Orissa, Rajasthan and Madhya Pradesh the number of teachers trained were significantly higher than in other States. In Andhra Pradesh, the material prepared for integrated science kits had not been printed and supplied to the teachers.

Of the 26488 resource personnel to be trained only 1305 (5 per cent) were imparted training. The shortfall was mainly due to non-sanction of funds by the State governments towards daily allowance and travelling allowance to the trainees and also due to indifferent functioning of District Resource Centres in most of the States.

#### **10.1.15 Other points of interest**

In Kerala, as per the terms of agreements with the purchasing agents 3 per cent of the cost of materials supplied has to be paid to them as service charges. The cost of integrated science kits, laboratory equipments and library books supplied to the upper primary and high schools was Rs 4.42 crores. Such charges for the above expenditure amounted to Rs 13.26 lakhs. However, the Scheme did not have any provision for payment of service charges. This had to be borne by the State government.

In Andhra Pradesh, SCERT, had drawn Rs 30.85 lakhs during the period 1989-94 the entire amount was lying unadjusted.

#### **10.1.16 Evaluation and monitoring**

The Central Government was to take steps for "summative evaluation" of implementation of the Scheme at the end of the plan period through NCERT (or other institutions). The State governments/Union Territory Administrations were also expected to have a "summative evaluation" of the Scheme to ensure that the intended benefits were obtained. Quarterly progress reports on implementation of the Scheme were to be furnished in the prescribed form by the State/Union Territory Administrations to the Ministry of HRD at the end of June, September, December and March every year.

In 21 States/UTs (Rajasthan, Haryana, Mizoram, Uttar Pradesh, Punjab, Himachal Pradesh, Sikkim, Goa, West Bengal, Assam, Maharashtra, Gujarat, Bihar, Tamil Nadu, Orissa, Tripura, Meghalaya, Kerala, Manipur, Dadra Nagar Haveli and Pondicherry) no mechanism existed for monitoring the progress of the implementation of the Scheme from the grass root level. Even the quarterly progress report had not been prepared since the inception of the Scheme. Moreover no evaluation of the programme had been done although the Scheme was being implemented for the last seven years.



In Madhya Pradesh, the Scheme was monitored only upto september 1990 and in Jammu & Kashmir, no progress report had been submitted except once in July,1992.

In Andhra Pradesh, SCERT designed a questionnaire to assess the level of implementation of the Scheme and sent the same to the districts where the Scheme was being implemented. Experts of SCERT visited two districts only. Assessment of proper implementation of the Scheme was not done in the remaining 21 districts.

In Karnataka, the Department was sending quarterly progress reports to Government of India indicating physical and financial progress but they were not monitoring the implementation of Scheme. The State government arranged for project evaluation study through Deputy Director of public institution and Assistant Education Officer during 1993. The Department did not finalise the evaluation report due to non-receipt of information from officers.

For study and collection of data on evaluation of the Scheme a team from the Regional College of Education, Bhubaneshwar selected ten schools and conducted the study in March 1993. The report was not available with the Directorate of Education.

The Ministry of HRD set up a Committee in January, 1992 for evaluation of the Scheme. In addition, all the Nodal officers of the States and UTs were coopted as members of the Committee for the respective regions. The report covers the implementation of the Scheme for the period 1987-92 in 25 states and 7 Union Territories.

The major findings are given below:-

Analysis by the Committee indicated that kits, laboratory equipments and books had not reached all the schools covered under the Scheme. The major effort of the States/UTs during the first five years of the implementation of the Scheme was spent on deciding the modalities of procurement and distribution of items to individual schools. Setting up of DRCs was given low priority by the States and implementation of the teachers training programme was poor.

The quality of science kits and laboratory items was generally poor. Some of the items were fragile and were not sturdy and suitable for repeated use. The quality of many items was not upto the standard and also the supplies were not need based in many cases.

The poor utilisation of science kit items and laboratory equipments was mainly due to lack of training of teachers for effective use and integration of the kit/equipment in the classroom instruction.

Analysis of curriculum and text books of many States showed that necessary changes had not been made in the syllabus or the text book to accommodate the use of kits, laboratory equipment and books supplied under the Scheme.

#### **10.1.17 Conclusion**

Audit findings generally confirm the evaluation made by the committee appointed by Government of India. The schools identified for providing science kits were less than fifty per cent of the existing schools while the supply of science kits was made to even less than 55 per cent of the identified upper primary schools, the position being marginally better for secondary schools. Another major component of the scheme related to training of teachers; during the last seven years less than 12 per cent teachers could be trained. Test checks by Accountants General in States showed that funds received from Central government were not utilised. Since the training was not given to teachers it is doubtful whether the science kits could have been put to optimal use. Cases relating to purchase of equipments at higher rates, equipments not according to specifications were also noticed in many States. The overall picture which emerges after seven years of the implementation of the scheme is that the objective of strengthening science Education in schools is not likely to be achieved in the near future.

The above points were referred to the Ministry in December 1994. Their response is awaited (January 1995).



## 10.2 Follow up on Audit Reports

The Lok Sabha Secretariat issued instructions (April 1982) to all the Ministries requesting them to furnish notes indicating remedial/corrective action taken by them to the Ministry of Finance (Department of Expenditure) on the various paragraphs, contained in the Audit Reports, as soon as they were laid on the Table of the House, duly vetted by Audit.

A review of the position regarding receipt of Action Taken Notes on the paragraphs included in the various Audit Reports upto the period ending 31 March 1993 revealed that the Ministry has not submitted (December 1994) the remedial/corrective Action Taken Notes on the following paragraphs in spite of repeated instructions.

**Table 10.2 : Corrective Action on Audit Reports**

<b>Audit Report Number &amp; Year</b>	<b>Paragraph Number</b>	<b>Subject</b>
11 of 1992	8	Consultancy work
--do--	12	Irregular grant of medical benefits
1 of 1993	7.6	Injudicious and irregular payment of grant-in-aid
--do--	7.7	Injudicious release of grant-in-aid resulting in idling of funds.
11 of 1993	14	Regional Engineering College, Warangal
--do--	16	Unauthorised payment of patient care allowance.
--do--	19	Overpayment of Rs 1.99 lakhs due to incorrect fixation of pay.
--do--	21	Blocking of funds.
2 of 1994	3.4	Operation Black Board.
11 of 1994	8	Failure to avail of interest facility
--do--	9	Purchase of sub-standard paper.
--do--	10	Avoidable expenditure on purchase of equipment.

Contd ⇨

Audit Report Number & Year	Paragraph Number	Subject
11 of 1994	11	Extra expenditure on the purchase of Helium Liquifier.
--do--	12	Procurement of a computer.
--do--	13	Purchase of a defective Helium Liquifier plant.
--do--	14	Construction of Students Activity Centre.
--do--	15	Irregular payment of bonus.
--do--	16	Idle equipments.
--do--	17	Payment of city compensatory allowance
--do--	18	Infructuous expenditure on salary of librarians.
--do--	19	Infructuous expenditure due to purchase of unsuitable X-Ray generator.
--do--	20	Short recovery of electricity and water charges.
--do--	21	Idle outlay.

The matter was reported to the Ministry in November 1994; their reply is awaited (January 1995).



## **Department of Youth Affairs and Sports**

### **10.3 National Bharatiyam 1989**

#### **10.3.1 Introduction**

Bharatiyam is a Sports and Physical Fitness movement aimed at promoting mass participation of young children in "Sports for all" and "Physical fitness for all" programmes. The main objective was to create health and physical fitness and to make gymnastics popular among youth in the age group of 8 to 14 years. It was developed on the lines of mass sports activities of East European countries like Russia, Germany, Yugoslavia, Czechoslovakia, Romania, Bulgaria, where this programme is called SPARTAKIAD and includes a mass physical fitness display once every 4 years.

To mark the conclusion of Nehru Centenary Celebrations, Government of India, Ministry of Human Resource Development decided in November 1986 to conduct Bharatiyam 1989, in Delhi on 14 November 1989, under the ægis of Sports Authority of India (SAI) and Lakshmbai National College of Physical Education (LNCPE) Gwalior sponsored by Department of Youth Affairs and Sports (Department). SAI constituted an "Empowered Committee" in May 1989 which was ratified as the "Special Organising Committee" (SOC) for Bharatiyam 1989 by the Ministry of Human Resource Development in September 1989.

#### **10.3.2 Organisational set-up**

The Chairman of SOC was the head and in-charge of the Bharatiyam programme. The Committee also had a Vice-chairman and 8 other members who were responsible for ensuring the implementation of the event. Nine separate committees namely Finance Committee, Resource Committee, Accommodation, Transport and Catering Committee, Programme Committee, Media and Publicity Committee, and Security and Traffic Committee, Co-ordination Committee and Stadia Committee had been constituted for proper execution of the business of SOC.

### 10.3.3 Scope of Audit

A firm of Chartered Accounts appointed by SOC to compile and check the accounts had submitted a detailed report to SOC in July 1992. The accounts of SOC for the period from 6 August 1989 to 31 January 1992, including the systems for purchases and works, were reviewed in Audit during June-November 1994 in the office of SAI which was the custodian of the records after the close of the Bharatiyam programme. The results of audit (Audit Inspection Report on Bharatiyam 1989) have been sent to the Ministry in December 1994. The main points arising out of this audit inspection are reproduced here.

### 10.3.4. Financial Management

SOC was financed by grants from Government of India. Besides this, SOC also received funds/contributions and donations from States/UTs and Public Sector Undertakings (PSUs). SOC received grants from the Government of India totalling Rs 2.33 crores and Rs 1.96 crores from States/UTs and PSUs, during 1989-90. In addition, SOC received Rs 35.77 lakhs from SAI. The total expenditure incurred on the event was Rs 4.45 crores. The budget and expenditure on the programme during September 1989 to January 1992 were as follows:

**Table 10.3.4 : Budget and Expenditure**

*(In lakhs of rupees)*

Sl No	Head of account	Budget outlay (revised)	Expenditure	Variation (%)
1.	Board and Lodging	62.28	216.06	246.92
2.	Transport and refreshments	92.87	90.44	2.61
3.	Technical equipment	30.00	16.48	45.07
4.	Costumes/shoes/placards	72.74	72.69	0.06
5.	Media and publicity	10.00	12.95	29.50
6.	Miscellaneous expenditure	56.80	36.28	36.13
<b>Total</b>		<b>324.69</b>	<b>444.90</b>	<b>37.02</b>



The budget was not approved by the Ministry and the grants were sanctioned and released by diverting funds available with it for other purposes.

SOC was not an autonomous body, a registered society, a Government department or a subordinate or attached office or for that matter have a legal status of its own. Thus the maintenance of separate accounts was in violation of Financial Rules and the expenditure (Rs 4.45 crores) incurred on the event outside the accounts of the Ministry and Government was irregular. Accordingly, in what follows, the examination and comments are based on Government (General) Financial Rules and procedures as would normally be applicable.

As per pattern of assistance approved by the Department, net deficit for implementation of the programme was to be met by SAI from funds available with it. For determination of the deficit, all receipts irrespective of the source was to be treated as income. Against the revised budget estimates of Rs 3.25 crores, SOC received Rs 4.65 crores.

Before a grant is released the grantee is required to execute a bond. Test check of records in Audit revealed that a payment of Rs 25 lakhs was made directly to SOC in December 1989 without executing a bond.

SOC had not maintained any head wise accounts ledger. Hence, the following figures reflected in receipt and payment accounts could not be verified in Audit :

<i>(In rupees)</i>	
i) M/s Building Centre for construction of modular housing	1,31,98,000.00
ii) M/s Sulabh International for w.c. toilets and bathrooms	14,57,694.00
iii) MCD for temporary water supply, street lights, etc., at site	15,45,165.00
iv) DESU for temporary connection of electricity	55,695.00
v) M/s Avtar Construction	12,000.00
vi) M/s Nangal Elect. for generators at construction site	3,05,670.00
<b>Total</b>	<b>1,65,74,224.00</b>

An amount of Rs 22.27 lakhs which is a part of Rs 135.77 lakhs shown under the head "Grant received from SAI" was incurred by SAI on behalf of SOC before its formation. Neither was ex post facto approval of SOC obtained nor had the expenditure statement along with fully vouched contingent bills and sanction files been furnished to SOC. Besides, assets worth Rs 6 lakhs created by SAI had not been transferred to SOC and were lying in their stock.

### **10.3.5 Delegation of Financial Powers**

SOC was 'vested with powers to take all administrative and financial decisions' for the successful organisation of the National Bharatiyam 1989 subject to the total budget available with it including SAI's own budgetary provision for Bharatiyam. Test check of records in Audit revealed that though the budget outlay for lodging (excluding boarding) the out station participants was Rs 38.90 lakhs, SOC actually exercised financial powers upto Rs 1.77 crores, which was irregular. Besides, in 37 cases involving expenditure of Rs 83.62 lakhs, financial powers were exercised by the Director General, Secretary and other officials of SAI to whom neither had SOC given any authorisation nor had the Ministry issued any specific orders delegating financial powers.

SOC, in its meeting held on 3 October 1989 delegated its powers to the Member Secretary upto a maximum of Rs 50000 at one time under each head, (except for contingencies where the power to sanction was Rs 10000 at a time). Test check of records in Audit revealed that in 28 cases involving Rs 1.26 crores, the Member Secretary sanctioned amounts beyond these powers.

### **10.3.6 Grants-in-aid**

While ratifying in September 1989 an "Empowered Committee" constituted by SAI in May 1989 for conducting the National Bharatiyam programme 1989, the Ministry decided that SAI was to take up the responsibility of functioning as the nodal agency for involvement of SOC for successful implementation of the programme. Assistance under this programme was provided to SAI on the basis of project proposals



received from SOC. Against receipt of grants-in-aid of Rs 2.08 crores, SAI released Rs 2.44 crores to SOC. In addition Rs 25 lakhs was released directly to SOC as grants-in-aid by the Department of Youth Affairs and Sports which was responsible for overseeing the progress of the programme.

Significant points noticed in Audit are given below :

- i) SOC was established by a notification issued by the Department on 18 September 1989. No information and/or supporting records were made available to Audit to indicate the authority by which the financial provision was made. However, scrutiny of records made available by the Department revealed that no specific provision was made in the budget in the year 1989-90 for payment of grants to SOC or for National Bharatiyam 1989. The Department sanctioned two grants of Rs 25 lakhs each in 1989-90 - one accounted for through the SAI and one directly in the books of SOC. The payment of these grants was made out of the budget grant for the Department and specific approval of the Parliament for provision of grants-in-aid to SOC or for Bharatiyam was not obtained.
- ii) SAI was treated as the nodal agency for providing grants-in-aid to SOC. After examination of proposals by the Finance Committee of SOC, the budget estimates were submitted to the Department. Neither was SOC aware of approval of Integrated Finance/Associated Finance concerned, as required under financial rules nor did the records produced to Audit by the Department indicate any such approval. Thus release of grants-in-aid was both irregular and illegal..
- iii) Rs 2.33 crores was sanctioned and released as grant-in-aid to SOC without any proposal from that Committee. Further, neither did SOC have a registered office nor did it have a legal status of its own. SAI also released donations to the tune of Rs 1.66 crores received from PSUs to SOC for setting up of Bharatiyam Gram in Nizamuddin, New Delhi.
- iv) Statements of accounts and completion reports were not submitted by SOC to the Government. The Department obtained a statement of expenditure out of grants paid by it during 1989-90 in November 1993 when called for by Audit. The statement of

expenditure revealed an unspent balance of Rs 20.03 lakhs which was not surrendered nor were the Audited accounts and utilisation certificates for Rs 25 lakhs given directly as grant-in-aid furnished even after more than five years..

v) As per rules, the assets created or acquired wholly or partly out of government grants cannot be disposed of by the grantee and should revert to Ministry in case the institution ceases to exist. Scrutiny of records revealed that the condition regarding Ministry's right to resume the assets had not been imposed. Since the assets had been created with the funds exclusively collected by SOC and also from the Government grants, the retention of assets worth Rs 1.77 crores by the Bharat Scouts & Guides (BS&G) without obtaining approval of the Department was not in order.

### **10.3.7 Construction**

#### *10.3.7.1 Construction of Geodules*

For lodging the anticipated 7000 out station participants for Bharatiyam 1989, the Finance Committee of SOC, approved in September 1989 the proposal for construction of modular housing in BS&G camp site at Nizamuddin, New Delhi. These geodesic structures called Geodules proposed by a firm : Building Centre were sanctioned by SOC at an estimated cost of Rs 87000 per Geodule of 750 square feet. SOC awarded the work of planning and construction of these modules to the firm, at a cost of nearly Rs 1.39 crores plus architects' fee at the rate of 2.5 *per cent* of the construction cost. The work was to start on 14 September 1989 and was to be completed by 25 October 1989 with phased delivery of completed modules commencing from 23 October 1989. The exact date of completion of work was not recorded. The work was completed at a cost of Rs 1.45 crores and a sum of Rs 1.32 crores was paid to the firm. Final bill for Rs 1.45 crores submitted by the firm on 18 April 1990 has not yet been passed (November 1994).

After the event, in April 1990 the work was inspected by the Chief Technical Examiner (CTE) of the Central Vigilance Commission even till which time the work had not been completed in all respects. The main technical observations of CTE were:



- i) The technology adopted for the construction of Geodules was deficient in many ways and not cost effective.
- ii) The rate of Rs 87000 for each Geodules based on which work was awarded was high and not based on detailed analysis of component items.
- iii) Reasonable cost of each Geodule as per work envisaged at the time of award of work was Rs 63000 and not Rs 87000. Thus extra cost allowed to the firm was Rs 36.96 lakhs for about 150 units.
- iv) Cost of Rs 4 lakhs accepted for brick platforms was excessive by Rs 2.65 lakhs.
- v) Fees payable to the architect at the rate of 2.5 *per cent* was high.
- vi) The construction was defective.
- vii) Work of bunk-beds was awarded without working out reasonable rates.

The observations of CTE could not be fully scrutinised as the records relating to architectural and structural drawings, cost estimates furnished by the firm, specifications prescribed for the work, material used, technology adopted, award letter issued had not been made available to Audit. Records produced for scrutiny pertain to the period from 29 September 1989 onwards. These were test checked and following comments are offered:

- i) The Chairman and Vice Chairman, SOC, in its meeting held on 6 September 1989, decided that SOC Bharatiyam would implement the construction programme as per lay out and design suggested by the firm. The firm, on 8 September 1989, submitted brief specifications on the basis of verbal discussions held on 5 September 1989 with the Secretary of the Department of Youth Affairs & Sports.
- ii) The roof of modules consisted of fibre board placed over structural steel sections forming the dome, capped by PVC sheet. The cladding material had developed cracks and the roof started leaking profusely in June 1990 after a hailstorm. In October 1991, the firm had admitted that the new technology has not been successful in the hotter

and drier climate of Delhi. The firm agreed to carry out the modification work as per one of their 3 proposals and bear the first Rs 11.96 lakhs.

In December 1991, SOC approached the Structural Engineering Research Centre Ghaziabad, (SERC) a research institutions under CSIR, to examine the proposal of the firm. SERC submitted its reports in December 1991 and stated that the equipment made by the firm did not conform to SERC and ISI standards and their proposal for repairs was not the correct solution. SERC made 4 alternative proposals for providing ferro-cement work estimated to cost between Rs 18.15 lakhs and Rs 65.09 lakhs. In April 1992 SOC asked the firm to complete the repair work satisfactorily without additional cost. The repair work has not been started so far (November 1994).

Thus the choice of fibre board on the external faces of the Geodules was unsuitable as it deteriorates quickly after coming into contact with water. Besides, the material supplied by the firm was sub-standard.

iii) Total number of modules as claimed by the firm was 151. However, according to the Director (Infra) of SAI, the number of units is 149, as verified at site, (including two infirmaries) and out of this 3 were incomplete. Thus there was excess payment of Rs 1.74 lakhs for 2 modules.

iv) On the basis of norms fixed by the Council of Architecture the Finance Committee of SOC accepted the provision of consultancy fee at the rate of 2.5 *per cent* of the cost of construction and an amount of Rs 2.81 lakhs was included in the payment made on 28 December 1989 to the firm.

Scrutiny of records revealed that the design of 'Geodules' had already existed with the firm and hence preliminary design study and conceptual drawings were not required to be done. Approval of municipal authorities and Delhi Urban Arts Commission had not been processed. No detailed architectural or structural drawings and detailed estimates had been prepared. Since a number of jobs as required by the architect were not performed, the scale of fee at 2.5 *per cent* agreed to be paid separately to the architect was on the higher side. It is observed in Audit that only one set of working drawings and lay



out plan of one module were prepared (which were replicated for all modules). This is a repetitive work and as per scale of fee laid down by the council, architectural fees for repeating designs and working drawings is only half *per cent*. Thus a sum of Rs 2.15 lakh was paid in excess to the architect.

v) To facilitate construction of modules round the clock, SOC provided electrical power and water to the firm. SOC, in its meeting held on 27 December 1989, decided that expenditure on electrical power and water was to be recovered from the construction agency. The electrical and water supply charges debitable to construction of modules were shown as Rs 2.49 lakhs and 0.48 lakh respectively. Though more than five years have passed, the amount of Rs 2.97 lakhs on account of water and electricity charges had not been recovered from the firm.

vi) As per rules and practice, all constructions should have been entrusted to CPWD unless relaxation is obtained from the Ministry of Urban Development. No such relaxation was taken nor was any reference made to that Ministry which is the nodal Ministry of Government of India for such construction. Besides, UD Ministry was not even associated with any of the committees or sub-committees concerned with the construction works even though SOC had no technical support available with it.

vii) It was decided, in the meeting held on 23 October 1989, that Bharatiyam Gram would be made available to the Department and SAI together, free of charge for 3 months each year and for remaining 9 months, it would be at the disposal of BS&G. As no further programme or camp was organised by the Department/SAI in this facility, investment of Rs 1.32 crores has remained idle ever since.

#### *10.3.7.2 Construction of Toilet Complexes.*

For providing toilet facilities to the out station participants billeted at Bharatiyam Gram, another firm was approached on 12 September 1989 to furnish cost estimates. Initially, the firm, on 14 September 1989, submitted an estimate of Rs 9.96 lakhs for construction of 16 toilet complexes each consisting of 12 latrines, 4 urinals and 10 bath rooms, based on their own design. They also demanded 80 *per cent* advance

payment and 20 *per cent* after the camp was over. Director of SAI requested the firm on 15 September 1989 to submit their revised estimates of cost according to a modified design. Meanwhile, the firm was paid an advance of Rs 10 lakhs on 16 September 1989 after approval of the Finance Committee in its meeting held on 14 September 1989. The firm submitted on 5 October 1989 the revised estimates of cost amounting to Rs 16.45 lakhs for construction of 14 complexes, each comprising of toilets and 10 bath rooms with other requisite facilities. The work was awarded to the firm on 15 September 1989 at a tendered cost of Rs 16.45 lakhs which was 37.08 *per cent* above the estimated cost of 12 lakhs. The work was to start on 15 September 1989 and was to be completed by 25 October 1989. The work was completed at a cost of Rs 16.45 lakhs which was paid to them. Neither was the date of completion recorded nor had the final bill been submitted by the firm (November 1994).

The work was inspected by the Chief Technical Examiner (CTE), of the Central Vigilance Commission on 4 April 1990 by which time 98 *per cent* of the work was completed. CTE proposed the recovery of Rs 1.87 lakhs which was paid in excess to the firm and suggested that responsibility for overpayment be fixed. The overpayment was recovered from the firm on 11 December 1990, but CTE was not satisfied with the replies of SOC and wrote to the Department to have the matter investigated. In turn the Department appointed an Ex Director General of the CPWD, in February 1994, to investigate the matter. The outcome of the investigations is still awaited. The main technical observations of CTE were:

- i) Hoisting and fixing precast RCC lintels, beams etc. was not executed.
- ii) Pointing of brick work with cement mortar 1:3 had not been done.
- iii) Iron taps had been provided instead of brass bib cocks.
- iv) Brass stop cocks had not been provided in the toilet complex.
- v) The ball valve provided in the water tanks was with plastic float instead of copper float.



vi) The construction was defective.

Records produced to Audit were test checked and following comments are offered:

i) Although the firm submitted draft conditions of contract in October 1989, no contract specifying detailed terms and condition of contract had been entered into with the firm.

ii) The firm initially demanded 9.96 lakhs for construction of 16 complexes upto plinth level. The Director of SAI informed the firm on 15 September 1989 that provision of brick partitions and steel doors were to be made and in turn the firm stated that these would cost another 2 lakhs bringing the total to Rs 11.96 lakhs. However, the firm submitted revised estimates of Rs 16.45 lakhs. Further, 20 *per cent* implementation charges (Rs 2.74 lakhs) and 3 *per cent* contingencies (Rs 0.40 lakh) was added over estimated cost although the firm's profits of 10 *per cent* and overheads were already included in the estimated cost which was based on Delhi Schedule of Rates 1985. Thus the award of work at higher rates involved extra expenditure of Rs 7.63 lakhs. Besides it was irregular to accept the tender without detailed analysis of rates.

iii) To facilitate construction of toilet complex, SOC provided electrical power and water to the firm. SOC, in its meeting held on 27 December 1989, decided that expenditure on electrical power and water be recovered from the construction agency. The electrical and water charges debitable to construction were shown as Rs 3.59 lakhs and Rs 0.62 lakh respectively. Out of this, Rs 2.49 lakhs and 0.48 lakh were recoverable from the firm which built the modules and the balance amounts of Rs 1.10 lakhs and Rs 0.14 lakh were recoverable from the construction agency. Though more than five years had passed, the amount of Rs 1.24 lakhs on account of water and electricity charges had not been recovered.

iv) The quotation of the firm stipulated that 80 *per cent* payment should be made in advance and balance 20 *per cent* to be paid, one week after the camp was over. The last out station contingent left the camp site on 16 November 1989 and thus balance 20 *per*

cent of the payment (Rs 3.29 lakhs) was due on 23 November 1989. Instead, full advance payment was made to the firm on 9 October 1989, even though the work was found to be incomplete on 4 April 1990 during inspection by CTE. Moreover, the payment was released on the sanction issued by the Executive Director (SAI) who was neither a member/official of SOC nor had any authorisation under powers delegated by SOC. The Vice Chairman of SOC was not aware that full payment had been made to firm and he wrote on 21 November 1989 that final payment be made only after rectification of defects. The amount of Rs 14.58 lakhs (advanced Rs 16.45 lakhs minus refund of excess payment Rs 1.87 lakhs) advanced to the firm was finally charged off to construction works. Besides, the work which was to be completed by 25 October 1989 was in progress (April 1990). As full advance payment was made to the firm by October 1989, the delay would be attributed to the firm and a penalty (Rs 1.20 lakhs) at the usual rate of ten *per cent* of estimated cost (Rs 12 lakhs) was recoverable.

#### *10.3.7.3 Construction of seating tiers for placard display*

The proposal to construct the seating tiers for placard display (creation of images by mass participants holding up colour cards) was approved by the Empowered Committee meeting held in May 1989. The expenditure was proposed to be met from the regular plan of Bharatiyam Scheme-2 for the year 1989-90 in the first instance; later on it was charged to SOC accounts. SAI got the work done through Central Public Works Department (CPWD). An amount of Rs 12.32 lakhs after adjusting the credit of Rs 6 lakhs for the material lying in J N Stadium was advanced to CPWD in July 1989 for executing the seating tier work at their preliminary estimated cost of Rs 18.32 lakhs. The date of commencement and actual date of completion was not made available to Audit.

Following are the points that emerge:

- i) Though more than five years have passed, CPWD did not render the accounts and amount advanced by SAI is still outstanding in the books. SOC/SAI did not monitor the adjustment of the advance given.
- ii) The amount was released without obtaining detailed estimates.



### 10.3.8 Transport arrangements

Approximately 28558 children were assembled from all over India to participate in the function. Out of these, 22070 children were drawn from Delhi Administration Schools; a total of 427 schools participated in the programme. Rehearsals for placard display by NCC cadets was scheduled to start from 19 October 1989 and that for the other events for Bharatiyam from 25 October 1989. The training/ rehearsal venue was Jawaharlal Nehru Stadium (JNS). It was decided that 60 buses were to be provided by Delhi Transport Corporation (DTC) and the remaining buses had to be procured from private operators. An agreement was concluded with the Delhi Tourism and Development Corporation (DTDC) to provide the required number of buses at the rate of Rs 535 per bus per trip. Each bus had to carry 75 children. Due to certain problems like late reporting, not reporting at pick up points etc., it was decided by the review committee in October 1989, that in the event of a bus not reporting on time, the teachers concerned could make their own arrangement to hire the buses at the rate of Rs 450 per day to bring the children to the stadium for rehearsal and the expenses incurred by them would be reimbursed by the transporter. Ultimately payment of Rs 38.18 lakhs was made to DTDC (Rs 25.69 lakhs), DTC (Rs 9.01 lakhs), private operators (Rs 0.15 lakh) and Delhi Administration (Rs 3.33 lakhs) for transport provided for Bharatiyam.

A test check of records produced to Audit revealed the following:

- i) The Empowered Committee, in its meetings held on 30 June 1989 and 5 August 1989, decided that Delhi Administration would make necessary transport arrangements, to be financed by SOC. On the basis of tenders called by the Delhi Administration for their usual transport requirements for 1989-90, the lowest rate was Rs 387 per bus for 12 hours and 120 kilometres. Subsequently, Delhi Administration informed that the tenderer was not in a position to supply such a large fleet of buses for long duration.

A rehearsal of the Bharatiyam display was organised at Chhatrasal Stadium, Delhi, in May 1989, in which 4400 children were drawn from various schools. 36 buses

were engaged at the rate of Rs 320 per bus to bring children from various schools, to the Stadium and drop them back in the respective schools, after the display. The Empowered Committee, in its meeting held on 26 May 1989, decided that transport cost towards training and rehearsal would be limited to Rs 275 instead of Rs 320 per bus per day. In October 1989, for the main event DTDC offered that they would provide buses at the rate of Rs 525 per bus plus Rs 10 as service charges. SOC, on 16 October 1989, awarded the contract to DTDC at the rate of Rs 535 per trip per bus. It is evident that the work was awarded to DTDC on higher rates than the normal rate prevailing in the market.

Due to failure of transport arrangements managed by DTDC, it was decided that schools would be permitted to make their own arrangements of transport and they be reimbursed at the rate of Rs 450 per bus per day. The Director of Education, Delhi Administration was engaged in the task of reimbursement of expenditure incurred by the schools and Rs 2 lakhs were advanced to them on 5 November 1989. Delhi Administration submitted the transport bills for Rs 3.48 lakhs in February 1990 and full and final payment of Rs 3.33 lakhs was made to them in March 1991. It is, thus, evident that during 1989-90, the buses were available from the open market at the rate of Rs 450 per trip per bus. Had the schools been permitted to make their own arrangement for the main function also, SOC could have saved Rs 4.25 lakhs.

As SOC did not have the requisite manpower to effectively control/monitor the massive transport operation on its own, it was decided that Delhi Administration and the DTC should maintain and monitor the arrival and departure of vehicles indicating arrival of buses from various schools, late reporting of buses at various pick up points and any other problems. Records relating to log books of vehicles, daily reports and duty slips showing the arrival and departure of buses were not made available to Audit. Hence, genuineness and correctness of the payment of Rs 34.70 lakhs made to DTC and DTDC could not be verified by Audit. However, a test check of records produced to Audit revealed that against the requirement of 5810 buses (calculated for 75 children per trip per bus). SOC engaged 7229 buses. This resulted in excess expenditure of Rs 7.59 lakhs.



### 10.3.9 Catering/Refreshments arrangements

On the recommendation of the Catering Committee, SOC, in its meeting held on 3 October 1989, decided, that refreshments at the rate of Rs 5 per head per day would be served to all participants of Delhi Administration including NCC, initially and at Rs 9 per head per day subsequently when joint training commenced. Accordingly the work for catering the food/refreshments and snacks was awarded to a firm on 28 October 1989 at rates ranging from Rs 2 to Rs 20 per head per day.

A test check of records in Audit revealed the following lapses:

i) Delhi Administration recommended the name of a firm who was an approved contractor for supply of food and refreshments for the year 1989-90. Instead of awarding the contract at the rate of Rs 17.50, SAI awarded the contract to the same firm at the rate of Rs 20 per participant per day without the approval of SOC. This has resulted in loss of approximately Rs 4.05 lakhs.

ii) As per terms and conditions of contract, 80 *per cent* of the billing amount was to be paid periodically after verification and certification by the concerned officials for different categories of bills and 20 *per cent* after the programme was over. The bills preferred by the firm and approved by SOC were not made available to Audit and hence genuineness and correctness of bills could not be verified in Audit. However total expenditure, calculated on 100 *per cent* attendance of participants throughout the training/rehearsal period, worked out to Rs 59.22 lakhs whereas a payment of Rs 72.26 lakhs was made to the firm. This resulted in excess payment of at least Rs 13.04 lakhs to the caterer.

iii) Joint Secretary of the Department, in-charge of supervision of food at Bharatiyam Gram, stated on 27 November 1989 that an amount of Rs 1.40 lakhs may be recovered from the final bill of the firm, since the food items were not as per specifications and there was short supply of food, sweets etc. After effecting the recoveries, the final bill of Rs 71.32 lakhs was passed for payment in February 1991 against which payment of Rs 72.26 lakhs had already been made to the firm. Though

more than three years have passed the excess payment of Rs 0.94 lakh has not been recovered from the approved caterer.

### **10.3.10 Training**

Training was provided at LNCPE Gwalior for a period of 15 days for the selected physical education teachers from States/UTs. Equipment for the training were provided by SAI. Apart from expenditure on equipment, SAI/SOC spent Rs 13.52 lakhs during 1989-90 on training of selected teachers/participants from State/UTs.

No information was available with SOC/SAI regarding the number of teachers and children actually trained, scores achieved by the participants and criteria for selection of schools etc. This indicated that neither had any performance data been collected from all the States/UTs with reference to norms nor had fitness norms been correlated to field performance. The records relating to purchase receipt, issue and distribution of prizes trophies were not produced.

### **10.3.11 Purchases**

#### *10.3.11.1 Purchase of costumes*

For the designing and prototype development of the costumes for Bharatiyam 1989, the Ministry in August 1989 asked SOC to award the work to the National Institute of Fashion Technology (NIFT) on turn key basis after getting the approval of the Finance Committee of SOC. In turn, NIFT stated in August 1989 that they had quoted Rs 44000 for the design and prototype in June 1989 and an advance of Rs 22000 was also given to NIFT by SAI in June 1989. NIFT supplied the design which was approved by the Ministry in August 1989 and also recommended the name of 12 reputed firms who could supply good quality costumes in time. Rs 37625 was paid to NIFT between June 1989 and January 1991. In the meantime, three other firms also approached SOC for issue of tender forms. Accordingly, quotations were called for from 15 firms in August 1989. Out of these, six firms had quoted their rates.



The Costume Committee decided in September 1989, to distribute the orders among different selected firms after negotiating reductions with them. The work was awarded to 4 firms in September 1989 for supply of 18675 sets of costumes. Rs 23.69 lakhs was paid to these firms between November 1989 and March 1990.

Following are the points that emerge:

- i) SAI purchased 2000 costumes worth Rs 1.71 lakhs between February 1989 and April 1989. Out of these 1000 costumes were distributed in February 1989 and the balance were lying in stock (November 1994). In January 1992, the amount of Rs 1.71 lakhs was debited to SOC account. As the expenditure was incurred prior to formation of Empowered Committee for Bharatiyam 1989 (May 1989) and finalisation of design and prototype development by NIFT (August 1989), charge of expenditure to SOC account was not justified. Further, the stock had not been transferred to SOC and was still lying with SAI. Besides, the payment of Rs 1.71 lakhs was made on duplicate bills and no check was exercised to avoid double payments.
- ii) 1690 costumes worth Rs 2.36 lakhs were purchased in excess of requirement. Out of these 1428 costumes were issued to non-participants and balance 162 were lying in stock (November 1994). This indicates over-assessment and the expenditure of Rs 2.36 lakhs was infructuous.
- iii) An Audit query was raised whether the costumes distributed to the participants were to be taken back. No such information and/or records was furnished to Audit. However, it was gathered during discussion with Regional Director, formerly a member of costume committee of SOC, that all the costumes were to be taken back from the participants after the finale on 14 November 1989. Audit scrutiny also revealed that in the case of white T-shirts issued to cadets, it was decided that these would be taken back from them after the finale. As the costumes were finally charged to stock account, SOC sustained a loss of Rs 36.80 lakhs.
- iv) For preparation of animal masks for children for Bharatiyam 1989, SOC made advance payment of Rs 2.25 lakhs to M/s Fransisco Martins Production between

October 1989 and November 1989. The firm submitted the adjustment bill for Rs 2.60 lakhs. The firm had not submitted Audited statement for preparation of animal masks and the bills in support of transportation charges and octroi etc. Hence the adjustment bills preferred by the firm were inadmissible .

#### *10.3.11.2 Purchase of bunk beds*

In September 1989, SOC requested CPWD to suggest names of the firms for manufacturing of bunk beds. On the recommendation of CPWD, SOC invited three quotations in September 1989. Tenderers had quoted rates between Rs 16 and Rs 18 per kg of steel.

In the meantime, the Architect recommended the names of two other firms on 18 September 1989. Quotations from these firms were collected personally and supply orders for 500 and 886 bunk beds respectively were placed on 28 September 1989, at the negotiated rate of Rs 850 per bed. SOC had paid Rs 3.82 lakhs and Rs 6.38 lakhs to the two firms between October 1989 and January 1990 for supply of 450 and 750 bunk beds respectively.

A test check of records in Audit showed:

- i) . The firms were selected, without calling for open tenders in violation of Financial Rules.
- ii) SOC, in its meeting held on 27 December 1989, decided to make payment for the bunk beds after proper verification of supplies.. Audit scrutiny revealed that out of the payment of Rs 10.20 lakhs, Rs 8.92 lakhs was paid only after verification made by the Architect between October and November 1989 and the balance amount of Rs 1.28 lakhs was paid without verification by the Architect. Besides, the decision taken by SOC was injudicious as the Architect was a private professional and verification recorded by them that the goods were received in a good condition and according to the specification cannot be conclusive.



iii) SOC informed the Architect in their letter dated 23 November 1989 that arrangements should be made to make the beds safe by welding suitable a structural member on the side of the bunk at the top. It was also decided that no extra payment would be made on this account. Although the work was not done by the firms, the disbursing officer paid the full amount of Rs 10.20 lakhs to the firms, without insisting on the welded member.

#### **10.3.12 Stitching of placards and flags**

Fabric at a cost of Rs 20.14 lakhs was purchased for stitching placards and flags. The work was awarded to Delhi Administration in September 1989.

A test check of records revealed that as per specification, a placard was to be 60cm×60cm with different colour combinations with two side turns of 1½ cm diameter on both sides. This required 1.26m dyed satin (width 85/91cm) for manufacture of one placard. Against the required consumption of 87043.60 metres of fabric, the organisation actually consumed 96626.60 metres for manufacturing 69019 placards. Owing to excess consumption of 9583metres fabric, SOC sustained a loss of Rs 1.63 lakhs.

#### **10.3.13 Stores and Stock management**

According to purchase procedure adopted by SOC, purchase committee/officials collected unsealed spot quotations (except purchase of costumes) from the firms personally.

Test check of records in Audit revealed the following lapses:

- i) Non-accounting of receipt of consumable/non-consumable stores : Rs 10.27 lakhs by recording wrong certificates on the bills that the goods had been entered on a particular page of the stock register.
- ii) Non-accounting of receipt of non-consumable stores : Rs 11.12 lakhs without recording a certificate on the body of the bills and without recording receipt of stores in the stock register.

- iii) Sports equipment worth Rs 8 lakhs was purchased but not distributed to the participants for utilisation and the equipment was lying in stock. This indicates unnecessary purchase of equipments.
- iv) Non-consumable stores/equipments worth Rs 1.59 lakhs were issued to State Co-ordinators /LNCPE Gwalior after the close of the event and also without the orders of the competent authority.
- v) Sports equipments worth Rs 1.64 lakhs were provided to schools and Delhi Administration for coaching and training on loan basis without the approval of competent authority. SOC did not maintain proper stock records relating to issue of equipments on loan i.e. their value, date of issue, amount of security deposit paid by the loanee, period for which the equipments were given, actual date of return of equipment, amount of rent realised etc.
- vi) Non-consumable equipments like maypoles, aluminium poles, half hoops etc. worth Rs 32.87 lakhs issued to State Co-ordinators and Delhi Administration were finally charged off to the stock account.
- vii) Chartered Accountants appointed by SOC conducted a physical verification of stores and stock in July 1992 and stocks worth Rs 3.87 lakhs were found short. Physical verification of stores had not been conducted by any officer other than the custodian of store (November 1994).
- viii) Items like televisions, VCRs, carom boards, chess boards etc. were got donated/supplied free of cost for recreation of participants in National Bharatiyam Training Camp. Neither was their value assessed nor was any entry made in the stock register.
- ix) Items like animal masks, banner cloth, mementoes, posters etc. worth Rs 3.85 lakhs were purchased after the close of the programme and were lying in the store (November 1994).



- x) There were numerous instances of overwriting and erasures in records of receipts and issue of stores.
- xi) Stores were issued without proper authority.

Thus it is evident that due to lack of vigilance and lack of necessary checks by the stores officer and other officers , stocks worth Rs 21.39 lakhs remained unaccounted, besides other irregularities like purchase of equipments in excess of requirement (Rs 8 lakhs), equipment provided on loan without the approval of competent authority (Rs 1.64 lakhs), stocks finally charged off to stores (Rs 32.87 lakhs), and stocks found short (Rs 3.87 lakhs)

#### **10.3.14 Excess distribution of canvas shoes**

To provide the equipments and costumes for 30000 participants for the National Bharatiyam 1989 a provision for Rs 27.75 lakhs was made in the budget estimates. The States/UTs were approached in August 1989 to meet the entire expenditure on costumes and equipments so as to reduce the expenditure on this account. The States of Maharashtra and Gujarat had agreed in principle to bear the entire expenditure whereas States of Goa and Manipur agreed to bear 50 *per cent* of expenditure on account of costumes and equipments. Estimates of expenditure of Rs 6.00 lakhs and Rs 3.81 lakhs were submitted by the States of Goa and Manipur respectively in September 1989. SOC reimbursed an amount of Rs 3 lakhs and Rs 1.90 lakhs to Goa and Manipur in October 1989 respectively as its share.

Following are the points that emerge :

- i) States/UTs had agreed to provide track suits, canvas shoes, practice uniform and two sets (Shoe and uniform) for purposes of rehearsals and the final display at Delhi. A test check of records in Audit revealed that SOC had provided 3137 pairs of canvas shoes to the ineligible participants of these States, which resulted in wasteful expenditure of Rs 1.13 lakhs.

ii) According to the budget estimates the cost of costumes per child worked out to Rs 92.50. Thus total saving would be Rs 1.13 lakhs calculated on 3137 participants from the states of Goa, Manipur, Maharashtra and Gujarat. Instead of savings of Rs 1.13 lakhs, SOC incurred excess expenditure of Rs 9.05 lakhs over the budget estimates. This indicates improper planning and unrealistic and inadequate budgeting.

iii) SOC distributed 16349, 7500 and 6455 pairs of shoes to the co-ordinators of Delhi Administration, NCC and out station participants respectively. On cross verification done in Audit (November 1994) with reference to the records of Delhi Administration and NCC, it was found that against 16349 and 7500 pairs of shoes, Delhi Administration including NCC had received only 16233 pairs. The actual distribution of shoes to the participants could not be verified as the relevant records were not made available. No reasons were assigned by Delhi Administration for non production of records. Thus 7616 pairs of shoes worth Rs 2.74 lakhs were missing.

#### **10.3.15 Maintenance of cash book**

SOC had maintained two cash books. The original cash book, which was maintained upto 25 July 1990, was replaced by another cash book without taking the approval of SOC. This is in violation of all accounting principles. The disbursing officer stated in November 1994 that the original cash book was replaced due to overwriting and excessive crossing out of entries. The reply of SOC is not tenable as there were numerous instances of overwriting, crossing out and erasure in the second cash book as well

Other irregularities noticed during the test check of records are:

- i) In 28 cases there was a difference of Rs 7.04 lakhs between cash book No 1 and cash book No 2. Reasons for difference were not furnished.
- ii) Bills were preferred and passed for payment without supporting vouchers (Rs 0.95 lakh).
- iii) Payments were made without bills/ supporting documents (Rs 0.52 lakh).



- iv) Bills were on letter heads instead of printed bill forms / cash memos (Rs 5.38 lakhs).
- v) Payments were made on duplicate bills (Rs 2.20 lakhs).
- vi) Payments were made on fully vouched contingents bill forms, without supporting sanction of the competent authority and bills/ cash memos (Rs 17.63 lakhs).
- vii) Against voucher of Rs 2600 two cheques were issued for Rs 13500 on 16 May 1990 to Delhi State Bharat Scouts & Guides.
- viii) The closing cash balance as per receipt and payment account of SOC for the period ending 31 January 1992 was Rs 20,03,284.90 whereas the cash book disclosed a closing cash balance of Rs 19,57,157.34. Thus, there was a difference of Rs 46,127.56 between the two sets of accounts.

#### **10.3.16 Non-maintenance of Assets Register**

SOC held assets of different categories such as buildings, technical equipments etc. worth Rs 1.77 crores as on 31 January 1992 as per the expenditure statement compiled by the Chartered Accountants appointed by SOC. However, the Central Assets Register as prescribed in Financial Rules showing the item wise details of the assets was not maintained. The stock registers maintained in SOC did not contain details of value of each asset. The value of assets reflected in the accounts was not susceptible to check with the aggregate value of the individual items of stores.

#### **10.3.17 Loss due to payment of Sales Tax**

Under the Delhi Sales Tax Act 1975, the Delhi Administration issued a notification dated 31 October 1989, exempting the payment of sales tax on the purchases of all articles connected with the Bharatiyam 1989, upto 31 December 1989. Thus SOC could purchase goods from registered dealers, without payment of sales tax. In order to avail this concession, SOC was required to issue to the selling dealer a declaration in the prescribed form. Details of issue of exemption certificate were not made available for Audit scrutiny.

Test check of the records of 22 purchase files revealed that in 11 cases, SOC paid sales tax on the purchases made from the firms/dealers though the purchases qualified for exemption. This resulted in avoidable extra expenditure of Rs 14.60 lakhs.

#### **10.3.18 Non-deduction of Income Tax at Source.**

In accordance with section 194 C of Income Tax Act, the Drawing and Disbursing Officer (DDO) should deduct at source the income tax, from the payment made to the firms/ contractors. A test check of records in Audit revealed that in 3 cases, no income tax was deducted from the payment made to firms. This resulted in over payment of Rs 3.20 lakhs, calculated at the rate of 2.16 per cent.

The entire expenditure on Bharatiyam Gram was met from donations (Rs 1.66 crores) received from PSUs (Rs 1.63 crores) and Delhi State Bharat Scouts and Guides (Rs 3 lakhs).. In order to get exemption under Section 80 (G) of the Income Tax Act, receipts for donations were drawn in favour of SAI from the donors and were credited directly to SOC accounts which was irregular. Since SAI did not credit the donations into its accounts, the issue of income tax exemption certificates to the PSUs was not in order and resulted in evasion of income tax (corporation tax).

#### **10.3.19 Monitoring and Evaluation**

No systematic evaluation to assess the benefits derived out of the grants provided had been conducted by SOC. Even short term quick evaluation had not been conducted to ensure that the intended purpose of the Bharatiyam programme was being achieved.

#### **10.3.20 Advances**

SOC made advanced Rs 6.02 lakhs mainly to various officers of SAI/Ministry for meeting contingent i.e. incidental expenses. The cheques for these advances were issued in favour of officers concerned and credited to their personal accounts. The account of advances were required to be furnished as soon as the work for which amount



was advanced was over. Advances register was not being maintained and as such details of adjustment and outstanding advances could not be accurately ascertained.

Test check of records in Audit revealed the following lapses:

- i) Amount advanced to officials was finally charged off to expenditure under the respective heads in contravention of General Financial Rules.
- ii) Adjustments/recovery of advances of Rs 2.33 lakhs relating to the period 1989-90 were outstanding at the end of 31 August 1994.
- iii) Besides, an amount of Rs 65.32 lakhs was advanced to private parties for supply of goods and execution of Bharatiyam works. Out of these, accounts for Rs 21.32 lakhs were not rendered and the amounts were lying outstanding (January 1992). The details of outstanding amounts were not made available as the Advances Register was not maintained.
- iv) SOC paid Rs 1.38 crores in September and October 1989 to the firms as interest free mobilisation advance for construction, recoverable from running bills on *pro rata* basis. Of these, Rs 1.22 crores was adjusted in December 1989 and the balance is still lying unadjusted in its books. The advance payment was contrary to Government orders according to which interest bearing mobilisation advance limited to 10 per cent of cost of construction could be granted to a contractor/ firm for capital intensive work of specialised nature. Thus undue financial aid was given to the firms which resulted in loss of interest to the tune of Rs 10.63 lakhs computed at the concessional rate of 10 per cent.

#### **10.3.21 Hiring of Tentage**

To meet the accommodation requirement in Bharatiyam Gram for Camp Commandants office, control room, cook house and food distribution centre etc., the Deputy Director (Coord.) personally collected quotations for tents from five firms. The work was awarded to the lowest firm. The firm submitted seven bills amounting to Rs 2.04 lakhs for supplies made between 23 October 1989 and 16 November 1989. Deductions amounting to Rs 0.31 lakh were effected from the bills and full and final

payment of Rs 1.73 lakhs was made to the firm between 15 November 1989 and 5 August 1991.

A test check of records revealed the following lapses:

- i) Contracts worth more than two lakhs of rupees was awarded on personal enquiry basis in contravention of Financial Rules. Hence the benefit of competitive rates could not be availed of.
- ii) No formal contract/agreement was entered into with the firm specifying the terms and conditions.
- iii) Payment of the bills to the firm were to be made after verification of the items and period of usage at Bharatiyam Gram by the Camp Commandant. None of the bills were verified by the Camp Commandant, in the absence of which the authenticity of the payments made to the firm could not be verified in Audit.
- iv) The work was awarded on the basis of spot assessment of approximate requirements of tents, shamianas etc. Against the estimate of Rs 0.86 lakh, worked out on 100 *per cent* utilisation basis, an expenditure of Rs 1.73 lakhs was incurred (which was 204 *per cent* of the estimated expenditure).

When the children started arriving at the Bharatiyam Gram all the modules were not ready for occupation. It was thus decided to accommodate them in a shamiana erected in the Auditorium at Bharatiyam Gram. Since the children were accommodated on the floor, mattresses, quilts and durries were hired from a firm. The firm submitted six bills amounting to Rs 2.24 lakhs for the supplies made by it during Bharatiyam 1989, and at the instance of the Ministry, SOC paid Rs 1.75 lakhs : for mattresses, quilts etc. (Rs 1.25 lakhs) durries (Rs 0.35 lakh) tents, kanats etc. (Rs 0.15 lakh) to the firm in full and final settlement of these bills. In this connection following observations are pertinent:

- i) As per administrative instructions for outside contingents for National Bharatiyam 1989, bedding containing a small pillow, bed sheets, bed covers, two light blankets or a light quilt and a light cotton mattress, were to be carried by the participants



themselves. Hence the payment amounting to Rs 1.60 lakhs made to the firm for supply of mattresses and quilt was irregular. Moreover, if SOC was forced to hire these bedding due to non completion of Geodules in time, the whole amount of Rs 1.60 lakhs was to be recovered from the constructing agency for Geodules.

- ii) No records regarding actual supplies vis-à-vis actual requirement (date wise) were made available to Audit, in the absence of which the genuineness of the payment made could not be ascertained in Audit.
- iii) No contract/agreement was entered into with the firm.
- iv) The expenditure was not approved by SOC and was debited to Head Contingencies instead of Boarding and Lodging.

#### **10.3.22 Music composition**

SAI approached, in May 1989, M/s Ananda Shankar Production for composition of the theme and incidental music for Bharatiyam 1989 and offered to appoint Shri. Ananda Shankar as Chief Producer. In response, the firm submitted a music budget for Rs 2.36 lakhs (excluding fees, daily allowance and air fares) and Rs 1.50 lakhs for maintenance allowance. The Empowered Committee, in its first meeting held on 15 May 1989 considered the appointment of Shri Ananda Shankar as Chief Producer. To bring down the estimates, it was decided to consult the Director of Festival of India, Department of Culture, New Delhi. The matter was discussed with that Department on 22 May 1989 and it was decided to negotiate the price at Rs 2.38 lakhs. The Empowered Committee accepted in principle the budget estimates of Rs 3.86 lakhs furnished by the firm on 4 May 1989.

Following are the points that emerge:

- i) SOC/Empowered Committee decided to engage the firm at a cost of Rs 3.86 lakhs (excluding travel) in violation of Departmental directions which resulted in irregular expenditure of Rs 1.49 lakhs. Besides, the work was awarded at higher rates without assigning any reasons/justification.

ii) As per terms and conditions of the contract the total budget should not have exceeded Rs 3.86 lakhs. Against this, SOC paid Rs 5.33 lakhs (excluding travel) which resulted in loss of Rs 1.47 lakhs.

### **10.3.23 Compilation of Accounts and Audit**

The accounts and audit of Bharatiyam 1989 were entrusted to a firm of Chartered Accountants (CA) much after the main event, on 29 March 1991. As the accounts including the primary records like cash book, ledgers, purchase/supply orders and vouchers were found to be in a very poor shape the CA had to reconstruct the accounts (upto 31 January 1992). The CA submitted their report on 21 July 1992 and pointed out innumerable irregularities, discrepancies and absence of effective controls, checks and records. As per their findings based on the incomplete records seen by them they suggested recovery of various amounts from different persons, suppliers and contractors. They also assessed the loss at about Rs 51.67 lakhs out of the total expenditure of Rs 444.90 lakhs. Besides, two cash books i.e. including a duplicate one was found in the possession of the drawing and disbursing officer.

### **10.3.24 Non production of records**

SOC did not furnish complete records and information to the CA and to Audit relating to many items, thus hampering effective Audit scrutiny. Even where information was furnished, it was after much delay and in many cases incomplete information and records were submitted. Records relating to 38 out of 65 Audit memos issued during June 1994 to November 1994 were not furnished.

The CA had pointed out that the payments made to Delhi State Bharat Scouts & Guides was doubtful. In order to examine the correctness of Bharatiyam accounts, the requisite information and/or records were called for from the organisation but these had not been furnished till November 1994.

**10.3.25** The drafting of school children, mostly from Delhi schools but also from all over the country appears to have been organised on a crash basis between May and October 1989. The final mass display on 14 November 1989 was preceded by feverish



activities of training and construction. In the process the standard financial canons and procedures seem to have been bypassed by creating an ad hoc entity outside the ambit of government rules and regulations. While the endeavour may have been to construct the best modern housing and obtain most fashionable and expensive costumes suitable for a splendid spectacle, the results in terms of amenities and quality showed up deficiencies not fully reflected in the single quotations or higher rates for food packets and transport or lack of stores' accounting.

## CHAPTER XI

### General

#### 11.1 Losses and irrecoverable dues written off

Statement of losses and irrecoverable dues, duties, advances etc written off/waived during 1993-94 is given in Appendix XI to this Report.

It will be seen from the Appendix that in 223 cases Rs 61.73 lakhs representing losses mainly due to failure of system neglect, fraud etc. on the part of individual government officials and for other reasons were written off during 1993-94.

#### 11.2 Departmentally managed Government Undertakings - Position of proforma accounts

On 31 March 1994 there were 38 departmentally managed Government undertakings of commercial and quasi-commercial nature.

The financial results of these undertakings are ascertained annually by preparing proforma accounts generally consisting of Trading, Profit and Loss Accounts and Balance Sheet. However, Department of Publications, Delhi and Government of India Presses prepare only the stores accounts. In pursuance of the recommendation contained in paragraph 1.107 of the Public Accounts Committee in their Forty First Report (Fifth Lok Sabha - 1971-72). Government agreed to prepare the Manufacturing, Profit and Loss Accounts and Balance Sheet for the Government of India Presses. The format of accounts for this purpose, effective from 1st April 1983, was accordingly approved.

Proforma Accounts for the year 1993-94 has not been received from any of the undertakings (November 1994), except Security Printing Press, Hyderabad. A synoptic statement showing the summarised financial results of the departmentally managed government undertakings on the basis of their latest available accounts is given in Appendix



XII. From the Appendix, it will be seen that the proforma accounts had not been prepared for periods ranging from 1 to 2 years as shown below :-

Period for which lying in arrears		
No. of years	Period	No. of undertakings
1 - 5	1989-90 to 1993-94	15
6 - 10	1984-85 to 1988-89	11
11 - 15	1979-80 to 1983-84	5
16 - 21	1973-74 to 1978-79	4
		*35

(\* Excludes two undertakings in respect of which simplification of proforma accounts kept in abeyance).

In the absence of proforma accounts, the cost of services provided by these organisations, which are intended to be managed on commercial basis, could not be ascertained. It was also not possible to ascertain any normal performance indicators like, return on investment, profitability etc. for their activities.

The reasons for delay in compilation of proforma accounts were not available. The delays in compilation of accounts in respect of departmentally managed government undertaking were also brought to the notice of the administrative ministries concerned from time to time but no effective steps had been taken to compile the accounts and bring them upto date.

### 11.3 Follow up on Audit Reports -Summarised position

The Lok Sabha Secretariat issued instructions (April 1982) to all the Ministries requesting them to furnish notes indicating remedial/corrective action taken by them to the Ministry of Finance (Department of Expenditure) on the various paragraphs contained in the Audit Reports, as soon as they were laid down on the Table of the House, duly vetted by Audit.

A review of the position regarding receipt of Action Taken Notes on the paragraphs included in the various Audit Reports (viz. Civil, Other Autonomous Bodies, Scientific Departments) upto the period ended 31st March 1993, revealed that the Ministries have not submitted remedial/corrective Action Taken Notes on paragraphs relating to them and out of 498 paragraphs on which Action Taken Notes were required to be sent, remedial/corrective Action Taken Notes on as many as 302 paragraphs (61 per cent) were still awaited (30th September 1994). Of the 302 paragraphs, 101 (33 per cent) pertain to the Reports for the period 1986-87 to 1990-91. A summarised position of the Action Taken Notes awaited from various Ministries is shown in Appendix XIII to the Report.



(B M OZA)

Director General of Audit  
Central Revenues

New Delhi

The **28-3-1995**

Countersigned



(C G SOMIAH)

Comptroller and Auditor General of India

New Delhi

The **29-3-1995**



**APPENDIX I**  
(Refers to paragraph 1.6)  
**Returns on Investment**

(Rupees in crores)

Investment at the end of the year	1989-90	1990-91	1991-92	1992-93	1993-94
<b>1. Public Sector Undertakings &amp; Statutory Corporations</b>					
(i) Total investment	33449.18	37134.66	40121.26	41858.23	44116.15
(ii) Share of dividend	248.50	301.17	367.19	592.45	633.07
(iii) Percentage of dividend	0.74	0.81	0.92	1.42	1.44
<b>2. Reserve Bank of India</b>					
(i) Total investment	5.82	5.82	5.82	5.82	5.82
(ii) Share of surplus profits	210.13	210.12	350.00	1500.00	1500.00
(iii) Percentage of surplus profits	3610.48	3610.00	6013.75	25773.20	25773.20
<b>3. Nationalised Banks</b>					
(i) Total investment	2090.59	2861.46	2979.01	3739.59	9464.89
(ii) Share of profits	55.47	50.70	54.59	80.88	3.58
(iii) Percentage of profits	2.65	1.77	1.83	2.16	0.04
<b>4. Life Insurance Corporation of India</b>					
(i) Total investment	5.00	5.00	5.00	5.00	5.00
(ii) Share of profits	59.82	76.18	90.04	100.06	118.53
(iii) Percentage of surplus profits	1196.40	1523.60	1800.00	2001.20	2370.60
<b>5. General Insurance Corporation</b>					
(i) Total investment	64.50	107.50	107.50	107.50	215.00
(ii) Dividend received	20.21	26.88	26.88	32.37	26.94
(iii) Percentage of dividend	31.33	25.00	25.00	30.11	12.53
<b>6. Industrial Development Bank of India</b>					
(i) Total investment	637.00	703.00	753.00	753.00	753.00
(ii) Share of surplus profits	47.85	69.58	92.64	93.00	112.95
(iii) Percentage of dividend	7.51	9.90	12.30	12.35	15.00

Contd⇒

Investment at the end of the year		1989-90	1990-91	1991-92	1992-93	1993-94
<b>7.</b>	<b>State Co-operative Banks and other Banks:</b>					
(i)	Total investment	471.73	520.12	590.10	644.67	690.74
(ii)	Dividend received	7.00	8.00	9.01	10.00	12.39
(iii)	Percentage of dividend	1.48	1.54	1.53	1.55	1.79
<b>8.</b>	<b>Co-operative Societies:</b>					
(i)	Total investment	662.42	670.06	681.91	723.72	726.69
(ii)	Dividend received	40.33	31.41	41.40	61.01	45.74
(iii)	Percentage of dividend	6.09	4.69	6.07	8.43	6.29
<b>9.</b>	<b>Co-operative Credit Societies:</b>					
(i)	Total investment	0.18	0.18	0.19	0.19	0.19
(ii)	Dividend received	NA	NA	NA	NA	NA
(iii)	Percentage of dividend	NA	NA	NA	NA	NA
<b>10.</b>	<b>International Bodies:</b>					
(i)	Total investment	470.28	597.92	660.45	679.81	718.85
<b>11.</b>	<b>Under Construction:</b>					
(i)	Total investment	4588.17	4588.87	3316.71	3520.93	6309.51

(i)	Total investment	42444.88	47194.59	49220.95	52038.46	63005.84
(ii)	Dividend received	689.41	774.03	1031.75	2469.77	2453.20
(iii)	Percentage of dividend/profits	1.63	1.64	2.10	4.75	3.9



**APPENDIX II**

(Refers to paragraph 1.7)

**Loans outstanding for more than 20 years**

	<b>Name of the PSU</b>	<b>Ministry/Deptt.</b>	<b>Earliest period from which loans in arrears</b>
1	Central Fisheries Corporation Ltd. Howrah	M/o Agriculture (Deptt. of Agri. & Cooperation)	1969-70
2	National Textile Corporation New Delhi	M/o Commerce (Deptt. of Textile)	1972-73
3	United Mills Bombay	M/o Commerce (Deptt. of Textile)	1966-67
4	Post & Telegraph Cooperation Societies	M/o Communication (Deptt. of Post)	1966-67
5	Co-operative Societies, Delhi	M/o Home Affairs (Delhi Admn.)	1961-62
6	DDA Delhi	-do-	1953-54
7	DESU Delhi	-do-	1969-70
8	MCD Delhi	-do-	1969-70
9	Delhi WS&SD	-do-	1969-70
10	Various Educational Institutions & Engineering Colleges	M/o Human Resource (Deptt. of Education)	1971-72
11	Bharat Heavy Plates and Vessels Ltd. Vishakhapatnam	M/o Industry (Deptt. of Heavy Industries)	1971-72
12	Barbil Central Co-operative Store US Barbil	M/o Labour	1967-68

Contd ⇨

	Name of the PSU	Ministry/Deptt.	Earliest period from which loans in arrears
13	Central Inland Water Transport Corporation Ltd. Calcutta	M/o Surface Transport	1963-64
14	DTC New Delhi	-do-	1963-64
15	Railway Employees Consumer Co-operative Stores Southern Eastern Railway Eastern Railway Western Railway	M/o Railway -do- -do- -do-	 1966-67 1971-72 1970-71
16	Andhra State Electricity Board	M/o Urban Development	1972-73
17	Consumer Co-operative Societies Ltd. New Delhi	-do-	1964-65
18	MCD	-do-	1952-53
19	Delhi WS&SDU	-do-	1953-54



### APPENDIX III

(Refers to paragraph 1.13)

#### Outstanding Utilisation Certificates

*(Rupees in crores)*

Sl. No.	Ministry/Department	Number of Utilisation Certificates outstanding at the end of March 1994 in respect of grants released upto September 1992	Amount	Earliest year of pendency of grants
1.	Agriculture	596	151.22	1976-77
2.	Andaman and Nicobar Islands☆	267	10.10	1980-81
3.	Delhi Administration	2141	1220.58	1977-78
4.	Information & Broadcasting	13	0.95	1982-83
5.	Urban Development	173	46.52	1981-82
6.	Water Resources	73	2.02	1984-85
7.	Health & Family Welfare			
	(i) Family Welfare	995	98.32	1976-77
	(ii) Health	2547	632.06	1976-77
8.	Environment and Forests	3845	251.92	1980-81
9.	Ocean Development	715	43.77	1983-84
10.	Home Affairs	44	0.07	1987-88
11.	Civil Supplies and Public Distribution	30	3.11	1980-81
12.	Central Board of Direct Taxes	24	0.04	1988-89
13.	Commerce	141	262.72	1983-84
14.	Textile	51	42.04	1992-93
15.	Development Commissioner of Handicraft, Delhi	487	9.45	1977-78
16.	Surface Transport	16	8.50	1987-88
17.	External Affairs	47	20.66	1985-86
18.	Rural Development	80	50.14	1989-90
19.	Food Processing Industries	76	8.86	1983-84

Contd⇒

Sl. No.	Ministry/Department	Number of Utilisation Certificates outstanding at the end of March 1994 in respect of grants released upto September 1992	Amount	Earliest year of pendency of grants
20.	Personnel Public Grievances and Pension  Department of Personnel and Training	33	0.36	1986-87
21.	Labour	168	6.71	1979-80
22.	Law and Justice and company affairs Department of Legal Affairs and Legislation Department	81	0.24	1982-83
23.	Electronics	1988	303.43	1979-80
24.	Chemicals and Fertilisers	65	108.94	1985-86
25.	Planning-Planning Commission and National Informatics Centre	50	1.01	1990-91
26.	Finance- i) Revenue ii) Economic Affairs	34 17	1.95 3.21	1989-90 1990-91
27	Industry Department of Heavy Industry Small scale Industries and Agro Rural Industries	22 24	17.04 6.96	1990-91 1991-92
<b>Total</b>		<b>14843</b>	<b>3312.90</b>	

☆ Includes utilisation certificates outstanding upto 31 March 1993



**APPENDIX IV**

(Refers to paragraph 1.14.3)

**Adverse Balances**

*(Rupees in crores)*

Sl No	Name of the Department	Head of Account	Balances as on 31 March 1994
1.	2.	3.	4.
1.	Controller of Aid Accounts & Audit Ministry of Finance  Department of Economic Affairs	i)6002-201-Loans from Abu Dhabi Fund for Arab Economic Development	Dr 12.13
		ii)6002-211 Loans from the Government of Iraq	Dr 1.38
		iii)6002-231 Loans from the Government of United Arab Emirates	Dr 32.00
		iv)8012-112-Deposits by the Kudremukh Iron Ore Company Ltd	Dr 578.88
		v) 6002-225-Loans from the Government of UK (Loans not bearing interest)	Dr 132.71
		vi)8449-116-Advances Deposits for USA aided projects	Dr 15.67
		vii)8449-119-Advance Deposits for ADB assisted Projects	Dr 70.80
2.	Controller of Accounts Ministry of Finance, Department of Economic Affairs	i)6001-106-Compensation and other Bonds 5 Year Interest Free Prize Bonds 1965	Dr 1.35
		ii) 8002-102-State Saving Certificates	Dr 0.94
		iii) 8002-103-Treasury Savings deposits certificates	Dr 6.54
		iv) 8002-106-National Development Bonds	Dr 2.41

Contd⇒

Sl No	Name of the Department	Head of Account	Balances as on 31 March 1994
		v) 8012-105-Special securities issued to UTI.	Dr 109.88
		vi) 8656-104-Bronze and Copper Coinage Account	Cr. 2.14
		vii) 8670-00-103 Departmental Cheques	Dr 34.44
3.	Tourism and Civil Aviation	7452/01/800-Other Loans	Cr. 1.26
4	Rural Development	8670-00-103 Departmental Cheques	Dr 105.94
5	Civil Supplies	7475-00-103 Civil Supplies	Cr. 2.00
6.	Department of Posts	i)8002-104-Defence Savings Certificates	Dr 31.51
		ii) 8002-106-National Development Bonds	Dr 0.93



**APPENDIX V**

(Refers to paragraph 2.4)

**Cases of unnecessary supplementary grants/appropriations**

*(Rupees in lakhs)*

Sl No	Grant/appropriation	Amount of Grant/Appropriation			
		Original	Supple- mentary	Actual expenditure	Saving
<b>Revenue-Voted</b>					
<b>Ministry of Communication</b>					
1.	13-Ministry of Communication	1073.00	40.00	714.08	398.92
<b>Ministry of Defence</b>					
2.	16-Ministry of Defence	159636.00	528.00	155300.97	4863.03
<b>Ministry of Finance</b>					
3.	27-Payments to Financial Institutions	109838.00	5049.00	105657.14	9229.86
4.	32-Department of Expenditure	915.00	35.00	830.52	119.48
5.	35-Department of Revenue	10005.00	440.00	9123.54	1321.46
<b>Ministry of Food Processing Industries</b>					
6.	39-Ministry of Food Processing Industries	4079.00	556.00	3936.94	698.06
<b>Ministry of Health and Family Welfare</b>					
7.	40-Department of Health	79952.00	6648.00	77095.66	9504.34
<b>Ministry of Human Resources Development</b>					
8.	47-Department of Education	215596.00	3294.00	209633.27	9256.73
<b>Ministry of Industry</b>					
9.	51-Department of Industrial Development	80630.00	50847.00	78939.51	52537.49
10.	53-Department of Public Enterprises	144.00	11.00	130.96	24.04
11.	54-Department of Small Scale Industries and Agro and Rural Industries	37629.00	201.00	34155.92	3674.08
<b>Ministry of Surface Transport</b>					
12.	75- Surface Transport	10690.00	132.00	6314.44	4507.56
<b>Ministry of Water Resources</b>					
13.	82-Ministry of Water Resources	35353.00	398.00	32443.24	3307.76
<b>Ministry of Welfare</b>					
14.	83-Ministry of Welfare	56494.00	2931.00	55272.30	4152.70
<b>Revenue-Charged</b>					
<b>Ministry of Finance</b>					
15.	33-Pensions	236.00	37.00	228.73	44.27
<b>Capital-Voted</b>					
<b>Ministry of Chemicals and Fertilisers</b>					
16.	6-Department of Fertilisers	20560.00	801.00	19546.72	1814.28
<b>Ministry of Health and Family Welfare</b>					
17.	40-Department of Health	26095.00	2211.00	25746.69	2559.31
<b>Ministry of Surface Transport</b>					
18.	75- Surface Transport	5469.00	1451.00	5402.00	1518.00
19.	76-Roads	67670.00	858.00	65472.29	3055.71
20.	77-Ports, Lighthouses and Shipping	26871.00	2602.00	22810.12	6662.88

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Sl No	Grant/appropriation	Amount of Grant/Appropriation			
		Original	Supple- mentary	Actual expenditure	Saving
<b>Ministry of Urban Development</b>					
21.	79-Urban Development and Housing	23821.00	1765.00	19043.89	6542.11
22.	80-Public Works	14952.00	1387.00	14913.08	1425.92
<b>Ministry of Home Affairs-Union Territories (without Legislature)</b>					
23.	95-Andaman and Nicobar Islands	15254.00	422.00	13767.16	1908.84
<b>Capital-charged</b>					
<b>Ministry of Urban Development</b>					
24.	79-Urban Development and Housing	2348.00	53.00	2243.18	157.82
<b>Total</b>		<b>1005310.00</b>	<b>82697.00</b>	<b>958722.35</b>	<b>129284.65</b>
<b>Total (in crores)</b>		<b>10053.10</b>	<b>826.97</b>	<b>9587.22</b>	<b>1292.85</b>



## APPENDIX VI

(Refers to paragraph 2.4)

### Savings under Voted Grants

Voted grants where the savings (more than Rs. 50.00 lakhs in each case) exceeded 20 per cent of the total grant are given below:-

(Rupees in lakhs)

Sl. No	Grant	Total grant	Expenditure	Savings	Percentage of savings
<b>Revenue</b>					
1.	94-Delhi	129702.00	75218.56	54483.44	42.00
2.	75- Surface Transport	10822.00	6314.44	4507.56	41.65
3.	51-Department of Industrial Development	131477.00	78939.51	52537.49	39.96
4.	13-Ministry of Communications	1113.00	714.08	398.92	35.84
5.	45-Other expenditure of the Ministry of Home Affairs	40996.00	28340.79	12655.21	30.87
6.	4-Department of Animal Husbandry and Dairying	36903.00	25624.82	11278.18	30.56
7.	65-Planning	8935.00	6212.83	2722.17	30.47
8.	78-Ministry of Textiles	71440.00	54155.41	17284.59	24.19
9.	68-Ministry of Power	48715.00	37864.85	10850.15	22.27
10.	85-Nuclear Power Schemes	44161.00	34852.26	9308.74	21.08
<b>Capital</b>					
11.	35-Department of Revenue	139.00	10.36	128.64	92.55
12.	55-Ministry of Information and Broadcasting	1996.00	386.57	1609.43	80.63
13.	1-Agriculture	1475.00	327.74	1147.26	77.78
14.	69-Department of Rural Development	675.00	152.15	522.85	77.46
15.	7-Department of Civil Aviation	1173.00	361.89	811.11	69.15
16.	39-Ministry of Food Processing Industries	1026.00	344.52	681.48	66.42
17.	81-Stationery and Printing	500.00	201.87	298.13	59.63
18.	25-Department of Economic Affairs	14468.00	5931.92	8536.08	59.00
19.	94-Delhi	96997.00	55690.97	41306.03	42.59
20.	97-Lakshadweep	1886.00	1085.68	800.32	42.43
21.	52-Department of Heavy Industry	24818.00	15249.36	9568.64	38.56
22.	60-Ministry of Mines	3770.00	2325.92	1444.08	38.30
23.	61-Ministry of Non-conventional Energy Sources	1004.00	620.00	384.00	38.25
24.	64-Ministry of Petroleum and Natural Gas	26639.00	18639.00	8000.00	30.03
25.	42-Ministry of Home Affairs	1875.00	1317.17	557.83	29.75
26.	24-Ministry of External Affairs	7976.00	5642.88	2333.12	29.25
27.	71-Department of Science and Technology	3252.00	2396.32	855.68	26.31
28.	44-Police	46539.00	34446.35	12092.65	25.98

Sl. No	Grant	Total grant	Expenditure	Savings	Percentage of savings
29.	79-Urban Development and Housing	25586.00	19043.89	6542.11	25.57
30.	73-Department of Bio-Technology	600.00	452.00	148.00	24.67
31.	77-Ports, Lighthouses and Shipping	29473.00	22810.12	6662.88	22.61
32.	82-Ministry of Water Resources	3115.00	2413.12	701.88	22.53
33.	75- Surface Transport	6920.00	5402.00	1518.00	21.94
34.	16-Ministry of Defence	8185.00	6459.29	1725.71	21.08



## APPENDIX VII

(Refers to paragraph 2.5)

### Surrender of funds

Instances of savings greater than 20 per cent and more than Rs.1.00 crore only partly surrendered are given below:-

(Rupees in crores)

Sl. No.	Grant	Total savings	Amount surrendered	Amount not surrendered	Percentage not surrendered
<b>Revenue-Voted</b>					
1.	9-Ministry of Civil Supplies, Consumer Affairs and Public Distribution	8.94	5.08	3.86	43.18
2.	11-Department of Commerce	44.13	27.38	16.75	37.96
3.	13-Ministry of Communications	3.99	0.50	3.49	87.45
4.	24-Ministry of External Affairs	15.84	5.25	10.59	66.85
5.	26-Currency, Coinage and Stamps	47.97	37.74	10.23	21.32
6.	35-Department of Revenue	13.21	6.39	6.82	51.63
7.	36-Direct Taxes	16.10	9.55	6.55	40.68
8.	37-Indirect Taxes	44.59	15.38	29.21	65.50
9.	38-Ministry of Food	59.58	38.23	21.35	35.83
10.	39-Ministry of Food Processing Industries	6.98	4.48	2.50	35.81
11.	40-Department of Health	95.04	48.61	46.43	48.85
12.	42-Ministry of Home Affairs	15.50	8.34	7.16	46.20
13.	43-Cabinet	6.54	0.57	5.97	91.28
14.	44-Police	11.31	1.00	10.31	91.16
15.	45-Other Expenditure of the Ministry of Home Affairs	126.55	44.29	82.26	65.00
16.	47-Department of Education	92.57	59.83	32.74	35.37
17.	48-Department of Youth Affairs and Sports	9.86	3.46	6.40	64.90
18.	49-Art and Culture	6.76	1.00	5.76	85.21
19.	50-Department of Women and Child Development	8.68	5.86	2.82	32.48
20.	52-Department of Heavy Industry	17.04	5.04	12.00	70.42
21.	60-Ministry of Mines	3.43	0.33	3.10	90.37
22.	63-Ministry of Personnel, Public Grievances and Pensions	1.20	0.10	1.10	91.67
23.	71-Department of Science and Technology	1.79	0.58	1.21	67.59
24.	73-Department of Bio-Technology	5.58	3.38	2.20	39.42
25.	75- Surface Transport	45.08	33.61	11.47	25.44
26.	79-Urban Development and Housing	6.14	0.98	5.16	84.04
27.	84-Atomic Energy	15.97	6.01	9.96	62.37
28.	85-Nuclear Power Schemes	93.09	13.39	79.70	85.61
29.	87-Department of Ocean Development	6.37	4.36	2.01	31.55
30.	95-Andaman and Nicobar Islands	3.66	1.79	1.87	51.09
<b>Revenue-Charged</b>					
31.	58-Law and Justice	2.40	0.10	2.30	95.84
32.	79-Urban Development and Housing	1.46	0.36	1.10	75.34

Sl. No.	Grant	Total savings	Amount surrendered	Amount not surrendered	Percentage not surrendered
<b>Capital-Voted</b>					
33.	25-Department of Economic Affairs	85.36	37.26	48.10	56.35
34.	26-Currency, Coinage and Stamps	90.31	52.23	38.08	42.17
35.	30-Loans to Government Servants etc.	43.80	13.39	30.41	69.43
36.	40-Department of Health	25.59	13.15	12.44	48.62
37.	44-Police	120.93	85.05	35.88	29.67
38.	52-Department of Heavy Industry	95.69	65.00	30.69	32.07
39.	56-Broadcasting Services	30.43	19.84	10.59	34.80
40.	76-Roads	30.56	0.01	30.55	99.97
41.	79-Urban Development and Housing	65.42	46.72	18.70	28.58
42.	84-Atomic Energy	60.27	36.50	23.77	39.44
43.	87-Department of Ocean Development	1.61	0.40	1.21	75.16
<b>Capital-Charged</b>					
44.	31-Appropriation-Repayment of Debt	12289.46	8865.55	3423.91	27.86



## APPENDIX VIII

(Refers to paragraph 2.6)

### Cases of injudicious re-appropriation

#### 1. Significant Cases of major re-appropriation which were injudicious on account of non-utilisation

(Rupees in lakhs)

Sl. No	Number and name of Grant	Major Head	Sub-head	Amount of re-appropriation to the sub-head	Amount of final saving under the sub-head after re-appropriation
1.	1-Agriculture	2401-Crop Husbandry	C.4(1)(3)-Integrated Post Management Centres	61.48	98.43
			C.8(16)-Development of Mushroom	1.00	51.00
		3601-Grants-in-aid to State Governments	E.2(4)(10)-Development of Mushroom	99.00	73.75
2.	11-Department of Commerce	3451-Secretariat-Economic Service	A.1(1)-Department of Commerce	80.00	86.33
			D.8(2)-Contributions to other Organisations	25.86	147.29
		3453-Foreign Trade and Export Promotion	D.9(1)(1)-Payment against collection of cess	249.00	242.57
3.	12-Department of Supply	2057-Supplies & Disposals	B.2-Inspection	42.41	52.72
4.	24-Ministry of External Affairs	2061-External Affairs	B.8(1)-Demarcation of Boundaries	19.89	55.01
			3605-Technical and Economical Cooperation with Other Countries	D.1(6)-Aid to other developing countries	518.00
5.	25-Department of Economic Affairs	2047-Other Fiscal Services	B.1(1)-National Savings Organisation	17.92	57.37
			2070-Other Administrative Services	C.1(2)-Tenth Finance Commission	79.00
6.	26-Currency, Coinage and Stamps	2046-Currency, Coinage and Mints	A.4(1)-Loss on destruction of withdrawn coins	13.00	173.00
			A.6(1)-Management and Establishment	93.88	142.72
		2047-Other Fiscal Services	B.1(1)-Management	72.80	59.14
7.	28-Appropriation-Interest Payments	2049-Interest Payments	A.1(5)-Interest on 364 days Treasury Bills	6500.00	74603.67
			A.1(6)-Management of Debt	1765.00	1768.08
			A.4(1)-Depreciation Renewal Reserve Funds	543.19	537.10
			A.4(3)-Interest on Railway Development Fund	135.05	273.59
8.	31-Appropriation-Repayment of Debt	6002-External Debt	BB.17-Loans from the Agency for International Development, USA	720.03	961.87



Sl. No	Number and name of Grant	Major Head	Sub-head	Amount of re-appropriation to the sub-head	Amount of final saving under the sub-head after re-appropriation
9.	33-Pensions	2071-Pensions and Other Retirement Benefits	A.1(7)-Contribution to Provident Funds	86.36	114.82
		2235-Social Security and Welfare	B.1(2)-Deposit Linked Insurance Scheme-Government Provident Funds	32.72	122.78
			B.1(3)(1)-Central Government Employees Insurance Scheme	2109.78	2112.71
10	35-Department of Revenue	2875-Other Industries	G.1(4)(4)-Other Expenditure	85.64	78.51
11.	37-Indirect Taxes	2037-Customs	A.2(2)(1)(1)-Inter Account Transfer	105.30	260.84
			A2(3)(1)(1)-Inter Account Transfers	213.70	138.94
		2038-Union Excise Duties	B.2(2)-Other Offices	307.64	464.69
		4047-Capital Outlay on other Fiscal Services	AA.1(1)(2)-Major Works	125.00	134.99
12	40-Department of Health	2210-Medical and Public Health	C.1(2)(1)-Central Government Health Scheme, Delhi	214.93	159.35
			C.1(3)(2)-Dr. Ram Manohar Lohia Hospital, New Delhi	200.00	131.68
			C.3(1)(2)(1)-General Areas	20.00	97.50
			C.3(1)(4)-Pharmacopoeia Laboratory of Indian Medicine, Ghaziabad	1.00	193.48
			C.3(2)(3)-Homoeopathic Pharmacopoeia Laboratory, Ghaziabad	0.55	54.49
			C.3(4)(1)(7)-Regional Post Graduate Centre, Jawaharlal Institute of Post Graduate Medical Education and Research, Pondicherry	69.07	285.71
			C.4(3)(9)-Other Health Schemes	127.98	168.79
		3606-Aid Materials and Equipments	F.4(1)-Material Assistance for National TB Control Programme	20.00	66.29
			F.4(2)-Material Assistance for National Leprosy Control Programme	30.00	50.00
13	41-Department of Family Welfare	2211-Family Welfare	B.5(1)-Expenditure in Union Territories without Legislature	7.00	117.95
			B.11(5)-Oral Pills Scheme	89.00	66.63
14	42-Ministry of Home Affairs	3454-Census Surveys and Statistics	D.1(3)(15)-Improvements in vital statistics system	24.97	223.31

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Sl. No	Number and name of Grant	Major Head	Sub-head	Amount of re-appropriation to the sub-head	Amount of final saving under the sub-head after re-appropriation
15	44-Police	4059-Capital Outlay on Public Works	AA.1(1)(1)(2)(2)-Central Reserve Police Force	19.23	1070.86
		4216-Capital Outlay on Housing	BB.1(1)(1)(1)-Border Security Force	140.00	196.00
			BB.1(1)(1)(6)-Directorate of Coordination (Police Wireless)	66.00	60.09
16	47-Department of Education	2202-General Education	C.2(6)(4)-Setting up of Model Schools (Navodaya Vidyalayas)	29.00	50.00
			C.3(2)(3)-Setting up of Commonwealth University and College-Network in Distance Education-India's Contribution to the Commonwealth of learning	50.00	75.00
			C.4(5)(10)-Special Project for eradication of illiteracy	92.35	249.01
17	48-Department of Youth Affairs & Sports	2251-Secretariat Social Services	A.1-Secretariat	1.00	50.65
		2204-Sports & Youth Services	B.3(4)-National Integration Programmes	1.00	52.74
			B.4(15)-Exchange of Sports & Physical Education team experts	50.00	66.31
18	58-Law and Justice	2015-Elections	C.5-Charges for conduct of election to Parliament	149.32	185.51
19	63-Ministry of Personnel, Public Grievances and Pensions	2055-Police	D.1.(1)-Central Bureau of Investigation	38.00	66.94
20	69-Department of Rural Development	2515-Other Rural Development Programme	H4(1)(1)-Subsidy to DRDA	51.28	71.69
21	77-Ports, Lighthouses and Shipping	5051-Capital Outlay on Ports & Lighthouses	BB.1(1)(1)(4)-Equipment for Surveying (MPSO)	80.00	58.39
22	78-Ministry of Textiles	2851-Village and Small Industries	B.4(1)(2)-Others	7.00	67.61
23	79-Urban Development and Housing	2052-Secretariat General Services	A.1-Secretariat	22.50	58.75
		2215-Water Supply and Sanitation	B.1(3)(5)-Extension of ARWSP to small towns	205.00	228.19
		2216-Housing	C.1(1)(1)(1)(1)-Minor Works	25.00	52.89
			C.1(1)(2)(3)(1)-Lease Charges	30.00	82.81
		4216-Capital Outlay on Housing	BB.1(2)(10)-Finance (Revenue)	1.25	1584.23

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Sl. No	Number and name of Grant	Major Head	Sub-head	Amount of re-appropriation to the sub-head	Amount of final saving under the sub-head after re-appropriation
24	80-Public Works	2059-Public Works	A.3(1)(2)(1)-Regular Establishment	23.80	170.48
			A.3(1)(2)(2)-Work charged staff converted into Regular Establishment	6.92	78.73
		4202-Capital Outlay on Education, Sports, Art and Culture	BB.2(1)-Archives	100.00	61.02
		4250-Capital Outlay on Other Social Services	EE.1-Labour	38.00	106.63
		5455-Capital Outlay on Meteorology	NN.1-Observatories and Weather Stations	136.00	111.11
25	84-Atomic Energy	2852-Industries	B.1(5)(3)-General Services Organisation at Vashi	70.70	95.23
			3401-Atomic Energy Research	C.2(1)-Atomic Energy Regulatory Board	42.00
		4861-Capital Outlay on Atomic Energy Industries	CC.1(6)(2)(1)-Main Plant	255.51	610.76
			CC.3(7)(1)-Board of Radiation and Isotope Technology	39.56	59.16
		5401-Capital Outlay on Atomic Energy Research	DD.1(7)(6)-Laser Material Processing	83.00	158.27
			DD.1(10)(2)-Miscellaneous Works	89.00	70.05
DD.5(2)-Variable Energy Cyclotron Centre	22.00		61.25		
26	88-Department of Space	5402-Capital Outlay on Space Research	BB.2(1)(6)-Liquid Propulsion Systems (LPS) Centre	125.66	64.44
27	95-Andaman and Nicobar Islands	5052-Capital Outlay on Shipping	RR.2(1)(1)(1)-Purchase of Ships	1118.24	1901.22
28	97-Lakshadweep	3052-Shipping	P.2(1)(1)(1)-Shipping Corporation of India	57.33	69.03
29	98-Chandigarh	2215-Water Supply and Sanitation	T.3(1)(1)(2)-Work charged Establishment	0.10	72.64
<b>Total I</b>				<b>18172.90</b>	



2. Cases of major re-appropriation to other sub-heads under which the expenditure finally showed excess over the balance provision

(Rupees in lakhs)

Sl. No	Number and name of Grant	Major Head	Sub-head	Amount of re-appropriation to other sub-head	Amount of excess after re-appropriation
1.	28-Appropriation Interest Payments	2049-Interest Payments	A.2(30)-Interest on Loans from the Government of Sweden	35.33	107.00
			A.3(4)-Interest on State Provident Fund	116.58	8368.81
			A.3(6)-Interest on Public Provident Funds	26.54	10644.85
			A.3 (10)-Bonus on field deposits	623.80	690.29
			A.5(2)-Interest on Advance Deposits Scheme for giving Telephone connections	300.00	247.90
2.	31-Appropriation-Repayment of Debt	6001-Internal Debt of the Central Government 6002-External Debt	AA.6(4)-International Fund for Agricultural Development	106.63	160.01
			BB.18-Other Miscellaneous Loans from the Government of USA	13.47	790.88
3.	33-Pensions	2071-Pension and other Retirement Benefits	A.1(1)(1)-Ordinary Pensions	250.40	5472.02
			A.1(4)(1)-Family Pensions	947.80	739.86
			A.1(10)(6)-Miscellaneous Pensionary Payments	383.61	371.27
4.	37-Indirect Taxes	2038-Union Excise Duties	B.3(5)(1)-Cost of collection of customs at Minor Ports	105.30	260.84
			B.3(5)(2)-Cost of collection of land customs	213.70	138.94
5.	44-Police	2055-Police	A.10(1)-Charges paid to other Governments/Departments etc.	5.00	898.19
		4059-Capital Outlay on Public Works	AA.1(1)(1)(2)(1)-Border Security Force	5.00	414.60
6.	77-Ports, Lighthouses and Shipping	3051-Ports and Light Houses	B.3(2)(5)-General Reserve Fund	76.31	986.13
7.	80-Public Works	2059-Public Works	A.2(1)-Maintenance and Repairs	67.00	204.19
		4059-Capital Outlay on Public Works	AA.2(1)(6)-Home Affairs	160.00	100.75
8.	82-Ministry of Water Resources	2702-Minor Irrigation	C.2(1)(1)-Central Ground Water Board (Hqrs.)	10.29	71.38
9.	84-Atomic Energy	4861-Capital Outlay on Atomic Energy Industries	CC.1(6)(6)-Heavy Water Plant Thal, Vaishat	268.00	231.65
			CC.3(2)(1)-Waste Immobilisation Plant at Trombay	325.00	183.04
<b>Total 2</b>				<b>4039.76</b>	

<b>Total 1+2</b>		<b>22212.66</b>
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## APPENDIX IX

(Refers to paragraph 2.7)

### Major variations in recoveries

Details of major variations between budgeted recoveries and actuals adjusted in reduction of expenditure:

(Rupees in crores)

Sl. No	Grant	Budget estimates	Actual recoveries	Variation	
				Amount	Percentage
<b>Short recoveries against budget estimates</b>					
<b>Revenue</b>					
1.	9-Ministry of Civil Supplies, Consumer Affairs and Public Distribution	16.00	7.00	9.00	56.25
2.	35-Department of Revenue	20.09	5.78	14.31	71.23
3.	38-Ministry of Food	71.61	3.35	68.26	95.32
4.	51-Department of Industrial Development	9.12	0.45	8.67	95.06
5.	75-Surface Transport	70.06	33.06	37.00	52.80
6.	78-Ministry of Textiles	220.32	80.49	139.83	63.46
7.	81-Stationery and Printing	62.00	32.66	29.34	47.32
8.	82-Ministry of Water Resources	28.83	21.13	7.70	26.71
9.	86-Department of Electronics	13.58	7.29	6.29	46.32
10.	94-Delhi	26.92	10.58	16.34	60.70
11.	96-Dadra and Nagar Haveli	21.17	0.90	20.27	95.75
<b>Capital</b>					
1.	10-Ministry of Coal	15.00	--	15.00	100.00
2.	36-Direct Taxes	100.00	57.71	42.29	42.29
3.	77-Ports, Lighthouses and Shipping	31.72	22.64	9.08	28.63
4.	94-Delhi	228.74	68.72	160.02	69.95
<b>Excess recoveries against budget estimates</b>					
<b>Revenue</b>					
1.	6-Department of Fertilizers	758.50	1051.51	293.01	38.63
2.	52-Department of Heavy Industry	136.00	179.09	43.09	31.68
3.	60-Ministry of Mines	32.65	84.53	51.88	158.90
4.	95-Andaman and Nicobar Islands	21.06	28.36	7.30	34.66
<b>Capital</b>					
1.	26-Currency, Coinage and Stamps	117.19	504.87	387.68	330.81
2.	76-Roads	18.50	47.56	29.06	157.08
3.	84-Atomic Energy	30.67	72.78	42.11	137.30
<b>Revenue Charged</b>					
1.	5-Department of Chemicals & Fertilisers	--	5.72	5.72	100.00



**APPENDIX X**  
(Refers to paragraph 10.1.5)

**Release of funds by Department of Education for improvement of Science Education in Schools  
and their utilisation by States/U.Ts.(1987-94)**

*(Rs in Lakhs)*

No	State/ UT	Assistance released	Expenditure	Shortfall	% shortfall	Excess
1	Andhra Pradesh	1369.38	708.75	660.63	48	
2	Assam	673.50	479.84	193.66	29	
3	Bihar	571.19	307.92	263.27	46	
4	Goa	128.78	120.85	7.93	06	
5	Gujarat	142.31	141.18	1.13	01	
6	Haryana	874.66	406.03	468.63	54	
7	Himachal Pradesh	735.26	685.21	50.05	07	
8	Jammu & Kashmir	529.27	195.37*	330.90	63	
9	Karnataka	1283.58	895.36	388.22	30	
10	Kerala	553.07	441.60	111.47	20	
11	Madhya Pradesh	682.95	419.07	263.88	39	
12	Maharashtra	1376.45	1211.71	164.74	12	
13	Manipur	195.05	151.44	43.61	22	
14	Meghalaya	36.00	30.88	5.12	14	
15	Mizoram	246.01	217.72	28.29	11	
16	Orissa	842.44	439.89	402.55	48	
17	Punjab	1256.80	1307.43	-	-	50.63
18	Rajasthan	1412.74	993.31	419.43	30	
19	Sikkim	33.08	28.44	4.64	14	
20	Tamil Nadu	1296.33	923.47	372.86	29	
21	Tripura	28.19	11.25	16.94	6	
22	Uttar Pradesh	913.50	666.72	246.78	27	
23	West Bengal	661.55	514.37	147.18	22	
24	A&N Islands	38.95	32.70	6.25	16	
25	Chandigarh	27.09	26.63	0.46	02	
26	Dadra & Nagar Haveli	5.22	4.59	0.63	12	
27	Delhi	421.46	208.14	213.32	51	
28	Lakshadweep	9.13	0.14	8.99	98	
29	Pondicherry	34.87	34.51	0.36	01	
<b>Total</b>		<b>16378.81</b>	<b>11604.52</b>	<b>4824.92</b>	<b>29</b>	<b>50.63</b>

Assistance released : As intimated by the Department

Expenditure : As intimated by the State A.Gs

\* Figures of Kashmir Division were not available

**APPENDIX XI**  
(Refers to paragraph 11.1)

**Statement of losses and irrecoverable dues written off during 1993-94**

(Amount in lakhs of Rupees)

Name of Ministry/ Department	Write off of losses and dues arising from					
	Failure of system		Neglect/fraud etc.		Other reasons	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Atomic Energy					4	0.25
Energy	1	0.12			13	0.76
Home					14	3.06
Labour					1	0.31
Mines					33	1.45
Space					6	0.91
Surface Transport			25	6.40	124	48.36
Urban Development					2	0.11
	<b>1</b>	<b>0.12</b>	<b>25</b>	<b>6.40</b>	<b>197</b>	<b>55.21</b>



**APPENDIX XII**  
**(Refers to paragraph 11.2)**

**Summarised financial results of Departmentally managed Government Undertakings**

(Figures in lakhs of rupees)

Sl. No	Name of the Undertaking	Period of Accounts	Government Capital	Block Assets (Net)	Depreciation to date	Profit(+) Loss(-)	Interest on Government Capital	Total return	Percentage of total return to mean capital	Remarks
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
<b>Ministry of Agriculture</b>										
1.	Delhi Milk Scheme	1987-88	1482.03	512.52	829.37	(-) 1066.94	128.98	(-) 937.96	-	
2.	Ice-cum-Freezing Plant, Cochin	1987-88	41.17	40.67	33.30	(-) 20.90	-	(-) 20.90	-	
<b>Ministry of Defence</b>										
3.	Canteen Stores Department	1989-90	48.00	298.85	409.46	2739.90	1030.24	3770.14	29.55	
<b>Ministry of Power</b>										
4.	Electricity Department, Andaman and Nicobar Islands	1989-90	3075.02	2755.22	319.80	(-) 1057.65	241.94	(-) 1815.71	-	
5.	Electricity Department, Lakshadweep	1982-83	185.80	110.57	36.76	(-) 64.04	8.11	(-) 55.93	-	
<b>Ministry of Environment and Forests</b>										
6.	Forest Department, Andaman and Nicobar Islands	1986-87	375.02	375.02	180.71	(+) 778.52	132.40	(+) 2465.79	-	
<b>Ministry of Finance</b>										
7.	India Security Press, Nasik Road	1992-93	5396.65	4089.22	1403.80	(+) 1636.73	1489.68	3126.41	21.61	Figures based on Profit and Loss after adjustment
8.	Security Printing Press, Hyderabad	1993-94	1348.00	980.00	369.00	(+)302.00	214.00	516.00	26	Un-audited provisional figures.
9.	Currency Note Press, Nasik Road	1992-93	7681.67	5498.00	2400.00	(+) 2508.34	1966.87	4474.91	23.89	Figures based on Profit/Loss after adjustment.
10.	Government Opium Factory, Ghazipur	1987-88	146.41	28.62	24.02	(-) 49.74	332.97	(+)283.23	7.66	
11.	Government Opium Factory, Neemuch	1988-89	204.09	188.67	16.66	(-) 18.04	320.11	302.07	8.80	
12.	Government Alkaloid Works, Neemuch	1988-89	436.76	309.44	110.93	(+) 59.22	66.85	126.07	19.71	
13.	Government Alkaloid Works, Ghazipur	1987-88	121.91	9.42	18.53	(-) 93.98	35.77	(-) 58.21	-	
14.	India Government Mint, Bombay	1983-84	29.89	516.46	25.22	(+) 1561.18	193.32	(+) 1754.50	63.98	
15.	India Government Mint, Calcutta	1989-90	403.67	282.55	287.46	(-) 1162.42	515.37	(-) 647.05	-	
16.	India Government Mint, Hyderabad	1991-92	4453.70	583.67	337.63	(-) 854.88	516.69	338.19	7.59	
17.	Assay Department, Bombay	1980-81	13.00	12.76	0.32	(+) 8.04	0.43	(+) 8.47	119.85	
18.	Assay Department, Calcutta	1989-90	0.83	0.31	0.16	(+) 2.75	Nil	(+) 2.75	-	
19.	Silver Refinery, Calcutta	1989-90	58.91	10.17	103.19	(+) 824.05	146.43	(+) 970.48	-	

Contd⇐

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
20.	Bank Note Press, Dewas	1988-89	5330.65	4004.41	1326.24	(+) 400.57	1020.55	1421.12	26.88	
21.	Security Paper Mill, Hoshangabad	1981-82	3171.16	2318.31	852.85	(-) 152.39	198.80	46.50	1.47	
<b>Ministry of Health and Family Welfare</b>										
22.	Central Research Institute, Kasauli	1992-93	209.79	17.82	26.11	7.13	45.84	183.89	51.02	
23.	Medical Stores Depots	1984-85	(+)978.92	44.61	35.19	(+) 38.14	(+)79.98	1306.13	-	The figures do not include the results of GMSD Delhi & GMSD Bombay.
24.	Vegetable Garden of the Central Institute of Psychiatry, Kanke, Ranchi	1992-93	0.31	0.25	0.003	(-) 0.47	0.02	0.63	278	
<b>Ministry of Information and Broadcasting</b>										
25.	All India Radio	1982-83	8325.15	5227.06	3098.09	(-)3121.89	409.64	(-)2712.25	-	
<b>Revenue Assets</b>										
26.	Radio Publication, All India Radio	1985-86	639.64	0.45	0.11	(-) 48.58	0.90	(-) 48.49	-	
27.	Director General Doordarshan, New Delhi	1976-77	2545.61	2026.43	519.18	(-) 575.45	117.88	(-) 457.57	-	
28.	Commercial Sales Service, Doordarshan, New Delhi	1976-77	-	0.14	-	(+) 57.62	-	(+) 57.62	-	
<b>Revenue Assets</b>										
29.	Films Division, Bombay	1983-84	416.16	245.14	246.80	(-) 83.20	47.61	(-) 35.59	-	(i) Due to change in accounting method from 1983-84 net loss has been arrived at after taking into account revenue in respect of supply of prints made to Directorate of Field Publicity and national revenue (Rs.19.81 lakhs) for free supply of prints to State Governments. (ii) Net loss calculated after excluding adjustments relating to previous years. (iii) Compilation of proforma accounts for 1984-85 is in arrears.
30.	Commercial Broadcasting Service, All India Radio	1983-84	251.28	178.71	72.57	(+) 1071.47	-	(+) 1071.47		
<b>Ministry of Surface Transport</b>										
31.	Lighthouses and Lightships Department	1988-89	3831.69	3447.84	1052.77	(+) 717.48	537.00	1254.48	46.37	
32.	Shipping Department, Andaman and Nicobar Islands	1972-73	43.58	56.80	7.89	(-) 80.15	4.47	(-) 75.68	-	

Contd⇒



1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
33.	Ferry Service, Andaman	1984-85	195.85	86.93	108.92	(-) 95.45	18.49	(-) 76.96		
34.	Marine Department (Dockyard) Andaman and Nicobar Islands	1984-85	6.11	2.59	3.52	(-) 31.76	19.52	(-) 12.24	-	
35.	Chandigarh Transport Undertaking, Chandigarh	1988-89	1321.81	708.15	119.65	(-) 406.77	111.00	(-) 295.77		
36.	State Transport Service, Andaman and Nicobar Islands	1977-78	35.87	15.67	59.04	(-) 26.88	1.98	(-) 24.90	-	
<b>Ministry of Urban Development</b>										
37.	Department of Publications, New Delhi	1981-82	"A new normative pricing policy is being formulated and till the final decision is taken the question of simplification of Proforma Accounts, Profit and Loss Accounts, Balance Sheet, etc., has been kept in abeyance by the Ministry".							
38.	Government of India Presses	1981-82	-----do-----							

**APPENDIX XIII**  
(Refers to paragraph 11.3)

**Summarised position of the Action Taken Notes awaited from various Ministries/Departments as on 30 September 1994**

Sl. No.	Name of Ministry/ Department	Year of Repeat	Number of paragraphs on which - Action Taken Notes awaited	
			Due	Awaited
1.	2.	3.	4.	5.
1.	Agriculture	1991-92	5	1
		1992-93	2	2
2.	Civil Aviation	1992-93	1	1
3.	Commerce (Department of Commerce)	1986-87	6	2
		1987-88	10	1
		1988-89	7	5
		1991-92	8	7
	(Department of Supply)	1992-93	6	4
		1991-92	2	1
		1992-93	4	3
4.	Electronics	1992-93	1	1
5.	Environment & Forests	1989-90	1	1
		1992-93	2	2
6.	External Affairs	1992-93	11	2
		1993-94	13	8
7.	Finance	1990-91	8	2
		1992-93	3	3
8.	Health & Family Welfare	1986-87	7	1
		1988-89	8	3
		1989-90	5	2
		1990-91	12	5
		1991-92	7	3
1992-93	4	4		
9.	Home Affairs	1987-88	1	1
		1988-89	5	1
		1990-91	26	10
		1991-92	25	19
		1992-93	15	12
10.	Human Resource Development (Department of Culture)	1989-90	6	1
		1991-92	1	1
		1992-93	5	4
	(Department of Education)	1990-91	14	2
		1991-92	15	6
	(Department of Women and Child Development)	1992-93	15	15
		1992-93	1	1
11.	Industry	1986-87	2	1

Contd ⇨



1.	2.	3.	4.	5.
12.	Information and Broadcasting	1989-90	4	3
		1990-91	5	3
		1991-92	4	2
		1992-93	8	8
13.	Mines	1989-90	2	2
		1990-91	1	1
		1992-93	1	1
14.	Non-conventional Energy Sources	1990-91	5	3
		1991-92	1	1
		1992-93	2	2
15.	Planning	1992-93	2	2
16.	Science and Technology	1988-89	1	1
		1989-90	2	2
		1990-91	2	1
		1991-92	9	3
		1992-93	7	7
17.	Space	1992-93	5	4
18.	Surface Transport	1990-91	10	5
		1991-92	28	5
		1992-93	24	23
19.	Urban Development	1987-88	10	6
		1988-89	14	8
		1989-90	13	6
		1990-91	25	18
		1991-92	18	17
20.	Water Resources	1992-93	21	21
		1990-91	4	4
		1991-92	4	3
		1992-93	1	1
21.	Welfare	1992-93	1	1





## ERRATA

Page	Line	For	Read
20	Table 1.7.1 (Opening balance for 1992-93)	82858	82858#
25	Ist	Rs 120813	Rs 120813 crores
25	Ist	Rs 127798	Rs 127798 crores
180	4th from bottom	advanced	advances of
187	2nd	1 to 2 years	1to 21 years
214	Appendix XIII (column 3 of the table)	Repeat	Report

