Report of the Comptroller and Auditor General of India

for the year ended March 2003

Union Government (Civil)

Autonomous Bodies

No.4 of 2004

CONTENTS

PREFACE

This Report for the year ended 31 March 2003 has been prepared for submission to the President under Article 151 of the Constitution. The results of test audit of the financial transactions of the Central Autonomous Bodies (other than those under Scientific Departments included in Report No.5 of 2004) under the various provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are set out in this Report. This Report includes 34 paras and three reviews on:

a) Kendriya Vidyalaya Sangathan

b) Allotment of Land to Private Hospitals and Dispensaries by Delhi Development Authority

c) Information Technology Review of Computerisation of activities relating to the Housing Department of the Delhi Development Authority

The audited organisations are autonomous bodies of varying character and discipline. These organisations are intended to perform certain specified services of public utility or to execute certain programmes and policies of the Government, essentially out of financial assistance from the Government. Such bodies and authorities include Major Port Trusts, Dock Labour Boards, Indian Institutes of Technology, Indian Institutes of Management, other educational and cultural institutions and research institutions.

The cases mentioned in this Report came to notice in the course of test audit during the year 2002-2003.

OVERVIEW

General

Annual accounts of Autonomous bodies

In 2002-03 there were 228 central autonomous bodies whose accounts were to be certified under section 19 (2) and 20 (1) of the CAG's (DPC) Act, 1971. Government of India released Rs. 5458.84 crore towards grants and Rs. 258.37 crore towards loan to 196 bodies during 2002-03. Information of the balance 32 bodies were not finalised and therefore the amount of government grants received by them was not available.

Grants amounting to Rs. 2106.18 crore (38.58 *per cent* of total grants) were disbursed by the Ministry of Human Resource Development to 75 educational institutions, Rs. 629.52 crore (11.53 *per cent* of total grants) were disbursed by the Ministry of Health and Family Welfare to 22 health and research institutions and Rs. 339.54 crore (6.22 *per cent* of total grants) were disbursed by the Ministry of Commerce to 12 autonomous bodies.

The annual accounts of 77 out of 161 central autonomous bodies (other than those under Scientific Departments) whose accounts were to be certified by Chartered Accountants but required transaction audit under sections 14(1) and 14(2) of the CAG's (DPC) Act 1971, were also not finalised by concerned bodies. The remaining 84 bodies had received grants/loans amounting to Rs 1968.78 crore from the Union Government.

Audited accounts for 2001-2002 of 226 central bodies were to be placed before the Parliament by 31 December 2002. Of these, audited accounts of 82 bodies were submitted for audit within the stipulated time. The accounts/information of 11 bodies were not submitted for audit by the concerned organisations as on 29.02.2004.

(Paragraph 1.1)

Utilisation certificates

As many as 42320 utilisation certificates for sanctions to Rs 5169.35 crore during 1976-77 to March 2001 were outstanding at the end of March 2003 in respect of grants released to statutory bodies. This indicated that the system by which Government satisfies itself that grants are used for the purpose for which they are given was not functioning effectively.

(Paragraph 1.2)

Ministry of Human Resource Development

Department of Secondary and Higher Education

Kendriya Vidayalaya Sangathan

Kendriya Vidyalaya Sangathan (KVS) was set up in 1962 to cater to the educational needs of the children of Central Government Employees including Defence Personnel. The review brings out irregularities in the management of Kendriya Vidyalayas at school, region and headquarter levels. The Model Vidyalaya scheme was implemented by spending Rs. 54.28 crore without approval of provisions and programmes by the Board of Governors. Despite inability of Vidyalayas to utilise Vidyalaya Vikas Nidhi, KVS enhanced the monthly rates of contribution from the students. The infrastructural facilities such as building, playground, laboratories, computers, drinking water and sewerage etc. for the students were lacking in many Vidyalayas. The teachers training was also not given proper attention. While no systematic and planned efforts were made to introduce vocational courses in Kendriya Vidyalayas, formation of Parent Teacher Associations and Regional Advisory Committees was totally missing in many Vidyalayas/regions. The Board Advisory Committees was totally missing in many Vidyalayas/regions. The Board of Governors and its standing committees were also not meeting regularly. This indicated lack of monitoring and control of the Sangathan over the functioning of KVS.

(Paragraph 2.1)

Ministry of Urban Development and Poverty Alleviation

Department of Urban Development

Delhi Development Authority

Delhi Development Authority failed to enforce the terms of allotment of institutional land, at concessional rates, to 53 hospitals and 12 dispensaries. The primary objective of these allotments was to provide 25 *per cent* free indoor and 40 *per cent* free outdoor treatment facilities to the poor. This was not achieved. Allotment of land was made to three ineligible institutions which deprived DDA of revenue of Rs. 38.54 crore. No system has been laid down to deal with complaints received against the functioning of the hospitals and dispensaries in contravention of the terms and conditions of allotment. Twenty-three out of 27 hospitals had not started functioning as of July 2003, even after lapse of periods ranging from 4 to over 30 years from th date of

allotment of land. Ineffective pursuance of outstanding dues led to accumulation of arrears of Rs. 3.54 crore besides interest of Rs. 2.46 crore.

(Paragraph 3.1)

Delhi Development Authority started computerisation of its activities in 1981 to keep pace with latest technology and facilitate provision of better services to allottees. DDA had incurred an expenditure of Rs. 2.44 crore as of October 2002 on computerisation of its Housing Department. In the absence of a formal IT strategy and supporting policies and procedures, the authority did not follow the well established system development life cycle. Consequently, the IT applications operational in the Housing Departments lacked essential internal controls. The computerised database relating to allotment of flats and realisation of dues from the allottees was incomplete, inaccurate and unreliable. No input controls were provided to ensure a check over the allotment of flats to ineligible minors and double allotment of flats to the same individual incontravention of guidelines. The database was unreliable and depicted an inaccurate picture of dues recoverable by DDA from allottees. Raising of demands on the basis of unreliable and inaccurate database caused unnecessary harassment to the allottees. The desired objective of accurate and efficient Management Information System remained largely unattained.

(Paragraph 3.2)

Ministry of Commerce

Agricultural and Processed Food Products Export Development Authority

The Agricultural and Processed Food Products Export Development Authority computerised its critical functions in 1996-97. However, the most critical Application, namely, Financial Assistance Schemes (FAS) not only lacked various essential control features but was also delinked from other related Applications. These deficiencies resulted in irregular payments of Rs. 55.66 crore to non-complying exporters. Thus, despite spending Rs. 3.11 crore till 31 March 2003 on purchase and upgradation of hardware and software, the Authority could not implement the FAS Application as envisaged in the Information Strategy Plan laid down in 1996-97.

(Paragraph 4)

Ministry of Finance

Insurance Regulatory and Development Authority

Inspite of Ministry's clear instructions that IRDA receipts had to be credited to Public Account of India, IRDA continued to retain the receipts, resulting in Rs. 57.93 crore lying outside Government Accounts.

(Paragraph 5)

Ministry of Information & Broadcasting

Prasar Bharati

Doordarshan advanced Rs. 8.38 crore to a State Government company in March 2000 for supply of transmitter equipment without ensuring recovery in the event of default. The company failed to supply a part of the ordered equipment and closed down its business in January 2001. Advances amounting to Rs 4.41 crore plus interest @ 15 *per cent* per annum were still outstanding as of April 2004. The chances of recovery are remote as the company closed down its business.

(Paragraph 7.1)

Doordarshan arbitrarily allowed full production/commissioning cost to a firm and did not bill it for 6,329 seconds of commercial time, incurring loss of revenue of Rs 1.50 crore.

(Paragraph 7.2)

Doordarshan granted Free Commercial Time in excess of admissible limit in respect of a sponsored programme titled 'Truck Dhina Dhin'. This resulted in loss of revenue of Rs. 74.10 lakh.

(Paragraph 7.3)

Ministry of Shipping

Chennai Port Trust

Despite availability of adequate surplus funds from internal resources, Chennai Port Trust decided to avail of Asian Development Bank loan during 1997 with financial commitment. This injudicious decision resulted in avoidable expenditure of Rs. 1.87 crore till the foreclosure of the arrangement in October 2002.

(Paragraph 8.1)

By engaging a private contractor for dredging the Jawahar dock basin, Chennai Port Trust realised a net revenue of Rs. 14.85 lakh on the spilt coal retrieved during four months in 2001. Failure of the Port Trust to continue the system or to explore the technologies applied by other ports to retrieve the coal resulted in loss of revenue of Rs. 1.63 crore, besides incurring an avoidable expenditure of Rs. 2.57 crore towards dredging the area by its own dredger.

(Paragraph 8.2)

Chennai Port Trust failed to notice the diminished scope for utilisation of VIP launch before placing the supply order. The launch procured at a cost of Rs. 1.67 crore remained unutilised since its procurement in December 1999.

(Paragraph 8.3)

Kolkata Port Trust

The Port Trust's ill-conceived decision to repair an outlived vessel led to infructuous expenditure of Rs. 4.63 crore on repair, manning and maintenance of the idle vessel.

(Paragraph 8.8)

Mumbai Port Trust

Failure to ascertain the exact length of pipeline laid and also to levy penalty for non-achievement of the guaranteed throughput resulted in non-realisation of Rs. 8.98 crore.

(Paragraph 8.11)

New Mangalore Port Trust

New Mangalore Port Trust, Mangalore entrusted the work of maintenance dredging to Dredging Corporation of India for two years under an agreement. Faulty clause in the agreement resulted in an avoidable payment to the tune of Rs. 1.87 crore towards escalation charges.

(Paragraph 8.12)

Paradip Port Trust

The work of modification of Port slipway at Paradeep Port which was to be completed by January 1996 remained incomplete even after a lapse of seven years due to non-completion of major work of cleaning the slipway mouth in

construction of coffer dam, change of under water track and trial and testing of the system June 2003. The expendiure of Rs. 2.12 crore incurred by PPT on this work as of September 1998 became infructuous.

(Paragraph 8.13)

Visakhapatnam Port Trust

VPT granted unintended benefit of Rs. 70.83 lakh to a company on interest.

(Paragraph 8.15)

Visakhapatnam Dock Labour Board

Visakhapatnam Dock Labour Board sustained a loss of Rs. 11.66 crore due to non-collection of arrears of wages paid to dock workers from stevedores.

(Paragraph 8.16)

Ministry of Small Scale Industries and Agro Rural Industries

Khadi and Village Industries Commission (KVIC)

The failure of three directly aided institutions of KVIC in investing the subscriptions from artisans and contribution of the institutions to Artisans Welfare Fund resulted in illegal benefit to the institutions. Inspite of violation of rules, KVIC continued to release the rebate claim and gave financial assistance to the institutions.

(Paragraph 9)

Ministry of Urban Development and Poverty Alleviation

Delhi Development Authority

Failure of Delhi Development Authority to take conclusive a timely action to resolve dispute relating to release of fines levied by Metropolitan Magistrate for unauthorised use of land or building resulted in blockage of Rs. 1.19 crore.

(Paragraph 10.1)

CHAPTER I : GENERAL

1.1 Annual accounts of autonomous bodies

Bodies established by or under law made by Parliament and containing specific provisions for audit by the Comptroller and Auditor General of India are statutorily taken up for audit under Section 19(2). Audit of other organisations (corporations or societies) is entrusted to C&AG in public interest under section 20(1). The nature of audit conducted under these provisions is that of certification of annual accounts and value for money audit.

As on 31 March 2003 there were 228 central autonomous bodies (other than those under Scientific Departments) whose annual accounts were to be audited by the Comptroller and Auditor General of India as the sole auditor under Sections 19(2) and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (Act).

During 2002-03, grants and loans amounting to Rs. 5458.84 crore and Rs. 258.37 crore respectively were released by the Union Government to 196 autonomous bodies (**Appendix-I**). Of these, grants amounting to Rs. 2106.18 crore (38.58 *per cent* of total grants) were disbursed by the **Ministry of Human Resource Development** to 75 educational institutions, Rs. 629.52 crore (11.53 *per cent* of total grants) were disbursed by the **Ministry of Health and Family Welfare** to 22 health and research institutions and Rs. 339.54 crore (6.22 *per cent* of total grants) were disbursed by the **Ministry of Commerce** to 12 autonomous bodies.

Information for 2002-03 in respect of 32 bodies were not furnished by the concerned Ministries and, thus the amount of Government grants released by them was not available as of February 2004 (**Appendix-II**).

(i) As on 31 March 2003, there were 161 central autonomous bodies which were substantially financed by grants/loans from the Union Government and attracted audit by the Comptroller and Auditor General of India under the provisions of Sections 14(1)/14(2) of the Act. Audit under these provisions is in the nature of value for money

audit. Annual accounts of these entities were audited by Chartered Accountants.

According to information available up to February 2004, 84 of these bodies received grants/loans amounting to Rs 1968.78 crore from the Union Government during 2002-03 (**Appendix-III**). The annual accounts/information in respect of 77 bodies were not furnished by the concerned bodies (**Appendix-IV**).

(ii) The position in regard to number of autonomous bodies whose accounts were to be audited by the Comptroller and Auditor General of India under Sections 19(2) & 20(1) and 14(1) & 14(2) of the Act and the position of grants/loans received by these bodies during 2000-01 to 2002-03 is given below:

Abstract of grants/loans received by central autonomous bodies during 2000-01 to 2002-03

Year	Total no. of Central Autonomous Bodies	Section of CAG's DPC Act, 1971, under which audited	Grants (Rupees in lakh)	Loans (Rupees in lakh)	Remarks
2000-01	226	19 (2) and 20 (1)	668661.94	30057.36	The amount relates to 203 bodies only. Annual accounts/information of remaining 23 bodies had not been furnished
	139	14 (1) and 14 (2)	19315.53	Nil	The amount relates to 40 bodies only. Annual accounts/information of remaining 99 bodies had not been furnished
2001-02	226[Y]	19 (2) and 20 (1)	574518.76	24841.00	The amount relates to 198 bodies only. Annual accounts/information of remaining 28[Y] bodies had not been furnished
	153	14 (1) and 14 (2)	22601.02	Nil	The amount relates to 45 bodies only. Annual accounts/information of remaining 108 bodies had not been furnished
2002-03	228	19 (2) and 20 (1)	545884.16	25837.00	The amount relates to 196 bodies only. Annual accounts/information of remaining 32 bodies had not been furnished
	161	14 (1) and 14 (2)	134393.87	62483.95	The amount relates to 84 bodies only. Annual accounts/information of remaining 77 bodies had not been furnished

(iii) Delay in submission of accounts by autonomous bodies

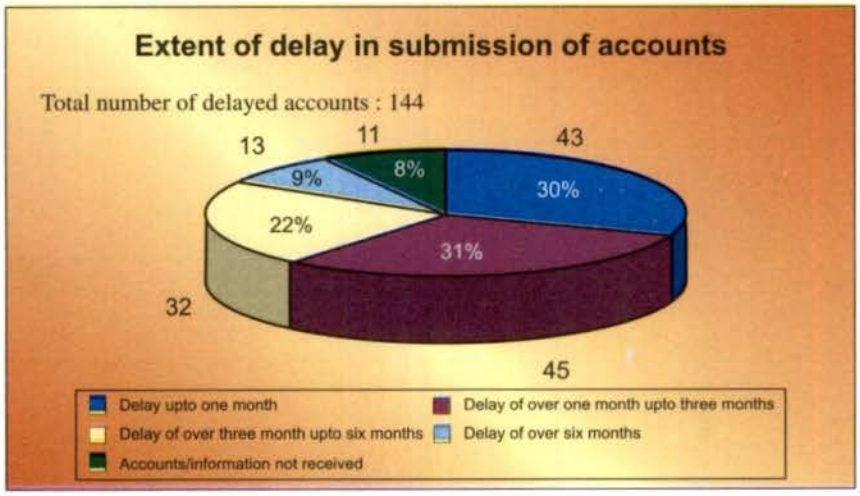
The Committee on Papers Laid on the Table of the House recommended in their First Report (5th Lok Sabha) 1975-76 that after the close of the

[Y] Differs from the figure depicted in Report for the year ended March 2002 as the audit of National Commission for Minorities is being taken up under section 13 of the CAG's (DPC) Act, 1971.

accounting year, every autonomous body should complete its accounts within a period of three months and make them available for audit and that the reports and the audited accounts should be laid before Parliament within nine months of the close of the accounting year.

For the year 2001-2002, audit of accounts of 226 Central autonomous bodies was to be conducted under Sections 19(2) and 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and these audited accounts were to be placed before the Parliament by 31st December 2002. Out of these, the accounts of only 82 autonomous bodies were made available for audit within the prescribed time limit of three months after the close of the accounting year. Submission of accounts of remaining 144 autonomous bodies was delayed as indicated below:-

Delay upto one month	43
Delay of over one month up to three months	45
Delay of over three months upto six months	32
Delay of over six months	13
Accounts/information not received by February 2004	11
Total	144



In **Appendix-V**, the position of Autonomous Bodies whose accounts were delayed between three to six months and for over six months is given.

The list of bodies whose accounts/information were not received as of 29 February 2004 is given in **Appendix-VI.**

1.2 Utilisation certificates

Consequent on the departmentalisation of accounts in 1976, certificates of utilisation of grants were required to be furnished by the Ministries/ Departments concerned to the Controllers of Accounts in respect of grants released to statutory bodies, non-government organisations etc to ensure that the grants had been properly utilised for the purpose for which these were sanctioned. The Ministry/Department-wise details indicating the position of total number of 42320 outstanding utilisation certificates involving amount of Rs. 5169.35 crore in respect of grants released upto March 2001 due by September 2002 (after 18 months of financial year in which grant was released) at the end of March 2003 are given in **Appendix-VII.**

Out of a total number of 40645 utilisation certificates amounting to Rs. 5095.54 crore awaited from 10 major Ministries/Departments at the end of March 2003, 32872 certificates amounting to Rs. 2975.16 crore related to grants released upto 1999-2000 as shown below:

Utilisation certificates outstanding as on 31 March 2003

(Rupees in crore)

Sl.No.	Ministry/Department	For the period ending March 2001		For the period ending March 2000	
		Number	Amount	Number	Amount
1.	Agriculture and Cooperation	84	36.39	55	2.28
2.	Development Commissioner of Handicrafts, Delhi	415	17.19	323	10.21
3.	(i) Environment and Forest	4631	495.89	4083	443.88
	(ii) Ocean Development	811	65.51	716	55.20
4.	Food Processing Industries	348	42.19	205	20.96
	Health and Family Welfare				
5.	(i) Health	1464	1001.04	1071	563.49
	(ii) Family Welfare	788	591.47	594	262.42
6.	Human Resource Development				
	(i) Women and Child Development	4957	286.20	4608	230.55
	(ii) Youth Affairs and Sports	4729	393.96	3940	261.76
	(iii) Education				
	(a) Secondary and Higher Education	2570	319.85	2148	224.91
	(b) Elementary Education and Literacy	1005	635.20	739	169.60
	(iv) Culture	6852	440.92	5160	258.81
7.	Finance	12	15.28	4	1.66
8.	Space	133	17.88	84	0.93
9.	Social Justice and Empowerment	11619	530.42	8951	350.82
10.	Urban Development	227	206.15	191	117.68
	Total	**40645**	**5095.54**	**32872**	**2975.16**

Thus, authorities in the Government of India, before releasing grants to statutory bodies and non-government organisations did not satisfy themselves about utilisation of grants in 80.88 *per cent* cases involving 58.39 *per cent* of the total grants released.

Even as very large number of utilisation certificates were pending receipt, the following Ministries/Departments released fresh grants to the defaulting statutory bodies/non-government organisations during 2002-03 without insisting on the utilisation certificates in respect of grants released in the previous years:

Fresh grants released during 2002-03

(Rupees in crore)

Sl. No.	Ministry/ Department	No. of utilisation certificates due by Sep. 2002 but not received at the end of March 2003	Amount	Amount of fresh grants released without obtaining utilisation certificates of previous year
1.	Atomic Energy	171	4.64	0.17
2.	Economic Affairs	12	15.28	10.96
3.	Tourism	14	8.27	5.88
4.	Law Justice and Company Affairs	273	9.35	2.59
5.	Industry	18	12.88	1.12
	Total	**488**	**50.42**	**20.72**

Thus, Ministries/Departments released fresh grants to statutory bodies, non-government organisations etc. without ensuring that the previous grants had been utilised for the purpose for which they were sanctioned, violating one of the essential conditions for release of further instalments.

The Ministries/Departments of Human Resource Development, Water Resource and Social Justice and Empowerment did not furnish the information in regard to fresh grants released during 2002-03 without obtaining utilisation certificates for the previous years.

Section A - Reviews

MINISTRY OF HUMAN RESOURCE DEVELOPMENT

KENDRIYA VIDYALAYA SANGATHAN

CHAPTER II : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

2.1 Kendriya Vidyalaya Sangathan

Kendriya Vidyalaya Sangathan (KVS) was set up in 1962 for catering to the educational needs of the children of Central Government Employees including Defence personnel. There were 7.26 lakh students in the Kendriya Vidyalayas as on 31 March 2003. To develop KVs into Model Educational Institutes, the Model Vidyalaya scheme was introduced by KVS in 1996-97. They did not, however, take the approval of their Board of Governors. Funds were released to 448 KVs under the scheme without assessing their actual requirements resulting in cases of underutilisation and diversion of funds. The KVS could not even ensure that the basic provisions of the Model Vidyalaya scheme like posting of Senior Principals and motivated teaching staff was fulfilled. KVS did not review the scheme even after spending Rs. 54.28 crore during 1996-97 to 2001-02 although the scheme was required to be reviewed after two years. Meetings of the core committees of KVS were not held regularly. The Board of Governors, which is the main executive body of the KVS, have not met during the last two years (November 2003).

Highlights

- **KVS retained unspent grants substantially higher than their requirement during the period 1997-98 to 2002-03.**
- **KVS diverted Rs. 26.52 crore to meet the excess expenditure incurred on behalf of sponsoring authorities.**
- **Assets of 28 closed project schools were also transferred to the sponsoring authorities without recovering Rs. 11.84 crore outstanding against them.**
- **KVS unauthorisedly retained the premium amount of Rs. 3.18 crore received from its employees in respect of Employees' Group Insurance scheme.**
- **The Model Vidyalaya scheme was sent to the Ministry of Human Resource Development, Department of Secondary and Higher Education without obtaining approval of the Board of Governors of the Sangathan. The scheme had not been reviewed after two years of its implementation as required.**
- **There were shortfalls ranging from 40 to 47 per cent in training of teachers during 1997-98 to 2001-02.**

- **The meetings of the core committees of the Sangathan were not being held regularly.**

- **Regional advisory committee was functioning in only one out of 17 regions test checked. Similarly Parent Teacher Associations were also not constituted in 42 KVs. Thus due importance was not given to the constitution of these bodies, which were meant for enhancing the quality of education.**

2.1.1 Introduction

The scheme of Secondary Schools, with a common syllabus and medium of instruction, to benefit children of Central Government employees including defence personnel, liable to frequent transfers, was first approved in November 1962 by the Government of India. Consequently, the Central Schools Organisation was started as a unit of the Ministry of Education, now Ministry of Human Resource Development, of the Government of India. Initially, 20 Regimental Schools, then functioning at places having large concentration of defence personnel, were taken over as Central Schools during the academic year 1963-64. Thereafter in 1965, an autonomous body, namely, Kendriya Vidyalaya Sangathan (KVS), was registered as a Society under the Societies' Registration Act XXI of 1860, which took over the task of opening and managing the Central Schools, henceforth called Kendriya Vidyalayas (KVs). The Sangathan is wholly financed by the Government of India.

2.1.2 Objectives

The KVS has declared in its preamble to the Education Code for Kendriya Vidyalayas that these Vidyalayas have a fourfold mission:

- to cater to the educational needs of children of transferable Central Government employees including defence and paramilitary personnel by providing a common programme of education;

- to pursue excellence and set the pace in the field of school education;

- to initiate and promote experimentation and innovations in collaboration with other bodies like the Central Board of Secondary Education (CBSE) and the National Council of Educational Research and Training (NCERT); and

- to develop the spirit of national integration and create a sense of 'Indianness' among children.

2.1.3 Organisational set-up

The KVS and its Board of Governors are headed by the Minister of Human Resource Development as the Chairman. Other members of the Board are educationists, educational administrators and Members of Parliament. Additional Secretary of the Ministry of Human Resource Development is the Vice-Chairman of the Sangathan. The Financial Adviser to the Department of Education is the Member Finance while the other members are senior officers of the Ministry of Personnel, Defence, Urban Development, Health and Family Welfare, representatives of the CBSE, NCERT and State Governments and three Members of Parliament. Four other eminent educationists, out of whom one each is from among women, schedule castes and schedule tribes are nominated by the Ministry of Human Resource Development. The Board of Governors is assisted by three sub-committees viz. Academic Advisory Committee, Finance Committee and Works Committee. The day-to-day affairs are conducted by an administrative set-up with the Commissioner as the Chief Executive Officer, supported by Joint Commissioners, Deputy Commissioners and Assistant Commissioners and other staff members at the Headquarters of KVS in New Delhi. For the administration of 901 vidyalayas as on 30 September 2003, the Sangathan has established 18 Regional Offices each headed by an Assistant Commissioner.

2.1.4 Scope of Audit

This review of the working of the Sangathan covering the period from 1997-98 to 2002-2003 is based on sample check of records of KVS (HQ), 17 Regional Offices and 163 Kendriya Vidyalayas as detailed in **Annex-I**.

Accounts and Financial Management

2.1.5 Finance and Accounts

The Sangathan was mainly financed through non-plan grants-in-aid from the Government of India, Ministry of Human Resource Development (Department of Secondary Education and Higher Education) upto 1994-95. In 1995-96 a plan grant of Rs 10.5 crore was received for the first time. KVS also gets funds from some Public Sector Undertakings/ Institutes of Higher learning for opening schools, called project schools, to cater to the educational needs of the children of PSU employees. The entire recurring and non-recurring expenditure on running and maintenance of project schools is to be met by the sponsoring bodies. During the preceding six years ending March 2003 the financial position of the Sangathan was as under: -

(Rupees in crore)

Year		Opening Balance	Grant Received	Internal Receipt	Total Receipt	Expenditure	Unspent funds
1997-98	Plan	26.57	39.20	-	65.77	60.83	4.94
	Non-Plan	47.95	356.00	15.53	419.48	355.49	63.99
1998-99	Plan	4.94	87.98	-	92.92	70.20	22.72
	Non-Plan	63.99	435.00	25.42	524.41	444.66	79.75
1999-00	Plan	22.72	87.90	-	110.62	69.83	40.79
	Non-Plan	79.75	454.81	30.56	565.12	466.73	98.39
2000-01	Plan	40.79	95.00	-	135.79	124.52	11.27
	Non-Plan	98.39	477.20	30.18	605.77	485.91	119.86
2001-02	Plan	11.27	81.10	0.56	92.93	87.40	5.53
	Non-Plan	119.86	481.14	31.57	632.57	521.67	110.90
2002-03	Plan	5.53	85.00	-	90.53	87.98	2.55
	Non-Plan	110.90	544.77	32.74	688.41	560.41	128.00

The unspent funds under non-plan ranged from Rs. 63.99 crore to Rs. 128.00 crore during the period from 1997-98 to 2002-03. KVS stated (February 2003) that the Ministry had permitted it to retain the unspent grant for disbursement of two months' salary i.e. March and April of the next financial year. However, audit observed that although two months' salary ranged from Rs. 51.50 crore to Rs. 77.86 crore for the years 1997-98 to 2002-03, KVS retained funds which were substantially higher than their requirements.

2.1.6 Diversion of funds

The expenditure of the project schools which are run by KVS on behalf of various PSUs and Institutes of Higher Learning is to be met fully by these sponsoring bodies. Funds covering six months' requirement are to be deposited with KVS in advance in the months of April and October each year.

There was diversion of funds of Rs 26.52 crore to meet expenditure of Project Schools.

Audit noted that KVS had incurred expenditure in excess of the funds received from the sponsoring bodies. The excess expenditure on this account amounted to Rs. 26.52 crore as of March 2003, which was met by diverting funds out of the grant received from the Ministry of Human Resource Development, Government of India. KVS failed to recover the amount from the project authorities.

KVS replied (January 2004) that the matter was being pursued at appropriate levels.

2.1.7 Transfer of assets without recovering outstanding dues

According to the terms and conditions of the agreement for opening of project schools, in the event of violation of terms and conditions by the sponsoring

authority, KVS has the right to close down the KVs and examine the distribution of assets and liabilities in consultation with the Government of India.

Assets of 28 closed project schools were transferred by KVS to the concerned sponsoring bodies without recovery of its dues amounting to Rs. 11.84 crore.

Audit noted that 28 project schools, which were closed during 1997-98 to 2002-2003, were required to pay Rs. 11.84 crore to KVS as on 31.3.2003, on account of short deposit of expenditure incurred on them. KVS handed over the assets to these sponsoring authorities without effecting recoveries of outstanding dues. KVS stated (February 2003) that in the absence of the ownership/title of the assets, it could not dispose of such assets and recover the dues from the sponsoring authorities. The reply is not tenable as the agreement provides that in case of violation of terms and conditions KVS has a right to distribution of assets in consultation with the Government of India. The Sangathan should not have transferred assets till the recovery of the outstanding dues.

KVS replied (January 2004) that all possible efforts were being made to recover the dues from such sponsoring PSUs.

2.1.8 Employees Group Insurance

The Sangathan introduced 'KVS – Employees Group Insurance Scheme, 1983' with effect from 1 January 1983. The scheme was modified/revised with effect from 1 January 1987. However, as the scheme was not at par with the scheme prevailing in the Government of India, KVS in consultation with LIC introduced a modified scheme with effect from 1 January 1993. It was made compulsorily applicable to all its employees as on 31 December 1992 and to all those who entered service after that date.

Under the modified scheme, the entire premia collected from employees, covering risk portion as well as saving portion was to be deposited every month with the LIC. Accordingly on the basis of total number of different categories of employees i.e. 32,055 (Group "A": 597, Group "B" : 3953, Group "C" : 21,782 and Group "D" : 5723) as on 31 December 1992, a total monthly premium of Rs.10.48 lakh was determined to be recovered from the employees for remittance to LIC. A list of all these employees was submitted to the LIC as on 1 January 1993. According to the eligibility condition incorporated in the LIC policy, all future employees should also become members on the date of their entrance into Sangathan. The scheme was to be reviewed annually on the 1 January every year for incorporating any change in category and contribution of the new entrants.

Audit noted that the number of employees had increased from 32055 as on 1 January 93 to 40010 as on 31 March 2002. However, KVS had never updated the list of employees to delete the names of the employees who ceased to be in service and include the new entrants. As a result, the employees of KVS who entered service on and after 1 January 93 were not covered by the Group Insurance coverage of LIC, though the deductions on account of premium towards GIS were made from these employees and retained by KVS. Further, the list of employees furnished to LIC as on 1 January 93 had also not been changed to incorporate changes in the category of employees due to promotion etc. KVS paid the same monthly premium of Rs.10.48 lakh from January 1993 to March 2002 although it recovered more premia from its increasing number of employees subsequently. This resulted in unauthorised retention of cumulative amount of Rs. 3.18 crore collected upto March 2002 as premia during the above period.

KVS unauthorisedly retained premia amounting to Rs. 3.18 crore collected from employees.

Audit observed that out of total 2813 cases settled during 1993-2002, LIC settled only 1866 cases. The remaining 947 cases were not covered under LIC and were settled by KVS out of the funds retained by it. It was further observed in audit that the LIC withdrew the policy from 15 April 2002 as KVS failed to provide updated list of employees. The redemption value of the policy was fixed at Rs. 11.05 crore which was received in instalments from December 2002 to October 2003. The Sangathan started a new employees' welfare scheme with effect from April 2002.

KVS replied (January 2003) that premium was retained with the intention that the master list of employees would be updated and the amount remitted to LIC. The list, however, was never updated by KVS and they continued to retain the amount on account of premium from January 1993 to March 2002.

2.1.9 Vidyalaya Vikas Nidhi

Vidyalaya Vikas Nidhi (VVN) was created in April 2000 by merging the pupil fund, maintenance and development fund and science fund in each KV. This fund was maintained out of contributions from the students @ Rs. 100 per month except from science students of classes XI and XII who contributed @ Rs. 125 per month. VVN was intended to be administered exclusively for the purpose of Vidyalaya's maintenance and development. These rates were revised to Rs. 120 and Rs. 150 respectively with effect from 1 April 2002. All expenditure of Vidyalayas other than salaries, office expenses and construction/repairs of staff quarters were to be met out of this fund. The fund was required to be kept in a separate Bank Account and as far as possible, a

year's collections was to be utilised within the year by well-planned programme.

The position of utilisation of VVN during the year 2000-2001 and 2001-2002 in 47 Vidyalayas of 8 States was as under:-

(Rupees in lakh)

S. No.	Name of State	Details of VVN (2000-2001)				Details of VVN (2001-2002)			
		No. of KVs	Total Receipt	Total Exp.	Closing Balance/shortfall in utilisation (%)	No. of KVs	Total Receipt	Total Exp.	Closing Balance/shortfall in utilisation (%)
1.	Delhi	8	395.17	231.14	164.03 (42%)	8	459.54	301.50	158.04 (34%)
2	Jammu & Kashmir	6	136.24	44.37	91.87 (67%)	6	174.06	66.59	107.47 (62%)
3	Maharashtra	11	209.76	102.58	107.18 (51%)	11	268.99	153.82	115.17 (43%)
4	Manipur	1	22.43	12.37	10.06 (45%)	1	25.90	17.77	8.13 (31%)
5	Rajasthan	5	127.46	43.90	83.56 (66%)	5	188.38	80.47	107.91 (57%)
6	Sikkim	1	18.48	12.91	5.57 (30%)	1	19.15	13.32	5.83 (30%)
7	Uttar Pradesh	6	130.93	55.43	75.50 (58%)	6	169.10	83.54	85.56 (51%)
8	West Bengal	9	164.25	96.34	67.91 (41%)	9	207.26	137.90	69.36 (33%)
	Total	**47**	**1204.72**	**599.04**	**605.68 (50%)**	**47**	**1512.38**	**854.91**	**657.47 (43%)**

VVN funds ranging from 30 per cent to 67 percent during 2000-01 and 30 per cent to 62 per cent during 2001-02 remained un-utilised.

The Vidyalayas were not able to utilise the funds available with them under VVN. There were savings ranging from 30 per cent (Sikkim) to 67 per cent (Jammu & Kashmir) during 2000-01 and 30 per cent (Sikkim) to 62 per cent (J&K) in 2001-02.

After the issue was raised by Audit (November 2002), KVS issued instructions to the Regional Offices in January, 2003 that the VVN lying with KVs as on 31 March 2002 be transferred to their concerned Regional Offices which would utilise the funds for purchase of land for new Kendriya Vidyalayas, construction of additional sections and purchase of furniture under their region irrespective of the KVs which had contributed to this fund. The total surplus funds with various KVs were Rs. 63.91 crore as on 31 March 2002 out of which Rs. 50.34 crore were transferred to the Regional Offices as of August 2003. This action of KVS was in violation of VVN Rules according to which the funds collected from the students were to be administered exclusively for the purpose of maintenance and development of their Vidyalayas. Further, despite the inability of the Vidyalayas to utilise VVN, KVS enhanced the monthly rates of contribution from Rs. 100 to Rs. 120 from all the students and Rs. 125 to Rs. 150 for science students of classes XI and XII. The actual expenditure incurred by the Regional Offices out of the funds transferred to them by the Kendriya Vidyalayas was not made available to audit by KVS.

Despite VVN not being utilised fully, monthly contribution from students was enhanced.

Academic activities

2.1.10 Model Vidyalayas

The Kendriya Vidyalaya Sangathan in its Board of Governors(BoG) meeting held in October 1995 considered a proposal for identifying and developing initially 50 Kendriya Vidyalayas into Model Educational institutions. The Board desired to have a detailed programme in consultation with Director, NCERT, to define the parameters for selection of Kendriya Vidyalayas for development as Model Kendriya Vidyalayas and to identify the programmes for these Vidyalayas.

Provisions and programmes for Model KVs not placed before BOG for approval.

Audit observed that a report laying down norms for identification of KVs and additional provisions and programmes for Model KVs was prepared in 1995 but it was not placed before the Board of Governors for approval. However, in March 1996, the scheme of Model KVs was placed before the Expenditure Finance Committee (EFC) of the Ministry for allocation of plan funds for conversion of 50 KVs into Model KVs. The EFC approved the scheme and advised that it should be reviewed after two years of its implementation. The scheme envisaged that the Vidyalayas, which had land and building as per the prescribed norms of KVS as well as other basic infrastructure would be considered for conversion into Model Kendriya Vidyalayas. Under the scheme, funds for creation of additional infrastructure such as computers, overhead projector, colour T.V, VCR, photocopier machine and setting up of junior laboratory etc. were to be provided. It was to be ensured that these Vidyalayas had well equipped libraries, laboratories and workshops, playgrounds, compulsory computer literacy programme from Class VI onwards. These Vidyalayas were to be headed by Senior Principals and motivated teachers, specially selected on proven merit, were to be appointed. The Model Vidyalayas were required to develop innovative programme for improving the quality of education and their progress was to be monitored annually at KVS Headquarters.

The yearwise expenditure on the Vidyalayas converted into Model Vidyalayas is tabulated below:

(Rupees in lakh)

Year	No. of Vidyalayas converted into Model Vidyalayas	Amount released
1996-1997	50	143
1997-1998		435
1998-1999	42	815
1999-2000	118	1816
2000-2001	238	2218
2001-2002	Nil	1
2002-2003	Nil	Nil
Total	**448**	**5428**

(i) Audit scrutiny of the records revealed that

Funds were released to KVs without assessing their requirement.

- The funds for creation/purchase of additional infrastructure in the Model KVs were released on the basis of the recommendations from the Regional Office and not on the basis of actual requirement. Details of additional infrastructure required in the Vidyalayas were neither furnished by the concerned Regional Offices nor insisted upon by the KVS (HQ). As a result, three KVs at BSF, Jodhpur, Sambra and Along refunded the entire amount of Rs. 33.85 lakh as they could not utilise the funds because their Vidyalayas were not functioning in permanent buildings. Similarly, KV, Mughalsarai also showed its inability to use funds amounting to Rs. 15.09 lakh as the school was being run in barracks. These funds were subsequently diverted by KVS (HQ) to other Vidyalayas for conversion into Model KVs.

Excess amount of Rs. 90.14 lakh was released.

- In nine cases, the same Vidyalayas were declared Model Vidyalayas twice and excess funds amounting to Rs. 90.14 lakh were released to the Vidyalayas.

Rs. 15 lakh was diverted to purposes not covered under the Scheme.

- KVS released Rs.15 Lakh to KV Kathmandu during 1999-00 under the scheme of Model Vidyalayas for the purchase of equipment like computer, printer, internet connection, photocopier machine etc. But, as the Vidyalaya had no accommodation for installation of equipment, it was allowed to divert the funds for purposes not covered under this scheme.

Rs 8.39 crore were lying unspent.

- Eight KVs, which were declared Model Vidyalayas, had not utilised Rs. 80.66 lakh released during 1999-00 and 2000-01 as of September 2001. Besides, Rs.8.39 crore were lying unspent with the remaining 439 KVs, which

partially utilised the funds under the scheme. KVS was not aware of the latest position of unutilised funds with these Vidyalayas as of August 2003.

(ii) KVS had not prescribed periodical returns to monitor the implementation of the Model Vidyalayas Scheme. The data regarding creation of additional infrastructure under the Model Vidyalayas in respect of 420 Vidyalayas was available with KVS as of August 2001 only. A scrutiny of the said data revealed that:

In 28 model KVs, no computer education was being imparted.

- Out of the 420 Model Vidyalayas, computer education was not being imparted at all in 28 (7 *per cent*) Vidyalayas. In 23 Vidyalayas where computer education was being imparted, no computer instructor was appointed. The education was being imparted by the teachers of other subjects who had some knowledge of computers. In 29 (7 *per cent*) schools, computer facility had not been made available to the students though funds had been released for purchase of computers.

- Junior laboratories had not been set up in 90 (21 *per cent*) Model Vidyalayas.

- Colour TV, VCR, overhead projector, audio system and photocopier machines had also not been provided in 163 (39 *per cent*), 164 (39 *per cent*), 121 (34 *per cent*), 133 (32 *per cent*) and 119 (28 *per cent*) Vidyalayas respectively.

- Playground and multipurpose hall as required under the scheme had not been developed in 185 (40 *per cent*) and 357 (85 *per cent*) Vidyalayas respectively.

The latest position of availability of additional infrastructure under the Model Vidyalayas was not made available to Audit (August 2003).

(iii) According to the provisions of the scheme, the Model Vidyalayas have to be headed by a Principal who should be a person of proven merit supported by a committed team of motivated teachers specially selected for this assignment. However, there was nothing on record to show that this aspect was considered while declaring the KV as Model Vidyalaya. KVS stated (September 2003) that above provisions of the scheme could not be implemented due to various constraints. The actual constraints faced by KVS were not explained to Audit.

Model vidyalayas scheme was not reviewed after two years of its implementation despite provision in the scheme.

Thus, the scheme of Model Kendriya Vidyalayas was implemented only by declaring certain Vidyalayas as Model Vidyalayas and providing funds for creation of additional infrastructure. Proper records/information were not obtained by KVS to assess their requirements. No periodical reports were also obtained to watch their progress and to ensure that the Vidyalayas had reached the level of desired excellence. Further, no measurable performance parameters were prescribed to enable the evaluation of these Vidyalayas.

KVS replied (February 2003) that no formal review had been conducted so far and the parameters for such review were being formulated.

2.1.11 Teachers' training and Zonal Training Institutes

There were shortfalls of 40 to 47 per cent in imparting training to teachers.

(i) To expose the teachers to the latest teaching methods and for motivating them, KVS organises induction, in-service and refresher courses so that all the teachers are covered in a cycle of six years. It was, however, noticed in audit that there was a shortfall ranging from 40-47 per cent in imparting training during the period from 1997-98 to 2001-2002 as shown below:-

Year	Total no. of teachers	Total no. of teacher required to be trained ($1/6^{th}$ of the total strength)	Teachers actually trained	Shortfall/ Percentage
1997-1998	30625	5104	2705	2399/47
1998-1999	30000	5000	3005	1995/40
1999-2000	29794	4966	2665	2301/46
2000-2001	29106	4851	2933	1918/40
2001-2002	32770	5461	3290	2171/40
2002-2003	Information not made available by KVS			

(ii) In 1993, KVS decided to establish five Zonal Training Institutes for training of teachers and other categories of staff. These were to be established in Madurai (South Zone), Karad (West Zone), Bolangir (East Zone), Gwalior (Central Zone) and Sirsa (North Zone). Apart from in-service courses, these Institutes were to take up the project for development of material relating to teaching, learning, innovations, experimentation and extension activities.

Out of five zonal training institutes to be set up only one was established.

However, out of five Zonal Institutes, KVS had initiated action in 1995 for the construction of only one building at Gwalior. The building was constructed through the Madhya Pradesh Housing Board in December 2000 at a cost of Rs. 1.03 crore and handed over to KVS in May 2001. But it started functioning from 1 August 2002 only. Information regarding the number of

courses conducted and teachers trained in the institute was not furnished to audit (July 2003).

Audit also ascertained that the remaining four ZTIs could not be established as the Academic Advisory Committee observed in its meeting held in January 2003 that visiting faculty required for these institutions would not be available as neither universities, nor training institutes were situated at these stations. The Committee recommended that these Zonal Institutes be shifted to Mysore, Mumbai, Kolkata and Chandigarh. This indicates that KVS had selected the earlier locations without proper analysis resulting in non-establishment of four Zonal Training Institutes.

KVS replied (January 2004) that the ZTI at Mumbai had been started from 2003-04 and ZTI at Mysore was under construction.

2.1.12 Vocational Courses

In 1995, Government of India's review committee on KVS recommended that the latter should undertake to provide a range of vocational courses as compulsory additional subjects in classes VIII & IX in all KVs in the next three years. KVS accepted this recommendation.

KVS did not make systematic and planned efforts to introduce Vocational courses in KVs.

Audit noted that KVS, instead of identifying the specific vocational courses for implementation in all the KVs as compulsory additional subjects, introduced generic vocational courses (GVC) with effect from 1999-2000 in 20 KVs only for classes XI and XII as optional subject. Another committee, constituted in November 2000 by KVS to study the existing scheme of vocational course and to suggest new courses of vocational studies, observed (April 2001) that the generic courses introduced in 1999-2000 were unpopular because of poor infrastructure and lack of professional commitment. The new courses recommended by this committee were yet to be introduced in KVS (July 2003). So, no systematic and planned efforts had been made to introduce compulsory vocational subjects in the KVs.

On the matter being pointed out by Audit, KVS stated (January 2004) that it was seriously searching for vocational courses, which could be implemented successfully.

Infrastructure facilities

2.1.13 School Buildings

259 out of 770 KVs in civil/defence sector functioned from temporary accommodation.

KVS is required to provide permanent school building/staff quarters to the KVs running under civil/defence sector and the project authorities provide these facilities for KVs which function under project sector. However, out of 770 KVs, 259 KVs functioned from temporary accommodation, depriving the students of proper school environment and facilities essential for overall development of the children.

Project authorities did not transfer land to KVS for periods ranging from 1 to 35 years.

Under the project sector, sponsoring authorities are to provide 15 acres of land free of cost for construction of school building/staff quarters etc. within six months from the date of opening of the KV. Till such time, the KV is run in temporary accommodation provided by the sponsoring authority. Audit noted that in 63 cases land had not been transferred to the KVS by the sponsoring authority as of June 2003. The delay in transfer of land to KVS ranged from 1 to 35 years. The KVs continued to function from temporary accommodation depriving the students of essential facilities.

2.1.14 Other Infrastructure

Audit ascertained that in 34 KVs necessary infrastructural facilities like playgrounds, separate laboratories for physics, chemistry, biology and computers, sewerage, drinking water, first aid facility, boundary walls and toilets were not available.

KVS replied (January 2004) that efforts were being made to provide necessary infrastructure to all the vidyalayas.

2.1.15 Supervision, Monitoring and Control

KVS had been managing 901 KVs spread over the country. The Academic wing of KVS is headed by the Joint Commissioner who is assisted by two Deputy Commissioners and two Assistant Commissioners in charge of Academic and Training wings. The administration of KVS is under the charge of Joint Commissioner (Administration.) who is assisted by two Deputy Commissioners and two Assistant Commissioners. In addition each regional office is headed by an Assistant Commissioner. Regional offices play an important role in the implementation of various programmes/policies of KVS.

2.1.16 Academic supervision

KVS had prescribed Academic supervision at the level of school by the Principal and at the regional level by the Education Officers.

2.1.17 School level supervision

The Principal is required to ensure that teacher's diary is maintained in a manner that (i) it helps the teacher in his day to day work and (ii) it helps others to understand and appreciate his work. Six best notes of lessons from the teacher's diary are sent to the concerned Assistant Commissioner each year.

129 KVs were not sending six best notes to concerned Assistant Commissioners.

Audit ascertained that in 129 KVs (located in Rajasthan, Manipur, Assam, Punjab, Tamil Nadu, Pondicherry, Delhi, Jammu and Kashmir, Nagaland, Sikkim, UP, Andhra Pradesh, Gujarat, Kerala, Haryana, Arunachal Pradesh, Mizoram, Karnataka, Maharashtra, Bihar, Himachal Pradesh, Jharkhand, Madhya Pradesh and Chhatisgarh) six best notes of lessons from the teacher's diary were not being sent by the Principals to the concerned Assistant Commissioners.

KVS replied (January 2004) that all Assistant Commissioners had been asked to ensure submission of at least six best notes by all Principals under their jurisdiction for analysis and further improvement.

2.1.18 Regional-level supervision

There was large shortfall in conducting annual panel inspections.

Apart from surprise visits of the KVs, the annual panel inspection is required to be conducted under the supervision of the Education Officer. Audit noted that in Bhubaneshwar region between 1997-98 and 2002-2003, as against 282 annual inspections required to be done, only 207 KVs were inspected. The shortfall in coverage were due to vacant post of Education Officer in the region.

KVS replied (January 2004) that all Assistant Commissioners had been asked to ensure regular annual panel inspection and surprise inspection of all KVs under their jurisdiction as per directions given from time to time.

Meetings of Advisory and Regulatory Bodies

2.1.19 Core committees

The KVS functions through its General Body called the Sangathan, its executive committee called the Board which are headed by the Minister of Human Resource Development. The Board is assisted by three standing committees constituted by it viz. the Finance Committee, the Academic Advisory Committee and the Works Committee. The General Body is required to meet at least once in a year, the Board of Governors thrice a year and its meetings should be preceded by the meetings of the three standing committees. The meetings of these committees held between 1 April 97 to 31 March 2003 were far below the stipulated numbers as shown below: -

S. No.	Name of the Committee	Frequency of meetings to be held	No. of meetings actually held (*per cent* Shortfall)					
			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
1	General Body	1	Nil (100%)	1 (nil)	1 (nil)	Nil (100%)	Nil (100%)	Nil (100%)
2	Board of Governors	3	Nil (100%)	3 (nil)	2 (33%)	2 (33%)	1 (67%)	Nil (100%)
3	Finance Committee	3	1 (67%)	2 (33%)	1 (67%)	2 (33%)	2 (33%)	1 (67%)
4	Academic Advisory	3	1 (67%)	2 (33%)	1 (67%)	2 (33%)	1 (67%)	2 (33%)
5	Works	3	1 (67%)	2 (33%)	1 (67%)	1 (67%)	1 (67%)	1 (67%)

Core committees were not meeting regularly.

Thus, the General Body had met only during 1998-99 and 1999-2000 and thereafter no meeting was held. Similarly, the BoG's meetings were also not being held as required and the meetings of the standing committees were held even less than the number of meetings of the Board. The meetings of the three standing committees were not being held before the meetings of the BoG. It was also observed that the minutes of the meetings of the Works Committee held on 27 December 2002, Finance Committee on 12 December 2001 and 30 December 2002 and Academic Advisory Committee on 22 November 2001, 15 January 2002, 7 October 2002 and 13 January 2003 were not placed before the BoG for confirmation as it did not meet after September 2001. The large shortfall in the meetings of the core committees indicated lack of monitoring and control of the Sangathan over the functioning of KVS.

2.1.20 Regional Advisory Committees

In April 1987 the BoG decided that Regional Advisory Committees would be constituted in every region for periodically monitoring and reviewing the

general functioning of the KVs and their academic performance. The Regional Advisory Committee has 12 members and is to be headed by the Education Secretary of the State Government or of the Union Territory concerned.

Regional Advisory Committee was functional in only one out of 17 regions test-checked.

Audit test checked records of 17 Regional Offices (ROs) which revealed that in eight Regional Offices (Mumbai, Lucknow, Silchar, Guwahati, Chennai, Delhi, Bangalore and Jammu) no Regional Advisory Committee had been constituted and in six other Regional Offices (Bhubaneshwar, Gandhi Nagar, Bhopal, Jabalpur, Patna and Jaipur) Regional Advisory Committees were constituted but no meetings were held. Kolkata Regional Office did not furnish information on this subject. Regional Advisory Committee was functional only in Chandigarh Region. Regional Advisory Committee at Hyderabad was set up in October 2000, but no meeting was held after 2001-02.

On the matter being pointed out by Audit, KVS stated (January 2004) that Regional Offices where Regional Advisory Committees had not been constituted, had been asked to constitute these immediately. The Regional Offices where periodical meetings of Regional Advisory Committees were not convened, were directed to hold the meetings regularly.

2.1.21 Vidyalaya Management Committees

The Sangathan constitutes a Vidyalaya Management Committee (VMC) for each KV for its general supervision and day-to-day management. The VMC should meet at least three times in a year.

There were shortfalls in meetings of VMC ranging from 4 to 83 per cent.

Audit test checked records of 28 States comprising 163 KVs which revealed that in 139 KVs of 27 States the shortfall in meetings of VMC ranged from four *per cent* (Chhattisgarh) to 83 *per cent* (Jharkhand) during the period 1997-98 to 2002-03.

On the matter being pointed out by Audit, KVS stated (January 2004) that all the KVs had been advised to abide by the provisions of the Education Code and to ensure the mandatory meetings of VMC adequately.

2.1.22 Parent Teacher Associations

KVS approved forming of 'Parent Teacher Association' (PTA) in every KV in order to promote the co-operation of parents and teachers for improving the education facilities and to maintain harmonious relationship between parents

and teachers for the good of the students. The management of the PTA is vested in the executive committee consisting of seven members of whom four are parent members. The executive committee is headed by the Principal who is ex-officio chairman of the Association.

PTA did not exist in 42 KVs.

Audit ascertained that in 42 KVs (located in Arunachal Pradesh, West Bengal, Rajasthan, Mizoram, Himachal Pradesh, Jammu and Kashmir, Maharashtra, Sikkim, Madhya Pradesh, Punjab, Uttar Pradesh, Jharkhand, Tripura and Delhi) PTA had not been constituted. Thus, due importance was not given to the constitution of this body.

KVS replied (January 2004) that efforts were being made to encourage its formation.

2.1.23 Conclusion

- While KVS had been set-up to pursue excellence and set the pace in the field of education, they did not exercise proper control and monitoring over implementation of their academic and organisational activities.

- The scheme of conversion of some KVs into Model Vidyalayas was implemented without approval of the Board of Governors. While Rs. 54.28 crore was spent on 448 KVs, no review was undertaken to see whether the objectives had been realised.

- Vidyalaya Vikas Nidhi meant for developmental activities remained largely unutilised for want of any concrete action plan.

- Teachers' training was also not given proper attention. There was shortfall in teachers' training ranging from 40-47 percent. Only one out of five proposed zonal training institutions could be set-up.

- Planned efforts were not made to introduce compulsory vocational courses in the KVs.

- In a large number of KVs Parent Teacher Associations had not been constituted.

- Regional Advisory Committees which were required to monitor periodically the general functioning of Vidyalayas and their academic performance, had not been constituted in eight regions. In six regions

these committees had been formed but had not held any meeting. The core-committees of the Sangathan were also not meeting regularly.

- The Board of Governors, the main executive body of the Sangathan, which was required to meet thrice a year, did not meet after September 2001.

- The matter was referred to the Ministry in November 2003; its reply was awaited as of April 2004.

Annex-1
(Referred to in paragraph No. 2.1.4)

Details of sample check

S. No.	Name of State/UT	Name of Regional Office test checked	Total no. of KVs test checked	Location of KVs test checked
1.	Andhra ,Pradesh	Hyderabad	10	1. Picket, Hyderabad, 2. CRPF Hyderabad, 3. No. 1 Nausenabagh, Visakhapatnam, 4. No. 2 Srivijaynagar, 5 No. 1 Vijayawada, 6. No. 1 Triupati, 7. No. 1 Golconda, Hyderabad, 8. Trimualgherry, Hyderabad, 9. AFS, Begumpet, Hyderabad, 10. Kanchanbagh, Hyderabad.
2.	Arunachal Pradesh		2	1. Rupa and 2. Tenga
3.	Assam	1. Guwahati 2. Silchar	7	1. Jagiroad, 2. AFS Joarhat, 3. Maligaon, 4. Nagaon, 5. No. I Tezpur, 6. Silchar, 7. Panchigram.
4.	Bihar	Patna	5	1.Kankarbagh, 2. Danapur Cantt. , 3. IOC, Barauni, 4. Rajendra Agricultural University, Pusa, 5. Muzaffarpur.
5.	Chattisgarh		3	1. Durg, 2. Raipur and 3. NTPC Korba
6.	Delhi	Delhi	8	1. NMR, JNU Campus, 2. AGCR Colony, 3. No. 1 Delhi Cantt., 4. R.K. Puram Sector IV, 5. NOIDA, 6. Pushp Vihar Saket, 7. NTPC Badar Pur, 8. AAI, Rang Puri.
7.	Gujarat	Gandhinagar	6	1. Space application Centre, Ahmedabad, 2. Rajkot, 3. Sector 30 Gandhinagar, 4. Sabarmati, 5. AFSI Jamnagar and 6. Junagarh.
8.	Haryana	-	6	1. No. 1 Chandi Mandir, 2. No. II Ambala Cantt, 3. NFL Panipat, 4. Nahara (Sonipat), 5. Gurgaon, 6. Kousiwas (Rewari)
9.	Himachal Pradesh	-	3	1. Shimla, 2. Sarahan, 3. Subathu
10.	Jammu and Kashmir	Jammu	6	1. Bantalab, 2. Domana, 3. KV No. 2 Jammu, 4. No. 1 Jammu, 5. No. 1 Srinagar, 6. No. 3 Srinagar.
11.	Jharkhand		6	1. Ramgarh Cantt, 2. Barkakana, 3. Sector IV B.S. City, 4. Dhanbad, 5. Tatanagar and 6. Hinoo (Ranchi)
12.	Karnataka	Bangalore	8	1. Malleswaram, 2. ASC South, 3. NAL Campus, 4. DRDO (Bangalore), 5. No. 1 Hubli, 6. Mysore, 7. T.B. Dam, Hospet and 8. Contonment, Belgaum.
13.	Kerala	-	8	1. Pattom Thirvantpuram, 2. Pangode, Thirvantpuram, 3. AFS Akkulam, Thiru, 4. CRPF, Pallipurm, Thiru, 5. Adoor, Pathanamthitta, 6. R.B. Kottyam, 7. News Print Nagar, Kottyam, 8. Kochi-II, Naval Base, Kochi
14.	Madhya Pradesh	1. Bhopal 2. Jabalpur	13	1. Baragarh, 2. No.1 Bhopal, 3. No. 2 Bhopal, 4.BIT Hostel Buiding Bhind, 5. No.1 Gwalior, 6. No.2 AFS Maharajpur Gwalior, 7. No. 2 Morar Cantt Gwalior, 8. SPM Hoshangabad, 9. No.1 O.F. Itrasi, 10. ITBP Campus, Shivpuri, 11. No.1 GCF Jabalpur, 12. No.2 GCF Jabalpur and 13. COD Jabalpur
15.	Maharashtra	Mumbai	11	1. Ambernath, 2. Solapur, 3. Ahmednagar, 4. Dehuroad, 5. Aurangabad, 6. Colaba, 7. Pulgaon, 8. Chandarpur, 9. Nagpur, 10. Bhusawal and 11. Devlali
16.	Manipur		1	KV Imphal
17.	Meghalaya		2	1. Eastern Air Command, Upper Shillong, 2. Happy Vally of East Khasi Hills Distt.
18.	Mizoram		1	1.Pushpak, Zambwak, Aizwal
19.	Nagaland		2	1 Project Sewak, Dimapur and 2. Zakhama

CHAPTER III : MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION

Department of Urban Development

3.1 Allotment of Land to Private Hospitals and Dispensaries by Delhi Development Authority

Delhi Development Authority(DDA) failed to enforce the terms of allotment of institutional land, at concessional rates, to hospitals and dispensaries. The primary objective of these allotments was to provide free treatment, according to norms, to the poor. This was not achieved. Allotment of land was made to three ineligible institutions which deprived DDA of revenue of Rs. 38.54 crore. Ineffective pursuance of outstanding dues led to accumulation of arrears of Rs. 3.54 crore.

Highlights

- **Allotment of land to three ineligible institutions at concessional rates in contravention of the guidelines deprived the DDA of revenue of Rs. 38.54 crore.**
- **Failure to monitor the terms of allotment stipulating provision of 25 *per cent* free indoor and 40 *per cent* free out door treatment to indigent patients defeated the primary objective of such allotment of land at concessional rates and deprived the indigent patients of the benefit of free treatment.**
- **No system was laid down to deal with complaints received against the functioning of the hospitals in contravention of the terms and conditions of allotment.**
- **DDA failed to incorporate a condition for appointment of a representative of the Government as a member of the Society administering the hospital which could have ensured that the commitment of medical care for indigent patients was honored.**
- **Twenty-three out of 27 hospitals had not started functioning as of July 2003 even after a lapse of periods ranging from 4 to over 30 years from the date of allotment of land.**
- **Inadequate and ineffective pursuance of outstanding dues on account of premia, ground rent and interest thereon resulted in accumulation of arrears of Rs. 3.54 crore against the allottees.**

3.1.1 Introduction

The Delhi Development Authority (DDA) disposes of commercial, industrial and residential plots in accordance with the provisions of the DDA (Disposal of Developed Nazul Land) Rules, 1981. Rule 5 stipulates that DDA may allot Nazul lands for construction of hospitals and dispensaries to social or charitable institutions. The premium and ground rent will be determined by the Government of India. Allotment of Nazul land to public institutions is subject to the fulfillment of certain conditions prescribed in Rule 20.

Till May 2003, DDA had allotted land to 65 charitable institutions of which 53 were for construction of hospitals[1] and 12 for dispensaries[2] (including three hospitals where the possession of land was yet to be handed over). The allotment of land to these institutions was made at varying concessional rates fixed by the Union Ministry of Urban Development from time to time upto 1995-96 and at rates fixed by the DDA in consultation with the Ministry thereafter. A test check in audit of the records of allotment of land to 42 hospitals and dispensaries revealed various irregularities and shortcomings in both the allotment of land and in enforcement of the terms of allotment which defeated or undermined the very purpose of allotment of land to such organizations at concessional rates.

3.1.2 Organization

The allotment of land for the purpose of construction of hospitals and dispensaries to charitable and other organisations in Delhi is looked after by the Land Disposal Department of DDA. The Department is headed by the Commissioner (Land Disposal) who is assisted by the Director (Lands), the Deputy Director (Institutional Land) and other subordinate staff.

The accounting of receipts including recovery of ground rent is looked after by the Director (Land Costing) who is assisted by the Deputy Chief Accounts Officer (Land Costing) and other subordinate staff.

3.1.3 Scope of Audit

The review conducted from April 2003 to July 2003 included examination of the records of the Institutional Land branch of DDA relating to allotment of land to hospitals and dispensaries for the period from 1981-82 to 2000-2001

[1] Hospital : Provides both indoor and outdoor treatment facilities to patients.
[2] Dispensary: Provides only outdoor treatment facilities to patients

and records of the Land Sales Accounts (Nazul Accounts) branch relating to recovery of dues to ensure that:

- the allotment of land to private hospitals and dispensaries had been made according to the rules and orders in force from time to time;
- the premia of land and ground rent had been charged at the rates approved by the Government of India /DDA;
- a proper mechanism for monitoring the adherence to the terms and conditions of allotment existed; and
- a proper account of dues recoverable and received from the institutions had been maintained.

Irregular Allotment of Land to Trusts or Private Companies

Allotment of land to three ineligible institutions deprived DDA of revenue of Rs. 38.54 crore.

Rule 20 of the Rules prescribes, *inter alia,* that an institution seeking allotment of institutional land should be a society registered under the Societies Registration Act, 1860, or such institution should be owned and run by the Government or any local authority or constituted or established under any law for the time being in force. Audit scrutiny revealed that allotments of land were made to three ineligible institutions at concessional institutional rates instead of at commercial rates in contravention of the extant guidelines which deprived the DDA of revenue of Rs. 38.54 crore as discussed below:

3.1.4 Arya Vaidyashala Kottakkal, a charitable Trust of a public nature since 1902, applied for allotment of land in December 1976 for setting up of an Ayurvedic Centre. A plot of 0.8 hect. in Kondli complex was allotted to the Trust in April 1985 on the advice of the then Chief Legal Adviser that a charitable Trust duly constituted and registered under the law for the time being in force would have to be treated at par with a society registered under the Societies Registration Act, 1860. The Trust was subsequently offered an alternative site of 1.10 hect. in Dallupura Society complex in February 1987 due to non-development of the original site. This site too could not be handed over due to encroachment. In the meantime, on the basis of a legal opinion taken at the instance of the then Vice Chairman DDA in September 1994, it was concluded that a public or private Trust cannot be deemed to be a Society under the Societies Registration Act nor can it be deemed to have been constituted or established under any law in terms of the meaning of Rule 20 and hence it was not entitled for allotment. However, allotment of a plot of land of 0.95 hect. in Karkarduma complex was approved by the Delhi

Government in October 1994 as it was felt that a reversal of the position at this stage would not be fair to the applicant. The approval was made subject to the specific condition that the Trust would get itself registered under the Societies Registration Act, 1860. Audit observed that the stipulation of the Trust getting itself registered under the Societies Registration Act was not incorporated in the allotment orders even while making a modified allotment in June 1995 despite the specific directions of the Lt. Governor of Delhi of October 1994.

Thus, incorrect interpretation of the rules resulted in allotment of land to an otherwise ineligible institution. This irregular allotment of land deprived the DDA of Rs. 1.40 crore as the allotment was made at the concessional institutional rates instead of the commercial rates. Further, the specific directions of the Government intended to remedy the lacunae in the status of the Trust with reference to its eligibility for such allotment was not incorporated in the allotment orders. No responsibility has been fixed for the lapses.

3.1.5 Dharmshila Cancer Foundation and Research Centre, a public charitable Trust, had applied for allotment of land in January 1989. It was allotted two acres of land at Rs. 14.25 lakh per acre in March 1990 though it was not registered as a society under the Societies Registration Act, 1860, as required under the rules for allotment of land at concessional rates. The Trust was subsequently registered as a Society in April 1990. In December 1992, while dealing with a reference from the Trust relating to revision of rates applicable to it, the Joint Director (Institutional) of DDA observed that the Trust was not in fact eligible for being considered for allotment as it was not a Society registered under the Societies Registration Act at the time of its application/allotment. The Legal Advisor concurred with this view and observed in January 1993 that (i) the allotment of land to the Trust was *ab initio* void and (ii) since the allotment was void, the Trust could not subsequently pass on the property to the Society and the subsequently formed Society could not also take over the assets and liabilities of the erstwhile Trust in respect of the allotted land. Despite this unambiguous advice of its Legal Advisor, DDA by its Resolution of June 1993 approved a proposal permitting/passing over the land allotted to the Trust to the Society without charging the unearned increase.

As the land was allotted to an ineligible institution and the allotment was void *ab initio*, the allotment could have been either cancelled or alternatively the Society charged the commercial rates instead of the concessional institutional rates. The decision of the Authority permitting passing over the land to the

Society on concessional terms was in clear contravention of the conditions for allotment of such land stipulated in the Rules and resulted in loss of Rs. 3.11 crore.

3.1.6 Unique Hospitals and Research Institute applied for allotment of land in February 1997. An allotment of 8,097 sqm. of land was made to the Institute in December 1997. In April 1998, it was noticed that the Institute had been actually incorporated in January 1996 under the Companies Act, 1956, and registered itself as a Society under the Societies Registration Act, 1860, only in February 1997. It was observed in audit that the original company continued to exist and the registration as a society was merely a facade in order to obtain allotment of land at concessional rates. The allotment was, however, allowed to continue by the Government of Delhi in August 1998 on the Institute furnishing an undertaking to the effect that the original company would not have any involvement in the management of the hospital established by the Society and that the hospital would make available 25 per cent of the out-patient, diagnostic and bed facilities for free patients who would be sent through a referral procedure to be finalised by the Health Department of the Delhi Government. It was also decided that the Director, Health Services, would be responsible for monitoring and certifying the implementation of the arrangement and that DDA would be free to get it checked through its empanelled auditors.

Though the initial allotment was made ostensibly to a Society, the fact remains that the original company continued to subsist and registration as a society was obtained only to get around the requirements for allotment of land at concessional rate. Thus failure to allot land at commercial rates to an organization which remained in essence and to all intents and purposes a 'Company' resulted in loss of Rs. 34.03 crore to DDA

3.1.7 Non-inclusion of conditions for monitoring provision of free treatment to indigent patients

The condition of providing free indoor and outdoor treatment to indigent patients was not included in 24 cases.

The allotment of land to private hospitals and dispensaries at concessional rates is made subject to the condition that the institution shall serve as a general public hospital with at least 25 *per cent* of total indoor beds reserved for free treatment to indigent patients and that it would provide free treatment to 40 *per cent* patients in the outdoor department. A test check in audit of 42 allotments as shown in **Annex I** to private hospitals and dispensaries revealed that DDA had failed to incorporate this condition in the allotment letters in 24 cases.

Further, five hospitals/dispensaries were allotted additional land for expansion. DDA however failed to ascertain even in these cases whether the free indoor and outdoor services for indigent patients stipulated in the conditions of allotment were in fact being provided or not although in two of these cases, the condition of providing free treatment to indigent patients was specifically incorporated in the allotment letter.

In November 1999, the Minister for Health & Family Welfare, Government of Delhi, constituted a Committee under the Chairman, Central Drug Purchase Committee in the Directorate of Health Services, to review the free treatment facilities required to be provided by the hospitals which had been allotted land at concessional rates. The Committee's findings submitted in April 2000 confirmed public apprehensions that beneficiary hospitals were not fulfilling their obligation of providing free treatment to indigent patients. Subsequently, another Committee headed by Justice A.S.Qureshi was constituted in June 2000 to review the system of free treatment facilities by charitable and other private hospitals. The Committee recommended *inter alia* that the allotment of land at concessional rates to such institutions was liable to be cancelled for violation of the terms of allotment. Subsequently in July-September 2001, the DDA sought a report from 14 institutions as to the fulfillment of their obligations relating to provision of free treatment to indigent patients. Only five institutions responded to the DDA's notice. However, no action was initiated against the defaulters nor was any action taken to verify the correctness of the report furnished by the five institutions.

DDA stated in May 2003 that since the allotment of land to hospitals and dispensaries was made on the recommendation of the Central Government or the concerned department of the Government of NCT of Delhi, it was for the concerned department to monitor whether all the terms and conditions were being adhered to. DDA subsequently added (June 2003) that the enforcement mechanism to supervise compliance with the terms and conditions of allotment was being revised in consultation with the Government of Delhi.

The Director Health Services, Government of Delhi, while disagreeing with the DDA's position, stated (July 2003) that the Directorate had not laid down any guidelines for monitoring these aspects and had only recommended the cases to DDA for allotment of land after the approval of the Land Allotment Committee. The Directorate was not aware as to which institution had been allotted land by DDA and on what conditions. The Directorate only inspects the hospitals while doing registration or renewal of registration of allopathic hospitals under the Delhi Nursing Home Registration Act, 1953, and examines

the aspect of providing free beds as an additional activity in cases where the conditions for allotment are disclosed by the allottees as this was not a pre-condition for registration or renewal.

Non-monitoring of the provisions of free treatment to indigent patients defeated the objective of allotment of land at concessional rates.

Evidently, the DDA and the Directorate of Health Services did not take the enforcement of the terms of allotment seriously. As a consequence, no effective monitoring of the provision of free treatment to indigent patients was carried out and the primary objective of allotment of land at concessional rates was defeated. As a result, undue benefit was afforded to the allottees. There was clearly a need for a clear demarcation of responsibilities for meaningful monitoring of the terms of allotment and their effective enforcement.

3.1.8 Inaction in reported cases of non-adherence to terms of allotment

No system has been laid down to deal with the complaints received against the hospitals functioning in contravention of the terms and conditions of allotment.

Audit observed that no system has been laid down either by DDA or the Directorate of Health Services to deal with complaints received against the functioning of the hospitals in contravention of the terms and conditions of allotment of land. In two cases, complaints were received by DDA during April-November 2002 against certain institutions for not providing free treatment to indigent patients and show cause notices were issued during October-December 2002. In one case (Deepak Gupta Memorial Hospital), the reply was received in January 2003; however, no action could be taken as the report of the investigating Assistant Engineer was awaited (July 2003). No reply was received in the other case (Mai Kamli Wali Jan Kalyan Charitable Trust) despite a lapse of over six months.

In another case (Sondhi Charitable Hospital), in response to a Starred Question raised in the Delhi Assembly in March 2001 that the hospital was functioning like a private nursing home and charging exorbitant fees, the Secretary (Health), Government of Delhi, directed the DDA to take appropriate action against the hospital for violating the terms and conditions of allotment. No action was, however, taken (July 2003) despite the orders of the Director (Lands) to initiate cancellation proceedings against the Institute. No responsibility for the inaction has been fixed.

3.1.9 Non-appointment of government representative

Condition of appointment of a Government representative as a member of the institution was not incorporated in 39 cases.

According to the Guidelines for Disposal of Institutional Land, a representative of the Government of Delhi is required to be made a member of the registered society responsible for administration of the project so as to ensure that the commitments of medical care for indigent patients are

honoured. DDA, however, failed to incorporate this condition in the allotment letter in 39 out of 42 cases test checked in audit.

In the case of Venu Charitable Society where the condition was included in the allotment letter, a representative from the concerned sponsoring Department viz. Government of Delhi and another from DDA was to be appointed on the Board of the Society. But there was nothing on record to establish whether any such representative had been appointed. In the case of Tagore Academy, there was nothing on record to show whether a nominee of the Delhi Government was appointed as Director on the Board of Management of the Society. In another case of Lala Munni Lal Mange Ram Charitable Trust, neither any nominee from DDA was appointed as member nor was the condition incorporated in the allotment letter despite clear directions of the Lt. Governor of Delhi issued in September 1997.

The failure of the DDA to monitor adherence of this condition of allotment undermined the objective of land allotments at concessional rates.

3.1.10 Timely construction of hospital and dispensary buildings

According to the conditions of allotment, building plans should be approved and sanctioned by the DDA and construction completed within a period of two years from the date of taking over possession of the land. Extension of period of construction can be granted as per the guidelines issued by the DDA from time to time upto a period of 15 years (10 years in the case of plots upto 500 sqms.) with or without levy of composition charges if the circumstances of the case so warranted.

Record to watch the timely construction of buildings for hospitals/ dispensaries was not maintained.

Audit noticed that DDA did not maintain any consolidated record to watch the timely construction of buildings for hospitals/dispensaries on the land allotted by it. It was seen that out of 10 cases where extension was granted for construction of buildings, the extension period had already expired in seven cases. The Deputy Director (Institutional Land) stated in June 2003 that the Building Department was responsible for the approval of plans and for watching the completion of buildings by the concerned institution. However, the details of approval of plans, stipulated date of completion, actual date of completion and date of occupancy of buildings by various hospitals and dispensaries was awaited from the Building Department (July 2003).

Thus, the status of construction of buildings by the allottees in cases where the period for construction including extension had already expired, could not be ascertained.

Out of 27 hospitals allotted land, 23 have not started functioning despite lapse of periods ranging from 4 to over 30 years.

Audit noticed that 23 out of 27 hospitals which had been allotted land during January 1971 to March 2000 had not started functioning till July 2003 while three hospitals had sought extension for construction although the land had been allotted during June 1996 to July 1998. In the remaining one case, the stipulated period of two years permissible for construction had not yet expired.

3.1.11 Heavy Outstanding Dues

The Director (Land Costing) is responsible for maintenance of records of recoveries on account of premia and ground rent of land allotted to hospitals and dispensaries. The premium is payable by the allottee within 60 days of demand (30 days upto September 1995) failing which interest at the rate of 18 *per cent per annum* is leviable. Ground rent is payable annually in advance failing which interest at 10 *per cent per annum* is levied. The arrears of premium and ground rent are recoverable under the Punjab Land Revenue Act, 1887.

Ineffective monitoring of the outstanding dues resulted in accumulation of arrears of Rs. 3.54 crore.

Premia of Rs. 12 lakh was outstanding in 3 cases while interest of Rs. 1.43 crore on premia not paid or paid belatedly was outstanding in seven cases as of October 2003. In addition, ground rent of Rs. 3.42 crore was outstanding from 39 allottees while interest of Rs. 1.03 crore was outstanding from 36 allottees. The outstanding premia and interest thereon related to the period from 1996-97 onwards whereas the outstanding ground rent related to the period from 1985-90 onwards. No broadsheet of recoveries was maintained with the result that the correctness of credits afforded in the ledger accounts could not be ensured in audit.

Ledger accounts maintained did not present the true pictures of outstanding dues against the allottees.

A test check in audit of the ledger accounts maintained by the Director (Land Costing) further revealed that the outstanding dues as per the ledger accounts differed from those certified and intimated to the Management from time to time. On the discrepancies being pointed out in audit, DDA stated (July-August 2003) that the ledger accounts might not represent the true picture of outstanding dues as the challans received may not have been posted in the Demand and Collection Ledgers. DDA added that the Demand and Collection Ledgers had since been updated and Demand Letters issued to the defaulters whose list was also being sent to the Recovery Officers for collection of ground rent dues.

Clearly adequate action had not been taken to effectively pursue the long pending dues which could have been collected even as arrears of land revenue in cases of persistent default. Effective pursuance of the dues was also being

thwarted by the incomplete maintenance of records and unreliable ledger accounts. This resulted in accumulation of arrears of premium, ground rent and interest thereon. Non-collection of dues from the defaulting institutions also constituted an undue benefit to them.

3.1.12 Conclusion and Recommendations

The Delhi Development Authority had allotted land to 53 hospitals and 12 dispensaries at concessional institutional rates with the primary objective of establishing general public hospitals with reservations for free treatment to indigent patients. The failure of the DDA to monitor implementation of this provision defeated the primary objective of the allotments.

Based on the audit findings, the following recommendations are made:

- Allotments to ineligible institutions should be considered for cancellation or the regular commercial rates charged. The circumstances leading to such irregular allotments should also be investigated for determining responsibility.
- An effective mechanism must be set up to monitor adherence to the terms and conditions of allotment. Failure to adhere to the terms of allotment should attract a deterrent penalty.
- There should also be a clear demarcation of responsibilities between the DDA and the agencies of the Government of Delhi for meaningful monitoring of the terms of allotment and their effective enforcement.
- A system for redressal of complaints must be established. A nodal officer could be appointed to look into and pursue the complaints received and initiate appropriate action against erring hospitals and dispensaries.

The matter was referred to the Ministry in September 2003; its reply was awaited as of February 2004.

Annex-I
(Referred to in Paragraph No. 3.1.7)

List of Hospitals and Dispensaries checked in Audit

Sl. No.	Name of Hospital	Date of Allotment	Date of Possession	Whether condition for free treatment incorporated in allotment letter
1.	Amar Jyoti CharitableTrust	20-1-1983	30-4-1983	Yes
2.	Flt Lt Rajan Dhall Charitable Trust	29-8-1983	23-2-1987	No
3.	Deepak Gupta Memorial Foundation	16-3-1982	18-10-1982	Yes
4.	Ganesh Das Chawla Charitable Trust	28-4-1986	12-5-1986	Yes
5.	Arya Vaidyasala Kottakkal	4-4-1985	9-3-1995	Yes
6.	Venu Charitable Trust	16-10-1992	18-12-1992	Yes
7.	Laxmipat Singhania Medical Foundation	29-3-1990	12-7-1991	Yes
8.	Dharamshila Cancer Foundation & Research Centre	30-3-1990	6-12-1990	Yes
9.	Rajiv Gandhi Cancer Society	12-3-1990	11-5-1990	No
10.	Sondhi Charitable Hospital	8-11-1993	12-11-1993	No
11.	Sant Nirankari Mandal	24-6-1994	23-2-2000	No
12.	Lala Munni Lal Mange Ram Charitable Trust	24-10-1994	9-1-1995	No
13.	Manav Sewarth Trust	10-11-1994	9-1-1995	No
14.	Vikrant Children Medical Foundation	3-7-1995	16-9-1996	No
15.	Multan Seva Samiti	26-4-1995	1-7-1998	No
16.	Devki Devi Foundation	6-2-1996	5-6-1996	Yes
17.	Human Care Medical Charitable Trust	15-5-1995	23-4-1996	No
18.	B.R.Dhawan Memorial Charitable Trust	6-3-1996	12-6-1996	Yes
19.	Nirogi Charitable & Medical Research Trust	8-7-1996	7-2-1997	No
20.	Dr.Narain Dutt Shrimali Foundation	22-5-1996	26-6-1996	No
21.	Param Shakti Peeth	17-1-1997	6-1-1998	No
22.	Unique Hospital & Research Institute	17-12-1997	3-8-1998	Yes
23.	Shanti Memorial Society	6-5-1999	30-8-1999	No
24.	Balaji Medical & Diagnostic Research Center	14-8-1989	16-10-1996	Yes
25.	Mukundi Lal Memorial Foundation	6-4-1988	11-5-1988	Yes
26.	Maha Durga Charitable Trust	9-8-1999	Not handed over	Yes
27.	Delhi ENT Hospital & Research Centre	20-9-1999	1-2-2000	No
28.	Dr.Walia Charitable Trust	7-2-1998	19-2-1998	Yes
29.	Mai Kamli Wali Jan Kalyan Charitable Trust	15-5-1987	28-8-1988	Yes
30.	Sarvodaya Health Foundation	24-3-1999	22-6-1999	Yes
31.	Vivekanand Pratisthan Parishad	12-3-1985	21-8-1995	No
32.	Tarawati Ram Gopal Mehra Foundation	15-7-1986	16-4-1987	No
33.	Indian Medical Association	8-5-1997	5-7-1997	No
34.	Dilshad Garden Ayyappa Sewa Samiti	18-11-1997	19-12-1997	No
35.	Sh Guru Singh Sabha Central	6-1-1997	15-1-1997	No
36.	Parivar Seva Sanstha	1-7-1988	8-6-1989	Yes
37.	Jai Sri Ram Sewa Sangh	29-5-1995	8-8-1995	No
38.	Tagore Academy	2-7-1996	30-8-1996	No
39.	Sanatan Dharam Public Trust	20-3-1998	6-4-1998	Yes
40.	Sadhu Vasvani Mission	7-2-1984	18-4-1984	No
41.	Arpna Trust	3-6-1996	21-6-1996	No
42.	Khosla Medical Institute & Research Centre	10-10-1983	17-6-1985.	No

INFORMATION TECHNOLOGY REVIEW OF COMPUTERISATION OF ACTIVITIES RELATING TO THE HOUSING DEPARTMENT OF THE DELHI DEVELOPMENT AUTHORITY

3.2 Information Technology Review of Computerisation of activities relating to the Housing Department of the Delhi Development Authority

Delhi Development Authority (DDA) had incurred an expenditure of Rs. 2.44 crore as of October 2002 on computerisation of its Housing Department. In the absence of a formal IT strategy and supporting policies and procedures, the Authority did not follow the well-established system development life cycle. Consequently, the applications running in the Housing department of the Authority lacked essential internal controls. The database relating to allotment of flats and realisation of dues from allottees was incomplete, inaccurate and unreliable. The desired objective of accurate and efficient Management Information System remained largely unattained.

Highlights

- **'AWAAS' application was not fully operational despite expenditure of Rs. 1.95 crore on its development including the cost of hardware, system software and networking.**
- **The computerised database of DDA relating to allotment of flats and realisation of dues from allottees was incomplete, inaccurate and unreliable.**
- **Raising of demands on the basis of unreliable database caused unnecessary harassment to the allottees.**
- **No input controls were provided to ensure a check over the allotment of flats to ineligible minors and double allotment of flats to the same individual in contravention of the guidelines.**
- **Lack of monitoring of cancelled flats led to delay of up to 6 years in their re-allotment as per the computerised database.**
- **The database was unreliable and depicted an inaccurate picture of the dues recoverable by DDA. This was due mainly to non-updation of the cancelled flats in the allottees' database leading to duplication of demands. According to the computerised database, not even a single instalment was paid by the allottees up to March 2000 in 19826 cases of allotments against a demand of Rs. 310.47 crore. In 46893 other cases, where the flats were allotted on cash down basis, no payment was made by the allottees against a demand of Rs. 697.94 crore.**
- **Injudicious termination of a contract resulted in avoidable delay of more than two years in implementation of an online Housing Management Information System besides extra avoidable expenditure of Rs. 19.88 lakh.**

- **Failure to take over operation of Housing Management Information System named 'AWAAS' completed by CMC Ltd. in October 1999 and accepted by DDA in November 1999 resulted in expenditure of Rs. 32.88 lakh till October 2002 on its operation by out-sourcing against the cost of Rs. 43.25 lakh for application software development.**

3.2.1 Introduction

The Delhi Development Authority (DDA) was constituted by the Government of India on 30 December 1957. Its major activities include (a) construction of residential buildings, (b) development of commercial centres, (c) development of land for residential, institutional, industrial, recreational and commercial purposes, (d) special projects including sports complexes and (e) development and maintenance of green areas viz. Master Plan greens, district parks, neighbourhood parks, recreational centres, sports fields and children's parks.

Housing functions performed by DDA accounted for 25.33 *per cent* (Rs. 249 crore) and 29.03 *per cent* (Rs. 238 crore) of its total receipts and payments respectively during 2000-01[1]. Till October 2002, DDA has allotted more than 3.15 lakh houses of different categories in Delhi.

Computerisation process in various departments of DDA was started in 1981 to keep pace with latest technology and facilitate provision of better services. Some of the functions of DDA relating to land, housing, legal cases, etc. have been computerised. Three major IT applications in the Housing department are the New Pattern Registration Scheme (NPRS), the Housing Receipts Accounting System (HRAS) and the Housing Management Information System (HMIS) named AWAAS.

3.2.2 Organisation

DDA is administratively headed by the Vice Chairman and has sixteen departments including the Housing department. The Housing department looks after the allotment of flats and post allotment activities. Housing Accounts wing is responsible for accounting of receipts, recovery of outstanding dues and issue of no dues certificates. The Systems department is responsible for procurement and installation of hardware and software, development of applications and their implementation, generation of demand letters and other reports.

[1] Accounts for 2001-02 yet to be finalised

3.2.3 Audit Scope and Methodology

The scope of Information Technology audit included :-

- Examination of controls in selected operational applications viz. NPRS, HRAS and AWAAS;
- Evaluating the effectiveness of the applications in management of monitoring of flats allotted; and
- Realisation of dues from the allottees.

The entire housing data of allotments made during March 1982 to October 2002, maintained by the two IT applications, NPRS and AWAAS, was analysed in audit from June 2002 to November 2002 using Computer Assisted Auditing Tool namely IDEA[2] 2001 for assessing reliability and data consistency. Likewise, the accounting data for the period September 1995 to October 2002 of HRAS application was also analysed. Besides examining the above applications and data, the existence and adequacy of general IT controls in the organisation were also assessed in audit.

Salient Features of IT Applications

The salient features of the IT applications which were operational in the Housing department as of October 2002 were as under:-

3.2.4 New Pattern Registration Scheme (NPRS)

A housing scheme, namely 'New Pattern Registration Scheme, 1979,' was introduced by DDA for registration and allotment of houses of MIG, LIG and Janta categories. The scheme was on all India basis and 1,71,272 persons were registered under this scheme. The application used for allotment of houses under this housing scheme was named 'NPRS application'. Subsequently this application was also used for allotment of houses under the 'Ambedkar Awaas Yojna, 1989,' 'the Janta Housing Registration Scheme, 1996' and self financing registration schemes. The application covered only the following areas:

i. Particulars of registrants under various schemes,

ii. Particulars of flats allotted to registrants, and

iii. Details of demands raised on allottees.

[2] Interactive Data Extraction and Analysis-Package 2001

The NPRS application was originally developed by the Computer Maintenance Corporation Ltd. (CMC Ltd.) in COBOL in 1982 and it was in use upto March 2000. NPRS application was replaced by a new IT application – Housing Management Information System named 'AWAAS' in April 2000. The NPRS application maintained data in respect of allotments made to the various applicants under the abovesaid schemes till March 2000. Thereafter the data was handled by the new application AWAAS. The data pertaining to the period prior to April 2000 continued in NPRS application and was not transferred into the new application.

This application was also used to generate Statement of Accounts and Demand and Collection details of allottees by extracting data from HRAS application from September 1995.

3.2.5 Housing Management Information System (AWAAS) application

AWAAS application was developed by CMC Ltd. using Oracle 8.0 RDBMS, Developer 2000 front end tool on Windows-NT 4.0 operating system. The application was intended to serve as an on-line information system for the Housing department for interactive use of the Management and senior officers, answering public queries, updation of records directly at the counter and generation of periodic MIS reports besides accounting of receipts and post allotment activities like possession, mutation, execution of conveyance deed, etc. The application was made operational in April 2000 and it maintained data of all allotments made after April 2000.

Although the new application AWAAS introduced in April 2000 was intended to replace the other two older packages namely NPRS and HRAS, it was not fully functional till October 2002. The activities like accounting of receipts from allottees, generation of statements of accounts and demand and collection card of pre-and-post-2000 allottees were yet to be taken up. The new application AWAAS was being used mainly for allotment of flats.

3.2.6 Housing Receipts Accounting System (HRAS) application

This IT application was developed in-house with the purpose of improving accounting of receipts and verification of challans and was made operational in September 1995. The application functioned on UNIX platform using ORACLE RDBMS, Forms 2.5 and Reports 2.0. It maintained data pertaining to receipts of post-September 1995 and abstracts of receipts data for the period 1981-1995. The data maintained by HRAS was also not transferred into the new application AWAAS.

System Implementation

3.2.7 Lack of IT Strategy and policies

No documented IT Strategy and policy.

Audit noted that although DDA had incurred more than Rs. 2.44 crore during the last 20 years, it is yet to adopt a documented IT strategy for setting up both the long-term and short-term directions for IT systems within the organisation. No policies and procedures were in place for development/implementation/ testing/monitoring of systems. It was stated by DDA (June 2002 and April 2003) that no formal IT strategy had yet been planned but steps were being taken to work out an IT road map for the future. It was added that there were no formal IT policies for security, human resources and computing. No internal audit of IT systems had also been conducted so far.

3.2.8 Feasibility Study of the Projects not Taken Up

The DDA did not adopt the standard methodologies for developing the systems. No feasibility study was conducted before implementing the NPRS and HRAS applications. The feasibility study for the new application AWAAS though conducted did not envisage the integration of the old data of NPRS and HRAS applications into it with the result that the same could not be integrated as of December 2002 and the AWAAS continued to be a system only to cater to the registrants after March 2000. The System Requirement Specifications (SRS) that ultimately guide system design work were also not prepared. This resulted in the data generated by such systems developed at high costs being unreliable. This is evident from the DDA's response (December 2002) to an audit query wherein it stated that the data reflected in the statements of accounts generated by HRAS application was not used as the same was not reliable.

3.2.9 Inadequate Project Monitoring for Application Software Development

The development of an on-line the Housing Management Information System to take care of all the activities of the Housing department was assigned to M/s Birla Horizon International Ltd. (BHI) at a cost of Rs 22.80 lakh in February 1997 for completion within seven months. The contract was terminated in February 1999 on grounds of delay in execution of the project which was attributed partly to delay in finalisation of User Requirements on account of non-availability of officers due to their other pre-occupations or leave.

Injudicious termination of contract resulted in avoidable expenditure of Rs. 19.88 lakh.

An earnest money of Rs 0.57 lakh received from the firm was forfeited. The work was thereafter awarded to CMC Ltd. without inviting open tenders at a cost of Rs. 43.25 lakh in April 1999 and it was completed in November 1999. Thus, injudicious termination of contract with M/s BHI resulted in avoidable expenditure of Rs. 19.88 lakh besides delay of more than two years in completion and implementation of application software.

Audit noted that the development of AWAAS application software entrusted to BHI in 1997 included a module on 'Project Monitoring' to facilitate both monitoring of the expenditure incurred on construction of the flats as well its physical progress from the date a particular scheme was listed in the DDA budget. The module was to maintain an inventory of flats constructed by DDA and flats allotted to enable the DDA to plan the construction of flats in future and estimate the availability of flats in pipeline with the target dates of completion. This module was however not included in the scope of work of application development awarded to CMC Ltd. in 1999 with the result that effective watch could not be exercised over the flats constructed, flats allotted and vacancy position in a particular location.

DDA stated (April 2003) that AWAAS provided for keeping the inventory of flats constructed. However Audit observed that there was no module to facilitate monitoring of expenditure incurred in construction as well as physical progress in construction of flats as provided in the contract with BHI.

3.2.10 Unfruitful Expenditure on Maintenance of Application Software

The AWAAS application software development was completed by CMC Ltd. in October 1999 and accepted by DDA in November 1999. The software had a warranty of three months from the date of acceptance. During this period, modifications, if any, required in the software were to be attended by CMC Ltd. Further, the staff trained by CMC Ltd. was to acquaint themselves with the operation and upkeep of the new infrastructure. DDA however failed to take over the application software for operation by an in-house team during the warranty period which expired in February 2000.

Failure to take over the operation of Application software resulted in avoidable expenditure of Rs. 32.88 lakh.

In March 2000, CMC Ltd. submitted a proposal for handing over the system to an in-house team of DDA to look after management of computerization operation and plan data entry for new schemes and phased conversion of old schemes. Alternatively, CMC Ltd. offered facility support of two system professionals and a data entry operator for Rs. 19.20 lakh per annum for this software as well as application software for legal cases. The application software continues to be maintained by CMC Ltd. as of October 2002. The total payment on this account during March 2000 to October 2002 was Rs. 32.88 lakh.

Thus, DDA failed to train its personnel in adequate numbers to progressively become self-reliant and be in a position to take over the system though a team comprising of one Deputy Director, one Assistant Director and two console operators/programmers had been associated with the team from CMC Ltd.. Delay in taking over the system resulted in an expenditure of Rs. 32.88 lakh as of October 2002 against the total cost of Rs. 43.25 lakh for application software development.

Further, the private staff appointed by CMC Ltd. for administering the AWAAS application had access to the servers, database, application software, operating system and associated utilities which exposed the system to the risk of unauthorised access and data manipulation.

DDA stated (April 2003) that it was not practically feasible to take over the facility management of AWAAS system at this stage due to insufficient manpower and that it was being contemplated to award the contract by open tender.

There was an obvious need to train the DDA's staff to take over the facility management of AWAAS application from CMC at the earliest to avoid recurring expenditure on the facility support.

3.2.11 Application not fully operational

As of October 2002, the application software AWAAS was not fully operational as the details of pre-April 2000 allottees were yet to be transferred from the existing NPRS package. The Accounting module of AWAAS has also not been made operational as data from the existing HRAS application could not be transferred into the system and the entries of post 2000 receipts from allottees continued to be made on the old HRAS application. Besides,

Queries, Compactor and Counter monitoring modules were either not used or were partially functional.

No additional benefit was achieved with the new AWAAS system despite Rs. 1.95 crore spent on its development.

Failure of DDA to clearly define the scope of work including integration of data from the existing software packages, acceptance of the application software without testing and delay in implementation deprived the Housing department of the facility of a comprehensive Housing Management Information System despite investment of Rs. 1.95 crore on acquisition and maintenance of hardware and software.

DDA stated (April 2003) that the NPRS and HRAS data could not be integrated as these two data sets required considerable updating and cleaning of data for which exercise was already on.

It was evident that though the AWAAS application had been taken over and made operational in April 2000, DDA failed to update and integrate the data as of April 2003 even after a lapse of three years.

3.2.12 Improper Hardware and Software Inventory Controls

Stock registers were poorly maintained and physical verification of inventory was never performed.

Audit observed that the DDA did not maintain an accurate record of its I.T related inventories. The stock registers were poorly maintained as the entries in the registers were never attested by any authorised officer or store-in-charge nor verified by a senior officer. The entries in the registers did not indicate the cost, source of purchase, invoice details along with dates. There was no evidence that annual physical inventory verification had ever been conducted.

DDA stated (April 2003) that efforts were being made to recast the stock registers and that the system of periodic annual inspection was also being put in place.

3.2.13 Absence of System Documentation Policies and Lack of Programme Amendment Controls

No documentation was maintained for AWAAS application software.

No documentation policies were in place and consequently no documents were available regarding the systems development, testing, implementation and review of all the three packages viz NPRS, HRAS and AWAAS. Testing documents were not available for AWAAS application software developed by CMC Ltd. at a cost of Rs 43.25 lakh which was accepted by the Dy.Director (Systems) in November 1999. Further, frequent changes were made in various modules even after acceptance of the said application software. A number of modules were still not functional.

User manuals for the NPRS and HRAS applications were not available.

Although user manuals for the AWAAS application developed by CMC Ltd. using Oracle and Developer 2000 were available, subsequent changes made to the software since July 2002 were not reflected in the user manuals. Further, user manuals/documentation for the NPRS, HRAS applications, which were operational in DDA were not available. No documentation was available in respect of user feedback and changes made to the original application

Inadequate documentation policies increase the risk of unauthorised working practices being adopted and may render the system difficult to correct, improve and maintain. Non-updation of user manuals could leave the actual users ignorant of changes made in the package and may lead to incorrect data entry and processing.

3.2.14 Lack of Adequate Disaster Recovery and Business Continuity Planning

No formal disaster recovery and business continuity plan existed to avoid data loss in case of any eventuality.

DDA did not have a formal disaster recovery and business continuity plan to provide reasonable assurance that the data processing operations could be regained effectively and in a timely manner. The key configuration items (hardware, software, personnel and data assets) which were indispensable for continuity of the IT activities had not been identified through a proper risk analysis and counter measures were not outlined.

Director (systems) stated (April 2003) that though there was no formal disaster plan, regular back-ups were being taken with the intention of minimising data loss in case of any eventuality and that the network of different buildings was under consideration for maintaining support back up servers.

In the absence of a business continuity and disaster recovery plan, a significant disaster impacting the DDA servers and other computing systems could paralyse automated operations of DDA and result in loss of vital data. Further, the absence of a comprehensive and tested disaster recovery plan in DDA could result in unnecessary expenditure, significant processing delays and loss of goodwill.

3.2.15 Audit review of data in NPRS and AWAAS IT Applications

DDA has been announcing schemes for various categories of flats viz. MIG[3], LIG[4], Janta, etc. from time to time. The first registration scheme was opened in 1969 and 30 schemes have been announced till October 2002 as shown in

[3] Middle Income Group
[4] Lower Income Group

Annex-I. As soon as a scheme for allotment of flats to the general public is announced, application forms bearing specific numbers are sold through designated banks. This application number becomes a key field for identifying a particular application. In case of schemes where the allotment of flats cannot be made to all the registered applicants within a reasonable period, the applicants are allotted a priority number by draw of lots. The allotment in such schemes is made on the basis of the priority number as soon as completed flats are available. In case of schemes not meant for the general public like Vijay Veer Awaas Yojna, Housing Scheme for Rehabilitation of Punjab Migrants, Housing Scheme for Kashmiri Migrants, Housing Scheme for Motia Khan Jhuggi Dwellers, etc; the allotment of flats is made to all the registered applicants by draw of lots. The allottees are also given option for payment of dues on cash down or hire purchase basis. The possession of flats is given to allottees opting for cash down basis on full payment of dues while to the allottees of hire purchase on payment of initial deposit specified in the demand letter. In case of non-payment of dues or initial deposit within a specified period, the allotment is liable to be cancelled. The entire procedure of registration and allotment is computerised with application number as the key field.

Audit findings on the data of allotments made during March 1982 to October 2002 kept in NPRS database and AWAAS database are discussed in the succeeding paragraphs.

3.2.16 Mandatory Fields lying Blank

Essential fields in the registrants'/ allottees' database were lying blank.

As per guidelines issued by DDA at the time of floating a scheme, incomplete applications shall be rejected. However, analysis of registrants'/allotees' database containing 1,66,020 records in NPRS application and 61,661 records in AWAAS application revealed that various essential fields like applicant's name, address, registration number, priority number, date of birth, registration amount, etc. were not filled with data in a number of cases as detailed below:

Data Base	Number of columns blank or containing invalid data							
	Application number	Applicant's Name	Father's/ Husband's name	Address	Date of birth	Registration amount	Priority number	Registration number
NPRS	21,647	14	41,010	10,729	15,551 **	1,103	37,745	844
AWAAS	1	4	1,883	1,430	10,107 **	1,425	--	--
Total	**21,648**	**18**	**42,893**	**12,159**	**25,658**	**2,528**	**37,745**	**844**

***Excludes 169295 records against which the column was also blank as the date of birth column was not provided in the Application Form while inviting applications*

Due to such incomplete records, database not only showed an incorrect picture but also deprived the management of querying the database for relevant information needed for decision-making.

DDA stated (April 2003) that all information was not readily available and the errors in feeding the applicant's name were being rectified.

3.2.17 Incomplete Database of Self Financing Scheme (SFS) allottees

Under the SFS schemes, flats are initially allocated to the applicants specifying the area, block, pocket, etc. The allottee is required to make the payments against the demand for allocated flat based on the stage of construction of the flats. On completion of the flats, specific flat number is allotted by a draw and the allottee is required to make the balance payment before the possession is handed over.

Against 53220 flats allotted under SFS schemes, details of allotment were available in 8311 cases only.

An analysis of database revealed that flat details regarding allotment were available against only 8,311 records whereas 53,220 flats were actually allotted during 1980-81 to 2001-02 under SFS schemes as intimated by the DDA.

DDA stated (April 2003) that SFS allotments continued to take place manually with the result that information was not available in the database.

Thus, the allotments under SFS being made manually and the non-updation of the records of allottees in the database defeated the very purpose of computerisation.

3.2.18 Lack of Control over Eligibility Criteria

According to the guidelines for allotment of flats by DDA, an applicant should have completed 18 years of age on a date specified in the scheme. However, according to the computerised data, 18 registrants under various schemes were minors (i.e. below 18 years of age) on the date of application. Manual verification of 4 records by Audit revealed that in three cases the applicants were actually minors and were allotted flats while in one case the date of birth was wrongly entered as shown in **Annex-II**. The records relating to the other 14 cases were not made available to audit.

No check over allotment of flats to ineligible minors was prescribed

Failure to provide a check over such cases thus resulted in allotment of flats to ineligible applicants.

DDA stated (April 2003) that the deficiencies and lack of control in the software had resulted in inconsistencies in the data which would be resolved once the online system was fully implemented.

The reply was not tenable as these controls were required to be provided at the design level and surely before putting the system to use.

3.2.19 Lack of Control over Double Allotments/Applications

According to the guidelines for allotment, an applicant must not own any residential house or plot in full or in part on leasehold or freehold basis in New Delhi/Delhi/ Delhi Cantonment either in his/her own name or in the name of his/ her wife/husband/minor dependent children. Further, a person who has already been allotted a house/flat constructed by the DDA or any land-owning department, even if it is less than 80 sq yards, shall not be eligible to apply for another flat.

An analysis of data of AWAAS application for the period April 2000 onwards revealed that the applicant's name, father's/spouse's name and the date of birth and address were the same in 69 instances in the database. A further analysis in audit of these shortlisted cases revealed that –

- In 11 cases though a flat had already been allotted, another application was pending in the name of the same applicant;
- In 43 cases, two applications of the same applicant were pending for allotment;
- In 9 cases, two flats were allotted to the same applicant; and
- In 6 cases, two flats were allotted against the same application;

Similarly in NPRS application, 23,075 records out of a total of 1,66,020 records in the database were found having duplicate data in key fields like name, application number, priority number, etc. A further analysis of these records revealed that:

- In 7,496 records, applicants with the same application number, registration number and priority number were allotted two or more flats. A test check in audit of records of applicants with the same application number, registration number and priority number having received two allotments revealed that these inconsistencies arose

because the database was not updated rendering the database unreliable.

In 10,785 records, name of the applicant was repeated but the father's/spouse's name and/or date of birth and address being not indicated in a majority of cases, no meaningful use of the database could be made to analyse situations of double allotments to the same individual in the same or different schemes.

An analysis of the database of the SFS registrants in NPRS application containing 61,657 records also revealed that 2,825 records were having duplicate name, fathers'/spouses' name and date of birth of the applicants. Audit findings as a result of test check of records of such allottees are given in **Annex-III**.

Database was never reviewed by the Management to detect duplicate records.

The applications had little monitoring capability due to the fact that there was no control over the data. At no stage had the database been reviewed either by the Management or Systems department to avoid duplication of records and to ensure necessary validation checks. In the absence of desired validation checks, no check over the allotment of a flat to a minor and double allotment of flats to the same individual in contravention of the standing orders could be exercised.

DDA stated (April 2003) that the cases of double allotments were being looked into and the NPRS data was being updated for cancellation so that only one live allotment was there.

Ineffective and disjointed computerisation of allottees database

Databases of pre and post 2000 registrants/ allottees were not integrated.

Since the data in NPRS database was not integrated with the data in AWAAS database, it could not also be analysed in Audit as to whether the registrants of the various schemes in NPRS database viz. NPRS, AAY[5] and JHRS[6] schemes had been given allotments either in the same or different schemes for which the database existed in AWAAS.

Further, since the records of General Housing Registration Schemes[7] and the records of allottees of land for housing though computerised[8] were not linked to the housing database, no check could be exercised to see that (i) the

[5] Ambedkar Awaas Yojna
[6] Janta Housing Registration Scheme
[7] 60000 allottees of 7 General Housing Registration Schemes announced during 1969 to 1985
[8] 44095 allottees of land for housing prior to the year 1999 were not computerised

allottees of General Housing Scheme and (ii) the allottees of residential plots/ land were not also allotted a flat under various schemes for which the data base was available in NPRS and AWAAS applications.

DDA stated (April 2003) that the issue of feeding the data of allottees of General Housing Schemes and land for housing prior to 1999 was under consideration.

Thus, the DDA failed to take a decision to feed the data of these allottees during the last 20 years after computerisation process was started in 1981.

3.2.20 Lack of Monitoring of Flats becoming Available after Cancellation of Initial Allotment

Lack of monitoring of cancellation of allotments in the database led to abnormal delay of up to 6 years in their re-allotment.

An allotment of a flat can be cancelled on the request of an applicant or due to non-payment of dues or due to use for a purpose other than residential. Under the NPRS and AWAAS database, 35,934 allotments were shown as having been cancelled. The actual date of cancellation was however not available in the database. A cross-linking of 3,454 cases of cancellation of allotments of flats with their further re-allotment revealed that there were delays ranging from one to six years in their re-allotment as per the database in the computers as indicated below:

Delay in allotment	No of cases
Between 1 to 2 years	3303
Between 2 to 3 years	123
Between 3 to 5 years	17
Between 5 to 6 years	11

DDA stated (April 2003) that the updating could not be carried out due to manual working and that necessary data updation was under way.

3.2.21 Unreliable Database

The data of allotment of flats and other post-allotment activities shown in the DDA's Annual Reports and database in NPRS/AWAAS applications revealed differences as detailed below:

Name of Scheme/Activity	Period of allotment/ Activity	Category	Number of flats allotted/number of cases	
			As per database	As per annual report
New Pattern Registration Scheme	Up to March 2000	MIG	37,728	38,769
		LIG	53,695	54,891
		JANTA	57,222	58,288
Ambedkar Awas Yojna 1989	Up to March 2000	MIG	3,302	3,400
		LIG	4,704	4,622
		JANTA	2,983	2,988
Janta Housing Registration Scheme 1996	Up to March 2000	JANTA	6,386	6,344
New Pattern Registration Scheme	2000-01	MIG	772	1,197
		LIG	147	204
Ambedkar Awas Yojna 1989	2000-01	MIG	283	398
		LIG	48	68
Janta Housing Registration Scheme 1996	2000-01	JANTA	782	1032
New Pattern Registration Scheme	2001-02	MIG	949	2,677
		LIG	240	454
Ambedkar Awas Yojna 1989	2001-02	MIG	317	1,654
		LIG	70	1,184
Janta Housing Registration Scheme 1996	2001-02	JANTA	1,043	1,712
Mutation Cases	2000-01	Not Applicable	3	537
Possession	2000-01	Not Applicable	0	5,218
Conveyance Deed	2000-01	Not Applicable	0	18,499
Mutation	2001-02	Not Applicable	16	837
Possession	2001-02	Not Applicable	0	6,873
Conveyance Deed	2001-02	Not Applicable	0	5,091

Performance of Application software was never reviewed.

It was evident that although the NPRS and AWAAS applications were in operation since 1981-82 and 2000-01 respectively, their performance had never been reviewed. The differences in figures above indicate that the database was never relied upon by DDA and that the post-allotment activities viz. possession, mutation, conveyance deed, etc. were computerised to a very limited extent.

DDA stated (April 2003) that the discrepancies in the figures were being verified separately.

3.2.22 Audit review of data in System for Accounting of Receipts (HRAS)

Under the existing system, all housing receipts of DDA are collected through 44 different branches of two designated banks. Dues against the demands raised by DDA towards allotment of flats can be deposited by an allottee through a prescribed challan in any of the designated branches. All such receipts realised by different branches are transferred by the respective branch to their nodal branch alongwith a scroll and a copy of each challan accounted for in the scroll. The nodal branch in turn forwards these scrolls along with challan under an advice to DDA. Allottees have also the option to deposit the dues through bank drafts directly with DDA. These advices, scrolls and challans/drafts were entered in the computer in HRAS application implemented since September 1995.

The deposits made by an allottee through challans and bank drafts are identified with reference to a file number. This facilitates generation of 'Statement of Accounts' and 'Demand and Collection Cards.' Challans with incorrect or incomplete file description get transferred to a Suspense Account. These challans are however verified with reference to challan number and amount thereof as and when the allottee approaches Management giving full details of payment with copies of challan in proof of payment.

HRAS contained a query module to facilitate identification of a challan on the basis of the challan number and amount. The user who had made the data entry could make any correction in the database of advice, challan and scroll.

An analysis in audit of the database of HRAS application for the period September 1995 to October 2002 revealed discrepancies as discussed below:

3.2.23 Irregularities in Accounting of Deposits made by Allottees

Application software used for accounting of receipts lacked essential input controls resulting in major irregularities in the database.

The credits for the deposits made by the allottees through challans in various nodal branches are received under an advice note. The date of deposit by an individual and date of credit by bank are entered under two different columns provided in the challan table screen. The data is used to generate the allotees' Statement of Accounts and calculation of interest on belated payments of instalments as well as for compilation of monthly accounts of the receipts of the Housing department. An analysis in audit revealed the following irregularities due to lack of input controls:-

In 163 records involving Rs. 0.37 crore, date of deposit by the allottees was not recorded.

- In 723 records involving Rs. 0.61 crore, dates of deposit were wrongly depicted as having been entered between September 1000 to January 1969 and were, therefore, not accounted for in the allottees accounts.

- In 7,239 records involving Rs. 9.53 crore, the date of deposit by the allottee was later than the date of credit by bank.

- In 1,48,879 records involving Rs. 132.57 crore, there was delay ranging from 15 days to more than a year in affording credit by bank against the deposits made by allottees.

- In 5,188 records, deposits of Rs. 106.97 crore made by allottees by bank drafts were not accounted for while generating the 'Statement of Accounts' and 'Demand and Collection Card.'

- In 5,016 records of drafts involving Rs. 98.93 crore, date of credit by bank was not indicated.

- In 24 cases of bank drafts' deposition, double entries were made resulting in excess credit of Rs. 0.19 crore.

- 80,554 challans involving Rs. 145.12 crore were lying unadjusted in a Suspense Account due to incorrect file description.

- Though allottees' file details in respect of 13,643 challans involving Rs. 39.71 crore lying in Suspense Account were identified when approached by the allottees, necessary corrections in the database to transfer these challans to allottees accounts were not carried out.

- In 22,396 records involving Rs. 50.66 crore, double/multiple entries of challans bearing same numbers were noticed. An analysis of these records further revealed that:

  - In 4,934 of the abovesaid records having duplicate challan numbers, even the date of deposit and bank code were the same.

  - In 422 records having duplicate challan number, amount and credit date were also the same.

As regards double/multiple entries of challans, DDA stated (November 2002) that the duplication was mainly due to the reason that under an Amnesty Scheme in 1998 for providing relief in the payment of interest on the belated payments of instalments, three challans bearing same numbers with A, B and

C suffixed to the number were issued to each allottee and that the Form A was for payment of outstanding instalments of flats and B and C were for first and final instalment of interest accrued on outstanding dues. It was observed in audit that the HRAS application was not appropriately modified to take care of A, B or C categorisation with the result that no check over the double entry of challans in such cases could be exercised.

Due to inadequate validation of various fields and absence of input controls, the incorrect or blank entries under the deposit date column resulted in incorrect calculation of interest on the arrears of the allottees. Also wrong entries under the credit date column deprived the department of the means to keep a watch over the delay in deposits by the banks besides loss of interest on deposits made by the allottees.

Further, the transfer of challans to suspense account which was ignored while generating the statement of accounts and generation of demand and collection card of the individuals resulted in issue of inaccurate demands against the allottees. The deposits made by the allottees were verified with reference to the copies of challans submitted by them before finalising their accounts.

In the absence of date of credit against the bank drafts, it could not be ensured from the database that the drafts were actually credited to the DDA's bank account.

While agreeing with the audit observations, DDA stated (April 2003) that the accounts of allottees were finalised manually with reference to the copies of challans submitted by them before finalising their accounts. DDA added that the designated banks were not able to render efficient services and that four new generation banks had been listed for services to streamline the system of collection from allottees and immediate credit of money to DDA's account.

3.2.24 Outstanding Dues against Allottees

Allottees of flats on Hire Purchase Basis

In the case of flats allotted on hire purchase basis, an individual is required to make the payment of instalment by the 10th of every month at designated bank/branch. In case of default, he is liable to pay penalty for delayed/non-payment of instalments as per the terms and conditions of allotment. In case of non-payment of instalments, allotment of the flat was also liable to the cancelled. It was noticed from the database in HRAS application that:

As per HRAS database, in 19826 cases not even a single instalment was paid by the allottees against the demand of Rs. 310.47 crore.

- Not a single instalment had been paid by the allottees in 19,826 cases. This included 9,319 cases where the allotment of flats was made prior to 1990 and 7,335 cases where the allotments was made during 1991-95. The total dues outstanding in these cases as of March 2002 were Rs. 310.47 crore excluding interest of Rs. 254.60 crore on account of non-payment/delayed payment.

- The table below depicts the cases of delayed/non-payment of instalments in respect of allotments made upto the year 2000 as per computerised database maintained in DDA:

(Rupees in crore)

Year of allotment	Percentage of instalments paid							
	Zero	Less than 10	between 11-25	between 26-50	between 51-75	between 75-100	Amount outstanding	
	No of Cases						Cost	Interest
Up to 1990	9,319	8,405	5,851	6,958	9,898	12,809	317.73	485.10
1991-95	7,335	2,230	924	909	932	778	218.47	197.03
1996-00	3,172	1,135	702	535	351	446	112.42	52.68
Total	**19,826**	**11,770**	**7,477**	**8,402**	**11,181**	**14,033**	**648.62**	**734.81**

While the figures may not represent the actual state of affairs, they indicate that the database is highly unreliable.

Allottees of Flats on Cash Down Basis

In the case of flats allotted under various schemes on cash basis and also flats allotted under SFS schemes, an allottee was required to make full payment against the demand before possession was handed over. A cross linking of allottees database in NPRS and AWAAS applications with database in HRAS application revealed that:

- In 4,676 cases, no payment against the demand of Rs. 204.74 crore was made by the allottees under various schemes other than SFS whereas in 2,289 cases, Rs. 57.10 crore were paid short against the demand of Rs. 85.02 crore.

- In 10,547 cases, Rs. 176 crore were paid short against the demand of Rs. 219.47 crore by the allottees under SFS schemes whereas in 42,217 cases, no payment was made against the demand of Rs. 493.20 crore.

Lack of monitoring of the outstanding dues against allottees led to accumulation of arrears of Rs. 1579.66 crore as per HRAS database.

Thus, lack of monitoring of outstanding dues resulted in accumulation of arrears to the extent of Rs. 1579.66 crore excluding interest as per computerised databases maintained by the DDA.

The action taken against defaulters has not been intimated as of January 2003. The Financial Advisor (Housing) failed to review the statement of accounts and demand and collection cards generated by Systems department year after year, reconcile them with reference to the copies of the challans submitted by the allottees and take appropriate steps to rectify the individual accounts and initiate action against the defaulters.

DDA stated (April 2003) that in view of the manual system of verification and finalisation of accounts in individual cases, the financial interest of the DDA was fully safeguarded and that efforts were being made to recover the old arrears by increasing the number of Recovery Officers and issue of defaulter notices to the allottees.

Raising of demands on the basis of unreliable database caused unnecessary harassment to the allottees.

In view of the observations made in paras 3.2.23 and 3.2.24 above, the data as maintained in HRAS software is unreliable. Thus, the demands raised by DDA on the basis of unreliable database caused unnecessary harassment to the allottees.

3.2.25 Incomplete Data of Cheques

The Application had a separate module to account for the cheques issued by the DDA in refund of the deposits made by the registrants. It was noticed that:

- the entries of cheques were not made during July 1996 to April 1997 and from January 2000 to March 2002.
- the date of debit of cheque by the bank was given in only 6 cases against 30,394 cheques issued.
- in 59 records out of 30,394, the date of issue of cheque pertained to the period October 2005 to November 2011.

Incomplete database of refunds deprived the DDA of the means to keep a check over irregular or fraudulent refunds.

In the absence of complete entries of refunds made, the number of cases of refunds actually authorised could not be ensured from the computerised database. Further, no check could be exercised by the DDA over the amount of refunds against the actual deposits and the correctness of amount of refund against the cheques issued.

DDA stated (April 2003) that action was being initiated to update the entries.

3.2.26 Duplication of Inputs

Non-standardisation of inputting repetitive information led to duplication of efforts in feeding the data.

Although a database of all registrants with essential details existed in the NPRS and AWAAS applications, it was not used to validate data entry of challans received from the banks on account of deposits made by allottees against the demands raised from time to time. The same information was entered again on receipt of fresh challans in favour of the same allottee. These fields were Category, Name, Sector, Pocket, Floor, Flat Number and Locality.

Duplication in data entry resulted in non-standardization of repetitive information which in turn increased the risk of errors besides duplication of efforts in feeding the data resulting in extra burden on the data entry operators.

DDA stated (April 2003) that since the two applications which were developed on two different environments namely COBOL and ORACLE were not linked at that stage, the feeding of additional information was felt necessary for verification purpose and that necessary provision had been entered in AWAAS to avoid duplication of data entry.

The reply is not tenable as the two applications were being linked for the purpose of generation of statement of accounts and demand and collection details and as such the duplication of inputs could have been avoided. Further, AWAAS was not yet fully operational and the entries of challans continued to be made in the HRAS application leading to duplication of data entry.

3.2.27 Non-reconciliation of Differences in Actual Receipts through Banks

The HRAS application provided for generation of a discrepancy report to indicate the differences in figures reported by banks against advice, scroll and challans. The following table would indicate the yearwise differences in the credits intimated by banks through advice, scroll and challans:

(Rupees in crore)

Year	Advice Amount	Scroll Amount	Challan Amount
1995-96	194.37	193.07	192.92
1996-97	392.00	390.26	390.05
1997-98	504.77	504.12	503.99
1998-99	406.60	405.47	405.37
1999-00	285.59	290.63	283.95
2000-01	243.63	241.84	241.45
2001-02	211.11	201.07	200.45
Total	**2,238.07**	**2,226.46**	**2,218.18**

Though the application provided for modification of entries of advice, scroll and challans, it did not provide for updating the above differences and nor did it facilitate working out of the total amount of such adjustments for accounting purposes. These differences were therefore being adjusted manually. No proper records for manual adjustment of these differences were however maintained and as such the upto date position of differences could not be ascertained in audit from the database. In the absence of reconciliation of figures, the correctness of deposits made by allottees against amount advised and credited by bank could not be ensured.

3.2.28 Lack of Validation Checks

The various fields were found to be lacking proper validation:

- The field pertaining to account code for distinguishing the payments on various accounts like registration money, cost, instalments, and interest on cost, etc. made by the allottees which was supposed to take only codes specified in the master data table was accepting other values also. In 145 cases, values other than those specified in the master table were accepted.
- In 104 cases, the user code was appearing as zero though specific codes have been allotted to the data entry operators which did not include zero as user code.

Due to lack of validation checks, the acceptance of the wrong account codes resulted in misclassification of receipts while the incorrect user code deprived the DDA of the means to identify the users in case of manipulation of data.

DDA stated (April 2003) that checks were being provided to stop erroneous entries.

3.2.29 Incorrect picture of outstanding dues depicted by HRAS database

The outstanding dues against various allottees on NPRS and AWAAS database other than allottees under the SFS schemes were worked out annually by generating reports of dues realised as per database in HRAS application vis-à-vis the total demand raised as per demand letter against the allottees. The outstanding dues/sundry debtors in respect of allottees under SFS schemes continued to be worked out manually. No record was however maintained to keep a control over such due payments.

Non updation of cancelled flats in allottees database led to duplication of demands inflating the total dues recoverable from allottees

The database of allottees in NPRS application was not reliable in view of the fact that in 7,496 cases, double allotments were shown against the same application as discussed in para 6.4. In view of the unreliable data-base, the authenticity of dues outstanding/sundry debtors could not be vouchsafed in audit.

3.2.30 Conclusion

DDA had incurred an expenditure of Rs. 2.44 crore as of October 2002 on computerisation of its Housing department. In the absence of a formal IT strategy and supporting policies and procedures, the DDA did not follow the well-established system development life cycle. Consequently, the applications lacked essential inbuilt controls. The data-base was unreliable and the desired objective of accurate and efficient Management Information System remained largely unattained.

Based on the audit findings, it is recommended that the DDA should consider the following steps to improve the computerisation of its Housing Department and achieve its overall objectives:

- Formulate comprehensive and co-ordinated IT policies for security, human resources and computing;
- Train and equip its staff to take over the facility management of AWAAS application from CMC at the earliest to avoid recurring expenditure on the facility support;
- Formulate a comprehensive disaster recovery and business continuity plan to avoid data loss in case of any eventuality;
- Update the User Manuals and provide adequate training to its staff so as to equip them to handle all the applications efficiently, minimising incorrect data entry and processing;
- Update the database and devise a system for its periodic analysis so as to ensure its correctness and reliability while appropriately modifying the software wherever necessary to ensure a proper control over the data- base, obviating any inconsistency; and
- Prescribe norms for periodic review of the database relating to outstanding dues so as to enable initiation of timely action against defaulters and to fix responsibility on staff in cases of their failure to initiate appropriate action for recovery of outstanding dues.

The matter was referred to the Ministry in January 2003, its reply was awaited as of February 2004.

Annex- I

(Referred to in paragraph No. 3.2.15)

Sl. No	Name of the Scheme	Present Status
1.	General Housing Registration Scheme, 1969	Closed
2.	General Housing Registration Scheme, 1971	Closed
3.	General Housing Registration Scheme, 1972	Closed
4.	General Housing Registration (SC/ST) Scheme, 1973	Closed
5.	General Housing Registration Scheme, 1976	Closed
6.	Self Financing Housing Registration Scheme – I, 1977	Closed
7.	Self Financing Housing Registration Scheme – II, 1978	Closed
8.	Self Financing Housing Registration Scheme – III, 1979	Closed
9.	New Pattern Registration Scheme, 1979	Live
10.	Self Financing Housing Registration Scheme – IV, 1981	Closed
11.	Spl. Retired/Retiring Persons Registration (SFS) Scheme, 1981	Closed
12.	General Housing Registration Scheme for RPS, 1982	Closed
13.	Spl. Retired/Retiring Persons Registration (SFS) Scheme, 1983	Closed
14.	General Housing Registration Scheme for RPS, 1985	Closed
15.	Self Financing Housing Registration Scheme – V, 1985	Closed
16.	Self Financing Housing Registration Scheme – VI, 1986	Closed
17.	Ambedkar Awas Yojna Special Housing Registration Scheme for SC/ST – 1989	Live
18.	Self Financing Housing Registration Scheme – VII, 1994	Closed
19.	Expendable Housing Scheme, 1995	Closed
20.	Self Financing Housing Registration Scheme – VIII, 1995	Closed
21.	Janta Housing Registration Scheme, 1996	Live
22.	Self Financing Housing Registration Scheme – IX, 1996	Closed
23.	Expendable Housing Scheme, 1996	Closed
24.	Vijay Veer Awas Yojna, 1999	Live
25.	Housing Scheme for Rehabilitation of Punjab Migrants, 2000	Live
26.	Housing Scheme for Registration of Kashmiri Migrants, 2001	Closed
27.	Housing Scheme for Rehabilitation of Motia Khan Jhuggi Dwellers, 2001	Live
28.	Special Housing Registration scheme, for Retiring Govt Servants, 2001.	Closed
29.	Narela Housing Registration Scheme, 2002	Live
30.	Vasant Kunj, HIG Scheme, 2002	Closed

Annex- II

(Referred to in paragraph 3.2.18)

List of ineligible minors test checked in Audit

Application no.	Scheme	Name	Date of birth as per database	Date for working out age limit	Date of allotment	Remarks
82586	JHRS[1]	Gagan	30-9-1979	31-01-1996	26-12-2001 to 31-12-2001	Minor
09745	JHRS	Ravi Kumar Paswan	24-04-1979	31-01-1996	10-4-2002 to 25-4-2002	Minor
474	HSRMJD[2]	Smt.Anguri Devi	10-12-2001	30-11-1999	26-12-2001 to 31-12-2001	Date of Birth as per application was 10-12-1951 whereas it was wrongly entered in database as 10-12-2001.
25838	JHRS	Mahesh Pahuja	16-08-1978	31-01-1996	10-04-2002 to 25-4-2002	Minor

[1] Joint Housing Registration Scheme
[2] Housing Scheme for Rehabilitation of Motia Khan Jhuggi Dwellers.

Annex- III

(Referred to in paragraph No. 3.2.19)

List of Cases of Double Allotment /Applications Test Checked in Audit

Sl. No.	Scheme	Category	Application no.	Date of Application	Name	Status	Photo details	Registration details in other schemes	Remarks.
1.	HRSRGS[1]	LIG	1851	19-07-2001	Smt.Daljeet Kaur Walia	Possession	Colour	Column not provided	Name, Husband's name, DOB, Name of co-applicant same but address is different.
	JHRS[2]	Janta	9485	23-02-1996	Do	Do	Do	No	
2.	HRSRGS	LIG	5561	28-08-2001	Ravinder Singh	Possession	Colour	No column provided in the form	Photograph , DOB, address, signature, father's name matching
	--do--	MIG	5235	22-08-2001	--do--	Pending	--do--		
3.	HRSRGS	LIG	4125	11-08-2001	R.V.Savani	Possession	Colour	--do--	Photograph, DOB, address, signature, father's name matching. Name of Co-applicant different.
	--do--	MIG	5682	29-08-2001	--do--	Pending	--do--	--do--	
4.	HRSRGS	MIG	1639	Not given	Ajit Singh Thakural	Pending	Colour	Column not provided	Name, father's name address, DOB same
	VKHIG[3]	HIG	28558	14-09-02	--do--	Demand letter	--do--	No.	
5.	NHRS[4]	HIG	1212	11-06-2002	Iqbal Singh	Demand letter	Colour	No	Name, Father's name, address, photograph, signature match but address different...
	JHRS	Janta	67320	26-02-96	--do--	Pending	B&W	No	

[1] Special Housing Registration Scheme for Retiring Govt Servant 2001
[2] Janta Housing Registration Scheme.
[3] Vasant kunj HIG Housing Scheme
[4] Narela Housing Registration Scheme.

6.	NHRS	Janta	6562	Not given	Ashish Dhar	Demand letter	Colour	Registered in JHRS scheme, priority no.84104	Name, Father's name address, photograph signature matches.
	JHRS	Janta	84104	Do	Do	Pending	Do	No	
7.	JHRS	Janta	18755	5-2-96	Fateh Mohd.	Pending	--do--	No.	Name, Father's name, photo and address are same.
	NHRS	Janta	2640	12-06-02	--do--	CD papers issued	--do--	No	
8.	NHRS	LIG	5311	20-05-02	N.K.Dhenish	Demand letter	--do--	Registration in JHRS Priority number 7563	Name, Father's name, Photo address and handwriting matches.
	JHRS	Janta	7563	24-02-96	--do--	Pending	--do--	No	
9.	AAY[5]	LIG	10532	22-12-89	Dal Chand	Pending	B&W	No	Photograph and signature matching, date of birth and address different.
	AAY	LIG	14549	Not given	--do--	--do--	--do--	No	
10.	AAY	LIG	14269	29-12-89	Kishan Chand	Pending	B&W	No	Photograph, DOB, Address matching, father's name is different.
	AAY	MIG	10082	29-12-89	--do--	--do--	--do--	No	
11.	JHRS	Janta	26754	27-02-96	Ajay Pandey	Pending	B&W	No.	Name, Father's name, DOB, Photo, Signature same but address is different
	VKHIG	HIG	31295	14-09-02	--do--	Pending	Colour	Column not filled	
12.	JHRS	Janta	21213	27-02-96	Anil Kumar Jain	Pending	Colour	No.	Name, Father's Name, Photo, DOB, Signature same but Address is different.
	VKHIG	HIG	29383	12-09-02	--do--	Pending	Colour	Registered in JHRS regn.no.21213	

[5] Ambedkar Awas Yogna (Special Housing Registration Scheme for SC/ST)

Section B – Transaction Audit Paragraphs

CHAPTER IV : MINISTRY OF COMMERCE

Agricultural and Processed Food Products Export Development Authority

4. Failure of the Authority to use Information Technology as a tool to monitor financial assistance schemes

The Agricultural and Processed Food Products Export Development Authority incurred an expenditure of Rs. 3.11crore on computerisation during the period 1996-2003, but could not properly implement the most critical application of the Financial Assistance Schemes (FAS) as envisaged in the Information Strategy Plan. Thus, the Authority failed to effectively monitor disbursements to exporters under various financial assistance schemes which amounted to Rs. 55.66 crore during the period 1998-2003.

The Agricultural and Processed Food Products Export Development Authority (APEDA) was established by the APEDA Act passed by the Parliament in December 1985. The main function of the Agricultural and Processed Food Products Export Development Authority is to promote the production and development of certain agricultural and food products for export. The Authority provides financial assistance under various schemes to the exporters registered with it.

In 1996-97, the Authority formulated an Information Strategy Plan to automate its critical functions. The main thrust of the plan was to create integrated databases to enable activity monitoring. The Financial Assistance Schemes (FAS) Database was a crucial element to keep track of financial assistance provided to the exporters. Till March 2003, the Authority spent Rs. 3.11 crore on hardware and software including upgradation of software by private parties.

National Informatics Centre developed and implemented in 1998-99 the following databases in Oracle Application – Financial Assistance Schemes, Registration of Exporters, Monthly Party Returns, DGCIS[1] Database and Trade Fairs Database. In October 2001, as part of the upgradation process undertaken by the Authority, the following databases viz. Monthly Party Returns and Registration of Exporters were upgraded from Oracle to SQL Server and Active Server Pages. However, FAS was detached from Oracle Database Management System and was maintained on the Lotus Notes

[1] Director General of Commercial Intelligence and Statistics

workflow software. Audit reviewed (June-July 2003) the implications of this step by analysing the data available.

4.1.1 Delinking of FAS Application from related Applications resulted in irregular payments of Rs 55.66 crore to 804 exporters.

The APEDA Act provided that exporters registered with DGFT[2], having a valid IE Code[3], could avail financial assistance under APEDA schemes, provided they registered with the Authority and were allotted a Code. The exporters registered with the Authority were required to sign an undertaking to provide the monthly details of their exports. Further, in terms of Rule 11 of the Act, if an exporter contravened the provisions of these rules, his registration was liable to be cancelled.

One of the objectives of the Information Strategy Plan was to monitor and ensure that all the exporters seeking assistance submit the monthly exports figures. The Authority had 19663 registered exporters as on 31 March 2003 according to the Exporter Master table in the Registration of Exporters database. However, none of them were sending their Monthly Party Returns on a regular basis.

Audit also cross-checked the data maintained in the Monthly Party Returns Database with the information compiled by the Budget and Finance Division. During the period from April 1998 to March 2003, Rs. 55.66 crore were disbursed to 804 exporters who had not been sending the Monthly Party Returns on a regular basis. The remaining registered exporters (18859) did not avail any assistance under FAS. The registration of the 804 exporters was liable to be cancelled. Out of these exporters, 233 exporters had never updated their Monthly Party Returns but were given assistance aggregating Rs. 11.93 crore. Audit scrutiny further revealed that disbursements of Rs. 15.37 crore were made to 367 exporters who had not even updated information pertaining to their company's profile in the Registration of Exporters' Database.

Audit scrutinized the Exporter Master table being maintained on the SQL Server and identified that the Authority did not have various essential details including IE code in respect of 15000 exporters.

However, the FAS application failed to prompt the user of these facts and that the exporters applying for the assistance were defaulters. This occurred because FAS was not integrated with the Monthly Party Returns Database.

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[2] Director General of Foreign Trade
[3] Importer Exporter Code

Audit also observed that the Budget and Finance Division was compiling the actual figures of disbursements using another IT Application named Tally and were not relying on the FAS data for accounting purposes. Financial assistance of Rs 55.66 crore (excluding components that are hundred percent implemented by APEDA) was released to the exporters during April 1998 to March 2003 according to the information recorded by the Budget and Finance division. However the FAS application showed a corresponding amount of Rs 21.56 crore only. Hence computerisation failed to achieve effective monitoring.

4.1.2 Ineffective enhancements carried out in FAS Application.

In February 2001, the Authority upgraded the FAS workflow Application through M/s Teamwork Solutions Pvt. Ltd. The enhancements desired were (i) automatic calculation of financial assistance on the basis of project cost, (ii) verifying whether an applicant of financial assistance was registered exporter of the Authority or not and (iii) verification of double payments. Audit scrutiny revealed that none of the enhancements were effective.

For the first enhancement, the project cost field had to be made mandatory. Examination of FAS workflow data by Audit revealed that in 54 applications received during the period February 2001 to March 2003 the project cost was not shown. However, in 23 of these cases, assistance had been given. Further, this amendment also failed to prompt the user when the maximum ceiling or prescribed percentage of the project cost was exceeded. In all, there were 74 cases where the payment released to the exporters in a single instalment was either more than the prescribed maximum percentage of the project cost or more than the maximum ceiling. The database reflected an overpayment of Rs. 1.29 crore.

The second enhancement for confirming that the applicant was a registered exporter of the Authority was also not effective. In all, there were 69 exporters registered more than once by the Authority. Further, according to the Registration department of the Authority, the number of exporters registered during 2001-03 was 2158 whereas the computerised database showed the corresponding figure as 2176 and the ledger account showed a receipt of fee in respect of 2163 exporters only. Hence, despite computerisation, confusion prevailed over the exact number of exporters registered with the Authority.

The third enhancement was effected by providing a history column of assistance taken by exporter, based on the APEDA code. However, the amendment failed to detect overpayments to an exporter irregularly having two or more APEDA codes. This could have been detected through the unique

IE Code. Further, there was no column for specifying the year for which the assistance was applicable. In 35 cases during the period from April 1998 to March 2003, assistance was sought by the exporters for the same component more than once during a year and the database revealed payment of Rs. 44.58 lakh in excess of maximum allowed ceiling. As a consequence of these shortcomings, the FAS Application failed to detect overpayments to an exporter under the same component during the same year.

4.1.3 Lack of internal controls rendered the FAS Application unreliable

- Audit noted that in 78 cases out of 3241 applications received from exporters seeking financial assistance from the Authority during the period from April 1998 to March 2003, requisite data entry was made in the database after releasing payments amounting to Rs. 90.94 lakh. Hence, all the checks to be carried out by the software were overridden.

- The following discrepancies in the FAS data on cheques were noted:

Discrepancy	No. of cases out of a total of 3241 cases
Cheque numbers repeated	33
Cheque numbers repeated with different details	28
Status "Payment Released" but Cheque amount not shown	36
Cheque amount shown but cheque number not shown	24
Cheque date shown but cheque number/amount not shown	1748

Audit identified these discrepancies after comparing the FAS data with the information compiled by the Budget and Finance division.

4.1.4 Conclusion

Thus, even after incurring an expenditure of Rs. 3.11 crore on computerisation, the Authority could not implement the FAS Application as envisaged in the Information Strategy Plan. The Authority failed to use it as a tool to monitor financial assistance schemes on which it incurred an expenditure of Rs. 55.66 crore as disbursements to exporters during 1998-2003.

In reply, the Authority accepted the facts (October 2003) and stated that they were preparing a procedure for ensuring submission of Monthly Party Returns by all APEDA registered exporters and restricting financial assistance to only those exporters who had updated their details at the APEDA website. Further, the Authority also stated that they had formulated new integrated software for financial assistance that would take care of various audit recommendations.

The matter was referred to the Ministry in December 2003; its reply was awaited as of February 2004.

CHAPTER V : MINISTRY OF FINANCE

Insurance Regulatory And Development Authority

5 Funds lying outside government accounts

Insurance Regulatory and Development Authority (IRDA) did not observe the procedure prescribed by the Ministry and followed by other constitutional/statutory authorities resulting in Rs. 57.93 crore lying outside government accounts.

The Ministry of Finance, Department of Economic Affairs (DEA), decided in February 2002 to place the receipts of the Insurance Regulatory and Development Authority (IRDA) in the 'non-interest bearing section' of the Public Account. The decision was taken in the background of similar practice being followed by constitutional/statutory authorities like UPSC, Judiciary etc., which were autonomous in their functioning, and also keeping in view the fact that the receipts of IRDA were likely to rise to substantial levels.

DEA instructed IRDA accordingly in July 2002. It was also stipulated that the latter could withdraw a specified amount once every year from Public Account with the approval of Financial Adviser (Finance) and Secretary (Expenditure) and keep it in their bank account for meeting their annual expenditure. The funds placed in the bank account would be non-lapsable.

The receipts of IRDA were to be credited to the minor head 500-Receipts Awaiting Transfer to other Minor Heads under the Major head '0047–Other Fiscal Services' pending the opening of minor head 118–Insurance Regulatory and Development Authority Fund under the Major Head '8325–General and other Reserve Fund', as proposed by the Ministry in September 2002.

IRDA suggested (July and September 2002) that legal opinion should be sought on the operation of its fund. Despite being informed by the Ministry of Finance that the Department of Legal Affairs had also opined that IRDA receipts had to be credited to the Public Account of India, IRDA continued to retain the receipts in contravention of Ministry's orders. This resulted in Rs. 57.93 crore lying in banks outside Government accounts as on 31 March 2003.

The intention of the Ministry of Finance in asking IRDA to deposit its receipts in the Public Account was obviously to bring this aspect of its functioning in

conformity with other constitutional/statutory authorities as well as to put a cap on its expenditure through stipulating that the amount that could be drawn every year should have the approval of Secretary (Expenditure) and Financial Adviser (Finance). The Ministry may ensure that IRDA follows the procedure prescribed by it and which is also followed by other constitutional/statutory authorities.

The Ministry stated (December 2003) that IRDA had again taken up with the Government to allow them to retain the IRDA fund except the penalties/fines levied by them which could be credited to the Consolidated Fund of India. The Ministry further stated that the Government had not agreed with the position taken by IRDA and had referred it again to the Budget Division for comments and on receipt of these, the matter would be referred to the Ministry of Law for legal advice. The Ministry added that final decision was yet to be taken in the matter.

CHAPTER VI : MINISTRY OF HUMAN RESOURCE DEVELOPMENT

Department of Secondary and Higher Education

Indian Council of Historical Research

6.1 Failure to recover fellowship grants

Contrary to the conditions of grant of fellowship, the Indian Council of Historical Research failed to recover fellowship grants totalling Rs. 21.77 lakh from 41 Fellows who did not complete their research projects even after lapse of 2 to 6 years after the date by which the projects were to be completed.

The Indian Council of Historical Research (Council), a registered society under the Societies' Registration Act, 1860 and financed by the Central Government, awards Junior, Post doctoral, Senior and National Fellowships to scholars. The fellowship is a wholetime engagement with its duration as two years which may be extended by one year in exceptional cases. According to the Research Funding Rules of the Council, a Fellow other than Junior Research Fellow, is required to submit, within six months of the conclusion of the term of fellowship, either a complete typescript of the monograph, edited text or translation prepared under the Fellowship, or a detailed report of the work done and the conclusions reached by him, together with published papers and other material to the Council. The Council has the copyright on the final outcome of the research. The Fellow is required to give an undertaking agreeing to refund the entire amount of fellowship grant in case fellowship or the work under grant awarded to him is not properly carried out or is not completed in any manner whatsoever.

It was noticed in audit that as of August 2003, 41 Fellows who had been paid grants totalling Rs. 21.77 lakh by the Council between 1995-96 and 2000-01 had neither submitted their manuscripts nor refunded the amount of grant received by them. The Council had not taken any action to recover the amounts of fellowship grants even after a lapse of more than 2 to 6 years.

On the matter being pointed out in audit, the Council stated (September 2003) that their Rules did not provide for refund of fellowship grant in the event of non-submission of manuscript. The reply is not tenable as the Research Funding Rules of the Council clearly provide that before release of any money

to the fellowship awardees he/she must bind himself/herself to abide by the rules and to refund any or all expenditure incurred by the Council if the work of fellowship done under the grant is not properly carried out or completed. Audit observed that based on these rules the Council had obtained necessary undertaking from all the Fellows. The Council further stated that but for grants totalling Rs. 8 lakh, periodical progress reports had been received for the balance amount. But such progress reports do not meet the condition of grant of the fellowship which stipulates that the Fellow must submit the final manuscript or detailed report of the work done and the conclusions reached by him. The grants amounting to Rs. 21.77 lakh did not, therefore, serve the purpose for which these were given. The Council failed to monitor use of the grant and ensure refund of the grant money given in these cases.

The matter was referred to the Ministry in October 2003; its reply was awaited as of April 2004.

Indian Institute of Management, Bangalore

6.2 Violation of Tax Provisions

The Indian Institute of Management, Bangalore, failed to register in time under the Service Tax Act and also to recover Service Tax from its faculty members, resulting in an unnecessary expenditure of Rs. 25.93 lakh towards belated payment of Service Tax with interest.

Under the provisions of Section 66 of the Finance Act, 1994 as amended from time to time and read with Section 65(21) of the Act, ibid, Management Consultancy Services became liable to Service Tax levy from October 1998 at the rate of five *per cent* on the value of taxable services or the gross amount charged from the client for the services rendered. Non-payment or belated payment of Service Tax attracts penalty besides simple interest at the rate of one and a half *per cent* for every month or part of a month for belated payment. Further, under the provisions of Section 69 of the Finance Act, 1994 every person liable to pay Service Tax has to make an application for registration and such application shall be made within a period of thirty days from the date on which Service Tax, under Section 66, is leviable.

The Indian Institute of Management, Bangalore, receives block grants towards recurring expenditure from the Ministry of Human Resource Development. The main sources of funds for the Institute are grants-in-aid from the Ministry, subsidies, income from services, fees and subscriptions. The Institute, besides its other activities, renders management consultancy services to business

houses and others. The fees accruing from consultancy services are shared between the faculty members who render the service and the Institute on a 60:40 basis. The Institute renders to the Central Government an Annual Statement of Accounts and Balance Sheet in the prescribed form and any savings as shown in the Income and Expenditure Account which is the surplus of income over expenditure, has to be transferred to the Endowment Fund in terms of the Funding Policy of the Government of India.

Though the Institute was rendering Management Consultancy Services and was liable to Service Tax levy, it did not submit the application for registration under the Act/ Rules, till April 2002. During the period from October 1998 to March 2002, the Institute earned gross income of Rs. 4.03 crore towards Management Consultancy Services provided and shared the receipts from that service with faculty members on 60:40 basis without considering the Service Tax liability. Only in July 2002, the Institute paid Service Tax of Rs. 19.20 lakh, and interest of Rs.6.73 lakh under the Act for belated payment of tax and charged the payment to the 40 *per cent* receipts, the Institute realised towards Management Consultancy Services. The Institute replied that due to confusion about the applicability of the Service Tax Act, it did not get itself registered or pay the Service Tax. Regarding the charging of the entire amount of Rs. 25.93.1akh (Service Tax Rs. 19.20 lakh and interest Rs. 6.73 lakh) paid from out of the Institute's receipts which had the effect of reducing the receipts to that extent, the Institute replied that this decision was taken mainly with a view to mitigating the hardship of the faculty as they had already paid the Income Tax taking the entire sixty *per cent* as income of the relevant year.

The fact remains that the Institute failed to recover Service Tax from its clients/faculty and registered belatedly under the Service Tax Act resulting in an unnecessary expenditure of Rs. 25.93 lakh, thereby reducing the savings of the Institute as shown in the Income and Expenditure Account and also the amount transferred to the Endowment Fund. The facts were reported in April 2003 to the Ministry which directed the Institute in September 2003 to recover the tax liability and interest thereon from the concerned faculty members.

Indian Institute of Technology, Kharagpur

6.3 Avoidable payment of Customs Duty

The Indian Institute of Technology, Kharagpur failed to avail customs duty exemption which resulted in an avoidable expenditure of Rs. 39.52 lakh.

Indian Institute of Technology, Kharagpur (IIT) is registered with the Department of Scientific and Industrial Research (DSIR) for the purpose of availing customs duty exemption in terms of Government Notification No. 51/96-Customs dated 23 July 1996. As per the said Notification, scientific and technical instruments, apparatus, equipment (including computers) and certain other goods as specified therein, when imported into India by or for delivery to IIT, are exempted from the whole of customs duty (upto February 2002), including additional duty leviable, under the Customs Tariff Act, 1975 subject to the condition that the importer produces a certificate from the head of the institution, in each case, to the effect that the said goods are required for research purposes only.

IIT entered into an agreement in August 2001 with M/s Voltas Limited, Kolkata, for the work of supply, installation, testing and commissioning of air-conditioning system at a total cost of Rs 3.80 crore, which included supply of two imported screw chillers valued at Rs 1.22 crore to be utilised for research work only. Audit noticed that the price of the chillers included an amount of Rs. 39.52 lakh towards customs duty, including countervailing duty and special additional duty. M/s Voltas Limited imported the chillers in August 2001. IIT paid the entire amount of Rs. 1.22 crore, inclusive of customs duty of Rs. 39.52 lakh, to the supplier in June 2002.

Thus, failure to avail of the exemption of customs duty in spite of being registered with the DSIR resulted in avoidable expenditure of Rs 39.52 lakh.

While accepting the observation of audit, IIT stated in April 2003 that the matter had been taken up with Voltas Limited in March 2003 for obtaining refund of the amount. However, the company has not filed an appeal with the Customs Department for refund of Customs/Additional Customs Duty till 29 December 2003.

In terms of Section 27(a) of the Customs Act, 1962 the claim for refund was time-barred since no claim was lodged within one year from the date of payment of duty.

The matter was referred to the Ministry in June 2003; its reply was awaited as of February 2004.

Indira Gandhi National Open University

6.4 Avoidable expenditure due to non-availing of discount

Indira Gandhi National Open University failed to avail of discount amounting to Rs. 39.54 lakh.

The Indira Gandhi National Open University (IGNOU) entered into an agreement in April 2000 with the Department of Posts, Delhi circle, for availing Express Parcel Post (EPP) service for mass mailing of study material. The contract envisaged credit facility for 30 days under the Book Now Pay Later (BNPL) scheme with an undertaking by IGNOU that the dues would be settled within seven days of the receipt of bill. In December 1999, i.e. prior to executing the contract, IGNOU sought confirmation that rebate of 5 to 10 *per cent* meant for regular users under the BNPL scheme would also be available to them. It was confirmed by the Chief Post Master General in January 2000 that discount would be allowed @ 5 *per cent* on monthly revenue ranging from Rs.10,001 to Rs. 50,000 and @ 10 *per cent* on monthly revenue above Rs. 50,000.

IGNOU had been availing of the discount facility until September 2000. In October 2000 while processing two bills of August 2000 and one bill of September 2000, IGNOU released payments after seven days without deducting the amount of discount value from October 2000 onwards. Apart from misconstruing the terms of agreement and failing to deduct the discount value, payment was delayed in violation of the terms of agreement which envisaged payment within seven days. The amount of discount not claimed for the period November 2000 to April 2002 amounted to Rs. 39.54 lakh.

The Ministry stated (November 2003) that the delay was mainly due to inefficient pattern of billing by the Postal Department and the matter of admissibility of un-availed rebate was taken up by the IGNOU with the postal authorities who replied that the rebate of 10 per cent on monthly value of business was subject to payment of bill raised against IGNOU with seven days time limit.

The reply is not tenable as at the time of entering into agreement in April 2000, IGNOU was aware of both the conditions viz. that under the BNPL scheme payments had to be made within seven days and that the quantum of

discount was dependent on the volume. The stated inefficient billing by the Postal authorities has no relevance as IGNOU had to pay the bills within seven days of their receipt and also claim the discount. By not doing so, IGNOU incurred avoidable extra expenditure of Rs. 39.54 lakh.

Shri Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeeth

6.5 Avoidable extra expenditure on energy consumption

Failure of Shri Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeeth to obtain credit for difference of electricity charges between domestic and non-domestic rates resulted in extra expenditure of Rs. 23.70 lakh

The Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeeth (Vidyapeeth) has been purchasing electricity in bulk from the Delhi Electricity Supply Undertaking (DESU) /BSES Rajdhani Power Ltd. (BSES) at the prevailing non-domestic rates. Out of this non-domestic supply, electricity was being supplied at domestic rates to 48 staff quarters since 1984-85, on the basis of reading of meters installed by the CPWD and tested by electricity authorities. Rs. 8.18 lakh was recovered by the Vidyapeeth at domestic rates from the occupants of the quarters based on their metered consumption during April 1997 to March 2003. The Vidyapeeth had paid Rs. 31.88 lakh at non-domestic rates for the electricity supplied by them to staff quarters during 1997-2003.

Thus, the failure of the Vidyapeeth to obtain separate electric connections for each domestic consumer resulted in their paying Rs. 23.70 lakh more than what was payable for electricity consumed in its staff quarters. The excess payment would be much more, if worked out for the entire period beginning from 1984-85.

The Ministry stated in December 2003 that payment was being made to the Electricity Authorities (DESU/BSES) at non-domestic rates in respect of domestic supply on the basis of an understanding reached with the Electricity Authorities in October 1985 that they would give credit based on the difference between non-domestic and domestic supply rates. It was further stated that the issue of providing credit for difference amount was being pursued with the concerned authorities on a continuous basis. However, even after more than 18 years, the Vidyapeeth had failed to obtain any credit for the excess amount paid.

Visva-Bharati

6.6 Non-recovery of inadmissible advance increments

Visva-Bharati made inadmissible payment of incentive amounting to Rs. 36.52 lakh to Readers in violation of the directives of the University Grants Commission. This amount was not recovered from the Readers.

The University Grants Commission (UGC) prescribes eligibility criteria for appointment of Teachers in universities and colleges from time to time. According to UGC's eligibility criteria for the post of Readers, PhD was a compulsory requirement. This was also reiterated in its notification of December 1998. It also stated that a teacher would be eligible for two advance increments on acquiring a PhD Degree in her/his service career.

In February 2000, Visva-Bharati (University), however, granted two advance increments as incentive with effect from January 1996 to Readers holding PhD Degrees and already in service on 1 January 1996 as well as to Readers directly recruited on or after 1 January 1996. No justification for granting the incentives was available on record.

The University sought post facto clarification from the UGC in September 2000 regarding the entitlement of Readers to advance increments. The UGC clarified in February 2001 that no advance increment was admissible to (i) Readers who had acquired PhD prior to January 1996 and (ii) to directly recruited Readers, as PhD was one of the minimum qualification required for the post.

The University decided in April 2001 to seek further clarification in the matter from the Ministry and UGC. Pending such clarification it withheld from May 2001 the grant of two advance increments to Readers having PhD who joined on/after/prior to 1 January 1996. UGC in July 2002 again clarified that the two advance increments were not admissible to teachers who were recruited/promoted to a post for which PhD was an essential qualification.

Test check of pay records in respect of 66 teachers revealed that the University allowed undue benefit of Rs. 36.52 lakh to Readers during the period from January 1996 to April 2001, in contravention of UGC's directions. No recoveries had been made till November 2003.

The matter was referred to the Ministry in June 2003; its reply was awaited as of February 2004.

CHAPTER VII : MINISTRY OF INFORMATION AND BROADCASTING

Prasar Bharati

7.1 Irrecoverable advances

Non-adherence by Doordarshan to prudent financial practice of ensuring appropriate safeguards before advancing substantial amounts of money to a supplier resulted in Rs. 4.41 crore plus interest @ 15 *per cent* becoming outstanding dues with very little chances of recovery as the company has closed down its business.

Doordarshan (DD) placed seven orders on a State Government company for supply of various transmitter equipment valuing Rs. 17.65 crore during the period February 1999 to March 2000 with responsibility of payment(s) entrusted to the Chief Engineer, North Zone. According to the terms of the supply orders, the company could claim advances ranging from 40 *per cent* to 70 *per cent* at an annual interest of 15 per cent. Doordarshan released Rs. 8.38 crore to the company in March 2000 as advances against these supply orders with the stipulation that the advances would be adjusted against supplies. However, the release orders did not specify the mode of recovery of the amount advanced in the event of failure of supply.

The company closed down its business in January 2001 when advances amounting to Rs. 5.61 crore were yet to be recovered/adjusted. Interest recoverable @ 15 *per cent* on these advances worked out to Rs. 2.98 crore upto June 2003. Thus, Rs. 8.59 crore remained as outstanding dues. Prasar Bharati, stated in December 2001, that no security deposit was obtained nor other safeguards envisaged at the time of placing orders, as the supplier was a State Government company. Prasar Bharati added that as soon as DD came to know about the probable close down of the company in November 2000, the Ministry was requested to take up the matter with the State Government.

The Ministry requested (November 2000) the Chief Secretary of the State Government to intervene and help in execution of order and adjustment of advance. Subsequently, DD also requested (January 2001) the State Government for intervention in getting refund of advance with interest. Thereafter, DD requested the Ministry (March 2001) to obtain advice of the Ministry of Law, which opined that since there was no arbitration clause in the terms and conditions Doordarshan should seek guidance from the Department

of Public Enterprises. On consultation, the Department of Public Enterprises advised Prasar Bharati to either take up the issue with the State Government or seek fresh opinion from the Department of Legal Affairs. Accordingly, the Ministry again took up the matter with the Government of Gujarat in May 2002. The company informed Doordarshan in August 2002 that its winding up proceedings ordered by the High Court of Gujarat in February 2002 were subsequently stayed by the Court as the matter was pending with the Board for Industrial & Financial Reconstruction. Doordarshan stated in June 2003 that there was no change in the status of advances pending recovery.

The Ministry stated (April 2004) that the matter was being pursued with the State Government. The Ministry also furnished the position of outstanding advances as of September 2003 which reflected that the unrecovered amount of aggregated advances of all the four zones amounted to Rs. 6.84 crore. It also showed that bills of the company worth Rs. 2.43 crore were also pending with DD. The outstanding advances of Rs. 4.41 crore as indicated by DD was after keeping these bills in view. However, the Ministry did not clarify why the pending bills of the company had not been adjusted towards outstanding recoveries and how much uptodate interest was recoverable at 15 *per cent* per annum as per terms of the supply order.

Thus, non-adherence to the prudent financial practice of safeguarding the interest of Government before granting an advance has resulted in Rs. 4.41 crore plus interest due thereon at 15 *per* cent per annum becoming outstanding dues with very little chances of recovery. Since the State Government is the owner of the company, the Ministry may consider the feasibility of recovering the outstanding dues through adjustment from the assistance given by the Union to the State.

7.2 Loss of revenue

Doordarshan arbitrarily allowed high production/ commissioning cost and also incurred loss of Rs. 1.50 crore by short-billing the commercial time utilised by the producer/agency.

Doordarshan (DD) approved the production of special election analysis programmes styled as 'Aap Ka Faisla' (AKF) on National Channel for 40 hours and 'India Decides' (ID) on Metro Channel for 26 hours by firm 'A' in August/September 1999 for telecast on 6 and 7 October 1999. Simultaneously, DD awarded the marketing rights of these programmes to this firm on a Minimum Guarantee (MG) of Rs. 2.65 crore (net) (Rs. 2.10 crore for

AKF and Rs. 0.55 crore for ID). Production/commissioning cost of the programmes was fixed as Rs. 4.50 crore (Rs. 3.25 crore for AKF and Rs. 1.25 crore for ID). The use of commercial time had a cap of 300 seconds per half an hour for non-prime time and 390 seconds per half an hour for prime time.

The following revenue sharing mechanism was agreed between DD and firm 'A':

i) Of the net revenue (arrived at after deduction of 15 *per cent* agency commission), the MG of Rs. 2.65 crore was to be credited to DD first.

ii) Extra revenue after recovering Rs. 7.15 crore (MG plus production/commissioning cost) was to be shared between DD and the firm as under:

a) First Rs. 0.5 crore in the ratio of 75:25.

b) Beyond Rs. 0.5 crore and up to Rs. 1.50 crore in the ratio of 70:30, and

c) Beyond Rs. 1.50 crore in the ratio of 60:40.

Scrutiny of records in audit (May 2003) revealed that the MG of Rs. 2.65 crore was worked out on pro-rata basis with reference to MG of Rs. 3.75 crore fixed for similar programmes for 93 hours telecast in March 1998 by the same agency (57 hours on National Channel and 36 hours on Metro Channel). However, the production/commissioning cost allowed was Rs. 4.50 crore which was the same as allowed in the previous year viz. 1998 (when the number of hours for the programmes produced was 93 as against 66 in October 1999). Thus, DD arbitrarily allowed production/commissioning cost at the preceding year's level instead of working it out and limiting it to 66 hours. Records also revealed that of the total commercial time of 20,159 seconds (12,348 seconds on National Channel and 7,811 seconds on Metro Channel) utilised by the producer, DD had accounted for only 13,830 seconds (8,580 seconds for National Channel and 5,250 seconds for Metro Channel). The revenue lost by DD due to not billing the producer for the balance 6329 seconds of commercial time used by the producer and shown unauthorisedly as bonus allowed to its clients, amounted to Rs. 1.50 crore at Spot Buying Rates provided in the rate card.

Thus, DD not only arbitrarily allowed high production/ commissioning cost but also lost Rs. 1.50 crore by short-billing the commercial time utilised by the producer/agency.

The matter was reported to the Ministry in August 2003; its reply was awaited as of April 2004.

7.3 Loss of revenue

Grant of Free Commercial Time in excess of admissible limit resulted in loss of revenue amounting to Rs. 74.10 lakh to DD and undue benefit to the producer of a sponsored programme.

The rate card of Doordarshan (DD) provides that category and telecast fee of a programme will not change till the end of the programme. DD has clarified in the rate card that a serial starting at 9.30 PM and going upto 10.30 PM will be subject to payment of telecast fee applicable for the slot starting at 9.30 PM.

Doordarshan introduced the Minimum Guarantee (MG) Scheme in 1995, whereby producers are required to pay a 'minimum lumpsum amount' for telecast of the programme and in lieu they are offered certain extra commercial time over and above the Free Commercial Time (FCT). The Minimum Guaranteed amount is required to capture the telecast fee and the cost of additional commercial time allowed to the producer. However, producers are entitled to certain concessions (at prescribed rates) on purchase of additional units of commercial time (spot buys).

A sponsored programme titled 'Truck Dhina Dhin' was approved for telecast of 26 episodes on Wednesdays from 9.30 PM to 10.30 PM from 29 September 1999 on the National channel of DD on Minimum Guarantee basis. Later on it was granted extension for another 26 episodes. The commercial terms for the telecast of the serial were fixed as under:

Terms	1-13 episodes	14th episode onwards
M G Amount	Rs. 29.07 lakh with commercial time of 570 seconds including admissible Free Commercial Time.	Rs. 32.30 lakh with commercial time of 570 seconds including admissible Free Commercial Time.
Spot Buy Rate (SBR)	Rs. 90,000 per ten seconds.	Rs. 1,00,000 per ten seconds.

The rate card provided for 90 seconds Free Commercial Time (FCT) for half an hour slot commencing from 9.30 PM. Accordingly the admissible FCT for this programme from 9.30 PM to 10.30 PM (1 hour) was 180 seconds

Audit ascertained that during the initial 26 episodes, the commercial time of 570 seconds allowed to the producer included FCT of 210 seconds instead of 180 seconds. From 27th episode the FCT was allowed correctly at 180 seconds. Thus, FCT was allowed in excess by 30 seconds during the initial 26 episodes the value of which worked out to Rs. 2.70 lakh per episode for the

first 13 episodes and Rs. 3 lakh per episode for the next 13 episodes. The total value of FCT allowed in excess was thus Rs. 74.10 lakh. Thus, DD lost revenue of Rs. 74.10 lakh due to grant of FCT beyond admissible limit and extended undue benefit to this extent to the producer of the programme for the first 26 episodes.

Prasar Bharati stated (December 2003) that the rate card provided additional free commercial time of 30 seconds from 10 to 10.30 PM which was extended upto 31 March 2000 and as such no additional commercial time was allowed to the producer. The reply is not tenable since the rate card clearly provided that if a programme started in the earlier slot of 9.30 to 10 PM and continued in the 10 to 10.30 PM slot, it would be subject to the category applicable at commencement of the programme, though the slot of 10 to 10.30 PM contained additional FCT. It is, therefore, inherent that in such cases, the MG and the FCT admissible at the commencement of the earlier slot would also continue to be applicable without being changed to that admissible in the 10 to 10.30 PM slot. So it was incorrect to allow additional FCT of 30 seconds admissible in the slot of 10 to 10.30 PM in the instant case.

The matter was referred to the Ministry; its reply was awaited as of April 2004.

Press Council of India

7.4 Non-recovery of fees

The Press Council of India failed to recover fees amounting to Rs. 3.05 crore levied on the newspapers and news agencies registered with it leading to its continued dependence on government assistance.

In paragraph number 20 of Report No. 8 of the Comptroller and Auditor General of India for the year ending 31 March 1989 (No 8 of 1990) it was mentioned that outstanding fees payable to the Press Council of India (Council) by registered newspapers and news agencies had increased by 320 *per cent* from Rs. 4.60 lakh at the end of March 1984 to Rs. 19.32 lakh at the end of March 1989. The realisations had declined from 85 *per cent* to 61 *per cent*. The Ministry of Information and Broadcasting had stated (October 1992) in their Action Taken Note that District Collectors were unable to recover the dues as land revenue for want of bank account numbers, assets and property records of the defaulters and the Registrar of Newspapers in India (RNI) also did not have the required information. However, the Council was making their best efforts to collect the levy of fees.

Audit scrutiny of the records of the Council revealed that the outstanding dues had been increasing regularly year after year as shown below even after the matter was pointed out by audit:

(Rupees in lakh)

Year	Opening balance of outstanding fees	Demand raised during the year	Total of outstanding fees to be recovered	Amount recovered/ dropped	Percentage of amount recovered/ dropped to total recoverable fee of the year	Balance outstanding as at the end of the year
1989-90	19.32	19.99	39.31	17.13	43.57	22.18
1990-91	22.18	19.27	41.45	16.72	40.33	24.73
1991-92	24.73	21.23	45.96	18.80	40.90	27.16
1992-93	27.16	23.13	50.29	16.78	33.36	33.51
1993-94	33.51	27.80	61.31	18.41	30.02	42.90
1994-95	42.90	32.70	75.60	22.03	29.14	53.57
1995-96	53.57	35.67	89.24	22.62	25.35	66.62
1996-97	66.62	27.17	93.79	24.90	26.55	68.89
1997-98	68.89	61.24	130.13	23.69	18.20	106.44
1998-99	106.44	52.68	159.12	29.35	18.44	129.77
1999-00	129.77	56.82	186.59	31.48	16.87	155.11
2000-01	155.11	119.42	274.53	30.56	11.13	243.97
2001-02	243.97	65.61	309.58	31.55	10.19	278.03
2002-03	278.03	64.59	342.62	37.12	10.83	305.50

The rate of recovery had dropped from the level of 43.57 *per cent* of the total dues in 1989-90 to 10.83 *per cent* in 2002-03. This indicates that neither the Ministry nor the Council had made any serious efforts to streamline the system of recoveries. The Council was not even raising its demands timely. A part of the demands pertaining to the years 1991-92 to 1999-2000 was raised in the year 2000-2001.

The failure of the Council to realise the fees levied resulted in drawal of extra budgetary support from the Government to the extent of Rs. 3.05 crore till March 2003.

The Council stated (July 2003) that to speed up the collection of fees, it had proposed an amendment in the Press Council Act, 1978, according to which no department of the Central/State or Union Territory Governments or any public authority would clear the advertisement bill presented by newspapers with circulation above 5000 copies unless the newspaper produced 'No Dues Certificate' from the Council for every preceding financial year. The proposal was pending with the Union Government.

The Ministry, instead of commenting on the proposed amendment in Press Council Act, stated (April 2004) that the Council had informed the States/UTs of SIMCON-1998 decision that State Governments would instruct District Collectors to assist in recoveries and advertisement bills of newspapers would be cleared on production of 'no dues to Council', but there was no response. The Ministry also stated that efforts of the Council to recover dues were hampered by the legal procedures. The reply is not tenable as the fact remains that the Council had failed to evolve an adequate system to raise its rate of recovery of dues, which resulted in its increased dependence on budgetary support from the Union Government.

CHAPTER VIII : MINISTRY OF SHIPPING –PORTS WING

Chennai Port Trust

8.1 Injudicious decision on availing of loan assistance from Asian Development Bank—Avoidable additional expenditure

The injudicious decision of the Port Trust to avail an Asian Development Bank loan during August 1997 with increased commitment on interest and other charges, despite the availability of adequate surplus funds from internal resources that fetched lower return on investments, resulted in avoidable additional expenditure of Rs. 1.87 crore till the foreclosure of the loan arrangement.

To improve the general cargo handling facilities and maintain the recommended standard of 70 *per cent* berth occupancy, the Board of Chennai Port Trust (Port Trust) approved (August 1997) the proposal to implement two schemes viz. (i) Integrated scheme of extension of South quay III and modernization of East quay berths and (ii) Modernisation of West quay and North quay berths, at an estimated cost of Rs 46.10 crore and Rs 47.50 crore respectively. The cost of the schemes was to be met out of Port's internal resources. The Port Trust had net surplus funds to the tune of Rs. 675.74 crore as on 31 March 1997 and the estimated surplus available from internal resources after providing for plan works for 1997-98 was Rs. 431.13 crore. However, the Port Trust held negotiations with the Asian Development Bank (ADB) for funding the two schemes in August 1997 and ADB sanctioned a loan of US $ 15.20 million. The Loan Agreement was concluded between ADB and the Port Trust in September 1998.

According to the Loan Regulations of ADB (i) the rate of interest would be determined by ADB from time to time, (ii) commitment charges at the rate of 0.75 *per cent per annum* on the amount of loan less the amounts drawn from time to time were payable to ADB and (iii) ADB would finance 40 *per cent* of the cost of civil works and 100 *per cent* of interest and commitment charges on the loan during implementation period of the project. The Port Trust was to pay guarantee fee at the rate of 1.2 *per cent* per annum on the amount of loan outstanding, to the Government of India.

Tenders were invited and the works were awarded (October 1999) to the lowest tenderer for a total value of Rs. 73.60 crore as against the estimated cost of Rs. 93.60 crore. The first instalment of loan of US$ 0.68 million was

drawn in December 1999. Due to reduction in the value of the work compared to the estimate, on the Port Trust's request, ADB reduced the loan amount from US$ 15.20 million (Rs. 60.80 crore) to US$ 8.50 million (Rs. 42 crore) with effect from 10 January 2000.

Audit observed (January 2002) that the total commitment in availing the loan from ADB was higher (about 13 *per cent*) compared to the interest earned on the investment of surplus funds of Port Trust (10-12 *per cent*). Audit also sought the reasons for the decision to borrow the funds from ADB, as the justification was not available on file. The Port Trust merely stated (May 2002) that the Board of Trustees had decided in February 2002 to foreclose the undisbursed loan availed from ADB as Port Trust was losing nearly 5 *per cent per annum* due to the difference between the cost of loan at 13.02 *per cent per annum* and the rate of return of 8.75 *per cent per annum* on Port's investment of surplus funds.

The loan received from ADB upto December 2001 was US$ 4.01 million and the loan account was closed on 29 October 2002 after payment of US$ 4.84 million (Rs. 23.44 crore, inclusive of interest, commitment charges and premium due to foreclosure).

In response to a subsequent Audit inquiry (July 2002) the Port Trust stated (September 2002) that initially the ADB loan assistance was found to be the best alternative as it imposed less strain on Port's resources, which could be utilised for other schemes with no budgetary support. The Port Trust further justified their action by stating that (i) the cost of funding through direct loan from ADB was 14 *per cent*, (ii) initial provision/reserve was required to be made to meet the contract payments on "Ennore Port construction", prior to reimbursement and (iii) interest rate for short-term investments was 10 *per cent* to *12 per cent*.

However, the contention of the Port Trust was not justified as (i) the Port Trust had significant net surplus funds to the extent of Rs 675.74 crore as on 31 March 1997 and Rs 784.49 crore as on 31 March 1998. The estimated cost of the two projects was only Rs 93.60 crore and the entire cost could have been met from the internal resources;

(ii) the expenditure on Ennore Port Project during 1997-98 was only Rs. 87.69 crore, which too could be met from internal resources pending reimbursement; and

(iii) during 1997-98 fresh investments to the tune of Rs. 428.51 crore were made for short term (3 years).

Thus, the decision of the Port Trust to take the loan from ADB during 1997-98, despite the availability of substantial internal resources, was uneconomical and injudicious. The difference between the cost of loan availed from ADB and the return on investments resulted in an avoidable additional expenditure of Rs 1.87 crore.

The Port Trust made a belated analysis of the economics only in February 2002 and foreclosed the loan arrangement with ADB in October 2002.

The matter was referred to the Ministry in September 2003; their reply was awaited as of February 2004.

8.2 Loss of revenue due to disposal of usable coal into the sea

The materials comprising mainly spilt coal dredged out of Jawahar Dock basin by Port Trust dredger were merely dumped into the sea without taking any action to retrieve the usable coal. Port Trust realised Rs. 14.85 lakh on coal retrieved during four months in 2001 when the work was carried out by a contractor. Port Trust did not consider continuing the contract system, leading to a loss of revenue of Rs. 1.63 crore and avoidable expenditure of Rs. 2.57 crore during September 2001 to February 2003.

In Chennai Port, in order to maintain the required depth at the berths and the adjoining water fronts to enable the vessels to move freely, the Chennai Port Trust (ChPT) undertakes periodical dredging. This 'maintenance dredging', at regular intervals or as warranted, for removal of siltation of soil or spilt cargo was carried out by the Port Trust by using its two dredgers.

At the Jawahar Dock (JD), comprising six berths, which mainly handled coal, dredging was carried out using the dredger 'Pride'. The siltation of soil in these berths was reported to be practically nil due to the Dock's location and design of the walls, and the dredging work, therefore, was essentially confined to removal of spilt coal. The length of the crane attached to the dredger 'Pride' was not sufficient to reach the wharf area. So the spilt coal and other material dredged were loaded into hoppers and dumped into the specified spoil ground in the sea, about 5 kms away from the Port.

During August 2000, the dredger 'Pride' was dry-docked for repairs and for obtaining the surveyor's certificate. As this would take two to three months, in

order to maintain the required depth at the berth basins and to facilitate continuous berthing of the vessels, ChPT proposed to carry out dredging through private contractors, as in the Tuticorin Port. ChPT planned that the contractor would dredge the allotted berths for three days in one stretch and deposit the coal and other materials at the earmarked area. The contractor on payment of stipulated charge would be permitted to take the usable coal while other material would be disposed of by the Port Trust in low-lying areas.

The salvageable quantity was estimated at 2000 MT in all the six berths for the three month contract period. Tenders were invited in January 2001 and the offer of Rs. 557 per metric tonne (MT) of usable coal was accepted. The dredger 'Pride' was sent for dry-docking again during January 2001 and the work order for dredging by the private contractor was issued in March 2001 for a period of three months upto June 2001. After grant of extension, dredging was completed by the contractor in July 2001.

A total quantity of 2996 MT of material was dredged from the dock. Of this, the contractor took 2666.61 MT of usable coal on payment of Rs. 14.85 lakh at Rs. 557 per MT. The balance quantity of about 330 MT was disposed of in the low-lying areas within the Port using its own equipment and labour. The usable material removed by the contractor constituted 89 *per cent* against the estimated 50 *per cent* of the total material dredged.

After dry-docking, the dredger 'Pride' was re-deployed in August 2001. During the period from September 2001 to February 2003, 48,740 cu.m. of coal and other materials, was dredged from the Jawahar Dock.

Audit observations on these facts are as follows:

(1) Over the years the Chennai Port Trust dumped dredged materials from the JD basin into the sea, because the length of the crane attached to the dredger 'Pride' was not sufficient to reach the wharf. The Port Trust had not considered the feasibility of extending the length of the crane nor utilising the shore cranes appropriately to dump the dredged material along the wharf. From this, the usable coal could be segregated for sale in the manner as carried out by the private contractor during 2001. The Port Trust had also not explored technologies applied by other ports for similar operations. Audit ascertained (May 2003) that in Tuticorin Port, the dredging of spilt coal was done departmentally using the Port's floating crane (fitted with grab bucket) and the dredged coal was unloaded along the wharf and sold through open tender. This practice was in operation in Tuticorin Port since 1995.

During 1996-97 to 2000-2001, the quantity dredged in JD basin was 2,12,418 MT. Even at the lower estimation of 50 *per cent* usable salvaged coal, the quantity of usable coal dumped into the sea but not retrieved worked out to 1,06,209 MT. It is pertinent to note that the usable coal actually retrieved by the contractor during 2001 accounted for about 89 *per cent* of the total dredged quantity.

(2) Further, during 2001 the Port Trust realised a net revenue of Rs. 14.85 lakh from the dredging operation in the JD basin through the contractor in a period of four months. This was possible without any hindrance to berthing activities. Yet the Port Trust did not consider the feasibility of carrying out dredging work by private agencies/contractors on a long-term basis. Instead, the dredger 'Pride' was redeployed to continue the dredging at JD basin. This resulted in a loss of revenue to the Port Trust of Rs. 1.63 crore on the usable coal (at 50 *per cent)* retrievable from 48,740 cu.m. (58,488 MT) of materials dredged during September 2001 to February 2003. The cost of dredging 48,740 cu.m. using the dredger 'Pride' worked out to Rs. 2.57 crore, which was avoidable.

The matter was referred to the Ministry in June 2003, its reply was awaited as of February 2004.

8.3 Injudicious purchase of VIP Launch

Before placing the order in April, 1998 for supply of a VIP launch meant for supervision, Port Trust failed to notice the diminished scope for utilising the launch under changed circumstances. This led to the launch remaining idle and the expenditure of Rs. 1.67 crore on its procurement proved unfruitful.

Under Annual Plan 1995-96 the ChPT initially proposed to acquire four launches - three in replacement of existing pilot launches and one for marine patrolling. Subsequently, the Port Trust felt that procurement of two pilot launches would be sufficient to take care of the pilotage and survey. In place of the third pilot launch, ChPT proposed (April 1995) to procure one VIP launch to facilitate inspection of the port activities by sea route and also to carry out inspection of the works at the upcoming satellite port at Ennore by senior officers of the Port Trust and the Ministry. The estimated cost was Rs. 1.90 crore. The proposal was approved by the Board in April 1995.

After inviting tenders in September 1996 and obtaining advice on the specifications for the VIP launch from the National Shipping Design and

Research Centre, Visakhapatnam, in August 1997, the work order was issued in April 1998 on Firm 'A' fixing the scheduled period of delivery as 13 months. The firm handed over the launch in October, 1999. The delay in supply, attributed to belated supply of engine by the manufacturer, was condoned by the Port Trust.

The launch, which was accepted in December, 1999 after a trial run by the Electrical & Mechanical Engineering department of the port, was handed over to the Marine department in February, 2000. Rupees 1.67 crore was paid to the supplier firm. There was no logbook, nor was there any evidence that the launch was used till May 2000. In May 2000 certain major defects including defects in the main engine were reported by the Marine department. The defects were rectified by the supplier firm and the launch was made operational in April 2001. Again, in May 2001, the Marine department found the performance of the engines unsatisfactory, and hence not safe to operate. The defects were attended to by the supplier and the launch was made operational in August 2001. A log book was maintained from September 2001.

Meanwhile in the meeting of the Heads of Departments of the Port Trust (May 2001), it was decided to dispose off the launch as the construction works of Ennore Port had already been completed and Ennore Port Limited had taken over its management. The efforts made by the ChPT to sell the launch to any other port in India did not succeed. An advertisement inviting 'expression of interest' from probable buyers for the VIP launch was issued in April 2003 but no response had been received (June 2003). The VIP launch remained idle since the date of procurement in December 1999.

Audit scrutinized the records and noticed the following irregularities:

i) The order for the supply of the launch was placed after a delay of three years after the proposal was approved (April 1995) by the Board of the Port Trust. This was mainly due to the delay in arriving at the specifications peculiar to the special VIP launch and further delay in the tender process.

ii) One multi-purpose vessel 'Prestige' was already being used for the VIP visits at the port. Therefore there was no justification for another VIP launch for this purpose. The other justification given for the VIP launch was that it would be used for inspection of the works at the Ennore Port by the officials of the Port Trust taking sea-route. By March, 1998,

when the work order for the supply of the launch was about to be issued, the major works which might require inspection namely 'construction of break-water and wharf and dredging of port basin and entrance channels' were already in progress and the works were planned to be completed by August 2000, February 2000 and July 2000 respectively. In view of this position known to the Port Trust and as the scheduled period of supply of the VIP launch was 13 months, the Port Trust could have reconsidered their decision to procure the launch, before placing the supply order with the firm in April 1998.

Thus it was observed that the injudicious procurement of the VIP launch by the ChPT, without considering the scope for its utilisation for the intended purposes, led to the launch remaining idle for over three years and the Port's investment of Rs. 1.67 crore on the launch proved unfruitful.

The Ministry, accepting the fact that at the time of placing the supply order for the launch, the works to be inspected were almost near completion, stated (October 2003) that necessary instructions have been issued to all ports to ensure that the procurement of expensive equipments/crafts/vessels be carried out with a lot of deliberations so that utility of the item is thoroughly examined at the time of sanction as well as at the time of placement of purchase order and that the time lag from approval of the proposal to placement of purchase order be minimum.

It was observed that the Port Trust could not dispose off the launch even after a lapse of more than two years from the date of decision to do so, and the launch remained largely unutilised as of November 2003.

8.4 Blocking of funds

Failure to conduct proper prior soil investigation led to the exclusion of the work of construction of a block wall at North quay. This resulted in the non-achievement of the desired objectives, besides locking up of funds to the tune of Rs. 69.98 lakh on unused pre-cast cement concrete blocks since April 2002.

'The code of practice for subsurface investigation for foundations' prescribed by the Bureau of Indian Standards (BIS) (IS-1892-1979) envisaged, *inter alia*, a detailed soil investigation by the engineers for ascertaining the geophysical characteristics of the subsurface at the site before preparing the appropriate design for the foundations. The standards in 'the code of practice for planning

and design of ports and harbours - Part I - site investigation' further stipulated a spacing of 50 metre between the boreholes for soil investigation.

The Chennai Port Trust (Ch.PT) proposed (August -1997) to modernise the west quay berths (berths WQ I to WQ IV with a centre berth) and north quay berth, running perpendicular to west quay, with deeper drafts, in order to increase the general cargo handling capacity. ChPT recorded that the structures in the West quay (constructed between 1905 and 1916) had outlived their life and North quay (constructed with RC piles in 1931) required frequent repairs involving enormous expenditure on maintenance. Hence, ChPT planned to construct a relieving platform[1] comprising a pile diaphragm[2] wall for a length of 855 metre behind the existing wall in the West quay (WQ) and a vertical wall in front of North quay (NQ). The dredging was to be taken up after completion of the above work. The Board of Trustees approved the estimated cost of Rs 47.50 crore for the above work in the quays in August 1997.

The Port Trust invited tenders for the work in December 1998. The soil bore-log details of four boreholes made in WQ in 1998 were attached to the bid documents. The Port Trust awarded the work to a contractor (October 1999) for Rs. 37.88 crore (WQ-Rs. 26.91 crore; NQ-Rs. 10.97 crore)

During execution of the diaphragm wall and piles at WQ-II (August to December 2001), the Port Trust found the soil (with clay) to be very loose. To ascertain the soil condition and to ensure the safety and stability of the foundation for the proposed wall in the adjoining NQ, three marine boreholes were made in NQ in December 2001 and January 2002. The soil investigation report (March 2002) and the opinion of the experts was that the proposed foundation design for NQ would not only result in foundation failure but also result in total collapse of the superstructure. As a result, ChPT decided (October 2002) to delete the works in the NQ from the scope of the contract and take up the same later with a suitable alternative design compatible with the existing soil condition. Meanwhile, the contractor manufactured 2835.205 cu.m. of M15 grade Pre-cast Cement Concrete blocks (PCC blocks) of various sizes, by December 2001 for use in the NQ block wall. The Port Trust paid Rs. 69.98 lakh during June 2001 to April 2002 for the blocks. While the

[1] Relieving platform : A reinforced concrete platform behind the piling provided, some distance below the ground level, to reduce the pressure on a retaining wall.
[2] Pile diaphragm wall: A wall constructed, in situ, by special trenching methods to act as cut off wall or serve as structural member

works at WQ were completed in December 2002, the work at NQ was yet to be taken up (October 2003).

Audit observed (June 2003) that the Port Trust's omission to conduct a detailed soil investigation as prescribed in BIS (IS-1892-1979) led to subsequent deletion of the work in NQ from the scope of the contract. Further the BIS had revised (July 2000) the specification of PCC blocks that can be used in harbour areas with severe marine conditions to M 20 grade. The revision rendered the M 15 grade PCC blocks useless for the purpose for which they were manufactured.

The Port Trust replied (August 2003) that the results of the soil investigation conducted in the southern end of the container terminal (located in the north of NQ) during 1981 were in correspondence with the investigation in the WQ during 1998. Hence, no separate soil investigation was conducted in the NQ for the Project. The provisions of Indian Standards were only for guidance and if the designer was satisfied that the available information was sufficient to carry out the detailed design, the specified number of soil investigation tests might not be required. As regards the scope for utilisation of M 15 grade PCC blocks, ChPT replied that M 15 grade was stipulated as per the standards prevailing at the time of tendering and as the cube tests from the concrete used for blocks cast for the work showed "28 days cube compressive strength consistently in excess of 25 Newtons/mm^2"* , the concrete blocks could be treated as M20 for all practical purposes and hence, the blocks could be gainfully utilized in marine conditions.

Audit observations are given below:

(i) The BIS recommended a spacing of 50 m between boreholes for soil investigation. The length of NQ wall was about 265 m. However no borehole was drilled in the NQ before finalising the design details. Thus, no prior soil investigation was made although the nature of work in NQ was different from that in WQ.

(ii) The four boreholes made in WQ during investigation in 1998 had a spacing of 130 m, 325 m and 195m. Because of the clayey soil in borehole-1 which was nearest to the NQ (75 m approximately) and inconsistency in the soil strata reported, it was imperative for the designers to ascertain the soil condition in the NQ before finalising any

* The prescribed characteristic compressive strength for M 15 and M20 grade of concrete were 15 Newtons/mm^2 and 20 Newtons/mm^2 respectively.

design. Therefore, the reply of the Port Trust regarding adequacy of soil investigation is not tenable.

(iii) ChPT's assessment of the characteristics of M 15 grade blocks was in conflict with the prescriptions of the BIS. Further, the blocks remained unutilised (October 2003).

(iv) The abandoned work had not been taken up again (October 2003) and therefore dredging for deepening the drafts at NQ had not also been carried out.

The failure of ChPT to conduct proper soil investigation before finalising the design resulted in deletion of the modernisation work of North quay from the contract. The objectives of reducing the Port's liability on maintenance of the dilapidated structure of NQ and providing increased drafts in the quay were also not achieved. Besides, Rs. 69.98 lakh was locked up on unused PCC blocks since April 2002.

The matter was referred to the Ministry in September 2003; its reply was awaited as of February 2004.

8.5 Loss of interest due to belated redemption of bonds

Chennai Port Trust failed to take notice of the call option exercised by State Bank of India on bonds worth Rs. 6.5 crore and redeem the bonds before the set date. Belated redemption led to loss of interest to the tune of Rs. 25.10 lakh.

Responding to the public issue of bonds by the State Bank of India (SBI), Chennai Port Trust (ChPT) applied in December 1993 for allotment of one lakh bonds of face value Rs. 1000 per bond and made payment of Rs. 10 crore. SBI, however, allotted on 24 January 1994 only 65000 bonds for a value of Rs. 6.5 crore. The balance of application money amounting to Rs. 3.5 crore was invested in special term deposits for a period of one year.

The bonds carried a floating rate of interest at 3 *per cent* over the SBI's maximum term deposit rate and were redeemable at par on the expiry of 10 years. Interest was payable half-yearly. While the Port Trust had no 'put option', SBI reserved the right to call up the bonds after giving notice of redemption at least six months in advance through public announcement at the expiry of 5th, 7th or 9th year from the date of allotment. The bonds so redeemed at the expiry of 5th, 7th and 9th years would be redeemed at a premium of 5 *per cent,* 3 *per cent* and one *per cent* respectively over their face value. As per

terms and conditions, all interest on the bonds would cease from the date of such redemption.

In July 2000, SBI decided to exercise their call option with effect from 1 July 2001 after the expiry of seventh year and notified the same in advance through newspapers in July 2000, November 2000 and April 2001 requesting the bondholders to send the bonds duly discharged well before 1 July 2001 for making payment. SBI also specifically indicated that no interest would be payable after 30 June 2001.

Till January 2002, the bonds were not surrendered by ChPT to SBI for redemption. During February 2002, M/s MCS Ltd., the transfer agents of SBI, drew the attention of the Port Trust to the call option exercised by SBI from 1 July 2001 and requested the Port Trust to forward the bonds to SBI with application for redemption. Only after this, the Port Trust completed the requirement and received the proceeds (Rs. 6.695 crore) on redemption with a premium of 3 *per cent* over the face value, on 3 April 2002.

The Port Trust's failure to submit the bonds to SBI before 1 July 2001 and realize the proceeds in time resulted in unnecessary blocking of Rs. 6.695 crore with SBI for a period of over 9 months.

The transfer agents pointed out to the Port Trust in February 2002 that the notice of SBI on call option from 1 July 2001 had already been given to the Port Trust in their letter dated 31 December 2000 while sending the interest warrants for the period ending 31 December 2000. The Transfer Agents further stated that a set of redemption application forms was also sent along with the interest warrant for the last half year ended 30 June 2001 with suitable noting on the reverse of the counterfoil. But the Port Trust denied the receipt of any intimation for redemption.

The letter dated 31 December 2000 of the transfer agents was not made available to Audit for verifying the position. But a perusal of the counterfoil of the interest warrant for the period ending 30 June 2001 revealed that the Port Trust had been informed of the call option.

Thus, the Port Trust's failure to take cognisance of the call option of SBI when notified in newspapers and even at the time of receiving the final interest warrant, led to a loss of interest of Rs. 45.19 lakh (at 9 *per cent* rate of interest) on proceeds lying uncleared with SBI till March 2002.

The Ministry in November 2003 replied that the Port Trust did not receive any direct communication from SBI about redemption of bonds and the Port Trust came to know about the redemption from the transfer agents only in February 2002. The Port Trust claimed interest from SBI for the period from July 2001 to 3 April 2002 treating the amount of Rs. 6.50 crore as a deposit made by ChPT. The Ministry further statd that there seemed some lapse on the part of the Port Trust, who had been requested to fix responsibility.

Subsequently, the Ministry in its revised reply (December 2003) stated that SBI gave the Public notice but did not give any direct intimation normally sent by other institutions though it was not mandatory and hence it escaped the notice of Port officials. The Ministry observed that it would not be appropriate to calculate the notional loss of interest at the higher rate applicable to the deposits which the SBI paid at the time of redemption, and it would be rational to apply the rate for Savings Bank (SB) account only because the Port Trust was maintaining substantial balance in SB account to meet its commitment on various projects on hand. The Ministry futher stated that SBI had agreed to pay interest at SB rate of 4 *per cent* and hence there was no loss to the Port Trust.

It is observed that the Port Trust had no 'put option' but the premature encashment arose only due to the call option exercised by SBI and the Port Trust become aware of this redemption only much later. Moreover, the Port Trust went on to invest crores of rupees in various deposits after 1 July 2001 also i.e. after the date of effective call option. Therefore the Ministry's contention that the notional loss could be reckoned only at SB interest rate is not valid. Deducting the interest at 4 *per cent* agreed to by SBI, the net loss of interest worked out to Rs. 25.10 lakh.

Cochin Port Trust

8.6 Non-imposition of penalty for shortfall in dredging

Non-imposition of penalty for shortfall in maintaining specified width and depth during maintenance dredging resulted in loss of Rs. 1.34 crore to Cochin Port Trust (CoPT).

The Cochin Port Trust (CoPT) awarded (September 2000) the work 'Dredging for maintenance of Cochin Port channels for the year 2000-01' to M/s Jaisu Shipping Company Private Ltd for a lumpsum amount of Rs. 35.80 crore. The scope of the work involved dredging the port channels to the required width

and depth during August-September 2000 and maintaining the same width and depth during the remaining period of contract, i.e. from October 2000 to May 2001. The agreement also contemplated penalty ranging from 0.25 *per cent* to 2 *per cent* of contract value for every 15 days or part thereof for any shortfall in the contracted work. In October 2000, the Dredging Monitoring Committee, while reviewing the progress of maintenance dredging of the port channels, observed that the firm had not dredged the Mattancherry channel for its whole length for a width of 75 metre and therefore CoPT withheld Rs. 20.20 lakh from the firm's part bill for the month of October 2000. The Deputy Conservator also opined that he could manage movement of ships with difficulty due to non-availability of adequate width and depth. The firm dredged Mattancherry area to the required width and depth only by the end of the contract period (i.e.16 May 2001) and CoPT released the withheld amount to the firm.

According to the contract conditions, the firm had to maintain the channel to the required level throughout the contract period. But CoPT released the withheld amount even though penalty for the shortfall was leviable on the firm and the same was not refundable on achieving the specified drafts at a later date. Calculated at the minimum specified percentage of 0.25 for every fifteen days or part thereof, the total penalty leviable on the contractor worked out to Rs. 1.34 crore for the period from 1 October 2000 to 15 May 2001.

The Ministry justified (November 2003) the action of the Port Trust stating that the payments were regulated on the basis of 95 *per cent* acceptance level with respect to the total soundings at 1590 grid points out of a total of 1655 grid points in the sounding charts taken as provided in the contract. As the work comprised dredging of five[♣] distinct segments with different designated depths to be attained, the 95 *per cent* acceptance level should have been insisted on the different segments separately. The ambiguity in the agreement helped the contractor to skip over 30 *per cent* of the area to be dredged in the critical Mattancherry Channel thereby impeding the smooth flow of ships for close to nine months.

[♣] Approach Channel, Ernakulam Channel leading to Cochin Oil Terminal and Turning Basin, Ernakulam Channel leading to Cochin Oil and Fertilizer Berth, Ernakulam Channel leading to Q 5 to Q7 Berth and Mattancherry Channel.

8.7 Loss of revenue due to delay in implementation of electricity tariff

Delay in implementation of revised electricity tariff rates by Cochin Port Trust resulted in loss of revenue of Rs. 30.23 lakh.

Mention was made in paragraphs 11.9 and 9.8 of Reports No. 4 of 1999 and 2001 respectively, about the delay on the part of CoPT in implementing revised electricity tariff to its consumers and consequent loss of revenue of Rs. 64.08 lakh. Although there was sufficient time to complete the required formalities between the time of notification of revision of electricity tariff and the actual date of implementation of the revised tariff by the Kerala State Electricity Board (KSEB), CoPT attributed the delay to completion of procedural formalities. The Ministry issued (March 2001) instructions to all major ports that the ports should charge the revised tariff from the very same date of revision by the concerned State Electricity Board, by ensuring completion of the required formalities, since the distribution of electricity among port users was not a port related activity.

KSEB in Kerala Gazette dated 7 August 2001 and 28 August 2001 notified revision of rates of electricity tariff on sale of electrical energy to licensees and sanction holders with effect from 1 October 2001. But CoPT, a licensee of KSEB for power supply to different concerns in Port's area, placed the proposal for revision of rate, operative from 1 January 2002, before the Board on 30 October 2001. The failure of CoPT to effect revision of rates for sale of electricity to its consumers with effect from 1 October 2001 itself, despite specific instructions issued by the Ministry, resulted in loss of revenue of Rs. 30.23 lakh for the period 1 October 2001 to 31 December 2001.

CoPT stated (August 2003) that the Port Trust had effected an automatic hike of 10 *per cent* every year from the first day of February commencing from 2000 and this would be sufficient to set-off the loss caused by the delay in implementing the new rates. CoPT added that the customers were to be taken into confidence before the revision as any increase in tariff had an impact on the cargo throughput. The argument was not tenable in view of the instructions issued by the Ministry in March 2001.

The matter was referred to the Ministry in July 2003; its reply was awaited as of February 2004.

Kolkata Port Trust

8.8 Infructuous expenditure

The Port Trust's ill-considered decision led to infructuous expenditure of Rs. 3.95 crore on a vessel which had outlived its life, besides rendering an expenditure of Rs. 68.05 lakh spent on repair work of the vessel unfruitful.

RSV Haldia, a survey vessel of Kolkata Port Trust (KoPT), carried out hydrographic surveys required for dredging of the navigational channel. The vessel was laid up for annual survey repairs in August 1996. Considering the urgent requirement of its services the Port Trust called limited tender from private contractors in September 1996 and January 1997 to obviate delays in completing the work. The tenders were subsequently discharged on procedural grounds and also as the rates quoted were high.

On reviewing the matter in September 1998, the Port Trust decided to repair the vessel through a public sector shipyard; though it had outlived its productive life of 35 years in March 1996. The prime consideration for arriving at this decision was that expenditure on the vessel, would qualify for dredging subsidy from the Central Government, if repaired and utilized for at least six months thereafter. This decision was taken despite the fact that the vessel after being overhauled earlier in 1994-95 at a cost of Rs. 56.25 lakh operated only for 16 months.

The Hooghly Dock and Port engineers Limited (HDPE), a public sector undertaking, was awarded the work of survey repair of RSV Haldia in October 1998 at an estimated cost of Rs. 87.06 lakh.

The work, scheduled to be completed in December 1998, was incomplete even in April 2000 when the vessel was brought to Kidderpore Docks. Though commissioned in June 2000, the vessel could not be operated due to steering system failure and profuse leakage. After sporadic attempts to rectify the defects, HDPE in August 2000 expressed its inability to complete the work. The Port Trust made a payment of Rs. 68.05 lakh to HDPE. The Port Trust entrusted the balance work to a private firm in October 2000 at an estimated cost of Rs 1.98 lakh at the risk and cost of HDPE.

The work was completed in November 2000; but the vessel's sailing programme was hampered by recurrence of the steering problem. After further repairs, the vessel worked in fits and starts between March 2001 and

September 2001, when its plying certificate expired. As the surveyor did not allow any further extension, the vessel was phased out. Having worked for a total of 27 days between June 2000 and September 2001, RSV Haldia was condemned in April 2002 as it was old and in excess of requirement. The Port Trust incurred a total expenditure of Rs. 68.05 lakh on repairs and Rs. 3.95 crore on manning and maintenance of the idle vessel between August 1996 and April 2002 while survey work was carried out by launches of KoPT and by utilizing hired launches of other sections of KoPT.

Thus the Port Trust's ill-considered decision to restore a vessel, which had outlived its useful life, led to infructuous expenditure of Rs. 3.95 crore besides rendering an expenditure of Rs. 68.05 lakh spent on the repair of the vessel unfruitful.

The Ministry stated (September 2003) that the vessel was put to survey repairs on the expectation that it would give service after the survey repair at least for a period similar to what was given by her after the survey repair on the previous occasion. But the steering defects of the vessel which cropped up during and after the repair, which could not be envisaged earlier, was so grave that the vessel could not be put to use effectively. The fact, however, remained that the expectation to get service from a vessel which was more than 35 years old and had outlived its normal life by March, 1996, was not justified.

Calcutta Dock Labour Board

8.9 Undue benefit to Registered Employers of Dock Workers resulting in loss to the Board

The Calcutta Dock Labour Board's decision to reimburse arrear on account of wage revision of monthly workers resulted in undue benefit of Rs. 1.32 crore to Registered Employers thereby loss to the Board

The Calcutta Dock Labour Board operates Calcutta Dock Clerical and Supervisory Workers' (Regulation of Employment) Scheme, 1970 (DCSW Scheme) with the objective of ensuring regular employment to Dock Workers. The Board maintains a Pool of workers under DCSW Scheme and provides workers from the Pool to the Registered Employers[3] on daily as well as monthly basis (monthly workers) based on their requisition. The Board pays

[3] "Registered Employer" means a Shipping Company or Shipping Agent or Stevedore employer or Contractor or a group of such employers of Registered Dock Clerical and Supervisory Workers.

wages to the workers who are engaged on daily basis and charges the Registered Employers a levy of 353 *per cent* of the wages. This includes a levy of 24 *per cent* on account of Wage Revision Fund. In case of monthly workers, the Registered Employers pay the wages directly to the workers and the Board charges levy at the rate of 131 *per cent* of the wages. However, this does not include any levy on account of Wage Revision Fund.

The Government of India revised the wages of dockworkers in August 2000, giving retrospective effect from January 1998. The Board decided in February 2001 that the Registered Employers would pay the arrears for the period from January 1998 to August 2000 to the monthly workers on account of wage revision and the amount would be reimbursed to them in twelve equal monthly instalments through adjustment of the periodical bills. The Board also recommended that in order to reduce the financial burden, the scope of generating compensatory revenue vis-à-vis such reimbursement had to be considered after going through the levy structure of monthly workers. However, the Board's Resolution did not indicate any reason for non-acceptance of the proposal for introducing levy at the rate of 24 *per cent* for the monthly workers towards contribution to Wage Revision Fund.

In terms of Clause 50 of the DCSW Scheme, the Board may pay the arrears on account of wage revision if it so decides. However, Clause 49 of DCSW Scheme provides that the cost of operating the Scheme shall be met out of payments made by Registered Employers. Further, as per Clause 7 (e) of DCSW Scheme the Board is responsible for fixing the rate of levy under Clause 49 or such other administrative charges as may be necessary to meet the expenses of the Scheme.

It was noticed in audit that the Registered Employers paid Rs. 1.31 crore to the monthly workers towards arrear on account of wage revision and the Board reimbursed the entire amount by September 2003 even though the balance available in the Wage Revision Fund was insufficient to meet the expenditure on this count and the Board met the expenses by utilising funds available in common fund for this purpose. But the levy structure in respect of monthly workers under DCSW Scheme effective from April 1998 had not been revised till date (December 2003).

Thus, imprudent decision on the part of the Board to reimburse the expenses on account of the arrear on wage revision of monthly workers without taking steps to generate compensatory revenue, as done earlier (in December 1987), resulted in undue benefit of Rs. 1.32 core to the Registered Employers.

Besides the objective of recovering the cost of operating the Scheme from the Registered Employers, as envisaged in DCSW Scheme, was defeated.

Meanwhile, the Tuticorin Port Trust had already recovered arrears amounting to Rs. 10.69 core by way of additional cargo levy. Further, the Paradeep Port Trust had also started effecting the recovery of arrears of Rs. 2.75 crore by way of levy of special surcharge at the rate of Rupee one per metric tonne.

The matter was referred to the Ministry in August 2003; its reply was awaited as of February 2004.

Mormugao Port Trust

8.10 Avoidable expenditure on construction of culvert over Indian Oil Corporation pipeline

The Port Trust at its own cost executed a work to be done by a licensee resulting in avoidable expenditure of Rs. 21.47 lakh.

The Mormugao Port Trust (MPT) had entered into an agreement in January 1996, to permit the Indian Oil Corporation Ltd (IOC) to lay a pipeline from berth No. 10 to the breakwater inside the harbour area for the purpose of refueling barges on payment of prescribed way leave charges.

Clause 7 of the agreement provided that the Licensee shall, whenever required by the Licensor on account of development works or otherwise, remove or alter the position of the said pipeline as directed by the Licensor.

In June 2000, MPT awarded a contract for construction of a road from gate No. 4 to gate No. 9 inside the harbour to firm 'X' at their lowest tendered cost of Rs. 25.56 lakh. The work commenced in July 2000 and was scheduled to be completed in November 2000.

During the execution of the work it was noticed that the road would require to cross the IOC pipeline at a particular point. Therefore MPT requested IOC in October 2000 to re-align the pipeline with a loop over the road. However no record of further pursuance was available.

In December 2000, the Chief Engineer of MPT proposed to construct a culvert over the pipeline. Tenders were invited and opened in February 2001 and the work was awarded in April 2001 to firm 'X', who were again the lowest, at their tendered cost of Rs. 20.47 lakh. The final cost of the work when completed in June 2001 was Rs. 21.47 lakh.

Audit observed (March 2002) that inspite of the provision in clause 7 of the agreement, MPT failed to get the work done by IOC. Further, no action was also taken to recover the cost incurred in constructing the culvert following the lack of response of IOC for doing the necessary re-alignment of its pipeline. Consequently MPT had to bear the avoidable expenditure of Rs. 21.47 lakh.

MPT stated in September 2002 that the matter of looping the pipeline was discussed with IOC officers who informed the Port Trust that it would be possible for them to carry out the work but it would be time-consuming with operational difficulty. Hence, in order to avoid risk of accidents and loss of revenue, it was decided to construct the culvert over the IOC pipeline.

The reply of the Port Trust is not tenable as the proposal for construction of the road was made in January 2000. A timely and professional survey would have disclosed that the road would require to cross the IOC pipeline and the issue of re-alignment could have been taken up concomitantly with IOC while the road work was being completed. Further, having taken up its own measures there was no justification for not recovering the expenditure incurred from IOC.

MPT further stated in April 2003 that IOC had been instructed (March 2003) to reimburse the amount. However, it was observed that IOC had not responded (August 2003).

The matter was referred to the Ministry in July 2003; its reply was awaited as of February 2004.

Mumbai Port Trust

8.11 Short levy of way leave fees

Delay in initiating action to determine exact length of pipeline for billing of way leave fees, resulted in short levy of Rs. 73.42 lakh including interest and delay in levying penal charges of Rs. 8.46 crore for not attaining guaranteed throughput.

The Mumbai Port Trust (MbPT) had commissioned a new Pier at Pir Pau in November 1995. Six oil companies who were operating at the old Pier were permitted by the Port Trust to lay and maintain their pipelines in the new Pier. The relevant Resolution of the Trustees envisaged the payment of way leave fee at the monthly rate of Rs. 80.25 per running metre of pipeline in respect of pipelines of 300 mm outside diameter with proportionate increase in respect of larger size pipelines, the fee being increased by four *per cent* every October.

Six companies were given permission to extend their pipelines to the new Pier (May 1995). The grant of way leave permission provided for calculation of way leave fees on the estimated length of 2650 metres till the completion of laying the pipelines and thereafter the exact length of pipeline. However, the Port continued to bill, based on the estimated length of 2650 metres in respect of each company without obtaining the exact length of each pipeline.

The Port Trust did not initiate any action from the date of allotment (November 1995) till the date of audit (March 2000) to ascertain the exact length of the pipeline laid by each company. Subsequently, a joint survey was carried out by MbPT and the parties in October 2000. The length of the pipeline was determined to be 2660.84 metres. The MbPT accepted this length for billing.

Accordingly, differential way leave fees recoverable for each pipeline for the period from November 1995 to March 2002 was worked out and bills aggregating to Rs. 53.12 lakh were rendered in April 2002 to the parties. Of this, an amount of Rs. 14.82 lakh was recovered (September 2003). Interest amounting to Rs. 20.30 lakh was also billed, out of which Rs. 3.82 lakh only was recovered (September 2003).

Further, for each company, a minimum guaranteed traffic of 0.50 lakh tonne/ 1 lakh tonne/ annum was also fixed. Failure to achieve the minimum guaranteed traffic could attract penalty at twice the normal rate of fees for that period. There was a shortage in achieving the minimum throughput by four parties. Audit ascertained (March 2000) that the Port Trust had not levied the penal charges for shortfall in attaining the guaranteed throughput. Thereafter additional way leave fees amounting to Rs. 8.46 crore leviable as penalty for shortfall in throughput was billed in the month of July 2002, of which Rs. 2.88 lakh only was recovered.

The Ministry replied (November 2002) that the MbPT had billed the way leave fees based on the estimated combined length of 2650 metres since the parties failed to furnish the actual length of pipelines. A joint survey was conducted by the Estate Manager and the parties. After some dispute over the length of pipeline, it was finally determined as 2660.84 metres. The difference in way leave fees based on this length was billed to all parties from November 1995 to March 2002 amounting to Rs. 53.12 lakh of which, Rs. 14.82 lakh had already been received from the parties. Further, penal charges for not attaining minimum guaranteed throughput was also billed to

the four parties in July 2002 and the recovery over major portion thereof was awaited.

The fact, however, remains that the Port had not initiated any action from November 1995 to October 2000 to determine the actual length of pipeline for the purpose of billing way leave fees according to the terms and conditions. A joint survey for determine the exact length was conducted only in October 2000 and differential bills for way leave fees were rendered in April 2002, six years after the pipelines were commissioned, that too after being pointed out by Audit. The amount realised was only Rs. 21.52 lakh (2.30 *per cent*) against Rs. 9.19 crore. The progress of realisation was not satisfactory and MbPT initiated action under the Public Premises (Eviction of unauthorized occupants) Act, 1971 against the six companies for removal of pipelines and recovery of arrears.

The delays attributable to MbPT in initiating action for billing resulted in non-realisation of Rs. 8.98 crore.

New Mangalore Port Trust

8.12 Avoidable payment

Adoption of faulty base date for calculation of fuel escalation charges by New Mangalore Port Trust resulted in an avoidable payment of escalation charges of Rs. 1.87 crore.

The work of maintenance dredging in New Mangalore Port Trust (NMPT) was being regularly entrusted to the Dredging Corporation of India (DCI) on nomination basis as per the decision of Government of India, Ministry of Surface Transport (now Ministry of Shipping) (March 1993) at mutually agreed rates. Based on an agreement (August 2000), DCI undertook maintenance dredging for two years, i.e., 2000-01 and 2001-02 at an estimated cost of Rs. 39 crore and Rs. 42 crore respectively.

The rates quoted by DCI and accepted by NMPT for the two years 2000-01 and 2001 -02 were as follows.

Item of work	2000-01 (I Year)	2001-02 (II Year)
For dredging soft material	Rs. 52.25/ Cmu	Rs.55.00/Cmu
Service charges for dredging soft Material and material in hard strata		
For DCI DR-VII/XI/XII	Rs. 15.83 lakh/day prorata	Rs. 16.66 lakh/day prorata
DCI DR-XV	Rs. 20.00 lakh/day prorata	Rs. 21.05 lakh/day prorata
Mobilisation for post monsoon	Rs. 80.00 lakh	Rs.84.00 lakh
Demobilisation for post monsoon	Rs. 40.00 lakh	Rs. 42.00 lakh
Mobilisation for monsoon	Rs. 40.00 lakh	Rs. 42.00 lakh
Demobilisation for monsoon	Rs. 20.00 lakh	Rs. 21.00 lakh

According to clause 15 of the Agreement, the dredging and idle time charges were based on the cost of fuel on 24 February 2000 and escalation/ de-escalation was to be worked out depending on variation in the price of fuel. The base date adopted for calculation of escalation was the same for both the years even though the unit rates quoted by DCI for the second year were higher than the rates quoted for the first year. Since the rates for the second year were higher by 5.25 *per cent*, the Port Trust should have negotiated a different base date for calculation of escalation for that year. A similar faulty clause of escalation was adopted in the agreement with DCI for maintenance dredging for the years 2002-03 and 2003-04.

The Port Trust, accepted the audit observation in principle and replied that escalation on the basis of a single base date for both the years was adopted in order to cover various other elements which were not covered in the escalation clause.

The adoption of faulty base date for calculation of fuel escalation charges by the Port Trust resulted in an avoidable payment of escalation charges to the tune of Rs. 1.87 crore.

The matter was reported to the Ministry in August 2003. It replied (October 2003) that in future different base dates for two years would be adopted when different rates are accepted for the two years.

Paradip Port Trust

8.13 Infructuous Expenditure

Failure of Paradip Port Trust to select an experienced contractor led to infructuous expenditure of Rs. 2.12 crore.

The Paradip Port Trust (PPT) approved in 1992 a proposal for modification of port slipway to provide dry docking facility for the repair and maintenance of vessels of capacity upto 500 tonnes. The objective was to save the substantial expenditure being incurred by the Port Trust for dry-docking of its vessels at other ports. Besides, the slipway after modification was also proposed to be used commercially for day-to-day maintenance of trawlers and fishing vessels thereby earning revenue for the port.

The pre-qualification bids were called for in July 1992. The last date of submission of bids was 31 August, 1992. Four firms furnished their bids and were pre-qualified for the work. M/s B Engineers and builders Ltd. did not furnish pre-qualification bid on the occasion. Subsequently (vide their letter dated 4 October 1993), the firm made a request (October 1993) and was pre-qualified (December 1993) under the order of the then Chairman, PPT on the recommendation of the then Chief Electrical and Mechanical Engineer. The pre-qualification was made despite the fact that the firm had no past experience in execution/construction of slipway and side slips as remarked by the Chief Engineer, Dredging. The work was awarded to the firm on 20 January, 1995 at the negotiated rate of Rs. 2.21 crore. The stipulated dates for commencement and completion of the work were 20 January, 1995 and 19 January, 1996 respectively. No performance guarantee was taken from the contractor despite their lack of experience in this field.

The work of modification to the slipway which was to be completed by January, 1996 had not been completed even after incurring substantial expenditure of Rs. 2.12 crore till September, 1998. The payment constituted about 96 per cent of the negotiated offer (Rs. 2.21 crore). Further, major works of cleaning the slipway mouth, construction of coffer dam, change of underwater track and trial, testing and commissioning of the complete system of slipway operation with the vessels owned by PPT viz. Sarala and Samalei were not completed.

The Board of Trustees had approved the estimate of the work in its abstract form for Rs. 1.96 crore and later accepted the negotiated value for Rs. 2.21 crore against Rs. 2.59 crore offered by the firm in their price bid. However,

the detailed estimates of the above incomplete items of the work were not prepared nor approved. Further, stage payments were not matched with the work output. The required draft for the tugs Sarala and Samalei was included in the design parameters in the tender papers. However, the vessels could not be inhauled due to non-adherence to the design parameters by the contractor. Thus due to non-availability of suitable draft for inhauling the vessels and incomplete work on major items, the slipway remained inoperative till June 2003 even after lapse of more than seven years. Despite this, Rs. 8.50 lakh out of the total security deposit amount of Rs. 17.71 lakh was released to the firm during November 1998.

In the meantime, the Port incurred an expenditure of Rs. 7.61 crore on dry-docking of its vessels at other ports during the period from April 1996 to March 2003 due to non-completion of the work.

Thus, PPT failed to take the following essential steps:-

- select an experienced contractor,
- obtain performance guarantees,
- correlate the schedule of payments with physical milestones,
- insist on detailed estimates and work plan and
- check design defects relating to draft

As a result, the execution of the scheme was delayed and the Port could not avail of the dry-docking facilities. The entire expenditure of Rs. 2.12 crore incurred on modification to the slipway proved to be infructuous and further expenditure of Rs. 7.61 crore on dry-docking outside could not be saved.

When pointed out by Audit (August, September 1999, May, 2002), the Executive Engineer, Civil Works Division stated (June 2002) that the contractor had failed to complete the work of cleaning the slipway mouth, repair underwater track and construction coffer dam. The Ministry stated in January 2002 that action was initiated against the contractor in the form of show-cause notice and the work was rescinded. However, it was silent on the steps taken to complete the work. Reasons for not initiating legal proceedings against the contractor were also not communicated. The Ministry did not state whether any action had been taken to fix managerial responsibility.

The matter was referred to the Ministry in August 2003; its reply was awaited as of February 2004.

8.14 Loss of Revenue

Expenditure of Rs. 39.60 lakh incurred by PPT towards removal of spillage instead of charging the same from the exporter/importer, resulted in a loss for the Port Trust.

According to the provisions contained in Section 2.2 (xiii) of the Scale of Rates, 2000 issued by the Traffic Department of Paradip Port Trust (PPT), the exporters and importers were to regulate loading at the wharf as well as at the stockyard so as to avoid spillage of cargo in the course of intraport transportation. In the event of spillage enroute or on the railway tracks, it is the responsibility of the exporter/importer to remove the same. The Traffic Manager of the Port may remove such spillage and charge the importer/exporter for the same. The Scale of Rates does not, however, specify the rates to be charged from the importers/exporters for cleaning of the spillage.

Audit ascertained (June 2002) that PPT had incurred an expenditure of Rs. 31.76 lakh during June 2001 to May 2002 for cleaning the berths after handling dirty cargo. Besides this, PPT deployed (March 2001 to March 2002) its own pay-loaders and fork-lifts for cleaning sludge/debris from the berth and road involving an expenditure of Rs. 7.84 lakh (calculated on the basis of hire charges leviable for these equipment if brought on hire). The expenditure of Rs. 39.60 lakh thus incurred by the PPT instead of charging it from the exporters/importers resulting a loss for the Port Trust.

In reply, (June 2002) the Additional Traffic Manager (Operation) stated that the exporters/importers used to clean the spillage from the berths soon after completion of cargo loading/landing operation; even then, some dust remained which had to be cleaned by the Port Trust to make the berth ready and fit for further handling of cargo. As the wharfage rate included expenditure towards maintenance of a cleaning worker, cleaning contractor and deployment of equipment for cleaning operation, the question of recovery of extra charges from the importers and the exporters for cleaning did not arise.

The reply is not acceptable since spillage left by the importers/exporter had to be cleaned by the Traffic Department/Division. There was no documentary evidence in support of removal of spillage by the users. Further, the inclusion of cleaning charges in the wharfage could not be verified as the component-wise details of wharfage were not available. In any case, the specific provision in the Scale of Rates regarding charging the users for cleaning of spillage is quite clear and unambiguous.

The Port should have followed the practice prevalent in the Visakhapatnam Port Trust, where the spillages were removed by clearing and forwarding Agents by deploying their own labour. Alternatively the Port deploys its own labour for cleaning and recover the charges from the concerned party.

The matter was referred to the Ministry (October 2003); its reply was awaited as of February 2004.

Visakhapatnam Port Trust

8.15 Unintended financial benefit

Visakhapatnam Port Trust granted unintended benefit of Rs. 70.83 lakh to a company on interest.

Visakhapatnam Port Trust (VPT) placed a work order on M/s 'A', a company, in October 1999 for design, manufacture and supply of 500 cubic metre grab hopper dredger, at a price of Rs. 25.20 crore. The dredger was to be delivered within 18 months. The contract price was payable in nine stages, on certification by the Indian Register of Shipping, at each stage of completion of work. The work order provided, *inter alia*, for release of 20 *per cent* of contract value at the fourth stage, on ordering dredge cranes and main engines, propulsion system and opening of letter of credit therefor. The contract did not contemplate release of any advance.

However, to speed up supply of the dredger, VPT, released in March 2000, Rs. 5 crore as an advance in lieu of fourth stage payment, in response to a request by the company. Chairman, VPT, while sanctioning the advance, mandated that the advance be utilised exclusively for ordering engines and equipment meant for the dredger. However, VPT neither asked for nor obtained an undertaking from the firm to implement the mandate.

Audit ascertained that the company placed orders for import of main propulsion package only in August 2001, sixteen months after the receipt of advance, and four months after the scheduled date of completion (April 2001). VPT also released during January to May 2003 another advance of Rs. 31.64 lakh (bearing interest at 12 *per cent*) to banks/suppliers for securing release of material on behalf of the company against its request for release of Rs. 3 crore. Despite release of the advance, the company did not make any progress on the work. According to its own assessment in June 2003 the dredger would be brought to delivery stage only in December 2003. The uptodate payments made to the company as of June 2003 amounted to Rs. 20.48 crore.

Thus, extending an advance of Rs. 5 crore, which was not contemplated in the agreement, resulted in granting unintended financial benefit of Rs. 70.83 lakh towards interest.

In reply, VPT stated in June 2003 that it proposed to recover the interest of Rs. 70.83 lakh from the company. VPT recovered Rs. 35 lakh in September 2003 from the other work bills of the company. Further developments were awaited.

The Ministry stated (October 2003) that the recovery particulars would be intimated to audit in due course.

Visakhapatnam Dock Labour Board

8.16 Loss due to non-collection of arrears of wages paid to dock workers

Non-collection of dues from stevedores resulted in loss of Rs. 11.66 crore.

According to the provisions of the Dock Workers (Regulation of Employment) Act, 1948, the Visakhapatnam Dock Labour Board (DLB) was to maintain and supply the registered pool of cargohandling workers at the prescribed rates to the licensed stevedores for all cargo-handling operations within the Port area. The wages, allowances and incentives payable to the workers under the scheme were recoverable from the indenting stevedores on the basis of actual number of days of deployment of such labourers.

The Ministry of Surface Transport (now Ministry of Shipping) clarified that the revised rates of pay and allowances to class-III and IV employees of all the major port trusts were to be made applicable to dock workers consequent on wage settlement reached by the Wage Revision Committee in August 2000 (with notional effect from January 1997). The arrears of pay and allowances aggregating to Rs. 11.66 crore from January 1998 to 10 August 2000 were paid to the dock workers from out of reserve funds of the Unregistered scheme without pursuing the matter effectively for the recovery of the said amount from the stevedores. DLB started recovering the wages from the stevedores based on the revised wages only from 11 August 2000 onwards and did not recover additional sums on account of the arrears relating to the period from January 1998 to 10 August 2000.

The failure of DLB to take appropriate action to recover the arrears of wages from the stevedores resulted in non-recovery of Rs. 11.66 crore.

DLB stated (July/September 2003) that no additional levy was separately proposed towards recovery of arrears from the employers as the arrears amount was met from the reserve fund with the approval of the Board and according to the provisions of the schemes and also in view of its sound financial position. However, the reply is not tenable. While the Board has the power under the Visakhapatnam Dock Workers (Regulation of Employment) Scheme, 1959, to make arrear wage payments from its reserve funds, it is also under an obligation under section 51 of the Dock Workers (Regulation of Employment) Act, 1948 to recover the amount from the indenting stevedores. Further, the Board should have explored all means of recovery instead of setting a wrong precedent. The action of DLB is inadmissible. In similar cases, Tuticorin and Paradeep Port Trusts had made recoveries by way of additional cargo levy/special surcharge.

The matter was referred to the Ministry in August and September 2003; its reply was awaited as of February 2004.

CHAPTER IX : MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO RURAL INDUSTRIES

Khadi and Village Industries Commission

9 Violation of Rules resulting in illegal benefit to institutions

Non investment of subscriptions from the artisans and contributions by three directly aided institutions of Khadi & Village Industries Commission to the Artisans Welfare Fund, resulted in illegal benefit to the institutions amounting to Rs. 87.22 lakh and loss of interest of Rs. 53.72 lakh.

The Khadi Certification Rules of the Khadi and Village Industries Commission (KVIC) *inter alia* required Khadi Institutions to create Artisans Welfare Fund (AWF) through subscriptions from the artisans at 10 *per cent* of their gross wages which was to be supplemented by matching contribution by the institutions. The amount of AWF should be deposited in fixed deposits in the Nationalised Banks and in other high interest yielding schemes to provide more interest to the artisans and a separate account in respect of each artisan showing the subscription together with the institution's contribution should be maintained. Further, it was obligatory on the part of institutions to ensure that a passbook is issued to each artisan. The Khadi Certification Rules constituted delegated legislation and hence had the force of law. In case of serious violation of the Certification Rules, the Commission was to suspend the certification of the institution and to apply following penalties through the concerned State/Regional Directors during the period of suspensions: (i) no rebate claims shall be paid, (ii) no financial assistance shall be granted and (iii) no certified Khadi institution shall purchase Khadi from such institution. During the suspension period a quarterly report was required to be submitted by the concerned State/Regional Director to keep a close watch on the institution. Further, the Central Certification Committee (C.C.C.), functioning under KVIC also had the powers to cancel the certification of the institution.

Test-check of records of three directly aided institutions (Kshetriya Shri Gandhi Ashram, Raibareli, Meerut and Sultanpur) of Uttar Pradesh revealed that a sum of Rs. 87.22 lakh realised from artisans and contributed by the institutions during the period 1990-2003 was neither deposited in bank nor interest accrued, amounting to Rs. 53.72 lakh at the bank rate (6.5 *per cent*), was credited in their passbook.

However, KVIC failed to suspend the certificates of the institutions and award proper penalty for violation of provisions of the Certification Rules. KVIC also continued to release rebate claim and gave financial assistance of Rs. 3.90 crore as loan during the period from 1993-94 to 2002-03 to the institutions.

The Commission replied (August 2003) that the institutions were not in a position to create Artisans Welfare Fund as the liquidity available with them was used for purchase of raw material, supplying the same to the artisans, buying the yarn and Khadi from the artisans and finally payment of wages to the artisans. Further, delay in settlement of rebate claims of the institution by KVIC also created a genuine difficulty for the institutions, leading to depletion of their working capital. It was further stated that the Commission had facilitated creation of State Level Artisans Welfare Fund Trust in which contribution from institution would flow. The Commission had also tied up release of rebate for the year 2002-03 with contribution by institutions to State Level Artisans Welfare Fund Trust.

Audit noted that the U.P. State Level Artisans Welfare Fund Trust (UPSLAWFT) was created in April 2003. However, these three institutions had not deposited any contribution in UPSLAWFT till November 2003. Hence, even after introduction of this Trust, the interest of these artisans was not protected.

As a result, the objective of these Trust Funds was defeated and the institutions derived illegal benefit by retention of the contributions amounting to Rs. 87.22 lakh and loss of interest of Rs. 53.72 lakh due to non-investment.

The matter was referred to the Ministry in September 2003; its reply was awaited as of February 2004.

CHAPTER X : MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION

Delhi Development Authority

10.1 Non-realisation of Fines

Delhi Development Authority failed to take conclusive action to resolve dispute relating to release of fines levied by Metropolitan Magistrate which resulted in blockage of Rs. 1.19 crore.

Section 29 (2) of the DDA Act, 1957, read with Section 14 provides that any person who uses any land or building in contravention of the Master Plan of Delhi is liable to pay a fine. Section 33 of the Act stipulates that all fines realised are to be paid to DDA[1].

The Enforcement Branch of DDA is responsible for initiating prosecution against property owners whose premises are being used for commercial purposes in contravention of the Master Plan. Notices are issued to the defaulters and thereafter cases are filed in the Court of the Metropolitan Magistrate for final decision.

Test check of the records of the Enforcement Branch revealed that an amount of Rs. 1.19 crore had been imposed as fine by the M.M. Court[2] during the period from 1970 to 2002 which was realised from the defaulters. However, DDA was yet to receive the amount of fine from the M.M. Court in accordance with the provision of Section 33 cited above.

It was noticed in audit that the Court desired in March 1994 that 1/12th of the fines collected should be deducted as administrative charges and the balance remitted to the DDA as was being done in the case of DTC and other local bodies. However, as there were no provisions under the DDA Act for making any such payment to the State Government, DDA did not agree to the Court's proposal. The matter thereafter remained under correspondence between DDA, the High Court of Delhi and the Government of Delhi (Department of Law and Justice and Legislative Affairs) with no result.

In May 2002, the Registrar General, High Court of Delhi, suggested that till such time, the proposed amendment was made in the Act, fines realised and cost incurred should be shared on 50:50 basis between DDA and the State Government. In response, DDA requested (February 2003) the Registrar

[1] Delhi Development Authority
[2] Metropolitan Magistrate Court

General, Delhi High Court that in view of the clear-cut provision of Section 33, the entire amount of fine realised should be paid to DDA after deducting 10 *per cent* of the amount on adhoc basis in respect of cases where appeals had been preferred. As of April 2003, no settlement had been reached between DDA and Registrar General, Delhi High Court.

The Ministry stated (April 2003) that DDA was in regular touch with judicial officers from 1973 onwards to resolve the issue.

Thus, failure to initiate timely action to either amend the Act as suggested by the Court over nine years ago or take affective steps to finally resolve the issue resulted in blockage of an amount of Rs. 1.19 crore with the M.M. Court.

10.2 Non-availing of general rebates offered by a contractor

DDA failed to avail general rebates offered by a contractor resulting in non-recovery of Rs. 16.22 lakh.

DDA invited (October 1996) item-rate tenders for the construction of 224 LIG Houses in Pocket-I, Block-'C', Sector-17, Rohini, at an estimated cost of Rs. 2.07 crore. M/s J.K. Constructions Company offered five *per cent* rebate on the tendered amount of Rs. 2.23 crore. So the net tendered cost worked out to Rs. 2.12 crore. Being the lowest tender, the work was awarded to the contractor (March 1997) for completion by February 1999. The work was completed in July, 2000. As the rates of individual items were at the tendered cost of Rs. 2.23 crore, DDA should have either reduced the rates of all individual items by five *per cent* or deducted five *per cent* from all bills raised at the original rates.

Audit observed (June 2002) that DDA had failed to specify the rebates offered by the contractor item-wise in the award letter issued in March 1997. DDA also failed to deduct 5 *per cent* from the gross value of work to be paid in each running bill. As a result, it failed to recover a sum of Rs. 9.40 lakh i.e. the amount of rebate from the contractor upto the 26th running account bill (November 2001). The total recovery alongwith interest worked out to Rs. 16.22 lakh upto March 2003.

On its being pointed out (August 2002) by Audit, the Executive Engineer admitted the lapse (August 2002) and stated (June 2003) that DDA had circulated the recovery to its various divisions and a court case had been filed for recovery.

The matter was referred to the Ministry in August 2003; its reply was awaited as of February 2004.

CHAPTER XI

11 Follow up action on Audit Reports-Summarised Position

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

In their Ninth Report (Eleventh Lok Sabha) presented to the Parliament on 22 April 1997, PAC desired that submission of pending Action Taken Notes (ATNs) pertaining to Audit Reports for the years ended March 1994 and 1995 be completed within a period of three months and recommended that ATNs on all paragraphs pertaining to the Audit Reports for the year ended March 1996 onwards be submitted to them duly vetted by Audit within four months from the laying of the Reports in Parliament.

A review of the position of receipt of ATNs on paragraphs included in Audit Reports (Autonomous Bodies) upto the period ended 31 March 2002 (**Appendix-VIII**) revealed that the Ministries did not submit remedial/corrective ATNs in respect of a large number of paragraphs inspite of above instructions. Out of 105 paragraphs on which ATNs were required to be sent, final ATNs in respect of 41 paragraphs were awaited while ATNs in respect of 64 paragraphs had not been received at all.

Out of 64 paragraphs on which ATNs had not been received, 35 paragraphs pertained to Reports for the years ended March 1989 to March 1993 which relate to the Ministry of Urban Development and Poverty Alleviation.

(Dr. A.K. BANERJEE)
Director General of Audit
Central Revenues

New Delhi
Dated 29 May 2004

Countersigned

(VIJAYENDRA N. KAUL)
Comptroller and Auditor General of India

New Delhi
Dated 3 June 2004

APPENDIX - I

(Referred to in paragraph 1.1)

Grants/loans received during 2002-2003 by central autonomous bodies audited under sections 19(2) and 20(1) of CAG's (DPC) Act, 1971

(Rupees in lakh)

Sl. No.	Ministry /Name of Body	Grant	Loan
	Agriculture and Co-operation		
1.	Coconut Development Board, Kochi	3003.00	Nil
2.	National Co-operative Development Corporation, New Delhi	1955.00	Nil
3.	National Horticulture Board, Gurgaon	9915.00	Nil
4.	National Institute for Agricultural Extension Management, Hyderabad	721.00	Nil
5.	National Oil Seeds and Vegetable Oil Development Board, Gurgaon	375.00	Nil
		15,969.00	**Nil**
	Animal Husbandry and Dairying		
6.	Veterinary Council of India, New Delhi	82.00	Nil
		82.00	**Nil**
	Chemicals and Fertilizers		
7.	National Institute of Pharmaceutical Education and Research, Mohali	1981.00	Nil
		1981.00	**Nil**
	Commerce		
8.	Agricultural & Processed Food Products Export Development Authority, New Delhi	4688.00	Nil
9.	Coffee Board (General Fund Accounts), Bangalore	6000.00	2375.00
10.	Export Inspection Agency, Chennai	64.50	Nil
11.	Export Inspection Agency, Cochin	165.45	Nil
12.	Export Inspection Agency, Delhi	3.17	Nil
13.	Export Inspection Agency, Kolkata	1144.00	Nil
14.	Export Inspection Agency, Mumbai	37.59	Nil
15.	Marine Products Export Development Authority, Kochi	4590.00	Nil
16.	Rubber Board, Kottayam	8129.24	Nil
17.	Spices Board, Kochi	1850.00	Nil
18.	Tea Board, Kolkata	7281.59*	Nil

* including subsidy of Rs. 4696.59 lakh and Rs. 936.00 lakh for Research and Development

Sl. No.	Ministry /Name of Body	Grant	Loan
19.	Tobacco Board, Guntur	Nil	Nil
		33953.54	**2375.00**
	Consumer Affairs		
20.	Bureau of Indian Standards, New Delhi	180.00	Nil
		180.00	**Nil**
	Defence		
21.	Jawahar Institute of Mountaineering and Winter Sports, Pehalgam	14.63	Nil
		14.63	Nil
	Environment and Forests		
22.	Animal Welfare Board, Chennai	675.80	Nil
		675.80	Nil
	External Affairs		
23.	Indian Council of World Affairs, New Delhi	112.32	Nil
24.	Indian Council for Cultural Relations, New Delhi	4202.88	Nil
		4315.20	**Nil**
	Finance		
25.	Insurance Regulatory and Development Authority	Nil	Nil
26.	Securities and Exchange Board of India, Mumbai	Nil	Nil
		Nil	**Nil**
	Health and Family Welfare		
27.	All India Institute of Medical Sciences, New Delhi	25930.65	Nil
28.	Central Council for Indian Medicine, New Delhi	77.00	Nil
29.	Central Council for Research in Ayurveda and Siddha, New Delhi	2673.30	Nil
30.	Central Council for Research in Unani Medicine, New Delhi	1568.49	Nil
31.	Central Council for Research in Yoga and Naturopathy, New Delhi	229.00	Nil
32.	Central Council of Homoeopathy, New Delhi	151.50	Nil
33.	Central Council of Research in Homoeopathy, New Delhi	832.00	Nil
34.	Chittaranjan National Cancer Institute, Kolkota	1009.00	Nil
35.	Dental Council of India, New Delhi	25.00	Nil
36.	Indian Nursing Council, New Delhi	50.00	Nil
37.	Medical Council of India, New Delhi	151.00	Nil
38.	Morarji Desai National Institute of Yoga, New Delhi	596.00	Nil
39.	National Board of Examination, New Delhi	5.98	Nil
40.	National Illness Assistance Fund, New Delhi	280.00	Nil
41.	National Institute of Ayurveda, Jaipur	1091.64	Nil

Sl. No.	Ministry /Name of Body	Grant	Loan
42.	National Institute of Health and Family Welfare, New Delhi	1040.78	Nil
43.	National Institute of Homoeopathy, Kolkata	700.00	Nil
44.	National Institute of Mental Health and Neuro Sciences, Bangalore	4482.50	Nil
45.	National Institute of Naturopathy, Pune	97.50	Nil
46.	Pharmacy Council of India, New Delhi	10.00	Nil
47.	Post Graduate Institute of Medical Education &Research, Chandigarh	21900.00	Nil
48.	Rashtriya Ayurveda Vidyapeeth, New Delhi	51.00	Nil
		62952.34	**Nil**
	Home Affairs		
49.	National Human Rights Commission, New Delhi	819.24	Nil
		819.24	Nil
	Human Resource Development		
50.	All India Council for Technical Education, New Delhi	12000.00	Nil
51.	Aligarh Muslim University, Aligarh	16846.00	Nil
52.	Assam University, Silchar	1071.86	Nil
53.	Auroville Foundation, Auroville	182.08	Nil
54.	Board of Apprenticeship Training, Chennai	1051.07	Nil
55.	Board of Apprenticeship Training, Kanpur	398.00	Nil
56.	Board of Apprenticeship Training, Mumbai	501.26	Nil
57.	Board of Practical Training, Kolkata	363.59	Nil
58.	Central Institute of Higher Tibetan Studies, Sarnath, Varanasi	490.00	Nil
59.	Central Tibetan Schools Administration, New Delhi	1255.00	Nil
60.	Dr. B.R. Ambedkar National Institute of Technology, Jallandhar	599.79	Nil
61.	Indian Council of Historical Research, New Delhi	684.76	Nil
62.	Indian Council of Social Sciences Research, New Delhi	3515.37	Nil
63.	Indian Institute of Advanced Studies, Shimla	620.83	Nil
64.	Indian Institute of Management, Bangalore	727.00	Nil
65.	Indian Institute of Management, Indore	1766.00	Nil
66.	Indian Institute of Management, Kozhikode	2046.00	Nil
67.	Indian Institute of Management, Lucknow	440.00	Nil
68.	Indian Institute of Technology, Chennai	5250.00	Nil
69.	Indian Institute of Technology, Guwahati	88.82	Nil
70.	Indian Institute of Technology, Kanpur	8800.00	Nil
71.	Indian Institute of Technology, Kharagpur	9102.00	Nil
72.	Indian Institute of Technology, Mumbai	9200.00	Nil

Sl. No.	Ministry /Name of Body	Grant	Loan
73.	Indian Institute of Technology, New Delhi	8850.00	Nil
74.	Indian Institute of Management, Kolkata	290.00	Nil
75.	Indira Gandhi Rashtriya Manav Sangrahalaya, Bhopal	512.75	Nil
76.	Jamia Millia Islamia, New Delhi	6479.84	Nil
77.	Jawaharlal Nehru University, New Delhi	6623.46	Nil
78.	Kendriya Hindi Shikshan Mandal, Agra	1167.00	Nil
79.	Kendriya Vidyalaya Sangathan, New Delhi	62977.00	Nil
80.	Lal Bahadur Shastri Rashtriya Sanskrit Vidyapeeth, New Delhi	550.55	Nil
81.	Maulana Azad National Institute of Technology, Bhopal	1287.82	Nil
82.	Nagaland University, Kohima	1894.92*	Nil
83.	National Bal Bhavan Society, New Delhi	529.90	Nil
84.	National Commission for Women, New Delhi	370.00	Nil
85.	National Council for Promotion of Sindhi Language, Vadodara	36.00	Nil
86.	National Council for Promotion of Urdu Language, New Delhi	877.00	Nil
87.	National Council for Teachers Education, New Delhi	450.00	Nil
88.	National Council of Educational Research and Training, New Delhi	5040.00	Nil
89.	National Council of Rural Institutes, Hyderabad	Nil	Nil
90.	National Culture Fund, New Delhi	214.20	Nil
91.	National Institute of Adult Education, New Delhi	Nil	Nil
92.	National Institute of Educational Planning and Administration, New Delhi	478.03	Nil
93.	National Institute of Foundry and Forge Technology, Dhanbad, Ranchi	679.39	Nil
94.	National Institute of Technology, Calicut	1587.50	Nil
95.	National Institute of Public Co-operation and Child Development, New Delhi	1061.77	Nil
96.	National Institute of Technology, Hamirpur	625.50	Nil
97.	National Institute of Technology, Kurukshetra	377.25	Nil
98.	National Institute of Technology, Rourkela	1095.59	Nil
99.	National Institute of Technology, Warangal	1455.97	Nil
100.	National Institute of Training in Industrial Engineering, Mumbai	650.00	Nil
101.	National Open School, New Delhi	533.00	Nil
102.	North Eastern Hill University, Shillong	3600.48	Nil

* including special fund

Sl. No.	Ministry /Name of Body	Grant	Loan
103.	North Eastern Regional Institute of Science and Technology, Nirjuli Itanagar	1528.46	Nil
104.	North Zone Cultural Centre, Patiala	234.74	Nil
105.	Pondicherry University, Pondicherry	1710.39	Nil
106.	Project of History of Indian Science, Philosophy and Culture, New Delhi	170.50	Nil
107.	Rashtriya Sanskrit Sansthan, New Delhi	3530.00	Nil
108.	Rashtriya Sanskrit Vidyapeeth, Tirupati	411.09	Nil
109.	Regional Engineering College, Srinagar	1272.83	Nil
110.	Regional Institute of Technology, Jamshedpur	656.45	Nil
111.	Sahitya Academy, New Delhi	696.15	Nil
112.	Sant Longowal Institute of Engineering and Technology, Longwal	1035.00	Nil
113.	Sardar Vallabh Bhai National Institute of Technology, Surat	851.00	Nil
114.	School of Planning and Architecture, New Delhi	590.00	Nil
115.	South Central Zone Cultural Centre, Nagpur	Nil	Nil
116.	South Zone Cultural Centre, Thanjavur	38.90	Nil
117.	Technical Teachers Training Institute, Bhopal	450.00	Nil
118.	Technical Teachers Training Institute, Chandigarh	487.50	Nil
119.	Technical Teachers Training Institute, Chennai	459.00	Nil
120.	Technical Teachers Training Institute, Kolkata	530.00	Nil
121.	Tezpur University, Tezpur	1079.18	Nil
122.	University of Hyderabad, Hyderabad	5992.20	Nil
123.	Victoria Memorial Hall, Kolkata	393.85	Nil
124.	Visvesvaraya National Institute of Technology, Nagpur	1206.84	Nil
		210618.43	**Nil**
	Industries		
125.	Coir Board, Kochi	1320.00	5.00
126.	Khadi and Village Industries Commission, Mumbai	39036.00	21.00
		40356.00	**26.00**
	Information and Broadcasting		
127.	Press Council of India, New Delhi	191.84	Nil
128.	Prasar Bharati, New Delhi	96724.00	22900.00
		96915.84	**22900.00**
	Labour		
129.	Central Board of Workers Education, Nagpur	19.58	Nil
130.	Employees Provident Fund Organisation, New Delhi	Nil	Nil
131.	Employees State Insurance Corporation, New Delhi	Nil	Nil

Sl. No.	Ministry /Name of Body	Grant	Loan
132.	V.V. Giri National Labour Institute, Noida, Uttar Pradesh	435.00	Nil
		454.58	**Nil**
	Law		
133.	National Judicial Academy, New Delhi	Nil	Nil
134.	State Legal Services Authority, Chandigarh	55.75	Nil
		55.75	**Nil**
	Mines		
135.	Indian School of Mines, Dhanbad	1692.50	Nil
		1692.50	**Nil**
	Power		
136.	National Power Training Institute, Faridabad	1603.00	Nil
		1603.00	**Nil**
	Railways		
137.	Centre for Railway Information Systems, New Delhi	2423.00	Nil
		2423.00	**Nil**
	Rural Development		
138.	Council for Advancement of People's Action and Rural Technology, New Delhi	3130.00*	Nil
139.	National Institute of Rural Development, Hyderabad	1255.00	Nil
		4385.00	**Nil**
	Shipping		
140.	Chennai Port Trust, Chennai	Nil	304.00♣
141.	Cochin Port Trust, Cochin	Nil	Nil
142.	Jawahar Lal Nehru Port Trust, Navasheva	Nil	Nil
143.	Kandla Dock Labour Board, Kandla	Nil	Nil
144.	Kandla Port Trust, Gandhidham	Nil	Nil
145.	Kolkata Dock Labour Board, Kolkata	Nil	Nil
146.	Kolkata Port Trust, Kolkata	Nil	Nil
147.	Mormugao Port Trust, Goa	Nil	232.00
148.	Mumbai Dock Labour Board, Mumbai	Nil	Nil
149.	Mumbai Port Trust, Mumbai	Nil	Nil
150.	New Mangalore Port Trust	Nil	Nil
151.	Paradip Port Trust, Paradip	Nil	Nil
152.	Seaman's Provident Fund Organisation, Mumbai	Nil	Nil
153.	Tariff Authority of Major Ports	300.99	Nil
154.	Tuticorin Port Trust, Tuticorin	Nil	Nil
155.	Vizag Dock Labour Board, Vishakapatnam	Nil	Nil

* including Rs.130.00 lakh (UNDP)

♣ for Ennore Port Project

Sl. No.	Ministry /Name of Body	Grant	Loan
156.	Vizag Port Trust, Vishakapatnam	Nil	Nil
		300.99	**536.00**
	Social Justice and Empowerment		
157.	Ali Yavar Jung National Institute for the Hearing Handicapped, Mumbai	947.80	Nil
158.	Central Wakf Council, New Delhi	158.00	Nil
159.	Institute for the Physically Handicapped, New Delhi	572.00	Nil
160.	National Institute for Rehabilitation Training & Research, Cuttak	826.00	Nil
161.	National Institute for Visually Handicapped, Dehradun	799.00	Nil
162.	National Institute of Orthopaedically Handicapped, Kolkata	446.00	Nil
163.	National Trust for Welfare of Persons with Austism, Cerebral Palsy, Mental Retardation and Multiple Disabilities, New Delhi	100.00	Nil
164.	National Institute of Mentally Handicapped, Secunderabad	814.10	Nil
165.	Rehabilitation Council of India, New Delhi	485.00	Nil
		5147.90	**Nil**
	Telecommunications		
166.	Telecom Regulatory Authority of India, New Delhi	650.00	Nil
		650.00	**Nil**
	Textile		
167.	Central Silk Board, Bangalore	14440.00	Nil
168.	Jute Manufactures Development Council, Kolkata	3161.65	Nil
169.	National Institute of Fashion Technology, New Delhi	1152.37	Nil
170.	Textile Committee, Mumbai	2003.00	Nil
		20757.02	**Nil**
	Tourism and Culture		
171.	Asiatic Society, Kolkata	489.00	Nil
172.	Centre for Cultural Resources and Training, New Delhi	757.00	Nil
173.	Delhi Library Board, New Delhi	645.16	Nil
174.	Indian Museum, Kolkata	815.00	Nil
175.	Kalakshetra Foundation, Chennai	299.00	Nil
176.	Lalit Kala Academy, New Delhi	497.00	Nil
177.	National Council of Science Museum, Kolkata	2110.00	Nil
178.	National School of Drama, New Delhi	1053.00	Nil
179.	Nehru Memorial Museum and Library, New Delhi	631.50	Nil
180.	North East Zone Cultural Centre, Dimapur	131.57	Nil

Sl. No.	Ministry /Name of Body	Grant	Loan
181.	Raja Ram Mohan Roy Library Foundation, Kolkata	843.50	Nil
182.	Salarjang Museum Board, Hyderabad	681.00	Nil
183.	Sangeet Natak Akademi, New Delhi	1174.72	Nil
184.	West Zone Cultural Centre, Udaipur	83.88	Nil
		10211.33	Nil
	Urban Development & Poverty Alleviation		
185.	Delhi Development Authority, New Delhi	Nil	Nil
186.	Delhi Urban Arts Commission, New Delhi	92.66	Nil
187.	Lakshaadweep Building Development Board, Kavaratti	94.00	Nil
188.	National Capital Region Planning Board, New Delhi	5650.00	Nil
189.	Rajghat Samadhi Committee, New Delhi	142.00	Nil
		5978.66	**Nil**
	Water Resources		
190.	Betwa River Board, Jhansi	Nil	Nil
191.	Brahamputra Board, Guwahati	3563.41	Nil
192.	Narmada Control Authority, Indore	Nil	Nil
193.	National Water Development Agency, New Delhi	1532.00	Nil
		5095.41	**Nil**
	Youth Affairs and Sports		
194.	Lakshmibai National Institute of Physical Education, Gwalior	570.00	Nil
195.	Nehru Yuva Kendra Sangathan, New Delhi	4857.00	Nil
196.	Sports Authority of India, New Delhi	12869.00	Nil
		18296.00	**Nil**
	Grand Total	**545884.16**	**25837.00**

APPENDIX - II

(Referred to in paragraph 1.1)

Bodies audited under sections 19(2) and 20(1) of the CAG's (DPC) Act 1971, whose accounts/information for 2002-2003 not received as of 29 February 2004

Sl. No.	Ministry/Name of Body
	Commerce
1.	Coffee Board (Pool Fund Accounts), Bangalore
2.	Export Inspection Council, Kolkata
	Defence
3.	Himalayan Mountaineering Institute, Darjeeling
4.	Nehru Institute of Mountaineering, Uttarkashi
	External Affairs
5.	Haj Committee
	Human Resource Development
6.	Allahabad Museum Society, Allahabad
7.	Baba Saheb Bhimrao Ambedkar University, Lucknow
8.	Banaras Hindu University, Varanasi
9.	Central Agricultural University, Imphal
10.	Delhi University, New Delhi
11.	Gandhi Samriti and Darshan Samiti, New Delhi
12.	Indian Council of Philosophical Research, New Delhi
13.	Indian Institute of Information Technology and Management, Gwalior
14.	Indian Institute of Information Technology, Allahabad
15.	Indira Gandhi National Centre for Arts, New Delhi
16.	Indira Gandhi National Open University, New Delhi
17.	Khuda Baksh Oriental Public Library, Patna
18.	Mahatma Gandhi Antarashtriya Hindi Vishwavidyalaya
19.	Malviya National Institute of Technology, Jaipur
20.	Maulana Azad National Urdu University, Hyderabad
21.	Motilal Nehru National Institute of Technology, Allahabad
22.	National Book Trust, New Delhi

Sl. No.	Ministry/Name of Body
23.	National Museum of History of Art Conservation and Museology, New Delhi
24.	Navodaya Vidyalaya Samiti, New Delhi
25.	North Central Zone Cultural Centre, Allahabad
26.	Rampur Raza Library Board, Rampur
27.	University Grants Commission, New Delhi
28.	Viswa Bharati, Shantiniketan
	Mines
29.	Coal Mines Provident Fund Organisation, Dhanbad
	Social Justice and Empowerment
30.	National Commission for Backward Classes, New Delhi
	Tourism and Culture
31.	Central Institute of Budhist Studies, Leh
32.	Eastern Zonal Cultural Centre, Kolkata

APPENDIX - III

(Referred to in paragraph 1.1)

Grants received during 2002-2003 by central autonomous bodies audited u/s 14(1) and 14(2) of CAG's (DPC) Act, 1971

(Rupees in lakh)

Sl. No.	Ministry/Name of Body	Grant/loans
	Agriculture and Co-operation	
1.	National Co-operative Union of India	47302.00
2.	National Council for Co-operative Training	1395.00
3.	Small Farmers Agriculture Business Consortium	6746.00
	Commerce	
4.	Cashew Export Promotion Council of India	129.97
5.	Engineering Export Promotion Council, Kolkata	1481.65
6.	Federation of Indian Export Organisation	103.00
7.	Indian Board Equity Fund Trust	Nil
8.	Indian Institute of Foreign Trade	680.00
9.	National Institute of Foreign Trade, New Delhi	674.00
10.	All India Handloom Fabric Marketing Co-operative Society	569.00
11.	Shellac Export Promotion Council, Kolkata	70.50
12.	Sports Goods Export Promotion Council	226.00
	External Affairs	
13.	Society for Research and Information System for Non-Aligned and other developing countries	137.00
	Finance	
14.	Industrial Credit and Investment Corp. of India	3373.74
15.	Industrial Development Bank of India	131.08
16.	Industrial Finance Corp. of India	52483.95*
17.	Indian Investment Centre, New Delhi	230.00
18.	Institute for Studies in Industrial Development, New Delhi	30.00

* Loan

Sl. No.	Ministry/Name of Body	Grant/loans
19.	Institute of Economic Growth, New Delhi	48.42
20.	National Agriculture Bank for Rural Aid and Development	11095.68*
21.	National Council of Applied Economic Research	45.00
22.	National Institute of Financial Management, Faridabad	161.00
23.	National Institute of Public Finance & Policy, New Delhi	164.52
24.	State Industrial Development Bank of India	1690.00
	Health and Family Welfare	
25.	AIDS Education and Research Trust Society, Mumbai	665.00
26.	All India Institute of Speech and Hearing, Mysore	910.00
27.	Central Council Combined Building Complex	105.00
28.	Central Drug Research Institue, Lucknow	229.86
29.	Central Research Institute, Chennai	75.00
30.	Gandhi Gram Institute of Rural Health and Family Welfare Trust, Tamil Nadu	109.23
31.	Gandhigram Institute of Rural Health and Family Welfare Trust, Ambathurai Dindigul District	109.22
32.	Global Alliance for Vaccination Institutes, Jamnagar	552.00
33.	Gujarat Cancer and Research Institute	75.00
34.	Indian Council of Medical Research, New Delhi	20060.00
35.	Indian Institute of Tuberculosis, New Delhi	37.42
36.	Indian Medical Association, New Delhi	30.96
37.	International Institute of Population Sciences, Mumbai	574.00
38.	Lala Ram Swaroop Institute of Tuberculosis and Allied Diseases, New Delhi	1415.00
39.	National Academy of Medical Sciences, New Delhi	45.50
40.	National Institute of Biologicals	1440.00
41.	National Institute of Unani Medicine,, Bangalore	300.00
42.	New Delhi T.B Centre	90.00

* Includes a loan of Rs. 10000 lakh

Sl. No.	Ministry/Name of Body	Grant/loans
43.	North Eastern Indira Gandhi Institute of Health and Medical Sciences, Shillong	4707.00
44.	Pariwar Sewa Sansthan	Nil
45.	Pasteur Institute of India, Coonoor	300.00
46.	Kasturba Health Society ,New Delhi	1000.00
47.	State Innovation in Family Planning Services Project Agency, Lucknow	4024.34
48.	Vallabhbhai Patel Chest Institute, New Delhi	1200.00
49.	Voluntary Health Scheme, Chennai	725.00
	Human Resource Development	
50.	Andhra Pradesh Mahila Samtha Society, Hyderabad	225.00
51.	Central Social Welfare Board	7029.53
52.	National Gandhi Museum, New Delhi	18.50
	Industries	
53.	Central Manufacturing Technology Institute, Bangalore	1275.00
54.	Children Film Society of India, New Delhi	215.00
55.	Fluid Control Research Institute Palakkad	200.00
56.	National Institute for Entrepreneurship and Small Business Development	417.00
	Information and Broadcasting	
57.	Film and Television Institute of India, Pune	481.67
58.	Indian Institute of Mass Communication	1535.97
59.	National Centre of Film for children and Young People	215.00
60.	Satyajit Ray's Film & TV Institute	299.82
	Industrial Policy and Promotion	
61.	National Productivity Council	677.00
	Labour	
62.	Central Instructional Media Institute, Chennai	204.00
	Personnel, Public Grievances and Pensions	
63.	Central Civil Services Cultural and Sports Board	38.00
64.	Civil Services Officers Institute	85.00

Sl. No.	Ministry/Name of Body	Grant/loans
65.	Grih Kalyan Kendra	79.00
66.	Indian Institute of Public Administration	325.50*
	Power	
67.	Bureau of Energy Efficiency	5120.65
68.	Central Power Research Institute, Bangalore	1791.21
	Rural Areas and Development	
69.	District Rural Development Agency, Pondicherry	696.28
	Small Scale Industry	
70.	National Institute of Entrepreneurship and Small Business Development	382.50
	Social Justice and Empowerment	
71.	Central Adoption Resource Agency, New Delhi	130.00
72.	Dr. Ambedkar Foundation, New Delhi	100.00
73.	LIBENSHILFE Visakhapatnam, Association for the Mentally Handicapped	64.20
74.	National Institute of Social Defence	265.10
75.	National Institute of Hearing Handicapped, Mumbai	1004.80
	Statistics	
76.	Indian Statistical Institute, Kolkata	4515.55
	Textiles	
77.	All India Handloom Fabric Marketing Co-operative Society	569.00
78.	Apparel Export Promotion Council	135.00
	Tourism	
79.	Institute of Hotel Management and Catering Technology, Kovalam	81.00
80.	National Council for Hotel Management and Catering	371.50
	Urban Development and Poverty Alleviation	
81.	Building Material Technology Promotion Council	228.00
82.	Habitat Polytech, New Delhi	Nil
83.	National Institute of Urban Affairs	128.00

* Rs.283.50 lakh is maintenance grant in aid and Rs. 42.00 lakh for APPPA programme

Sl. No.	Ministry/Name of Body	Grant/loans
	Youth Affairs and Sports	
84.	Rajiv Gandhi National Institute of Youth Development, Chennai	227.00
	Total	**196877.82**[β]

[β] Includes loan of Rs. 62483.95 lakh

APPENDIX - IV

(Referred to in paragraph 1.1)

Bodies audited u/s 14(1) and 14(2) of CAG's (DPC) Act, 1971 whose accounts/information not received for 2002-03 as of 29 February 2004

Sl. No.	Ministry/ Name of Body
	Agriculture and Co-operation
1.	Small and Marginal Farmers Development Agency, Dimapur
	Chemical and Fertilisers
2.	Central Institute of Plastics Engineering Technology, Chennai
3.	Central Institute of Plastics Engineering Technology, Hyderabad
4.	Central Institute of Plastic Engineering and Technology, Mysore
	Commerce
5.	Engineering Export Promotion Council, Mumbai
	Food Processing Industries
6.	Paddy Processing Research Centre Thanjavur
	Human Resource Development
7.	All India Women Conference, New Delhi
8.	Association of Indian University
9.	Bhagavathula Charitable Trust Gelamonchili Visakahapatnam
10.	Bharat Gyan Vigyan Samiti, New Delhi
11.	Bharat Scouts and Guides, New Delhi
12.	Central Civil Services Sports and Cultural Board, New Delhi
13.	Indian Council for Child Welfare, New Delhi
14.	Indian Council of Education, New Delhi
15.	Indian Society for Technical Education, New Delhi
16.	Maulana Abul Kalam Azad Institute of Asian Studies, Kolkata
17.	Punjab University, Chandigarh
18.	Ram Krishna Mission, Institute of Culture, Kolkata
19.	Rashtriya Sewa Samiti, Tirupati
20.	State Resource Centre for Adult Education, Hyderabad
21.	West Bengal Schedule Caste/Schedule Tribe and Minority Association Calcutta

Sl. No.	Ministry/ Name of Body
	Industries
22.	Central Footware Training Institute, Chennai
23.	Central Institute of Tool Design, Balanagar, Hyderabad
24.	Central Tool Room Training Centre, Kolkata
25.	National Institute of Small Industry Extension Training, Hyderabad
	Labour
26.	Child Labour Abolition Support Scheme Society , Vellore
27.	SMILE Project Society, Salem
	Planning
28.	Institute of Applied Manpower Research, New Delhi
	Rural Area and Development
29.	DRDA, Nilgiris
30.	DRDA, Coimbatore
31.	DRDA, Cuddalore
32.	DRDA, Dharmapuri
33.	DRDA, Dindigul
34.	DRDA, Erode
35.	DRDA, Kancheepuram
36.	DRDA, Kanyakumari
37.	DRDA, Karur
38.	DRDA, Madurai
39.	DRDA, Nagapattinam
40.	DRDA, Namakkal
41.	DRDA, Perambalur
42.	DRDA, Pudukottai
43.	DRDA, Ramnathapuram
44.	DRDA, Salem
45.	DRDA, Sivaganga
46.	DRDA, Thanjavur
47.	DRDA, Theni
48.	DRDA, Thiruvallur
49.	DRDA, Thiruvannamalai

Sl. No.	Ministry/ Name of Body
50.	DRDA, Thiruvanur
51.	DRDA, Tiruchirapalli
52.	DRDA, Tirunelveli
53.	DRDA, Tuticorin
54.	DRDA, Vellore
55.	DRDA, Villuperam
56.	DRDA, Virudhunagar
	Social Justice and Empowerment
57.	All India Association for Social Health in India, New Delhi
58.	Bhartiya Adim Jati Sewak Sangh, New Delhi
59.	Centre for Studies in Social Science, Kolkata
60.	District Rehabilitation Centre, Vijayawada
61.	Harijan Sewak Sangh, New Delhi
62.	Manasika Vikasa Kendra Vijayawada
63.	Zilla Vikalangula Sangam, Vinu Konda
	Textiles
64.	Bombay Textile Research Association
65.	Handloom Export Promotion Council, Chennai
66.	Handloom House, Hyderabad
67.	Handloom House, Visakhapatnam
68.	Indian Jute Industries Research Association, Kolkata
69.	National Centre for Jute Diversification
70.	South India Textile Research Association, Coimbatore
71.	Wool Research, Thane
	Tourism
72.	Institute of Hotel Management Catering Technology and Applied Nutrition , Chennai
73.	Institute of Hotel Management Catering Technology and Applied Nutrition, Kolkota
74.	Institute of Hotel Management Catering Technology, Hyderabad
	Youth Affairs and Sports
75.	Indian Olympic Association, New Delhi

Sl. No.	Ministry/ Name of Body
76.	Sri Aurobindo Society, New Delhi
77.	Youth Hostel Association of India, New Delhi

APPENDIX –V

(Referred to in paragraph 1.1)

Delay in submission of annual accounts for the year 2001-02 by autonomous bodies audited under section 19(2) and 20 (1)

Sl. No.	Name of the autonomous body	Date of receipt of accounts
(A)	**Delay of three to six months**	
1.	Employees Provident Fund Organisation, New Delhi	24/10/2002
2.	Indian Council of Philosophical Research, New Delhi	09/10/2002
3.	Sant Longowal Institute of Engineering and Technology, Longowal	16/10/2002
4.	National Institute of Pharmaceutical Education and Research, Mohali	24/10/2002
5.	National Institute of Homeaopathy, Kolkata	25/10/2002
6.	Coal Mines Provident Fund Organisation, Dhanbad	31/10/2002
7.	Rashtriya Sanskrit Sansthan, New Delhi	01/11/2002
8.	School of Planning and Architecture, New Delhi.	06/11/2002
9.	National Water Development Agency, New Delhi	07/11/2002
10.	Coffee Board (Pool Fund Accounts), Bangalore	11/11/2002
11.	Coffee Board (General Fund Accounts), Bangalore	12/11/2002
12.	National Instiute of Educational Planning and Administration, New Delhi	12/11/2002
13.	Seamen's Provident Fund Organisation, Mumbai.	13/11/2002
14.	National Museum of History of Art Conservation & Museology, New Delhi.	15/11/2002
15.	Technical Teachers Training Institute, Chennai	18/11/2002
16.	Mahatma Gandhi Antarrashtriya Hindi Vishwavidyalaya	21/11/2002
17.	National Institute of Mental Health and Neuro Sciences, Bangalore	22/11/2002
18.	National Institute of Ayurveda, Jaipur	25/11/2002
19.	Assam University, Silchar.	26/11/2002
20.	Malviya Regional Engineering College , Jaipur	02/12/2002
21.	Pondicherry University, Pondicherry	05/12/2002
22.	National Culture Fund	09/12/2002
23.	Nagaland University, Kohima	10/12/2002
24.	Calcutta Dock Labour Board, Kolkata	11/12/2002
25.	South-Central Zone Cultural Centre, Nagpur	11/12/2002
26.	Auroville Foundation, Auroville	12/12/2002
27.	National Bal Bhavan Society, New Delhi	12/12/2002
28.	Vishva Bharati University, Shantiniketan	17/12/2002
29.	Chittaranjan National Cancer Institute, Kolkata	20/12/2002
30.	Insurance Regulatory & Development Authority	30/12/2002
31.	Indian Institute of Information Technology and Management, Gwalior	31/12/2002
32.	National Book Trust, New Delhi.	31/12/2002

Sl. No.	Name of the autonomous body	Date of receipt of accounts
(B)	**Delay of over six months**	
1.	Board of ApprenticeshipTraining,.Kanpur	06/01/2003
2.	Telecom Regulatory Authority of India, New Delhi	07/01/2003
3.	Dr. B.R. Ambedkar Regional Engineering College, Jalandhar	08/01/2003
4.	Lakshadweep Building Development Board, Kavaratti	30/01/2003
5.	National Institute of Fashion Technology, New Delhi	28/02/2003
6.	South Zone Cultural Centre, Thanjavur	17/03/2003
7.	National Capital Region Planning Board, New-Delhi	31/03/2003
8.	Nehru Yuva Kendra Sangathan, New Delhi	22/04/2003
9.	Delhi University	02/06/2003
10.	Tariff Authority of Major Ports	06/06/2003
11.	North-Eastern Hill University, Silchar	12/06/2003
12.	Lakshmibai National Institute of Physical Education, Gwalior	15/7/2003
13.	Prasar Bharati	03/02/2004

APPENDIX –VI

(Referred to in paragraph 1.1)

Non-submission of annual account for the year 2001-2002 by autonomous bodies as of 29 February 2004.

Sl. No.	Name of the autonomous body
1.	Babasaheb Bhimarao Ambedkar University, Lucknow
2.	Central Agricultural University, Imphal
3.	Delhi Development Authority
4.	Indian Council of World Affairs, New Delhi
5.	Indian Instt. of Technology, Guwahati.
6.	Indira Gandhi National Center for Arts, New Delhi.
7.	National Commission for Backward Classes, New Delhi.
8.	Nanonal Illness Assistance Fund
9.	National Institute of Adult Education, New Delhi.
10.	National Institute of Public Co-operation & Child Development, New Delhi.
11.	North-East Zone Cultural Centre, Dimapur, Nagaland.

APPENDIX -VII

(Referred to in paragraph 1.2)
Outstanding utilisation certificates

(Rupees in lakh)

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
Agriculture and Cooperation	1990-91	3	11.25
	1991-92	8	16.50
	1992-93	1	2.50
	1996-97	8	9.76
	1997-98	15	38.28
	1998-99	10	79.08
	1999-00	10	70.14
	2000-01	29	3411.36
		84	**3638.87**
Atomic Energy	1991-92	1	2.51
	1992-93	1	0.37
	1994-95	1	0.46
	1995-96	1	1.19
	1996-97	6	7.21
	1997-98	16	30.43
	1998-99	17	44.21
	1999-00	26	145.98
	2000-01	102	232.11
		171	**464.47**
Environment and Forest	1981-82	15	5.79
	1982-83	21	41.00
	1983-84	90	58.50
	1984-85	143	229.80
	1985-86	121	495.40
	1986-87	74	533.77
	1987-88	278	6531.00
	1988-89	359	2543.18
	1989-90	545	192.00
	1990-91	70	123.30
	1991-92	81	1439.00
	1992-93	216	736.00
	1993-94	64	74.18
	1994-95	135	1146.00
	1995-96	10	21.00
	1996-97	440	15732.00
	1997-98	602	9767.00
	1998-99	302	314.00
	1999-00	517	4405.49

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
	2000-01	548	5200.89
		4631	**49589.30**
(ii) Ocean Development	1983-84	8	101.52
	1984-85	22	22.66
	1985-86	45	40.26
	1986-87	23	27.20
	1987-88	84	159.63
	1988-89	48	58.00
	1989-90	93	98.53
	1990-91	17	227.46
	1991-92	20	114.60
	1992-93	8	3.00
	1993-94	16	40.20
	1994-95	9	151.97
	1995-96	53	58.77
	1996-97	52	152.02
	1997-98	71	858.74
	1998-99	82	1189.03
	1999-00	65	2216.68
	2000-01	95	1030.73
		811	**6551.00**
External Affairs	1997-98	4	31.22
	1998-99	2	10.58
	1999-00	7	28.74
	2000-01	11	49.17
		24	**119.71**
Finance	1996-97	1	31.38
Economic Affairs	1997-98	1	16.27
	1999-00	2	118.80
	2000-01	8	1361.79
		12	**1528.24**
Food Processing Industries	1991-92	3	51.00
	1992-93	13	101.15
	1993-94	14	98.79
	1994-95	16	134.42
	1995-96	20	202.19
	1996-97	21	234.09
	1997-98	12	196.34
	1998-99	21	175.86
	1999-00	85	902.36
	2000-01	143	2122.80
		348	**4219.00**
Health and Family Welfare	1980-81	2	1.46
(i) Health	1983-84	2	24.80
	1984-85	5	29.26
	1985-86	8	2.47

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
	1986-87	4	3.39
	1987-88	3	23.00
	1988-89	10	2.45
	1989-90	21	47.28
	1990-91	5	5.71
	1991-92	5	0.97
	1992-93	1	0.15
	1993-94	37	1507.19
	1994-95	25	1196.89
	1995-96	84	3193.30
	1996-97	122	2372.47
	1997-98	179	7122.07
	1998-99	130	13209.67
	1999-00	428	27606.55
	2000-01	393	43754.88
		1464	**100103.96**
(ii) Family Welfare	1982-83	4	2.95
	1986-87	2	9.45
	1987-88	3	4.13
	1989-90	7	17.35
	1990-91	8	13.00
	1992-93	2	7.79
	1993-94	20	71.87
	1994-95	45	65.72
	1995-96	109	529.32
	1996-97	120	1138.21
	1997-98	73	1961.99
	1998-99	101	4048.10
	1999-00	100	18372.30
	2000-01	194	32905.04
		788	**59147.22**
Human Resource Development	1986-87	135	372.64
(i) Women and Child Development	1987-88	208	599.16
	1988-89	315	677.60
	1989-90	361	858.36
	1990-91	279	1032.82
	1991-92	316	1543.91
	1992-93	313	1326.75
	1993-94	447	1628.19
	1994-95	461	1550.57
	1995-96	303	1238.66
	1996-97	537	2210.28
	1997-98	339	1262.92
	1998-99	308	6059.85

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
	1999-00	286	2693.59
	2000-01	349	5564.32
		4957	**28619.62**
(ii) Youth Affairs and Sports	1987-88	20	10.04
	1988-89	103	76.01
	1989-90	153	62.55
	1990-91	183	99.07
	1991-92	135	113.70
	1992-93	382	659.49
	1993-94	377	1025.38
	1994-95	252	425.57
	1995-96	342	998.58
	1996-97	386	4630.39
	1997-98	278	1895.36
	1998-99	537	12090.71
	1999-00	792	4088.68
	2000-01	789	13220.23
		4729	**39395.76**
(iii) Education			
(A) Secondary and Higher Education	1977-78	21	33.98
	1978-79	41	38.51
	1979-80	33	39.33
	1980-81	27	52.77
	1981-82	34	75.15
	1982-83	47	89.07
	1983-84	42	90.58
	1984-85	39	127.68
	1985-86	150	805.64
	1986-87	62	259.66
	1987-88	201	1540.77
	1988-89	199	946.25
	1989-90	128	1642.48
	1990-91	28	56.84
	1991-92	94	651.69
	1992-93	120	1158.56
	1993-94	151	1710.20
	1994-95	54	322.79
	1995-96	75	1428.60
	1996-97	82	2114.94
	1997-98	98	2201.16
	1998-99	100	1274.76
	1999-00	322	5829.22
	2000-01	422	9494.52
		2570	**31985.15**

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
(B) Elementary Education and Literacy	1982-83	1	5.00
	1984-85	1	0.60
	1985-86	11	5.50
	1986-87	27	22.65
	1987-88	5	13.69
	1988-89	21	74.24
	1989-90	39	61.64
	1990-91	11	287.44
	1991-92	9	22.04
	1992-93	17	286.52
	1993-94	34	511.50
	1994-95	46	1209.20
	1995-96	96	3854.25
	1996-97	95	1760.46
	1997-98	86	1817.64
	1998-99	97	2022.70
	1999-00	143	5004.44
	2000-01	266	46560.57
		1005	**63520.08**
(iv) Culture	1982-83	2	0.45
	1983-84	4	0.53
	1984-85	10	2.08
	1985-86	3	0.61
	1986-87	8	2.57
	1987-88	5	1.38
	1988-89	14	2.86
	1989-90	13	2.46
	1990-91	73	12.63
	1991-92	93	747.18
	1992-93	779	2911.21
	1993-94	742	5224.90
	1994-95	465	1325.33
	1995-96	505	3608.17
	1996-97	703	3273.59
	1997-98	669	1793.21
	1998-99	538	5252.21
	1999-00	534	1719.39
	2000-01	1692	18211.54
		6852	**44092.30**
Home Afffairs			
PAO (Sectt.)	1990-91	1	0.10
	1998-99	1	0.05
		2	**0.15**

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
Income Tax Department, CBDT	2000-01	1	0.06
		1	**0.06**
Industry			
(i) Heavy Industry	2000-01	4	389.48
		4	**389.48**
(ii) Small Scale Industries and Agro and Rural Industries	1997-98	2	49.00
	1998-99	5	246.00
	1999-00	2	20.00
	2000-01	5	583.25
		14	**898.25**
Information and Broadcasting	1982-83	1	4.22
	1983-84	2	3.37
	2000-01	2	4.00
		5	**11.59**
Labour	1979-80	1	0.01
	1982-83	2	0.13
	1985-86	5	1.74
	1987-88	4	3.19
	1988-89	3	6.58
	1989-90	10	10.42
	1990-91	14	19.29
	1991-92	8	26.59
	1992-93	2	0.64
	1993-94	7	6.72
	1994-95	3	3.71
	1995-96	32	184.36
	1996-97	252	454.13
	1997-98	5	4.58
	1998-99	29	93.49
	1999-00	52	293.47
	2000-01	70	307.41
		499	**1416.46**
Non-Conventional Energy Sources	1993-94	1	2.43
	1994-95	2	9.02
	1995-96	11	5.95
	1997-98	6	29.02
	1998-99	3	17.09
	1999-00	7	35.80
	2000-01	33	670.11
		63	**769.42**

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
Personnel, Public Grievances and Pensions	1999-00	2	16.00
Personnel and Training	2000-01	9	125.90
		11	**141.90**
Planning and Statistics			
Planning Commission	2000-01	8	6.06
		8	**6.06**
Space	1976-77	1	0.05
	1979-80	1	0.05
	1980-81	1	0.38
	1981-82	1	0.03
	1982-83	6	0.74
	1983-84	3	0.66
	1984-85	7	1.74
	1985-86	3	0.65
	1986-87	10	3.90
	1987-88	4	4.88
	1989-90	3	3.08
	1990-91	3	5.59
	1991-92	1	1.24
	1992-93	1	1.01
	1993-94	2	1.28
	1994-95	3	4.99
	1995-96	3	0.95
	1996-97	5	8.99
	1998-99	9	26.25
	1999-00	17	27.02
	2000-01	49	1694.03
		133	**1787.51**
Surface Transport	1998-99	1	0.56
	2000-01	1	68.50
		2	**69.06**
Commerce & Textile			
(i) Commerce	2000-01	15	0.01
		15	**0.01**
(ii) Development Commissioner	1978-79	8	46.94
of Handicrafts, Delhi	1979-80	5	16.89
	1980-81	3	4.30
	1982-83	2	1.13
	1983-84	1	0.53
	1984-85	2	0.88
	1985-86	3	2.15
	1987-88	2	2.53
	1988-89	1	0.25
	1989-90	5	4.90

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
	1990-91	1	3.32
	1991-92	3	7.47
	1992-93	10	28.14
	1993-94	11	90.19
	1994-95	46	38.05
	1995-96	69	338.88
	1996-97	32	125.22
	1997-98	41	169.64
	1998-99	23	136.92
	1999-00	55	2.59
	2000-01	92	697.71
		415	**1718.63**
Tourism	1997-98	3	46.78
	1998-99	3	405.94
	1999-00	3	264.85
	2000-01	5	109.01
		14	**826.58**
Urban Development	1983-84	2	0.85
	1984-85	1	0.40
	1985-86	10	3.35
	1986-87	4	1.36
	1987-88	3	4.15
	1988-89	6	3.05
	1989-90	7	7.92
	1990-91	9	11.50
	1991-92	7	14.01
	1992-93	15	74.87
	1993-94	27	1890.08
	1994-95	28	63.34
	1995-96	15	38.74
	1996-97	9	445.68
	1997-98	9	2258.06
	1998-99	16	2271.37
	1999-00	23	4679.17
	2000-01	36	8847.05
		227	**20614.95**
Water Resources	1985-86	1	1.27
	1986-87	3	27.01
	1987-88	4	11.89
	1988-89	3	8.80
	1989-90	7	11.46
	1990-91	3	7.17
	1991-92	1	10.29
	1992-93	1	0.03
	1993-94	1	0.25
	1994-95	1	5.13

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
	1995-96	4	22.66
	1996-97	1	4.71
	1997-98	3	8.90
	1998-99	11	29.69
	1999-00	10	37.03
	2000-01	18	70.03
		72	**256.32**
Science and Technology	1987-88	2	26.16
(i) Science and Technology	1988-89	2	5.41
	1989-90	3	9.37
	1990-91	5	94.86
	1991-92	2	4.11
	1992-93	5	2.46
	1993-94	4	3.07
	1994-95	8	4.41
	1995-96	5	2.20
	1997-98	1	0.98
	1998-99	11	6.30
	1999-00	9	7.96
	2000-01	10	16.44
		67	**185.73**
(ii) Bio Technology	1993-94	27	16.85
	1994-95	31	13.16
	1995-96	35	21.25
	1996-97	36	17.65
	1997-98	74	39.45
	1998-99	71	38.48
	1999-00	86	63.85
	2000-01	57	37.98
		417	**248.67**
Law Justice and Deptt of Company Affairs	1982-83	2	1.00
National Legal Services Authority	1983-84	5	1.52
	1984-85	5	1.30
	1986-87	1	0.15
	1989-90	4	1.35
	1990-91	1	0.25
	1991-92	8	1.58
	1992-93	10	0.95
	1993-94	15	4.50
	1994-95	9	4.45
	1995-96	17	6.50
	1996-97	26	42.16
	1997-98	34	37.00

Ministry/Department	Period to which grants relate (upto March 2001)	Utilisation Certificates outstanding in respect of grants released upto March 2001,which were due by September 2002; position at the end of March 2003	
		Number	Amount
	1998-99	60	245.89
	1999-00	48	254.50
	2000-01	28	331.95
		273	**935.05**
Social Justice and Empowerment	1987-88	336	339.00
	1988-89	647	1245.00
	1989-90	568	875.00
	1990-91	836	1036.00
	1991-92	900	2074.00
	1992-93	798	1489.00
	1993-94	731	1551.00
	1994-95	984	2170.00
	1995-96	916	1541.00
	1996-97	491	1147.00
	1997-98	550	14017.00
	1998-99	645	3039.00
	1999-00	549	4559.00
	2000-01	2668	17960.00
		11619	**53042.00**
Rural Development	1998-99	1	51.46
	1999-00	7	416.86
	2000-01	5	174.03
		13	**642.35**
Grand Total		**42320**	**516934.91**

APPENDIX - VIII

(Referred to in Paragraph No. 11)

Outstanding Action Taken Notes as of 29 February 2004

Sl. No.	Name of the Ministry/Department	Report for the year ended March	Other Autonomous Bodies		
			Due	Not received at all	Under corresp-ondence
1.	Finance Department of Economic Affairs	2001	2	--	2
2.	Health and Family Welfare	1998	1	--	1
		1999	2	-	2
		2000	2	–	2
		2001	1	--	1
3.	Human Resource Development (Department of Culture)	1997	1	--	1
		1998	2	--	2
		2000	2	--	2
		2001	3	--	3
	(Department of Secondary and Higher Education)	1997	2	--	2
		2000	1	--	1
		2001	8	1	7
		2002	4	4	-
	Department of Women and Child Development	2002	1	--	1
4.	Information and Broadcasting	2002	11	9	2
5.	Labour	1999	1	–	1
		2000	3	-	3
		2001	1	-	1
		2002	3	1	2
6.	Law Justice and Company Affairs	1998	1	--	1
7.	Shipping	2001	3	3	–
		2002	5	4	1

Sl. No.	Name of the Ministry/Department	Report for the year ended March	Other Autonomous Bodies		
			Due	Not received at all	Under corresp-ondence
8.	Small Scale Industries	2000	1	1	–
		2002	1	1	--
9.	Social Justice and Empowerment	1999	1	--	1
		2001	1	--	1
10.	Textile	2000	1	1	--
11.	Tourism and Culture	2001	1	1	--
12.	Urban Development and Poverty Alleviation	1989	1	1	--
		1990	5	5	--
		1991	8	8	--
		1992	9	9	--
		1993	12	12	--
		2002	3	3	--
13.	Youth Affairs & Sports	1994	1	--	1
Total			**105**	**64**	**41**