सत्यमेव जयते

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDED 31 MARCH 1996

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI

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PREFACE

This report for the financial year ended 31 March 1996 has been prepared for submission to the Lt. Governor under Article 151 (2) of the Constitution of India. It covers matters arising from the accounts of the Government of National Capital Territory (NCT) of Delhi which came into existence by virtue of the Constitution (Sixty-ninth Amendment) Act, 1991. This Audit Report presents the results of test audit and review of financial transactions for the period 1995-96.

Service or utilities organisations under the jurisdiction of Government of NCT of Delhi which are featured in this report are the Municipal Corporation of Delhi (MCD), the New Delhi Municipal Council (NDMC), the Delhi Electric Supply Undertaking (DESU) and the Delhi Water Supply and Sewage Disposal Undertaking (DWS&SDU). The matters relating to public sector undertakings of the Government of NCT of Delhi like Delhi Tourism and Transport Development Corporation Limited (DTTDC), Delhi Financial Corporation (DFC), Delhi State Mineral Development Corporation Limited (DSMDC), Delhi State Civil Supplies Corporation Limited (DSCSC), Delhi Small Industries Development Corporation Limited (DSIDC) and Delhi Scheduled Castes Financial and Development Corporation Limited (DSCFDC) whose accounts are audited by the Comptroller and Auditor General of India have also been included.

Audit comments relating to Delhi Development Authority (DDA) find place in the report of the Comptroller and Auditor General of India relating to Union Government, Other Autonomous Bodies (Report No. 4 of 1997).

The cases mentioned in this report arise from the Audit conducted during 1995-96. Matters relating to earlier years have been included, wherever pertinent and transactions and developments after 31 March 1996 are also similarly mentioned, wherever relevant.

PREFACE

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OVERVIEW

This Audit Report for the year ended 31 March 1996 contains 61 paragraphs including 8 reviews. Major findings are summarised below:

I Accounts of the Government of NCT of Delhi

During 1995-96, the total receipt and expenditure of Government of NCT of Delhi on revenue account were Rs 2296 crore and Rs 1877 crore respectively resulting in a revenue surplus of Rs 419 crore. The total receipt and expenditure on capital account were Rs 825 crore and Rs 1074 crore resulting in a capital deficit of Rs 249 crore. The total surplus in the Consolidated Fund of Government of NCT of Delhi as on 31 March 1996 was Rs 170 crore.

Revenue receipt increased from Rs 1980 crore in 1994-95 to Rs 2296 crore in 1995-96. The share of tax revenue in total revenue receipt was Rs 2111.05 crore which constitutes 92 *per cent* of the total receipt.

Revenue expenditure constituted 64 *per cent* of total expenditure during 1995-96. Capital expenditure of the Government decreased from Rs 1233 crore in 1994-95 to Rs 1074 crore in 1995-96 registering short fall of 12.89 *per cent* over previous year.

Government of NCT of Delhi made further investment of Rs 14.80 crore in 1995-96 in Statutory corporation, Government companies and Co-operative societies. However, dividend received from the total investment of Rs 103.14 crore at the end of 1995-96 decreased to Rs 0.75 crore in 1995-96 from Rs 2.85 crore in 1994-95.

(Chapter I)

II Appropriation Accounts

During 1995-96, Government of NCT of Delhi was authorised Rs 3271.40 crore as original and Rs 214.47 crore as Supplementary Grant/ Appropriation. Against the total provision of Rs 3485.87 crore, total expenditure aggregated to Rs 3255.35 crore. Overall saving of Rs 230.52 crore was more than the total Supplementary Grant and constituted 6.61 *per cent* of total allocation.

Expenditure under one grant in 'Capital charged section' exceeded the appropriation by Rs 0.58 crore which requires regularisation by legislature under Article 205 (1) (b) of the Constitution.

In 12 cases, the savings exceeded Rs one crore. Provision of Rs 72.21 crore in 226 cases remained wholly unutilised. In 74 other cases, savings exceeded 50 *per cent* of budget provision.

In nine cases involving four grants, re-appropriations of Rs 4.32 crore were injudicious as final expenditure under these sub-heads was more than the balance provision after re-appropriation of funds from them. In 33 cases, where the provisions were augmented through re-appropriation, the entire amount re-appropriated remained unutilised.

(Chapter II)

Civil Departments

III Lok Nayak Hospital

Review of Lok Nayak Hospital disclosed poor management of medical equipment viz. Nasal Endoscopic Surgical Equipment, Oxygen Concentrators, Radiation Therapy System, Laser Surgical Equipment, Carbon Surgical Laser etc. purchased at a cost of Rs 1.63 crore were either used sub-optimally or were not installed/ installed after many years. This included one Radiation Therapy Equipment for cancer patients valued at Rs 35 lakh which was not used, since the hospital failed to post a radio physicist. The hospital had only 50 *per cent* nursing staff as compared to the requirement on the basis of Indian Nursing Council norms leading to compromise in patient care. The ambulances in the hospital were rarely used for patients' care. Deficient financial and administrative management in the hospital resulted in foregoing of the credit for used shock heads of lithotripsy machine of over Rs 15 lakh. The hospital started four year B.Sc. honours course of nursing in place of the then existing Diploma course but failed to provide adequate infrastructure including staff. This led to withdrawal of affiliation of Delhi University within two years.

(Paragraph 3.1)

IV Central Jail, Tihar

Central Jail, Tihar incurred expenditure over the budget allotment for hospital and booked the excess expenditure to budget head meant for general administration of the Jail. The jail factory made an over payment of Rs 5.95 lakh towards wages to the convict labourers. While fixing price of jail factory products, the jail administration reckoned the wage of Rs six actually paid to the labourers rather than the minimum PWD rates. This resulted in under-costing of the products and, an undue benefit of Rs 17.15 lakh to the buyers. The jail administration incurred wasteful expenditure of Rs 19.71 lakh towards load violation charges due to its failure to install shunt capacitors.

(Paragraph 3.9)

V Delhi Traffic Police

Delhi Traffic Police failed to provide traffic signal corridor synchronisation and push button demand pedestrian pelican crossing at 14 out of 63 and 118 out of 120 locations respectively. It did not utilise one CCTV camera for traffic monitoring and control for 17 years since its purchase. The department failed to encash a refund cheque for Rs 46.60 lakh received from TFAI even after four revalidations. In the bargain it provided unintended benefit to them of Rs 17 lakh towards interest at commercial borrowing rate. The traffic police department installed a printing press and paper cutter at Rs 6.98 lakh, yet it resorted to large outside printing.

(Paragraph 3.12)

VI Construction of Police Training School at Jharoda Kalan

The construction of Delhi Police Training school at Jharoda Kalan, New Delhi has been going on for the last 18 years. The Public Works Department has already spent Rs 16.87 crore against the approved estimates of Rs 11.97 crore. The excess expenditure has not been regularised. Most of the time overrun which led to cost overrun were attributed to the department's inability to prepare building plans and supply the drawings in time. The PWD used saline tube-well water despite advice by CPWD and Central Building Research Institute that the construction with saline water might lead to rapid deterioration of the buildings. Failure of the PWD to correctly assess the requirement of pipes for water supply necessitated their replacement at an expenditure of over Rs 14 lakh.

(Paragraph 3.13)

Other points of interest

VII Idle equipment

Guru Teg Bahadur hospital failed to install four rectangular horizontal high pressure sterilisers valued at Rs 17.74 lakh purchased in 1989 for sterilisation of surgical items for two and a half years due to its indecision about location of installation. On installation in 1991, some electronic accessories were found to be missing. The hospital did not take any action to procure the missing items and make the equipment operational for the last five years. In another case, the hospital took about fifteen months to operationalise an imported laproscope valued at Rs 21.33 lakh on being pointed out by Audit.

(Paragraph 3.3)

VIII Idle investment

Director of Health Services deposited Rs 1.18 crore with DDA upto March 1993 for a plot of land in Janakpuri for construction of 100 bedded cancer hospital without verifying that the land was free from encroachment, despite specific instruction of the Government to verify this before depositing the amount. Since the land is under encroachment, he has been unable to take possession of the land. The construction of cancer hospital remains uncertain.

(Paragraph 3.4)

IX Pre-mature release of funds

Director of Govind Ballabh Pant hospital made an advance payment of Rs 70.75 lakh in June 1995 to National Informatics Centre for computerisation of important areas of out-patient department, pharmacy, clinical and laboratory control, budget, finance and accounts without signing Memorandum of Understanding. The work which was originally contemplated to be completed within one year of feasibility report submitted in March 1993 was yet to be taken-up.

(Paragraph 3.5)

X Avoidable expenditure

Maulana Azad Medical College did not install shunt capacitors capable of maintaining the prescribed power factor for over four years since May 1992 and unnecessarily paid power factor surcharge of about Rs 46 lakh.

(Paragraph 3.6)

XI Suspected embezzlement of funds

Deficient control of cash management in Maulana Azad Medical College led to suspected embezzlement of Rs 3.23 lakh.

(Paragraph 3.7)

XII Poor cash management

Director of Institute of Human Behaviour and Allied Sciences did not invest surplus cash balance in term deposit, despite specific advice by the bankers. It is noteworthy that the annual expenditure of the institute was only Rs 15 lakh, while it held a bank balance of about Rs 185 lakh in its current account. By the time, the amount was invested in term deposit the institute had already lost Rs 20.63 lakh on account of interest.

(Paragraph 3.8)

XIII Injudicious acquisition of properties

Unjustifiable acquisition of properties by the then Delhi Administration on 10 March 1987, the day on which the Requisition and Acquisition of Immovable Properties Act 1952 was to be abrogated resulted in most of them ending up in litigation. Government of NCT of Delhi has already incurred a liability of about Rs 6.70 crore towards compensation and interest as a result of judgement in two cases alone. Interestingly, in case of one of the properties at Ansari Road, Darya Ganj for which a liability on account of compensation and interest of Rs 6.63 crore has been established; 11 units are under unauthorised accommodation.

(Paragraph 3.10)

XIV Non-commissioning of electric incinerator

PWD has failed to commission an incinerator purchased for burning of dead animals with a view to controlling animal disease among the cattle in Gazipur area for the last seven years. The incinerator was purchased in 1989. Over Rs 39 lakh had been spent on its procurement and civil works.

(Paragraph 3.15)

XV Excess expenditure

Delhi Institute of Technology (DIT) published advertisements through a private agency in disregard of Government's instructions to print their advertisements only through the Directorate of Information and Publicity (DIP). The rate at which the DIT published the advertisements was more than six times the rate approved by the Government. The Institute spent Rs 23.53 lakh on two advertisements which should have cost only Rs 4.04 lakh at the rate approved by the Government.

(Paragraph 3.17)

Municipal Corporation of Delhi

XVI Construction of multi-level underground car parkings

MCD spent over Rs 32 crore on construction of car/ scooter parking at Jawaharlal Nehru Marg, Church Mission Road and Gandhi Ground against the sanction of Rs 19.64 crore. The excess expenditure has not been regularised. MCD did not manage the work efficiently and failed to provide the site free from hindrances to the contractors necessitating repeated extensions leading to delay of two to three years in their completion. The delay, besides causing cost escalation has also resulted in a loss of revenue of about Rs 2.5 crore.

(Paragraph 5.2)

XVII Remunerative Project Cell of Municipal Corporation of Delhi

The maintenance of property and demand & collection registers by the Remunerative Cell did not provide assurance about their comprehensiveness and whether demands for licence fee etc. are made in accordance with the terms and conditions of lease. Test check in audit disclosed over-due ground rent of Rs 2.06 crore from 68 allottees. In case of two tourist camps at Qudesia Garden (ISBT) and Jawaharlal Nehru Marg, MCD did not raise demands for licence fee of Rs 3.39 lakh from the allottees for more than five years. MCD developed commercial plots in Sanjay Gandhi Transport Nagar with a view to curtailing movement of heavy transport in the city. Failure of MCD to take the consent of beneficiaries of the second lot for higher price of Rs 3600 per sq. meter in place of Rs 500 per sq. meter in the first lot, resulted in their refusal to accept them. They went for litigation. Besides, the MCD also developed 227 plots over and above the requirement. There has, thus, been no return against investment of Rs 20.50 crore. Further MCD failed to operationalise the dormitories constructed at Rs 6.11 crore for use by truckers on payment.

(Paragraph 5.3)

XVIII Health care through indigenous system of medicine

Ayurvedic hospital at Hyderpur in Delhi is working with only four doctors who have to attend to on an average of 252 to 328 out patients per day besides an average of 67 in-patients against the capacity of 80. Ballimaran hospital also works with only four doctors for 175 to 248 out-patients per day besides an average of 24 in-patients against the capacity of 40. The two hospitals have only six and three nurses respectively which would imply that each nurse has to attend to 35 - 40 in-patients in Hyderpur hospital and 24 in-patients in Ballimaran hospital in each shift. The number of nursing staff for the two hospitals work out to about 29 and 11 if the norms of Nursing Council are followed.

(Paragraph 5.4)

XIX Non-installation of equipment

Hindu Rao Hospital procured an imported cardiac control unit in July 1994 at a cost of Rs 54.67 lakh but failed to install it as of September 1996 due to non-completion of civil and electrical works. The hospital had adequate time to complete the civil and electrical works between placing of supply order and actual receipt of the equipment. Leave alone, keeping the site ready for immediate installation and use of the expensive critical patient care equipment before its supply, the hospital administration has failed to complete the civil and electrical works for more than two years even after the receipt of the equipment. Not only the investment has been wasted for this period, the cardiac patients have been denied the facilities of the modern heart care equipment.

(Paragraph 5.5)

XX Malfunctioning of incinerator

Rajan Babu Tuberculosis hospital with indoor patient capacity of 1155, did not operate the incinerator most of time to burn the bio-hazardous hospital wastes and continued to dispose of the infectious wastes by dumping through MCD trucks with consequence of serious health hazard.

(Paragraph 5.6)

XXI Non-commissioning of project

MCD constructed a bridge on the down stream channel of Nazafgarh drain from Kakrola Regulator in February 1993 at an expenditure of Rs 76.77 lakh to remove congestion of traffic with a time overrun of 40 months and cost overrun of Rs 33.37 lakh. Despite this, the bridge was yet to be commissioned due to failure of MCD to take advance action for shifting of overhead electrical lines and provision of street lighting.

(Paragraph 5.7)

Revenue Departments

XXII Revenue receipt

The total receipt of National Capital Territory of Delhi in 1995-96 were Rs 2174 crore. Out of a total of tax receipt of Rs 2111 crore, bulk of the revenue receipt were mainly derived from Sales Tax (Rs 1539 crore) and State Excise (Rs 336 crore).

(Paragraph 4.1)

In 84 cases there was short levy of tax, non levy of interest and penalty amounting to Rs 7.95 crore due to suppression of sales by the dealers.

(Paragraph 4.6)

Irregular grant of exemptions on sales of pesticides resulted in short levy of tax, non levy of interest and penalty amounting to Rs 5.77 crore in three cases.

(Paragraph 4.7.1)

Inaction on the recommendation of survey reports resulted in demands of Rs 36.97 crore. Delay in follow up action on survey reports resulted in non collection of these demands.

(Paragraph 4.11 (b))

XXIII Government Companies & Statutory Corporation

As on 31 March 1996, there were five Government Companies and two Statutory Corporations. The total investment in Government Companies was Rs 55.81 crore, (paid up capital: Rs 46.84 crore, loans Rs 8.97 crore) against the total investment of Rs 52.47 crore (equity: Rs 43.88 crore, loans: Rs 8.59 crore) in the same number of companies as on 31 March 1995. The total investment in the statutory Corporations was Rs 2101.20 crore (equity: Rs 350.75 crore, loans Rs 1750.45 crore) in the same number of companies as on 31 March 1996.

(Paragraph 6.2.1, 6.3.2 & 6.4.5)

Of the five Government companies, none of the companies had finalised its accounts for the year 1995-96 by September 1996. The accounts of all five Companies were in arrears for period ranging from two years to seven years.

(Paragraph 6.2.6)

XXIV Review on the activities of Delhi Tourism and Transportation Development Corporation (DT&TDC)

DT&TDC was incorporated in December 1975 as wholly owned Government company with the main object to develop tourism in National Capital Territory (NCT) of Delhi. Even after 21 years of its incorporation the Company was sustaining mainly on operation of Indian Made Foreign Liquor and Country Liquor Trade and its entire tourism division was incurring losses.

(Paragraph 6.5.1 & 6.5.2)

Against available average 1645 number of bus days, the fleet utilisation of the buses held by Corporation decreased from 1065 number of bus days in 1991-92 to 894 in 1995-96. The deteriorating performance resulted in non-earning of potential income of Rs 0.16 crore during these years.

(Paragraph 6.5.10(b))

Out of a total amount of Rs 53.52 crore refundable to Government of NCT of Delhi on account of Government Share of profits on sale of Country Liquor, the Corporation refunded only Rs 24.22 crore and balance Rs 29.30 crore were pending for refund. The retained Government's money was invested in securities without concurrence of the Government. An income of Rs 19.48 crore earned by way of interest/ dividend from this investment had been utilised towards its working capital requirements.

(Paragraph 6.5.12 (a))

Government of India, Ministry of Urban Development offered a plot of land to the Company for sub-lease to a third party for construction of a hotel subject to entering into an agreement with it. The Company paid Rs 1.32 crore towards licence fee for the allotted plot of land. As the Company failed to give its consent within stipulated time, the Government allotted the same land to a private party. Delay in giving consent on the part of Company resulted in infructuous expenditure of Rs 1.32 crore. The Company was also deprived of average annual earnings of Rs 10.90 crore for 33 years as the land was directly allotted by the government to the private party.

(paragraph 6.5.14)

XXV Other points of interest

DTC incurred an avoidable loss of Rs 0.75 crore due to delay in reduction of contract demand of electricity and by not installing shunt capacitors in one of its workshop.

(paragraph 6.6)

CHAPTER I

Accounts of the Government of National Capital Territory of Delhi

1.1 Introduction

1.1.1 Structure of accounts

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

All the. transactions relating to receipt and expenditure are accounted for under the Consolidated Fund of Government of NCT of Delhi. It consists of two divisions, namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt, Loans and Advances etc.).

The Contingency Fund in the nature of imprest is placed at the disposal of Lieutenant Governor to meet urgent unforeseen expenses. Approval of Legislative Assembly is subsequently obtained for such expenditure and for transfer of an equivalent amount from the Consolidated Fund to the Contingency Fund. The corpus of this Fund is Rs 10 crore.

The transactions of the Government of NCT of Delhi pertaining to Public Accounts relating to 'Debt' (other than those included in the Consolidated Fund), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are included in the Public Account of the Union Government. The surplus/ deficit balance in the Fund at the close of financial year is merged in the General Cash Balance of the Union Government and treated as deposit with Union Government.

1.1.2 Annual accounts

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

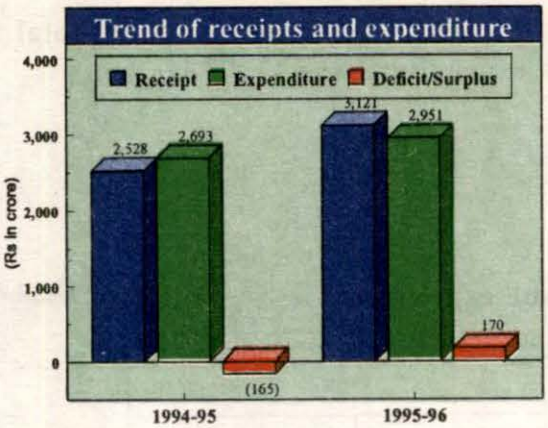
The budget of the Government of NCT of Delhi for the year 1995-96 was passed by the Legislative Assembly on 30 March 1995. The financial position of the Government of NCT of Delhi at the end of March 1996 emerging from the Finance Accounts and the Appropriation Accounts for the year 1995-96, the Abstract of Receipts and Disbursements and the details of sources and application of funds during the year are given in succeeding paragraphs.

1.2 Trend of receipt and expenditure

The receipt and expenditure for the year 1995-96 and of the previous year (rounded to nearest Rs in crore) was as under:

(Rs in crore)

1994-95	Receipts	1995-96	1994-95	Expenditure	1995-96
		Revenue Account			
1980	Receipts	2296	1460	Expenditure	1877
-	Deficit	-	520	Surplus	419
1980		**2296**	**1980**		**2296**
		Capital Account			
548	Receipts (Public debt and Loans & Advances	825	1233	Expenditure	1074
685	Deficit	249	-	Surplus	-
1233		**1074**	**1233**		**1074**
165	Deficit in Consolidated Fund	-	-	Surplus in Consolidated Fund	170



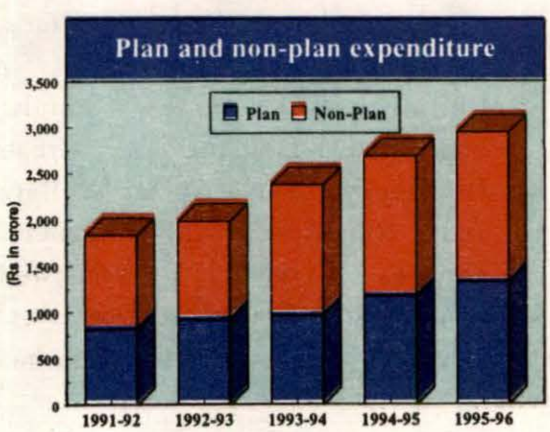
The total receipt increased from Rs 2528 crore in 1994-95 to Rs 3121 crore in 1995-96 which constituted an increase of 23.46 *per cent*.

During 1994-95 net deficit in consolidated fund after adjusting the revenue surplus of Rs 520 crore was Rs 165 crore, whereas during 1995-96 there was an overall surplus of Rs 170 crore.

1.3 Plan and non-plan expenditure

The Plan and non-plan expenditure during five years upto 1995-96 was as under:

					(Rs in crore)
	1991-92	**1992-93**	**1993-94**	**1994-95**	**1995-96**
Plan	816.45	919.67	966.36	1170.81	1328.47
Non-plan	1077.74	1070.60	1414.53	1522.58	1622.97



The plan expenditure during 1995-96 was Rs 1328.47 crore whereas during 1994-95 this was Rs 1170.81 crore. This shows an increase of 13.47 *per cent* over the previous year. Similarly in non plan expenditure there was an increase of 6.59 *per cent* during 1995-96 over the previous year.

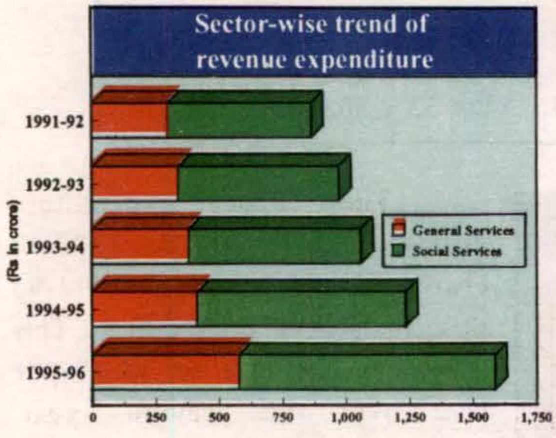
The plan expenditure during 1995-96 was 45 *per cent* of total expenditure. During 1994-95 the plan expenditure was 43.47 *per cent.*

1.4 Sector-wise expenditure

1.4.1 Sector-wise trend of revenue expenditure

					(Rs in crore)
	1991-92	**1992-93**	**1993-94**	**1994-95**	**1995-96**
Social services	567.89	634.04	680.15	825.30	1010.10
General services	294.49	337.13	378.68	410.34	577.18
Other services	221.95	191.66	223.12	224.88	289.87
Total	**1084.33**	**1162.83**	**1281.95**	**1460.52**	**1877.15**

The revenue expenditure increased from 1460.52 crore in 1994-95 to Rs 1877.15 crore in 1995-96, which constituted an increase of 28.53 *per cent* over the previous year.



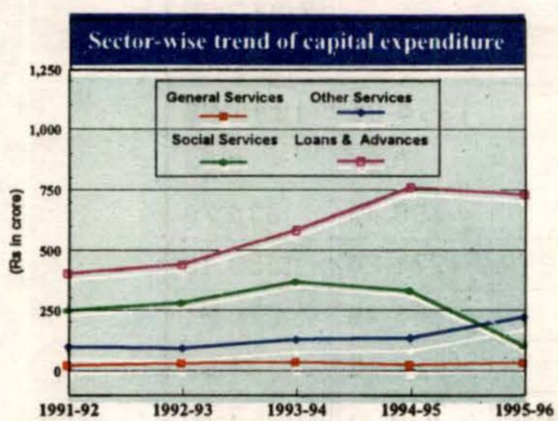
During 1995-96, 53.81 *per cent* of the total revenue expenditure was incurred on social services, which mainly constituted of (i) Health & Family welfare; (ii) Education, Sports, Art & Culture; (iii) Water Supply, Sanitation, Housing & Urban Development; (iv) Social Welfare and Nutrition; while general services mainly consisted (i) Administrative services; (ii) Payment of interest and (iii) Fiscal services. The growth of expenditure on social services over the last five years has been 77.87 *per cent* and that under general services 95.99 *per cent.*

1.4.2 Sector-wise trend of capital expenditure

The capital expenditure on various sectors during the year 1995-96 and the previous four years was as under:

(Rs in crore)					
	1991-92	1992-93	1993-94	1994-95	1995-96
Social services	256.68	289.07	377.00	339.33	111.40
General services	14.84	25.24	30.04	18.54	28.93
Other services	72.53	68.68	103.62	111.45	198.41
Loans and advances	405.81	444.45	588.28	763.55	735.55
Total	**749.86**	**827.44**	**1098.94**	**1232.87**	**1074.29**

The capital expenditure decreased during 1995-96 by 12.86 *per cent* with respect to the expenditure during 1994-95. The capital expenditure on social services declined from Rs 339.33 crore in 1994-95 to Rs 111.40 crore during 1995-96 which was half of the capital expenditure on this item during 1991-92.



Most of the increase of Rs 329.74 crore in the capital expenditure over the past five years is accounted for under loans & advances. Expenditure under loans and advances are booked mainly on account of social services, energy, miscellaneous loans and loans to government servants. Out of the total capital expenditure of Rs 1074.29 crore during 1995-96, the expenditure on loans & advances was Rs 735.55 crore, which constituted 68.47 *per cent* of the total expenditure.

1.5 Tax and non-tax receipts

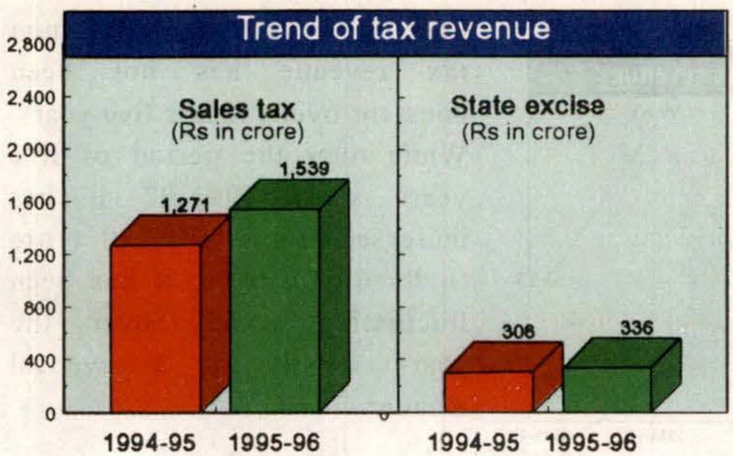
The trend of tax and non-tax receipts for the year 1995-96 and the previous four years was as under:

(Rs in crore)					
	1991-92	**1992-93**	**1993-94**	**1994-95**	**1995-96**
Tax receipt	1137.00	1351.67	1424.37	1787.47	2111.05
Non-tax receipt	37.70	92.42	60.25	99.63	63.13
Total	**1174.70**	**1444.09**	**1484.62**	**1887.10**	**2174.18**

Tax revenue

Tax revenue increased from Rs 1787.47 crore in 1994-95 to Rs 2111.05 crore in 1995-96. This shows increase of 18.10 *per cent* over previous year. A comparison of tax revenue under different major heads during 1994-95 and 1995-96 is as under:

	(Rs in crore)	
Major heads	**Amount collected**	
	1994-95	**1995-96**
Land revenue	0.21	0.04
State excise	308.47	335.79
Sales tax	1271.26	1539.13
Taxes on vehicles	66.49	70.51
Other taxes & duties	29.12	34.95
Taxes on goods & passengers	-	3.20
Stamps & registration fees	111.92	127.43
Total	**1787.47**	**2111.05**



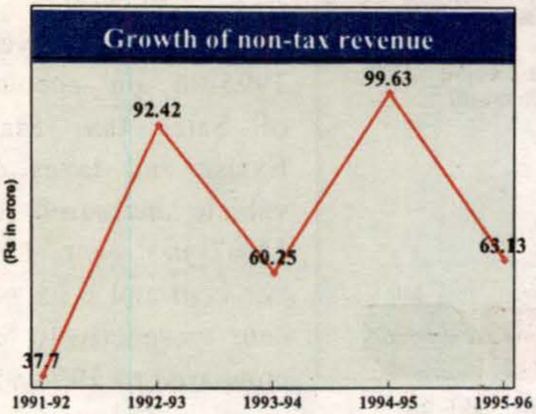
Collections during the year 1995-96 on account of Sales tax, State Excise and taxes on vehicle increased by 21.07 *per cent,* 8.86 *per cent* and 6.05 *per cent* respectively as compared to 1994-95.

Non tax revenue

(Rs in crore)

Nature of receipts	Amount collected				
	1991-92	1992-93	1993-94	1994-95	1995-96
Interest	6.09	24.89	14.29	20.06	7.13
Police	3.33	17.22	20.34	15.64	23.35
Public works	1.60	2.98	1.94	2.73	3.79
Other administrative services	12.09	11.00	7.52	9.74	13.76
Education, sports, art & culture	3.24	3.63	3.93	3.82	1.60
Medical & public health	1.25	1.41	1.40	1.43	1.52
Housing	1.19	1.55	1.60	1.01	3.52
Crop husbandry	0.55	1.09	0.58	0.57	0.43
Village & small industries	2.08	0.96	1.08	1.17	1.12
Other general economic services	0.70	25.00	0.83	0.81	0.92
Other heads	5.58	2.69	6.74	42.65	5.99
Total	**37.70**	**92.42**	**60.25**	**99.63**	**63.13**

The non tax revenue decreased from Rs 99.63 crore in 1994-95 to Rs 63.13 crore in 1995-96, which constituted a decrease of 36.64 *per cent*



over previous year. The non tax revenue has not been constant over the last five years. While over the period of five years since 1991-92 it has increased from Rs 37.70 crore to Rs 63.13 crore, it has been fluctuating widely over the years mostly in a cyclical manner.

1.6 Assignment of certain tax receipts to local bodies

The proceeds from taxes on vehicles, other miscellaneous compensation in lieu of terminal tax, entertainment and betting taxes are assigned to local bodies as grant-in-aid and contributions booked under the head 3604-Compensation and Assignments to Local Bodies and *Panchayati Raj* Institutions. During 1995-96 Rs 114.59 crore was apportioned to the local bodies.

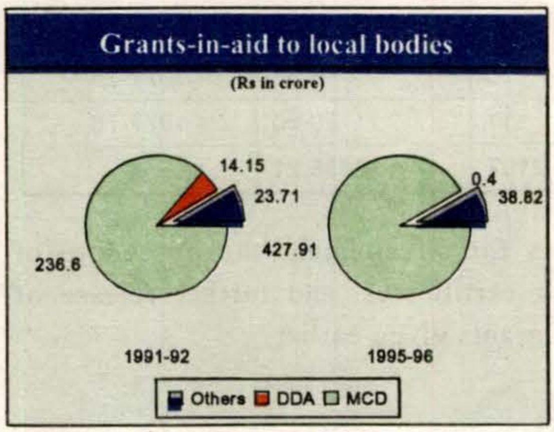
					(Rs in crore)
	MCD	**NDMC**	**DCB**	**Total assignment**	**Total collection of tax**
Taxes on vehicles	28.01	4.85	0.87	33.73	70.51
Entertainment tax	23.20	2.52	0.04	25.76	31.98
Betting tax	-	2.39	-	2.39	2.96
Other misc. compensation in lieu of terminal tax	50.52	1.65	0.53	52.70	*-
Cattle ponds	-	0.01	-	0.01	0.01
Total	**101.73**	**11.42**	**1.44**	**114.59**	**105.46**

As against total collections of Rs 105.46 crore during 1995-96 the assignment to local bodies was Rs 114.59 crore. *There is no collection on account of terminal tax but assignment is being made as compensation in lieu of that tax.

1.7 Grants-in-aid to local bodies

The grants given to the local bodies and Delhi Development Authority during the year 1995-96 and the previous four years are given below:

					(Rs in crore)
	1991-92	**1992-93**	**1993-94**	**1994-95**	**1995-96**
MCD	236.60	245.49	253.11	312.05	427.91
DDA	14.15	Nil	0.59	Nil	0.40
Others	23.71	75.82	34.34	25.68	38.82
Total	**274.46**	**321.31**	**288.04**	**337.73**	**467.13**



Grants-in-aid to local bodies increased during 1991-92 to 1995-96 by 70.20 *per cent.* Amount of grants (Rs 467.13 crore) paid to local bodies was 20.34 *per cent* of the revenue receipts of the Government. The major portion of the grant given to local bodies during last five years related to MCD. A sum of Rs 427.91 crore was given to MCD which constituted 91.60 *per cent* of total grants.

1.7.1 Utilisation certificates

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

2107 utilisation certificates relating to Rs 2556.21 crore in respect of grants released up to 30 September 1994 were outstanding in nine departments at the end of 31 March 1996. The department-wise details indicating the position of outstanding utilisation certificates as on 31 March 1996 are given below:

Name of the department	No. of U.Cs.	Amount (Rs in crore)	Period of grants upto September 1994 from
Local Self Government	941	1872.26	1977-78
Deptt. of Land & Buildings	330	615.57	1979-80
Commissioner of Industries	91	6.82	1980-81
Development Commissioner	75	10.76	1982-83
Deptt. of Social Welfare	66	3.44	1984-85
Directorate for the Welfare of SC/ST	146	12.02	1977-78
Registrar of Co-op. Societies	237	2.46	1979-80
Directorate of Family Welfare	110	3.58	1977-78
Directorate of Health Services	111	29.30	1977-78
Total	**2107**	**2556.21**	

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

1.8 Public sector undertakings

Investment and dividend

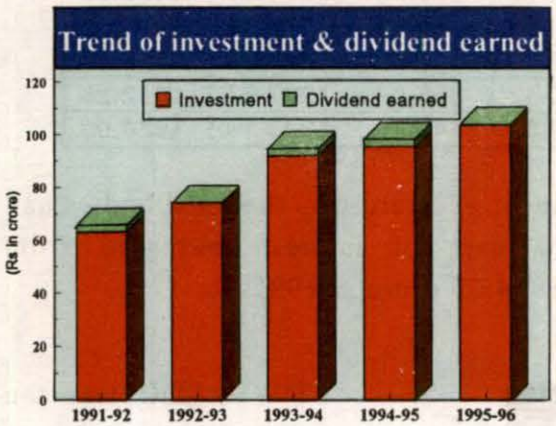
Investment by the Government of NCT of Delhi, in one statutory corporation, five Government companies, one NCR Board, six co-operative societies and one co-operative bank stood at Rs 103.14 crore as of 31 March 1996 as against Rs 88.34 crore on 31 March 1995. Out of the above companies/ societies, only one statutory corporation and one society paid dividend during the year as under:

	(Rs in crore)
Delhi Financial Corporation	0.38
Delhi Tourism & Transport Development Corporation	0.37
Total	0.75

The dividend received on the investments during the last five years is shown below:

					(Rs in crore)
	1991-92	**1992-93**	**1993-94**	**1994-95**	**1995-96**
Investment	63.00	74.00	92.00	88.34*	103.14
Dividend earned	2.63	0.35	2.71	2.85	0.75

* *Figures have been revised as per corrections made by the department*



While the investments increased from Rs 88.34* crore to Rs 103.14 crore during 1995-96 the dividend earned decreased from Rs 2.85 crore to Rs 0.75 crore.

Thus, there is negligible return to Government from the investment made in these bodies. No dividend was received from 12 bodies on investment of Rs 90.80 crore made up to 1995-96. The accounts of these bodies are in arrears ranging between one to seven years.

1.8.1 Loans and interest overdue against local bodies

(a) Loans overdue: The loans and advances overdue with the local bodies and Delhi Development Authority after adjusting repayments as on 31 March of the last five years are given below:

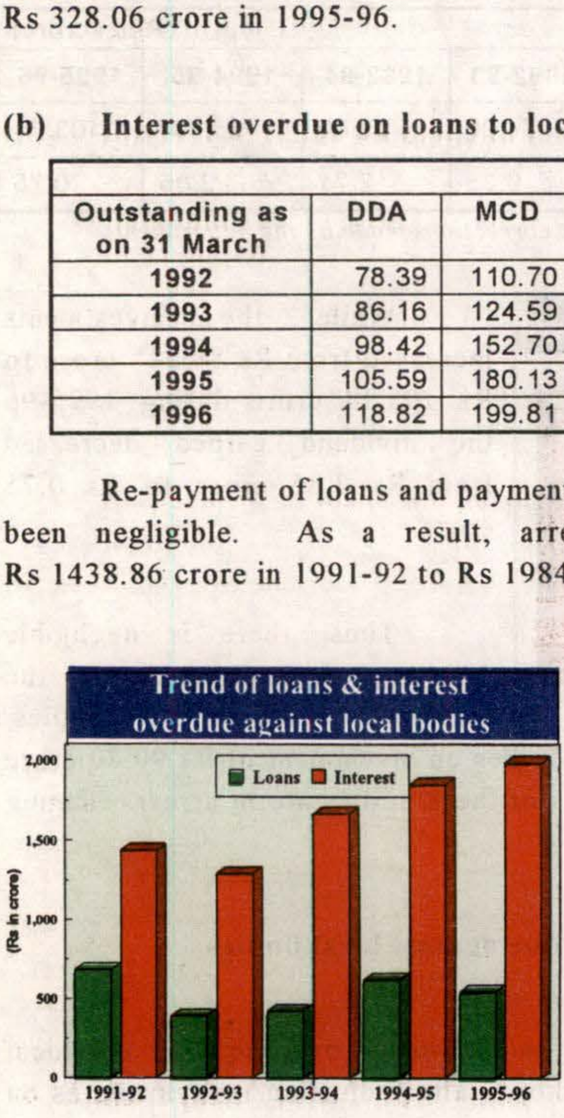
(Rs in crore)					
Year	**DDA**	**MCD**	**DWS & SDU**	**DESU**	**Total**
1991-92	47.91	63.17	214.02	361.61	686.71
1992-93	50.05	70.48	207.93	66.31	394.77
1993-94	57.80	86.38	280.79	Nil	424.97
1994-95	62.92	104.92	318.28	135.80	621.92
1995-96	64.99	118.28	328.06	36.90	548.23

DWS&SDU was major defaulter in repayment of loans. The amount payable by them increased from Rs 318.28 crore in 1994-95 to Rs 328.06 crore in 1995-96.

(b) Interest overdue on loans to local bodies

(Rs in crore)					
Outstanding as on 31 March	**DDA**	**MCD**	**DESU**	**DWS & SDU**	**Total**
1992	78.39	110.70	235.68	1014.09	**1438.86**
1993	86.16	124.59	66.31	1019.31	**1296.37**
1994	98.42	152.70	318.43	1097.88	**1667.43**
1995	105.59	180.13	358.87	1207.67	**1852.26**
1996	118.82	199.81	442.23	1223.19	**1984.05**

Re-payment of loans and payment of interest by the local bodies had been negligible. As a result, arrears of interest increased from Rs 1438.86 crore in 1991-92 to Rs 1984.05 crore in 1995-96.



DWS&SDU was the major defaulter in payment of interest also. The amount payable by them increased from Rs 1207.67 crore in 1994-95 to Rs 1223.19 crore in 1995-96 which was 61.65 *per cent* of the total amount of interest outstanding against local bodies.

1.8.2 Outstanding balances

The Finance Accounts show that Rs 1353.71 crore were owed by the Government of NCT of Delhi to Union Government, where as Rs 4967.71 crore were owed by the different bodies/ authorities under different schemes. Loans for power projects account for more then 50 *per cent* of the total loans owed to the Government of NCT of Delhi while loans for water supply & sanitation account for another 25 *per cent*. Scheme wise details of loans above Rs one crore are given below:

		(Rs in crore)
	Heads of Account	**Amount as on 31 Match 1996**
	Credit	
6004	-Loans, Advances from the Central Government	1353.71
	Debit	
6075	-Loans for Misc. General services	27.74
6210	-Loans for Medical & Public Health	2.15
6215	-Loans for Water Supply & sanitation	1363.08
6216	-Loans for Housing	171.05
6217	-Loans for Urban Development	258.77
6225	-Loans for Welfare of Scheduled Castes Scheduled Tribes and other Backward classes	7.72
6235	-Loans for Social Security and welfare	4.61
6401	-Loans for Crop. Husbandry	1.13
6403	-Loans for Animal Husbandry	1.89
6404	-Loans for Dairy Development	5.60
6801	-Loans for Power Projects	2580.11
6851	-Loans for Village & Small Industries	3.88
7452	-Loans for Tourism	3.15
7610	-Loans to Government Servants	16.79
7615	-Miscellaneous Loans	517.96

1.9 Adverse balances

The adverse balances are negative balances appearing under those heads of accounts where there cannot, normally, be a negative balance. For example, in any loan or advance, a negative balance will indicate more repayment than the original amount advanced. Such situations arise largely due to accounting errors or accounting situations arising out of rationalisation of the classification of accounts or administrative re-organisation breaking up one accounting unit into many.

In the Finance Accounts of the Government of NCT of Delhi for the year 1995-96, three items of adverse balances as detailed below, are appearing under Capital, Loans and Advances heads since previous year.

		(Rs in lakh)
	Head of Account	**Balance as on 31-March-96**
1.	4401 Capital outlay on Crop Husbandry. 105 Manure and Fertilisers	(-) 29.23
2.	6401 Loans for Crop Husbandry 101 Seeds	(-) 10.00
3.	7610 Loans to Govt. Servants. 203 Advances for purchase of other conveyance	(-) 02.03

Action is required to be taken for rectification of the adverse balances in Finance Accounts under these heads and also for streamlining the accounting arrangements to check recurrence of such balances.

CHAPTER II

Appropriation Accounts

2.1 Budget, demand and expenditure

The summary of Appropriation Accounts i.e. expenditure during 1995-96 against approved demands (Grants and Appropriations) is given below:

						(Rs in crore)
	Original	Supple-mentary	Total Grant	Actual Expenditure	Saving (-) Excess (+)	
					Amount	Percen-tage
Revenue						
Charged	25.86	81.18	107.04	106.31	(-) 0.73	0.68
Voted	1889.79	43.45	1933.24	1800.25	(-) 132.99	6.88
Capital						
Charged	42.69	79.35	122.04	122.58	(+) 0.54	0.44
Voted	1313.06	10.49	1323.55	1226.21	(-) 97.34	7.35
Total	3271.40	214.47	3485.87	3255.35	(-)230.52	6.61

Overall saving of Rs 230.52 crore exceeded the supplementary grant of Rs 214.47 crore and constituted 6.61 *per cent* of the total provision of Rs 3485.87 crore. Details of grant/ appropriation-wise savings and excess are given in Annexure-I.

2.2 Excess expenditure over grants/ appropriations

According to the provisions of the Financial rules, no expenditure should be incurred which might have the effect of exceeding the total grant or appropriation authorised by Legislature by law for a financial year even after obtaining a supplementary grant or an advance from Contingency Fund.

In the 'capital section' of Grant No. 11, against charged appropriation of Rs 52 crore, the actual expenditure was Rs 52.58 crore. This resulted in excess expenditure of Rs 0.58 crore which requires regularisation under Article 205 (1)(b) of the Constitution of India.

2.3 Savings under various grants/ appropriations

Savings in the grant or appropriation indicate that the expenditure could not be incurred as estimated, anticipated and planned. They are indicative of poor budgeting or shortfall in performance for which the original appropriation was provided. Scrutiny of Appropriation Accounts revealed that the approved budget provision under 74 sub-heads were excessive and there were savings in excess of Rs 50 lakh in each of them. The savings ranged from 50 *per cent* to 90 *per cent* of the approved provision. Details of savings of more than Rs one crore in each case and exceeding 50 *per cent* of the grant are given in Annexure-II.

2.4 Surrender of savings

Savings in Grant or Appropriation are to be surrendered as soon as these are foreseen without waiting for the last day of the financial year. Savings should also not be held in reserve for possible future excess. In the accounts for 1995-96, it was noticed that against final saving of Rs 230.52 crore, an amount of Rs 202.88 crore only was surrendered on the last day of the financial year. Surrender of savings on the last day of financial year deprived the Government of opportunity to utilise the funds in other needy sectors. Besides, the remaining savings of Rs 27.64 crore were not surrendered, which lapsed without being utilised for the purpose for which the provisions were made. Details of savings and amount surrendered are given in Annexure-III.

2.5 Saving due to non-implementation of schemes

Provision of Rs 72.21 crore made in the budget estimates remained wholly unutilised under 226 sub-heads due to non-implementation of schemes.

Details of cases involving such provision of more than Rs one crore are given in Annexure-IV. In one case provision of Rs 20 crore was made for development of unauthorised colonies in respective Assembly Constituencies, where the entire amount remained unutilised due to non-implementation of the scheme.

Provision of Rs 30 crore were made under Revenue Section of Grant No. 13 for pension and other retirement benefits of different employees, without the scheme being transferred from the Government of India to the Government of NCT of Delhi, as a result the entire grant remained unutilised, which was indicative of faulty budget estimates.

2.6 Injudicious re-appropriation

In the following cases where re-appropriation from/ to various heads were made, there were savings/ excess, suggesting that re-appropriations made during the year were not assessed properly.

(a) Re-appropriation from heads where expenditure was more than the balance provision

In the following cases the actual expenditure turned out to be more than the balance provision after re-appropriation from these heads.

						(Rs in lakh)
Sl. No.	Grant No.	Head of Accounts	Original Grant	Actual Exp.	Re-appropriation	Excess Exp.
1.	6	2202-General Education A-1(2)(5)(2)-Strengthening of Book Bank	4.10	4.14	(-)1.25	(+)1.29
2.	6	2202-General Education A-1(2)(9)(11)-Strengthening of Bureau of Educational and Vocational Guidance	2.87	6.93	(-)0.12	(+)4.18
3.	8	2235-Social Security and Welfare A-2(2)(1)(1) Permanent House for Freedom Fighters (CSS)	1.75	2.26	(-)0.25	(+)0.76
4.	8	2225-Welfare of SC/ST and Backward Classes C-1(1)(3)(12)(1) Book Bank (CSS)	4.03	4.99	(-)3.03	(+)3.99
5.	10	2711-Flood Control and Drainage D-3(1)(2)(1)- Tools and Plants	11.00	14.33	(-)1.00	(+)4.33
6.	10	4515-Capital outlay on other Development Programme BB-6(1)(2)-Integrated Development of Rural Villages in Delhi (SCP)	136.80	153.85	(-)24.70	(+)41.75
7.	11	2059-Public Works B-1(1)(3)- Machinery & Equipment	300.00	406.95	(-)55.00	(+)161.95
8.	11	4210-Capital Outlay on Medical and Public Health B.B. 3(2)(2)(1)(1)-Construction of Buildings for M.A.M. College	42.85	44.45	(-)2.85	(+)4.45
9.	10	5054-Road & Bridges BB12(1)(1)(1)-construction of Road & Bridges	6500.00	4929.07	(-)1780.00	(+)209.07
			7003.40	5566.97	1868.20	431.77

(b) Re-appropriation to heads where expenditure was less than the balance amount

In the following cases where amounts were re-appropriated to augment the provision the final savings in each case were more than the amount re-appropriated suggesting that the re-appropriations were not based on realistic assessment of requirement.

(Rs in lakh)

Sl. No.	Grant No.	Head of Accounts	Original Plus Supp. Grant	Actual Expendi-ture	Re-appro priation	Saving (-)
1.	2	2052-Secretariat General Services : C.1.(1)(1)-Chief Secretariat	312.00	291.18	13.98	(-)34.80
2.	3	2014-Administration of Justice : B.1.(1)-Civil and Session Courts	1469.70	1223.27	0.70	(-)247.13
3.	3	2015-Election : F.1.(1)(1)-Expenses on Election	35.00	25.04	32.0	(-)41.96
4.	5	2070-other Administrative Services : D.1.(1)(2)-Protection and Control	1019.03	968.86	24.56	(-)74.73
5.	6	2202-General Education : A.1(2)(11)(1) Promotion of Science Laboratories (CSS)	0.01	-	59.99	(-)60.00
6.	6	2203-Technical Education : B.1(6)(1)(2)-Free DTC Passes to Polytechnic Studeots	-	-	1.82	(-)1.82
7.	6	2230-Labour and Employment : B.2(1)(2)(9)-Machinery and Equipment (CSS)	-	-	112.08	(-)112.08
8.	6	2230-Labour and Employment : B.2(1)(2)(10)-Audio Visual Aids (CSS)	-	-	3.81	(-)3.81
9.	6	2230-Labour and Employment : B.2(1)(2)(11)-A.V.T.S. Expansion (CSS)	-	-	1.87	(-)1.87
10.	6	4250-Capital outlay on other Social Services : BB.2(1)(2) Equipment Maintenance System	6.11	-	0.39	(-)6.50
11.	7	2211-Family Welfare : L.2(2)(1) Training of *Daees* (CSS)	-	-	2.38	(-)2.38
12.	7	2211-Family Welfare : L.2(2)(5) Training of ANM'S/LHV in IUD Insertions (CSS)	-	-	1.80	(-)1.80
13.	7	2211-Family Welfare : L.2.(2)(6) Training of Multipurpose workers (Male) (CSS)	0.88	-	6.12	(-)7.00
14.	7	2211-Family Welfare : L(2)(3)(3) Revamping of Urban Family Welfare Centre (CSS)	100.00	51.83	50.18	(-)98.35
15.	7	2211-Family Welfare : L.2(4)(3) MTP Programme (CSS)	6.90	0.28	7.00	(-)13.62
16.	7	2211-Family Welfare : L.2(7)-Mass Education (CSS)	18.00	17.98	2.61	(-)2.63
17.	8	2225-Welfare of SC/ST and Backward Classes: C.1(1)(6)(3)-Grants in aid to Non official Organisations (SCP)	7.00	4.32	1.00	(-)3.68

18.	9	2851-Village and Small Industries : A.2(1)(1) - Head Quarters Estt.	156.00	153.29	1.58	(-)4.29
19.	9	2851-Village and Small Industries : A.2(3)(16)-Collection of Statistics of Small Scale Industries (CSS)	5.80	4.77	0.81	(-)1.84
20.	9	2851-Village and Small Industries : A.2(6)(14)-Thrift Fund Scheme of Handloom Weavers (CSS)	-	-	1.50	(-)1.50
21.	10	2401-Crop Husbandry : B.4(4)(1)-Plant Protection Scheme	22.00	21.89	0.28	(-)0.39
22.	10	2401-Crop Husbandry : B.4(8)(3)(2)-Integrated Development of Tropical-Arid Zones and Temperature Fruits (CSS)	4.96	-	14.32	(-)19.28
23.	10	2401-Crop Husbandry : B.(4)(8)(4) Promotion of Use of Plastic in Horticulture (CSS)	13.66	-	8.50	(-)22.16
24.	10	2401-Crop Husbandry : B.(4)(9)(1) Strengthening of Soil Testing Laboratory	6.25	3.83	1.00	(-)3.42
25.	10	2403-Animal Husbandry : B.6(1)(1)-Head Quarters Estt.	79.55	75.03	8.71	(-)13.23
26.	10	2403-Animal Husbandry : B.6(2)(1) Hospital and Dispensaries	109.54	101.21	10.96	(-)19.29
27.	10	2403-Animal Husbandry : B.6(2)(13)(1)-General Component (CSS)	12.00	9.56	0.42	(-)2.86
28.	10	2403-Animal Husbandry : B.6(2)(14)-Setting up of Veterinary Council (CSS)	-	-	6.90	(-)6.90
29.	10	2702-Minor Irrigation : B.16(1)(1)(1)-Rationalisation of Minor Irrigation Schemes (CSS)	-	-	1.12	(-)1.12
30.	10	2702-Minor Irrigation : D.2.(1)(1)(2) Estt. Charges for Implementation of minor irrigation schemes	9.50	8.19	0.50	(-)1.81
31.	10	2030-Stamps and Registration : E.2(1)(1)-Direction and Admn.	1.26	1.06	0.54	(-)0.74
32.	10	2030-Stamps and Registration : E.2.(1)(2)-Cost of Stamps	2.00	1.72	1.60	(-)1.88
33.	10	2401-Crop Husbandry : E.10(1)(1)-Agriculture Census (CSS)	2.45	2.18	2.00	(-)2.27
		Total	**3399.60**	**2965.49**	**383.03**	**817.14**

2.7 Excessive supplementary grants/ appropriation

If the amount provided for in the sanctioned budget for any service in a financial year is found to be insufficient for the purpose in that year or when a need has arisen during that year for supplementary or additional expenditure upon some new service not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations.

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

In four sub-heads in which supplementary grants aggregating Rs 413.38 lakh were obtained, the supplementary grant remained largely or entirely unutilised indicating that the supplementary grants were either excessive or unnecessary. Details are given in Annexure-V.

2.8 Recoveries in reduction of expenditure

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

In the revenue section, against estimated recoveries of Rs 31.57 crore actual recoveries were only Rs 29.40 crore. In the capital section also against estimated recoveries of Rs 278.96 crore, actual recoveries were Rs 274.50 crore only.

CHAPTER III

Civil Departments

Medical and Public Health Department

3.1 Working of Lok Nayak Hospital

3.1.1 Introduction

Lok Nayak Hospital (LN Hospital) formerly known as Irwin Hospital was established in 1936 with a bed strength of 320. From 1990 onwards, the hospital continued to function with a bed strength of 1370 and caters to 2600 out patients every day. On an average, the bed occupancy was 85 *per cent* during 1990-95.

The hospital provides general medical care besides specialised and super specialised services such as dialysis services, lithotripsy services, CT Scan facilities etc. In addition to the general OPD consisting of medical surgery, ENT, Paediatrics, Orthopaedics, Gynaecology and Obstetrics, Burn and Plastic surgery, Paediatrics surgery, Dental and Skin OPD, a Department of Hospital Acquired Infection and AIDS Control was established in September 1992. 28 special clinics are also run by the hospital during the weekdays. The hospital is attached to Maulana Azad Medical College and Dental College for imparting clinical training to the students at under-graduate and post-graduate levels. It also imparts training courses in Radiological Assistance and Nursing.

3.1.2 Scope of Audit

The working of the LN Hospital for 1991-96 was test checked in audit during April - June 1996.

3.1.3 Organisational set-up

The hospital is headed by a Medical Superintendent, who is assisted by three Additional Medical Superintendents, two Assistant Medical Superintendents, one Director Administration and one Deputy Controller of Accounts. Besides, a team of doctors comprising specialists, senior and junior resident doctors, nursing staff, para medical staff assist in the functioning of the Hospital. Clinical departments like Pathology, Biochemistry, Radiography, Radiology including Ultra Sound and CT Scan and specialised Laboratories comprising Renal Laboratory, Metabolic Laboratory, Nuclear Laboratory, Respiratory Laboratory, Gastroentrology Laboratory including Endoscopy and Echocardiography complement the services rendered by superspecialities in providing treatment to the patient. The hospital blood bank was upgraded as regional blood transfusion centre (central zone) from August 1994.

3.1.4 Highlights

- **Medical equipment purchased at a total cost of Rs 98.90 lakh remained wholly/ partly unutilised. The hospital failed to take effective measures for their optimum utilisation. The system of ordering, receiving and payment for equipment did not provide assurance about correctness of their receipt and payment. Equipment costing Rs 11.89 lakh were not traceable.**

  (Paragraph 3.1.9(a) (c))

- **Non observance of the norms of Atomic Energy Regulatory Board resulted in non functioning of an important cancer therapy machine costing Rs 35.15 lakh.**

  (Paragraph 3.1.9(b))

- **The hospital installed two Oxygen concentrators costing Rs 40 lakh after a delay of two-three years. Yet, these were not optimally utilised. An oxygen booster, a refilling device costing Rs 17.25 lakh has not been used since the hospital failed to take advance action to obtain permission from Chief Controller of Explosives, Nagpur.**

  (Paragraph 3.1.9(a)(iii))

- **The strength of nursing staff was far less than the norms prescribed by Indian Nursing Council. It had only 714 nursing staff against requirement of over 1400.**

(Paragraph 3.1.6)

- **14 Ambulances held by the hospital were seldom used for patient care.**

(Paragraph 3.1.7(b))

- **Withdrawal of affiliation to the College of Nursing within two years of its opening by Delhi University due to inadequate infrastructure for the college resulted in discontinuance of the four year degree course besides, infructuous investment of Rs 204 lakh.**

(Paragraph 3.1.7(d))

- **Payment of water charges at non-domestic rate for water consumed in residential area and overlapping in billing period led to excess payment of Rs 112 lakh.**

(Paragraph 3.1.11(b))

- **The hospital maintained heavy cash balance of over Rs 50 lakh in its cash chest. The DDO/ head of office did not conduct surprise verification of cash.**

(Paragraph 3.1.11(a))

3.1.5 Financial outlay

A summary of the budget allocation and actual expenditure for the last five years is as under:

(Rs in lakh)

Year	Budget Allocation			Actual Expenditure		
	Plan	N. Plan	Total	Plan	N. Plan	Total
1991-92	495	1709	2204	495	1709	2204
1992-93	648	1949	2597	636	1926	2559
1993-94	674	2148	2822	672	2134	2806
1994-95	650	2375	3025	650	2370	3019
1995-96	695	2755	3450	694	2775	3469

- **Receipt**

The hospital received payments for various tests and treatments viz. Lithotripsy, CT Scan, ECG, Dental filling charges, special ward charges, fees from School/ College of Nursing etc. The receipt declined to Rs 48 lakh in 1995-96 from Rs 80 lakh in 1994-95 attributed mainly to non functioning of CT Scan from May 1995 to November 1995 and less number of Lithotripsy cases performed.

Scrutiny of CT Scan charges register of the Radiology Department revealed that in the case of scans done at night, no permanent receipt were recorded against the temporary receipt issued by the night duty officials who collected the payment. Rs 6.53 lakh were found outstanding as on December 1995 in the register of the department for want of permanent receipt. Hospital administration could not confirm the accounting of the above amount collected against the temporary receipt.

On being pointed out by audit, the hospital dispensed with the old practice of issuing temporary receipts by the night duty officials from January 1996 and permanent receipts were being issued with instructions to deposit the money on the next day. However, the outstanding amounts appearing in the register of Radiology Department were yet to be reconciled as of November 1996.

3.1.6 Human resources

The detailed staff strength of the hospital during the last three years ending March 1996 was as under:

Sl. No.	Category of staff	1993-94		1994-95		1995-96	
		Sanct-ioned	Actual	Sanct-ioned	Actual	Sanct-ioned	Actual
1.	Medical Superintendent.	1	1	1	1	1	1
2.	Addl. M.S.	3	3	3	2	3	3
3.	Director (Admn.)	1	1	1	1	1	1
4.	Other Gazetted staff	13	11	16	16	16	16
5.	Jr. Staff Surgeon (Dental)	2	2	2	2	2	2
6.	JMO/SMO/CMO	62	60	62	62	62	51
7.	Specialists	19	17	19	19	21	18
8.	Technical Supervisor	6	3	13	8	13	8
9.	Chief Nursing Staff	1	1	1	1	1	1
10.	Nursing Supdt.	1	1	1	1	1	1
11.	Dy. Nursing Supdt.	5	5	5	4	5	4
12.	Nursing Staff	807	691	807	717	807	714
13.	Physicist	1	1	1	-	1	-
14.	Sr. Dietitian	1	1	1	-	1	-
15.	Principal College of Nursing	1	1	1	-	1	-
16.	Ministerial Staff	158	139	164	130	164	142
17.	Technical Staff	308	267	350	266	346	260
18.	Class IV staff	1257	1163	1250	1161	1263	1145
	Total	2647	2368	2698	2391	2709	2367

Shortfall against approved strength of para medical staff consisting of Technical Assistant (Laboratory), Operation Theatre Technicians and ECG Technicians and nurses has been persisting.

As per the norms of Indian Nursing Council (INC) the hospital required 1444 staff nurses. Against this, the sanctioned strength was only 807, which included 16 part time and two lady health visitors. The actual strength of staff nurses was even lower at 714. The strength of nursing staff was, thus, only 49 *per cent* of the norms.

3.1.7 Hospital services

a) Out Patient Department (OPD)

Besides the in-patients, on an average the hospital caters to 2600 out patients every day. These patients are treated by doctors of the hospital and by the teaching faculty of Maulana Azad Medical College (MAMC).

b) Ambulance services

The hospital has a fleet of 18 vehicles comprising 14 ambulances and four staff cars with 14 drivers. Out of 14 ambulances, five were in the process of condemnation. Random check of the log books of the ambulances for the month of January 1995 and March 1996 revealed that only six and seven ambulances respectively were on road including one used exclusively by Additional Medical Superintendent. The distance covered by all available ambulances during the months of January 1995 and March 1996 was 1756 and 2311 km out of which only 297 and 98 km respectively were covered for patient care. However, the expenditure on maintenance of these vehicles during 1994-95 was Rs 10.57 lakh excluding the salaries of drivers and cost of fuel.

The Hospital did not have any system by which the ambulances could be made available to the patients at their instance either by written requisition or by telephone. The ambulances were mainly used for transfer of patients to other hospitals and for carrying dead bodies to the mortuary. The ambulances were, thus, not being used for the intended purpose.

c) Special ward

A special ward consisting of 10 special rooms fitted with air conditioners and other amenities like refrigerators etc. was made operational from May 1992 in the new medical block.

Scrutiny of the occupancy record of the special ward during the period from August 1994 to July 1996, revealed that out of 7300 special ward-room-days, the rooms were occupied for only 5310 room-days. The patients were admitted on the recommendations of Head of Departments. However, since no records pertaining to central registrations/ requests received from patients were maintained, it could not be ascertained whether the rooms in the special ward were kept vacant in spite of demand or because of lack of coordination. The hospital should introduce a more transparent system for allotment of the rooms in the special ward.

d) College of nursing

The hospital introduced a four year B.Sc. (Honours) course in Nursing in 1992-93 in place of the then existing Diploma course. For Honours course, the college was affiliated to Delhi University. 25 students were admitted in 1993 and 23 in 1994. Since the hospital failed to provide the requisite infrastructure for carrying out the four year degree course, Delhi University withdrew its affiliation in August 1994 and no further enrollment was made. However, the hospital had incurred an expenditure of Rs 204 lakh upto March 1996 for construction of college building which was to be completed by March 1994 at a sanctioned cost of Rs 196 lakh. The college building was yet to be completed. Further, out of total 15 posts, only four ministerial posts were filled. Remaining posts of tutors and instructors remained vacant.

Thus, mismanagement of the project resulted on one hand in stopping of the then existing diploma course on the other, the degree course also proved a non-starter despite an investment of Rs 204 lakh. The fate of 48 students admitted during the first two years for the degree course is uncertain.

e) Control of infection

The Department of Hospital Infection and AIDS Control was established in August 1992 to achieve the twin objectives of controlling AIDS and carrying out surveillance of Hospital Acquired Infection (HAI).

The department besides, counselling HIV infected patients and those prone to HIV infection was also to monitor HAI through laboratory tests. Total number of blood tests conducted by the Zonal Blood Testing Centre between April 1994 and April 1996 was 22597. Out of this, 220 patients were tested HIV positive during February 1993 to April 1996. 1297 HIV patients were provided counselling.

Bacteriological surveillance of environment of operation theatres, intensive care units, laboratories etc. was done with the active collaboration of Department of Microbiology, MAMC. However, no records were available in the hospital indicating number of such tests conducted and the results thereon.

On the recommendation of HAI Control Committee, the hospital purchased eight mini incinerators costing Rs 36000 in February 1994, which were yet to be installed and put to use as of November 1996.

Further, as per the hospital guidelines, linen should be changed at least daily and blankets should be changed after use by each patient. On the basis of bed occupancy on an average 4.25 lakh bed sheets should have been washed in a year, whereas the actual bed sheets given for washing was only 3.6 lakh. Hospital did not have any disinfectant plant for mattresses, pillows, and blankets to avoid any cross infection.

3.1.8 Procurement and storage of medicines

According to the provisions of General Financial Rules, all purchases of stores are to be made through Medical Stores Depot (MSD) and only in special circumstances, medicines were to be locally procured with the prior approval of Stores Purchase Committee. Scrutiny of records revealed that the hospital has been purchasing a major chunk of its requirement of medicines from the local market and not through the MSD till the system of purchase was centralised under the Medical Department of Government of NCT of Delhi during 1995-96 as detailed below:

Year	Local purchases	Through MSD
		(Rs in lakh)
1992-93	225	116
1993-94	313	158
1994-95	364	72

It is obvious that the hospital failed to assess the requirement of medicines realistically, which warranted their purchases through local market.

3.1.9 Equipment

a) Non installation/ delay in installation of equipment

(i) A Nasal Endoscopic Surgical Equipment for ENT Department purchased in June 1994 at a cost of Rs 24.27 lakh had not been installed upto November 1996 due to incomplete supply of components by the supplier. The hospital did not take any action against the supplier, which resulted in wasteful expenditure besides denial of facility to the patients.

(ii) To provide medical grade oxygen by concentrating oxygen available in the atmosphere, two Oxygen concentrators were purchased in November 1991 for Rs 40 lakh. These were made operational only in April 1993 and February 1994, since civil works were not completed. The hospital utilised the first concentrator for 313 days out of 980 days and the second concentrator for only 112 days out of 735 days till July 1996. The purpose of procuring the Oxygen concentrators was not met as the purchase of Oxygen cylinders from open market increased from 21500 in 1993-94 to 25000 cylinders in 1995-96 with increase in expenditure from Rs 24.84 lakh to Rs 28. 03 lakh.

(iii) An Oxygen booster, a refilling device for the above Oxygen concentrators was purchased at the cost of Rs 17.25 lakh through DGSD in December 1993 to augment supply of oxygen to patients. Though the equipment was received by the hospital in June 1995, it was not made operational as of November 1996, since the hospital administration did not take advance action to obtain permission from Chief Controller of Explosives, Nagpur.

b) Non availability of trained staff

The hospital procured a Selectron Brachy Therapy System for Rs 35.15 lakh to provide Radiation Therapy to cancer patients. It failed to post a radio physicist, statutorily required under the regulation framed by Atomic Energy Board, for three years from January 1993 to January 1996. Thus, this important and expensive equipment for rendering modern treatment to the cancer patients remained unutilised.

c) Irregular purchase

Acquisition of a Computerised Chemistry Analyser was approved by Technical Advisory Committee (TAC) in 1990-91 for Rs 2.50 lakh. However, the hospital purchased the machine at a cost of Rs 22.70 lakh in May 1992 without revised sanction of the TAC.

d) Non utilisation/ partial utilisation of equipment

(i) The hospital purchased a Yag Laser Machine, a surgical equipment, at a cost of Rs 24.14 lakh without the approval of TAC. The machine installed in September 1991, developed defects in December 1991 when it stopped working. The machine was made operational after a lapse of five years in April 1996 at the instance of Audit. Further, the doctor who was trained for operating the specialised machine was unable to impart further training to doctors due to non functioning of the machine.

(ii) An ultrasound machine with Doppler was purchased at a cost of Rs 15.92 lakh in September 1990 and installed in May 1991 for Gynae Department. The firm failed to train one doctor for operating the machine in terms of the contract. As such, the Doppler part of the ultrasound machine was not made operational resulting only in partial utilisation of the equipment. The department did not take any action against the firm.

(iii) The hospital procured a Carbon-dioxide Surgical Laser for ENT Department at the cost of Rs 16.50 lakh in September 1989 which was installed in 1990. The equipment functioned only for two years and remained non functional from May 1992. The hospital failed to take effective measures to make it operational. Even the annual maintenance contract was not renewed after February 1992. Scrutiny of documents further revealed that the hospital also failed to avail of the facility of training a specialist in West Germany at the expense of the supplier in terms of the contract for purchase of this equipment.

e) **Loss of equipment/ spare parts**

The existing system in the hospital for ordering and receipt of equipment does not provide assurance for their actual delivery. Test check of records revealed the following:

(i) One Cardioscope with Monitor-defibrillator was purchased at a cost of Rs 3.28 lakh for Department of Anaesthesia in April 1992. Though the equipment was despatched in September 1992, the hospital failed to clear it from the warehouse till June 1996. On being pointed by Audit, the equipment was cleared/installed in July 1996 after a lapse of four years and three months.

(ii) A Pulmonary Test Function machine was indented for Paediatric Department at a cost of Rs 7.39 lakh in February 1990. The equipment which arrived in India in April 1991 had not reached the hospital till November 1996 although a period of five years and four months have elapsed.

(iii) A Stress Test equipment (TMT Machine) was imported in 1986 through DGSD at a cost of Rs 4.50 lakh. Though 17 Packets were shown as shipped in the Bill of Entry, only 15 packets were received containing accessories and consumables. Two packets containing major parts of the equipment were not received in the hospital as of November 1996. The hospital did not pursue the matter with the supplier and DGSD.

f) **Poor planning**

To overcome the problem of disposal of hospital garbage, the hospital placed an order for supply of a Pyrolytic Incinerator on a private firm at a cost of Rs 23.50 lakh. The firm was paid Rs 5.87 lakh in October 1992 and Rs 8.56 lakh in April 1993 as on account payment.

The incinerator was received in April 1993 but was awaiting installation as of November 1996 since its layout plans were yet to be approved by MCD. The hospital stated, in November 1996, that presently garbage was being cleared by the MCD trucks. This entails a serious risk of infection.

3.1.10 Medical audit (Patient care evaluation)

Delhi Hospital Review Committee, in its report of April 1968 had recommended that a Medical Audit Committee with Pathologist, Surgeon, Physician and Medical Record Officer should be appointed. This committee was to function as a Patient Care Evaluation Cell and look into wide ranging issues which impinge on patient care. In addition, periodic mortality reviews were also to be carried out. This recommendation was accepted by Government and instructions for its implementation were issued in February 1970.

However the hospital did not constitute such committees as of November 1996.

3.1.11 Other points of interest

a) **Irregularities in maintenance of records**

(i) Scrutiny of cash book indicated large cash balances of Rs 50 lakh to Rs 80 lakh in cash chest during the last five years. However, Drawing and Disbursing Officer/ Head of office did not carry out physical verification/ surprise check of cash. The hospital administration while closing the cash book every month did not indicate a detailed analysis of closing cash balance.

(ii) Purchase department of the hospital did not maintain any record to watch the receipt of equipment and medicines purchased through Director General of Supplies and Disposal (DGSD) and Medical Store Depot for which payment was made by Pay and Accounts Office (PAO) of the hospital against supplies received. The amount debited on this account by PAO were accepted as final and no cross reference to actual receipt of equipment/ medicines was made. The purchase department was unable to furnish the total amount of payments made to the firms for purchase of equipment and medicines during the period of review. At the instance of audit, hospital has opened a register of liabilities from January 1996.

b) Excess payment of water charges to MCD

(i) The hospital receives its water supply from MCD for consumption in the hospital complex and Medical Superintendent's bungalow. MCD had installed four meters in the hospital premises of which two were in residential area.

Scrutiny of records revealed that all the four meters were out of order since 1987-88 and water charges were computed on the basis of the average consumption of 1,88,776 kl per month. For the period 1990-96, the hospital paid Rs 824 lakh at non-domestic rates for all the meters whereas two of them were installed in the residential area. This has resulted in over payment of Rs 97.11 lakh. The hospital was unable to get the meters repaired or replaced and continued to pay water charges at non-domestic rates.

(ii) Scrutiny of the monthly water charges bills of three meters further revealed that the last day of the month was again included in the subsequent water bill. This recurring overpayment of one day continued to be made in each monthly water bill from March 1991 to March 1994. This led to an overpayment of Rs 14.79 lakh.

c) **Loss of Rs 15.61 lakh**

A Lithotripsy machine was installed in March 1990 in the Department of Surgery at a cost of Rs 242.37 lakh for destruction of stones in kidney and gall bladder. According to the terms of agreement, defective/ used shock heads were to be returned, replacement for which, the firm would allow a credit of DM 7650 per shock head. However, while indenting 12 fresh shock heads, the hospital did not return the used shock heads and thus, the benefit of the credit of Rs 15.61 lakh offered by the firm was not availed of.

The matter was referred to the Government in November 1996; their reply was awaited as of January 1997.

Guru Tegh Bahadur Hospital

3.2 Avoidable expenditure on electric charges

The hospital administration of Guru Tegh Bahadur Hospital failed to realise for nine years that they were on temporary electric connection and paid a wasteful Rs 7.20 crore towards surcharge for temporary connection.

As per Delhi Electric Supply Undertaking (DESU) rules, all other conditions remaining the same as in corresponding category of permanent supply, the tariff i.e. energy charges, demand charges, fuel escalation charges etc. for temporary connection shall be higher by 100 *per cent* of the relevant schedule.

Scrutiny of records of Guru Tegh Bahadur Hospital (GTBH) in February 1995 revealed that DESU was charging 100 *per cent* temporary surcharge for the period from August 1987 to February 1995. The aggregate surcharge levied by DESU during this period was Rs five crore. The hospital stated, in March 1996, that consequent to the audit observation, the matter was taken up with the DESU and the temporary surcharge had been discontinued from the month of March 1995. However, the subsequent audit in September 1996 revealed that only the word 'temporary surcharge' was omitted from the bills. DESU continued to levy surcharge and the hospital continued to pay it during March 1995 to September 1996. The hospital paid a total of Rs 2.20 crore as surcharge during this period.

Though the hospital began to function from November 1985, the hospital administration did not take action to convert the temporary connection into permanent one and continued to pay surcharge of Rs 7.20 crore for temporary connection for more than nine years. The hospital administration did not take action for permanent connection for over one and a half years even after being pointed out by audit.

The department stated, in November 1996, that the matter regarding conversion of temporary connection into permanent had been taken up with the concerned authorities. However, the fact remains that due to negligence, the hospital has unnecessarily wasted Rs 7.20 crore.

3.3 Idle equipment

Guru Tegh Bahadur Hospital failed to install four high pressure sterilisers valued at Rs 17.74 lakh for seven years and Operating Laproscope valued at Rs 21.33 lakh for 15 months.

Test check of records in Guru Tegh Bahadur hospital (GTB) in February 1996 revealed that two equipment purchased at a total cost of Rs 39.07 lakh for providing medical facilities to the public remained un-installed for more than one to seven years as under:

(a) Four rectangular horizontal high pressure sterilisers purchased in March 1989 for sterilisation of surgical items at a cost of Rs 17.74 lakh remained un-installed as of August 1996. The Central Sterilisation Service Supply Department for which it was purchased delayed installation by 30 months due to indecision on such a small matter as the location of its installation. Subsequently, at the time of installation in November 1991, it was noticed that electronic accessories supplied with the machine were missing. The department has failed to procure the missing accessories.

(b) Similarly, an Operating Laproscope with accessories imported in November 1994 for surgery department at a cost of Rs 21.33 lakh remained idle for 15 months till February 1996, due to non-supply of accessories by the Indian agent of the supplier. The equipment was finally installed in March 1996 after being pointed out by audit in February 1996.

The matter was referred to the Government in December 1996; their reply was awaited as of January 1997.

Directorate of Health Services

3.4 Idle investment

Director of Health Services made payment of Rs 1.18 crore to DDA for a plot in Janakpuri for construction of 100 bedded cancer hospital, without verifying that it was encroachment free. As a result, the plot is yet to be taken over three years after making the full payment to the DDA.

The Delhi Development Authority (DDA) allotted 8.82 acre of land at Janakpuri, New Delhi in March 1990 to Medical and Public Health department on perpetual lease for construction of 100 bedded cancer hospital. The department paid total amount of Rs 1.18 crore to DDA in December 1992 and March 1993 towards the cost of the plot and ground rent for one year.

While communicating the administrative approval and expenditure sanction for the plot to the Director of Health Services in September 1992, the Government had stipulated that the site should be free from encroachment, the possession of land should be taken over immediately by him and arrangements should be made for its proper protection from encroachment. Despite Government's instructions, the Director of Health

Services made payment to DDA without verifying that the land was free from encroachments. Since the plot was encroached, the department was unable to take possession of the land as of March 1996 i.e. about three years after the full and final payment was made to the DDA

Due to this lapse, the entire investment of Rs 1.18 crore proved injudicious. Further, the department will also have to pay ground rent at the rate of Rs 2.90 lakh per annum to DDA from 1993 till the date of its possession. Moreover, the basic objective of construction of a cancer hospital was frustrated.

The matter was referred to the Government in September 1996; their reply was awaited as of January 1997.

Govind Ballabh Pant Hospital

3.5 Pre-mature release of funds

Director of G.B. Pant Hospital made payment of Rs 70.75 lakh in June 1995 to National Informatics Centre for computerisation in the hospital. He made payment without executing Memorandum of Understanding. The project is yet to take-off even after more than three years.

A scheme to set-up an EDP cell in G.B. Pant Hospital was envisaged in the VIII Five Year Plan. Feasibility report for computerisation was prepared by National Informatics Centre (NIC) in March 1993 at a cost of Rs 0.60 lakh. As per the feasibility report, the first phase was to cover information system in the field of out-patients, pharmacy, clinical and laboratory control, budget and finance, accounts and office automation. The first phase was estimated to cost Rs 170 lakh and was to be completed within one year. As per the feasibility report, a Memorandum of Understanding (MOU) was to be signed between the hospital and NIC.

The NIC-UT Co-ordination Committee decided in June 1993, to limit computerisation, initially to the fields of out-patients, pharmacy, inventory control, budget and finance, accounts and personnel information system at a cost of Rs 70.75 lakh. Government of NCT of Delhi approved the project in June 1994. However, the Government communicated the approval to the Director of the hospital in February 1995, after a delay of eight months. The delay was attributable to Medical and Public Health Department, Government of NCT of Delhi, as the approval conveyed earlier in November 1994 was incorrect which had to be rectified in February 1995. The Director of the hospital withdrew Rs 70.75 lakh in March 1995 to avoid lapse of funds, but made payment to NIC in June 1995 without executing the MOU. The MOU was yet to be signed as of July 1996.

The project which according to the feasibility report submitted in March 1993, was to be completed within one year, is yet to take-off as of July 1996 even after a delay of more than three years and after full payment of Rs 70.75 lakh.

Thus, the intended benefits of faster retrieval of patients records, availability of information on clinical diagnosis and treatment and better resource management are yet to be realised.

The matter was referred to the Government in September 1996. The department stated, in December 1996, that the NIC to whom the advance payment was made is a Government Undertaking. The department, however, failed to offer any comments on the reason for delay and its programme for completing the long awaited computerisation.

Maulana Azad Medical College

3.6 Avoidable expenditure

Maulana Azad Medical College failed to install Shunt capacitors as a result of which the college paid surcharge of Rs 45.94 lakh to DESU.

Delhi Electricity Supply Undertaking (DESU) rules provide that in the case of bulk consumers, they are to install shunt capacitors of various grades matching with the motors installed by them, failing which shunt capacitor charges/ low power factor surcharges are levied by the DESU.

During scrutiny of records of Maulana Azad Medical College (MAMC) in March 1996 it was noticed that the college failed to install shunt capacitors of requisite specification for over four years and continued to pay surcharge throughout this period. As a result, the college had to pay power factor surcharge of Rs 45.94 lakh to DESU for the period May 1992 to July 1996. This is suggestive of deficient administrative and financial control in the hospital.

The matter was referred to the Government in December 1996. The hospital administration stated, in January 1997, that the PWD had been asked to install the shunt capacitor immediately. However, the reply of the Government was awaited as of January 1997.

3.7 Suspected embezzlement of funds

Inadequate control over receipt from students resulted in suspected embezzlement of Rs 3.23 lakh in Maulana Azad Medical College.

Maulana Azad Medical College (MAMC) maintains six hostels with an intake capacity of 982 students. At the time of allotment of hostel accommodation, every student is required to deposit Rs 450 and Rs 100 on account of mess and hostel securities respectively. These amounts are deposited in the Personal Ledger Account (PLA).

During test check of records of PLA in March 1996, it was noticed that the balances of security deposits relating to hostels and the mess were not worked out after December 1993, nor was reconciliation done with the security deposit registers maintained in respect of each student. The balances shown upto December 1993 as per PLA cash book was Rs 2.94 lakh as against a minimum required amount of Rs 5.15 lakh on account of security deposit of 937 students on roll and Rs 1.02 lakh being unclaimed deposits. Thus, Rs 3.23 lakh were short accounted for in PLA. Being a suspected case of embezzlement, audit brought the matter to the notice of the Dean, MAMC in March 1996.

It was further, noticed from a chance encounter with the original receipt of a student who had come to claim the refund of his deposit during the course of audit that a receipt of Rs 676 was issued in July 1990 to the student on account of security deposit, hostel welfare fund, and miscellaneous receipt whereas the counterfoil of the same showed receipt of only Rs two. Rs 674 in this case was not accounted for in cash book and PLA. It is therefore, doubtful whether amounts realised from the students are being actually credited to the respective accounts and calls for a detailed investigation.

The College, while accepting the embezzlement, stated in July 1996, that more cases of similar nature had been detected and a cell had been formed in July 1996 under an AAO to investigate the matter.

The department stated, in October 1996, that the embezzlement of Rs 4.48 lakh detected earlier in April 1994 included mess and hostel securities. The contention of the department is not tenable as the earlier embezzlement was on account of shortage of cash in chest whereas, in the present case, there was short accounting of money received from the students.

Institute of Human Behaviour and Allied Sciences

3.8 Poor cash management

Director, Institute of Human Behaviour and Allied Sciences did not deposit cash balance of more than Rs 1.85 crore in short term deposit for 14 months despite specific advice by the bankers and lost an interest of Rs 20.63 lakh.

Institute of Human Behaviour and Allied Sciences is an autonomous body under the Government of NCT of Delhi. The expenditure of the institute is met mainly through grants-in-aid received from Government of India and Government of NCT of Delhi.

Audit of accounts of the Institute of Human Behaviour and Allied Sciences under Section 14 of Comptroller and Auditor General of India (DPC) Act, 1971 disclosed that the institute received grants-in-aid of Rs 200 lakh from Ministry of Health and Family Welfare, Department of Health in March 1993 and another Rs 11.25 lakh from Government of NCT of Delhi in September 1993. The total expenditure of the institute during 1993-94 was only Rs 15 lakh. Despite this, the institute continued to maintain excess cash balance of Rs 185 lakh or more in its Current Account in the bank for about 14 months. The institute failed to analyse its cash requirement and deposit the amount not immediately required, in short/ long term investments in spite of the specific advice by their bankers in March 1993 to invest the surplus money in term deposits.

The institute took more than one year to invest the surplus fund in term deposit in June 1994. Thus, deficient cash management and consequential failure of the institute to invest the surplus funds resulted in a loss of interest of Rs 20.63 lakh at 11 *per cent* compounded quarterly.

The matter was referred to Government in September 1996. The department stated, in November 1996, that as the Director was not competent to invest the money, the authorisation was accorded by the

Standing Finance Committee/ Executive Council in May 1994. The contention of the department is not tenable as the Director could have sought the authorisation of the Standing Finance Committee/ Executive Council earlier as these were meeting frequently during 1993-94 to consider various financial and administrative matters.

Jails

3.9 Central Jail, Tihar, New Delhi

Inspector General (Prisons) Central jail, Tihar booked expenditure of Rs 586.10 lakh irregularly to a different budget head. Further, under cost of the products manufactured by jail factory provided an undue benefit of Rs 17.15 lakh to the buyers. An overpayment of Rs 5.95 lakh was made to the convicted labourers. The jail administration incurred an avoidable expenditure of Rs 19.71 lakh towards load violation charges due to its failure to maintain the required load.

Test check of records in the Central Jail, Tihar during May 1996 revealed the following:

(a) Budget allocations and expenditure for the years 1993-96 were made under the two heads of accounts, namely (i) 2056-jail. (ii) 2210-Medical and Public health. Against the total provision of Rs 116.80 lakh in the Major head 2210-Medical and Public Health, Inspector General (Prisons) incurred an irregular expenditure of Rs 702.90 lakh by booking the excess expenditure under 2056-Jails which is against the basic financial rules.

(b) Scrutiny of wage register and stock note book in the Jail factory revealed that the jail administration paid wages of Rs 7.81 lakh during 1992-96 to the prisoners. However, actual amount payable to the prisoners for 30978 mandays was only Rs 1.86 lakh at the rate of Rs 6 per day fixed by NCT Government. The jail administration stated, in August 1996, that every prisoner on the roll call of the jail factory were paid wages irrespective of the fact whether they actually worked or not. This irregular action of the jail administration has resulted in overpayment of Rs 5.95 lakh.

(c) The sale price of each item produced in the jail factory was determined after taking into account to cost of raw material, wages and ten per cent profit thereon. As per Jail Manual, for the purpose of costing, the wages of the jail prisoners are to be reckoned according to the minimum wages fixed by the PWD. Scrutiny of Wage Register for 1992-96 revealed that wages were paid to convict labour at the rate of Rs six per day, While working out the cost of the product, the jail administration took into account the element of wages at Rs six per manday instead of PWD labour rates ranging from Rs 48 to Rs 76 per manday resulting in under costing of the products by Rs 17.15 lakh. This led to providing undue subsidy to the buyers. The jail administration stated, in August 1996, that a committee had been constituted to review the costing system of jail products.

(d) The Jail factory is engaged in production and sale of goods. However, it was revealed that no separate accounts were being maintained by the jail factory since its inception. As a result, the jail administration has not afforded an opportunity to the Government to oversee the working results of the jail factory.

(e) The jail administration paid load violation charges of Rs 19.71 lakh pertaining to the period June 1993 to July 1994 due to non installation of shunt capacitors/ non maintenance of required electric load.

(f) It was also noticed that the cost of 436 items manufactured during March 1993 - September 1995 was not worked out. The jail administration stated, in May 1996, that valuation of each item would be ensured in future. In addition, the jail administration did not work out the cost of finished furniture items correctly. Test check of 176 cases by Audit revealed under costing of Rs 0.46 lakh. Scrutiny of records also revealed that furniture, wood items and cotton bales worth Rs 2.10 lakh were either not accounted for or short accounted.

(g) As per the approved scale, each 'C' class prisoner is entitled to 25 gram of sugar per day. However, the jail administration issued 40 gram sugar per prisoner per day from August 1993 resulting in extra issue of 1167.60 quintal of sugar worth Rs 15.18 lakh during 1993-96. The jail administration, however, stated in May 1996, that each prisoner indeed required a minimum of 50 gram of sugar per day. The contention is not tenable as they have not yet taken up the matter with the appropriate authority for revision of laid down scales.

(h) Inspector General (Prisons) introduced special diet for distribution among the prisoners and incurred an expenditure of Rs 8.15 lakh during 1993-96 without authorisation from competent authority.

(i) As per Delhi Jail Manual, every under-trial prisoner can be supplied with food and other necessaries by his friends/ relatives at such hours as the Superintendent may from time to time permits. It was observed that each prisoner is shown as being supplied the food by the jail administration inspite of the fact that many of them manage their food from private sources. The quantity of food issued is shown uniform for the total number of prisoners present in the jail. Even a marginal reduction in the quantity of daily diet is likely to result in saving of large amount.

(j) The Central Jail administration purchased a weigh bridge machine of 30 tonne capacity in March 1988 for Rs 3.30 lakh to be installed in central stores. The machine was not installed as of August 1996.

The matter was referred to the Government in November 1996; their reply was awaited as of January 1997.

Land and Building Department

3.10 Injudicious acquisition of properties

Land and building department acting in a hasty manner issued notifications for acquiring 14 properties on 10 March 1987, the day on which the Requisition and Acquisition of Immovable Property Act, 1952 was to be abrogated. Test check in two cases revealed that court had already awarded damages of Rs 6.70 crore as of September 1996

On 10 March 1987, after which Requisitioning & Acquisition of Immovable Property Act was abrogated, the then Delhi Administration acquired 14 properties, which were already in their possession, under this Act. Scrutiny of the status of these acquired properties in Land and Building department of Government of NCT of Delhi during September 1996 disclosed the following:

(i) The properties were acquired in haste and without assessing the implication of their acquisition and without valid grounds. On the day of acquisition, six of the 14 properties were being used for residential purposes, one for office-cum-residence and seven others for office purposes. There could be no justification for acquisition of the properties under urgency clause for residential purpose. Subsequently, the department had to denotify three properties and face litigation in the remaining.

(ii) One property at No. 6, Ansari Road, Darya Ganj, New Delhi comprising two buildings with constructed area of 5592 sq. yards is being used purely for residential purposes. 22 units have been allotted to the employees of Government of NCT of Delhi while 11 units are under unauthorised occupation. The acquisition of this property was challenged in Delhi High Court which was quashed in February 1991. Since then, it had been under litigation. As per the award of the arbitrators appointed under the orders of the Delhi High Court, Government of NCT of Delhi is liable to pay damages of Rs 5.81 lakh per month from the date of its acquisition. Subsequently, Delhi High Court, in which the award of the arbitrator was challenged, not only upheld the award of arbitrators, but also directed the department to pay 12 *per cent* interest. The Government of NCT of Delhi has filed an appeal before the Division Bench of the Delhi High Court against this order. The Division Bench had not granted stay on operation of the court's earlier order as of September 1996.

The total liability at the rate of damages and interest ordered by the Delhi High Court worked out to Rs 6.63 crore until September 1996.

(iii) Consequent upon levy of damages by the Delhi High Court in the case of No. 6, Ansari Road, Darya Ganj, New Delhi, Government of NCT of Delhi de-notified another property at No. 30, Rohtak Road consisting of two residential flats in July 1992. However, the Department failed to get the accommodation vacated from the persons residing therein. Delhi High Court awarded a compensation of Rs 6377 p.m. from June 1987 until its vacation. The liability on account of compensation until September 1996 amounted to Rs 7.14 lakh.

(iv) The department did not furnish information about the status of remaining nine properties.

Thus, hasty acquisition of properties resulted in de-notification of three properties and litigation in others. Besides, the Department had already incurred a liability of Rs 6.70 crore as of September 1996 towards compensation.

The matter was referred to the Government in December 1996; their reply was awaited as of January 1997.

Department of Planning

Directorate of Economics & Statistics

3.11 Delayed/ Non-publication of reports

Directorate of Economics and Statistics spent Rs 89.67 lakh on conducting ten socio-economic surveys between 1987-1995 covering 31 topics but Reports on only five topics were published as of September 1996.

The Directorate of Economics & Statistics (DES), Government of NCT of Delhi is the nodal agency for collection, computation, analysis and presentation of statistical data in respect of socio-economic development in Delhi. The topics for socio-economic surveys are allotted to them by the National Sample Survey Organisation (NSSO), Government of India on yearly basis. These survey reports are compiled and sent to NSSO for approval before their publication. These reports are used to meet the data requirements of the Government for future planning.

Scrutiny of records of DES revealed that the Directorate incurred an expenditure of Rs 89.67 lakh on ten surveys conducted between 1987 and 1995 covering reports on 31 subjects. However, the Directorate failed to publish reports on 26 of these subjects as of September 1996. Even in respect of reports published, delay ranged between four to five years. Since the survey reports are to be utilised almost concurrently, the delay in printing the reports rendered the expenditure on surveys unfruitful.

DES accepted the delays and stated, in September 1996, that these reports could not be finalised due to shortage of hardware/ software and technical manpower. The fact, however, remains that it was incumbent upon DES to undertake only as many surveys as it could manage to complete in time, including their publication.

The matter was referred to Government in October 1996; their reply was awaited as of January 1997.

Delhi Police

3.12 Implementation of plan schemes by Delhi Traffic Police

3.12.1 Introduction

Due to unprecedented increase in vehicular traffic, development of new colonies, offices, marketing complexes etc., the problem of road transportation in Delhi had assumed new dimension. For the VIII Five Year Plan, an outlay of Rs 15 crore was approved to implement the following three schemes of Delhi Traffic Police:

(i) Setting up of a Publicity Cell, road safety education and modernisation of traffic police.

(ii) Installation of traffic signals and blinkers on Delhi roads.

(iii) Area traffic control system.

3.12.2 Scope of Audit

The records relating to the above schemes during the period 1991-96 were test checked in Delhi Traffic Police Headquarters and its branches during June-August 1996.

3.12.3 Organisational set-up

The Plan schemes were implemented by Delhi Traffic Police under the overall control of Commissioner of Police with an Additional Commissioner, two Deputy Commissioners and 15 Assistant Commissioners.

3.12.4 Highlights

- **The department spent Rs 1093 lakh to provide traffic signals corridor synchronisation and pelican crossings, but failed to achieve the target at 14 out of 63 and 118 out of 120 locations respectively.**

- **The department failed to install one CCTV Camera costing Rs 1.94 lakh even after a period of 17 years.**

- **Despite purchase of off-set printing machine and a paper-cutter at a cost of Rs 6.98 lakh during 1993-94, the department undertook printing works through private printers.**

- **Failure of the department to encash cheque of Rs 46.40 lakh returned by Trade Fair Authority of India in August 1994 despite four revalidations, resulted in unintended benefit to TFAI authority of Rs 17.10 lakh on account of interest.**

3.12.5 Plan allocation and expenditure

Plan allocation and actual expenditure during the last five years ending March 1996 is as under:

(Rs in lakh)

Name of scheme	1991-92		1992-93		1993-94		1994-95		1995-96		Total	
	P. A.	A. E.	P. A.	A. E.	P. A.	A. E.	P. A.	A. E.	P. A.	A. E.	**P. A.**	**A. E.**
Road Safety Education	50	62	50	51	75	134	70	85	150	191	**395**	**523**
Installation of Traffic Signals/ Blinkers	200	390	175	274	225	225	220	129	200	75	**1020**	**1093**
Area Traffic Control System	100	Nil	74	Nil	75	Nil	10	Nil	25	Nil	**284**	**Nil**
Grand Total	**350**	**452**	**299**	**325**	**375**	**359**	**300**	**214**	**375**	**266**	**1699**	**1616**

P. A. **Plan Allocation** A. E. **Actual Expenditure**

(a) While the expenditure for 'Road Safety Education' and 'Traffic Signals/ Blinkers' was more than the allocation during the five years, 'Area Traffic Control System' did not take off, since the Standing Finance Committee of Government of NCT of Delhi did not approve it.

(b) Delhi Traffic Police deposited Rs 46.40 lakh in installments during March 1989 to March 1994 for construction of permanent pavilion in Pragati Maidan with the Trade Fair Authority of India (TFAI) without entering into an agreement. However TFAI (now Trade Promotion Organisation) decided in May 1994 not to construct the permanent pavilion for Delhi Traffic Police and refunded Rs 46.40 lakh by cheque in August 1994. The Department did not encash the cheque as of August 1996 despite four revalidations for the reasons best known to them. Thus, TFAI was given an unintended benefit of Rs 17.10 lakh on account of interest at commercial borrowing rate of 18 *per cent per annum.*

(c) Scrutiny of the VIII Plan documents revealed that a number of programmes were proposed to be taken up during the Plan period. However, the department failed to furnish targets and achievements except for the following items:

Particulars	Target	Achievement	Shortfall
Purchase of vans for mobile Road Safety Education	6	1	5
Purchase of Light Cranes for towing parked vehicle	6	Nil	6

(d) Preparation of video films

The department engaged a firm in March 1992 to prepare nine video films at a cost of Rs 2.87 lakh on road safety to be shown on Doordarshan without inviting quotations and prescribing time schedule. The department drew a cheque for the entire amount to avoid lapse of fund on 31 March 1992 i.e. nine months in advance and the cheque was handed over to the firm in January 1993 on completion of the work. The department however, did not confirm whether the films were shown on Doordarshan or not.

(e) Purchase of off-set printing machine

The department purchased printing machine at a cost of Rs 5.89 lakh in August 1993 for printing of traffic literature, calendars, greeting cards, year planners etc. A paper-cutter machine was also purchased in March 1994 at a cost of Rs 1.09 lakh. Despite availability of off-set printing machine and paper-cutter, the department invited tenders in

December 1994 for printing of traffic calendars, phone-diaries and year planners and awarded work to the second lowest firm at an extra cost of Rs 0.48 lakh on the ground of better quality of paper offered by the firm. The department finally issued quality paper from its own stock to the firm for calendars subject to recovery of Rs 0.40 lakh. At the time of making payment, the department, however, failed to recover the cost of paper. Thus, despite the purchase of offset printing machine and paper-cutter at a total cost of Rs 6.98 lakh, the department resorted to printing through market rendering the expenditure of Rs 6.98 lakh on the printing machine and paper-cutter questionable.

(f) Idle equipment

To monitor the flow characteristics of traffic at heavy intersections, the department purchased Close Circuit Television (CCTV) with six cameras in 1979 at a total cost of Rs 11.61 lakh. Of these, three cameras were installed in Connaught Place area, one in Income-tax office and another at Mathura Road. The sixth camera costing Rs 1.94 lakh, for which cables were laid at a cost of Rs 0.45 lakh, was yet to be installed despite a delay of 17 years. Further expansion of CCTV Network was stopped due to paucity of funds though the CCTVs could be an effective means of traffic management and control.

(g) Extra expenditure on the purchase of iron bollards

The department invited open tenders in August 1995 for purchase of iron bollards and iron chains for important bus by-ways. The lowest technically acceptable quotation was Rs 1290 for big bollards and Rs 898 for small bollards which included local sales tax. The department opted to negotiate the rates with the firm and obtain a reduction of Rs 30 each for both sizes of bollards. However, while placing orders, it allowed Sales tax over and above the negotiated price, which made the prices higher by Rs 58 and Rs 30 for the two sizes of bollards respectively. This negligence of the department resulted in extra expenditure of Rs 0.61 lakh.

(h) Installation of traffic signals and blinkers

This scheme has two components viz. (i) Corridor synchronisation, (ii) Pelican crossing signals. The corridor synchronisation is achieved by co-ordination of traffic signals on important traffic corridors carried out by suitable computer programmes. Pelican crossing signals are push button actuated signals which are installed on busy roads for the safety of pedestrians. Against an allocation of Rs 1020 lakh, an expenditure of Rs 1093 lakh was incurred during 1991-92 to 1995-96. The department, however, failed to provide traffic signals corridor synchronisation at 14 locations out of the targetted 63 locations and 118 pelican crossings against target of 120.

The matter was referred to the Government in November 1996; their reply was awaited as of January 1997.

Public Works Department

3.13 Construction of Police Training School at Jharoda Kalan

3.13.1 Introduction

Keeping in view the rapid expansion of the police force in Delhi, a need to establish a proper school was felt to impart in-service training to the police personnel. The police department mooted a proposal to construct a training school way back in 1966. The department took possession of land measuring 53.54 acre in 1975. The police department acquired additional land measuring 21.58 acre after a gap of eight years in 1983 without the approval of the Home Ministry. Approval of the Ministry was obtained five years after acquisition of land, in January 1988. The work on the project which was first taken up in 1975 is yet to be completed in all respect.

3.13.2 Organisational set-up

The project was entrusted for execution to the Civil and Electrical divisions of Public Works Department (PWD), Delhi under the overall control of Chief Engineer, Zone-II.

3.13.3 Scope of Audit

Review of the construction was conducted by audit during May-August 1996 by test check of documents in the respective Civil and Electrical divisions of PWD.

3.13.4 Highlights

- **PWD incurred an expenditure of Rs 1686.93 lakh upto 1995-96 as against the sanctioned estimate of Rs 1197.32 lakh. Excess expenditure was yet to be regularised.**

  (Paragraph 3.13.6)

- **PWD failed to take timely decisions for execution of work and their inability to provide drawings and materials to contractors contributed to delay of 14 to 19 months resulting in cost escalation of Rs 27.83 lakh till June 1996.**

  (Paragraph 3.13.7)

- **The construction of administrative block originally planned to be executed by 1978, was finally completed in April 1996 after a delay of 18 years due to failure of PWD to provide the drawings in time.**

  (Paragraph 3.13.8)

- **Despite existing instruction of Engineer-in-Chief, CPWD, on unsuitability of ground water for construction, PWD continued use of saline water for construction.**

  (Paragraph 3.13.9)

- **Proposed oxidation pond for sewage disposal originally planned was not constructed due to inadequate land. Improper**

planning led to recurring expenditure on septic tanks and soak pits aggregating to Rs 24.25 lakh.

(Paragraph 3.13.10)

- **The Department did not correctly assess the water requirement of the PTS. This necessitated replacement of originally laid water pipes at an avoidable expenditure of Rs 14.26 lakh.**

(Paragraph 3.13.11)

3.13.5 Project planning and estimates

After taking possession of 53.54 acre of land in 1975, construction of Police Training School (PTS) was initially planned for execution in five phases. The then Delhi Administration accorded five administrative approvals and expenditure sanctions for execution in three phases comprising three barracks, two kitchen and dinning halls, 299 staff quarters and one enquiry office, besides development of site and laying of cast-iron pipes at a total estimated cost of Rs 251.93 lakh during February 1978 to January 1981 as shown below:

(Rs in lakh)

Name of work	Details of sanction	
	Date	Amount
Phase-I	4 February 1978	44.77
Phase-II	13 October 1978	45.34
Development of site	1 March 1979	49.87
Laying of CI pipe	8 September 1980	35.30
Phase-III	22 January 1981	76.65
Total		**251.93**

PWD prepared estimates for execution of Phase-IV of the project and sought administrative approval and expenditure sanction for Rs 97.74 lakh in December 1981. The then Delhi Administration did not accord sanction for this phase and directed the Police Department to obtain the approval of Government of India for the total cost of the project as a whole.

Since the existing land was not sufficient to meet the requirement of the entire project, additional piece of land measuring 21.58 acre was acquired in August 1983. A consolidated revised estimate excluding the cost of land (Rs 724.83 lakh) was projected in February 1985. Government of India accorded sanction in January 1988 at a total estimated cost of Rs 1197.32 lakh.

3.13.6 Financial sanction and expenditure

As against the approved estimates of Rs 1197.32 lakh, the department had incurred an expenditure of Rs 1686.93 lakh as of June 1996. The excess expenditure of Rs 489.61 lakh was yet to be regularised.

3.13.7 Project execution

The works against the five sanctions for Rs 251.93 lakh accorded by the then Delhi Administration were completed at an expenditure of Rs 418.25 lakh.

The remaining works as per Government's sanction of January 1988 for construction of barracks, kitchen & dinning halls, quarter guard, type IV & V quarters, school cum administrative block, mess for 120 officers, gymnasium, shopping centre, community centre, guest house, motor transport hall were awarded during November 1992 to March 1996, after a delay of upto 58 months from the date of approval by Government. The works due for completion during August 1994 to January 1995, were completed during March/ April 1996, while the execution of remaining works due to be completed during April 1996 to April 1997 was far behind the schedule resulting in both time and cost overrun as shown below:

(Rs in lakh)

Name of work	Sanctioned estimates	Tendered Amount	Actual expenditure	Date of start	Stipulated date of completion	Actual date of completion	Escalation paid	Time over run (Month)
3 Nos. Barracks	106.18	183.28	193.67	2.11.92	1.8.94	31.3.96	1.52	19
3 Nos. Additional Barracks	106.18	206.10	93.67	2.10.94	1.4.96	work in progress	1.20	-
4 Nos. Kitchen & during Hall & Quarter	49.39	75.61	75.46	15.1.94	14.1.95	11.3.96	6.08	14
Type IV Qtrs & Type-V Qtrs	10.14	23.81	3.48	2.3.96	1.11.96	work in progress	-	-
School cum Admn. Block	118.58	180.27	198.82	29.3.93	28.12.94	30.4.96	17.31	16
Mess for 120 officers	57.49	87.11	65.99	26.9.94	25.4.96	work in progress	1.72	-
Mess for 10 officers & 10 guests, Gymnasium Shopping & Community Centre	118.79	193.50	16.64	2610.95	27.4.97	work in progress	-	-
M.T. Work-Shop	17.03	16.40	14.66	17.9.95	16.3.96	work in progress	-	--
Swimming Pool, Main Hall, Squash Court		Yet to be awarded						
Total	**583.78**	**966.08**	-	-	-	-	**27.83**	-

Due to time overrun, the works estimated total cost of Rs 583.78 lakh, were finally tendered at an amount of Rs 966.08 lakh resulting in cost overrun of Rs 382.30 lakh over sanctioned amount upto June 1996 on the basis of tendered cost itself. The cost overrun in respect of works yet to be awarded cannot be worked out.

The time overrun of 14 to 19 months in buildings completed during March/ April 1996 as also in buildings which were in progress, was due to delays in issuing drawings; taking important decisions such as pattern of flooring, colour scheme, location of septic tanks etc.; completion of electrical works and issue of materials as stipulated in the agreement. As a result of these delays, an amount of Rs 27.83 lakh had been paid as cost escalation to the contractors till June 1996.

It was noticed that three barracks completed in March 1996 were handed over to the police department in July 1996, while the kitchen and dinning halls and administrative block completed in March/ April 1996, were yet to be handed over as the electrical works in these buildings were still under execution. Delays in handing over of the buildings after recording of completion certificates would result in lapse of maintenance period of six months for which the contractors were responsible for rectification of defects, if any.

3.13.8 Architectural planning and designing

Though PWD was having a full fledged architectural wing comprising 43 architects etc. to look after the work of architectural planning and designing, the building plans and structural drawings were abnormally delayed as discussed in succeeding paragraphs:

a) Delay in preparation and approval of building plans

Administrative approval and expenditure sanction of the project was accorded by Government in January 1988. Building plans were approved by MCD and Delhi Urban Art Commission (DUAC) only in May 1994. Thus, the Architectural wing took more than six years in preparation and approval of the building plans of the project while the building plans of main hall (one of the building of the project) were still to be submitted to local bodies for approval. As a result, the work was yet to be awarded.

The construction of administrative block originally planned to be executed by 1978, was finally completed in April 1996, as the Architectural Wing failed to provide the building plans. This necessitated diversion of barracks for use as motor transport work-shop, general store, class room, canteen etc.

b) Delay in supplying execution drawings

The works of swimming pool and squash court were approved by DUAC in May 1994. Due to delay on the part of PWD in finalising the execution drawings, these works were yet to be awarded which would lead to cost overrun in the project.

3.13.9 Execution of sub-standard works

a) Use of saline water

Engineer-in-Chief, CPWD brought to the notice of PWD in 1976 that during the inspection of certain works executed in Central Reserve Police Force (CRPF) complex at Jharoda Kalan, certain deterioration of structure had taken place due to the use of saline water. Directions were issued to ensure the suitability of water used in concrete and RCC works before its use in construction. However, the construction of buildings in the school complex was started during 1977-78 with the saline water from two tube wells sunk at the site as against the above directions.

Again in October 1979, the CPWD forwarded the preliminary report of the Central Building Research Institute, Roorkee on constructions at Jharoda Kalan, which reiterated the earlier directions that for future construction work, only potable water should be used. Alternatively, the use of pre-fabricated flooring/ roofing manufactured at some other site where the problem of saline water was not existing, was recommended. However, PWD continued to use saline water from the tube wells bored at the site in contravention of the instructions whereas construction in the adjoining CRPF complex was being done by using potable water. Rapid deterioration of the complex constructed by using saline water cannot be ruled out.

b) Deflection in balconies

The department noticed in April 1984 that due to inherent architectural defects, there was excessive deflection in the balconies of three barracks. On the recommendation of the Central Design Organisation, the department incurred an additional expenditure of Rs 3.20 lakh in May 1994 to strengthen the balconies of one barrack by making two columns on either side with a beam underneath the balconies. However, the defects of the remaining two barracks were not attended to.

c) Test check of records revealed that due to execution of sub-standard work, a 20 ft. high wall of a hall collapsed in February 1983 and one side projection wall of the double storey new mess building also collapsed during dust storm in June 1988.

3.13.10 Unhygienic sewerage system

In Jharoda Kalan, MCD has not provided sewerage lines. The work of oxidation pond initially sanctioned in 1979 for sewage disposal was not undertaken due to lack of adequate space. As a result, PWD constructed septic tanks and soak pits from time to time for disposal of sewage at an estimated cost of Rs 24.25 lakh. The system adopted by PWD was, however, neither permanent nor hygienic.

The department stated, in July 1996, that a proposal to construct a Sewerage Treatment Plant was under process.

3.13.11 Re-laying of water pipe lines

To meet the shortage of water in both residential and non residential buildings, department replaced smaller diameter pipe laid in July 1985 with higher diameter at an expenditure of Rs 14.26 lakh during May/ June 1995. This expenditure could have been avoided, had the department correctly assessed water requirement and diameters of pipes.

3.13.12 Other points of interest

a) Against the estimate of Rs 46.78 lakh for providing additional electric load, PWD deposited the entire amount with Delhi Electric Supply Undertaking (DESU) in March 1996 after the expiry of validity of the estimate. As a result, DESU did not execute the work. The amount of Rs 46.78 lakh was still with DESU as of December 1996.

b) The staff quarters in the PTS complex had to be used as barracks for *jawans*, due to delay in construction of administrative block. During the period March 1996 to September 1996, the department sanctioned Rs 21.81 lakh for extraordinary repairs of the staff quarters because of their unintended use as barracks by *jawans*.

c) The Chief Secretary to the Government of NCT of Delhi in a meeting held in July 1992, had desired that since PTS is a big project, the monitoring may be done building wise. In August 1992, the Secretary, PWD decided that the activity charts of each building be sent to the police department, who would monitor the progress as per the charts of the buildings.

It was, however, noticed that the activity charts of various buildings constructed in PTS complex (except one barrack) were not prepared.

The matter was referred to the Government in November 1996; their reply was awaited as of January 1997.

3.14 Avoidable increase in cost of maintenance charges due to delay in handing over

PWD has taken more than nine years to settle the matter relating to the removal of deficiency in Delhi Armed Police Complex at Kingsway Camp with MCD. The cost had already gone up from Rs 44 lakh to 94 lakh as of 1993.

In 1987 Public Works Department (PWD), Government of NCT of Delhi took up the matter of handing over the Delhi Armed Police Complex at Kingsway Camp, New Delhi with Municipal Corporation of Delhi (MCD) for the purpose of maintaining the civic services. Before taking over, MCD submitted an estimate for Rs 14.25 lakh and Rs 44.83 lakh for removing the deficiencies in sewerage line and in roads, storm water drains and parks respectively. The PWD paid Rs 14.25 lakh for sewerage line in March 1988 and Rs 3.56 lakh towards departmental charges in April 1989 and MCD took over the services in August 1993. However, the payment towards deficiency charges of roads, storm water drains and parks was not made. MCD revised the estimates in June 1989 from Rs 44.83 lakh to Rs 50.79 lakh. Against these estimates, an on account payment of Rs 50 lakh was made by PWD to MCD in March 1993 i.e. after a delay of 44 months. Meanwhile, due to further increase in cost index, MCD again revised the estimates to Rs 94.28 lakh. These estimates were sent to PWD in June 1993, which in turn took three years to approve the estimates in June 1996. However, till July 1996 the approval was not communicated to the MCD, nor was the balance amount deposited.

Thus, due to delay in depositing the amount by PWD with MCD the cost estimates have already gone up from Rs 44.83 lakh to Rs 94.28 lakh as of 1993. The cost is likely to go up further when the construction for removal of deficiencies is finally taken up. Meanwhile PWD continues to maintain the services even after deposit of Rs 50 lakh with MCD in March 1993.

The matter was referred to Government in August 1996; their reply was awaited as of January 1997.

3.15 Non-commissioning of electric incinerator

PWD incurred an expenditure of Rs 39.11 lakh for installation of incinerator to burn the dead animals with a view to controlling the animal disease amongst cattle. It failed to commission the incinerator as of July 1996 rendering the entire investment infructuous.

In the background of outbreak of Rinderpest disease among cattle in Gazipur in Delhi in 1981-82, the then Delhi Administration approved setting up of an electric incinerator at veterinary hospital, Gazipur in 1985 to burn dead animals. The incinerator is yet to be commissioned as of July 1996, i.e. more than 11 years after it was approved. Meanwhile the total expenditure of Rs 39.11 lakh incurred on this project remains unfruitful.

Scrutiny of documents disclosed the following:

(i) Public Works Department, placed indent with DGSD for purchase of incinerator in November 1986. DGSD took more than 26 months to place orders in February 1989 for the incinerator.

(ii) PWD awarded the civil works of construction in June 1990 but failed to provide drawings, layout plan etc. in time. Thus, the building which was scheduled to be completed within six months, was completed in February 1993, after a delay of more than 3 years. The building was handed over to Electric Division in November 1993 and the installation of incinerator was completed in February 1994.

(iii) The Electrical Division of the PWD failed to assess the power connection of appropriate load for the incinerator and obtain it from DESU simultaneously with the construction of the building and asked DESU for appropriate load connection as late as in October 1994. DESU took their own time to provide it in November 1995.

(iv) PWD asked the firm in December 1995 to commission the equipment. The firm repudiated its liability in March 1996 for warranty in case of any break-down during commissioning.

(v) Strangely, even after a delay of six years in constructing the building and getting the load connection, the PWD is unable to resolve a minor deadlock posed by the supplier that any break-down or damages during commissioning will have to be borne by the department since the warranty period had already lapsed.

Thus, besides rendering the expenditure of Rs 39.11 lakh unfruitful for six years, lackadaisical approach of the PWD has left the cattle owners of the Gazipur area without an incinerator to burn their dead animals so that animal diseases do not spread.

The matter was referred to Government in September 1996; their reply was awaited as of January 1997.

3.16 Cost and time overrun

Failure of PWD to provide drawings, construction materials etc. to the contractor in time resulted in cost escalation of Rs 13.70 lakh. The delay led to loss of licence fee of Rs 6.03 lakh and payment of HRA of Rs 28.35 lakh.

Government of NCT of Delhi approved in September 1985 a scheme of construction of 150 type III quarters for its staff at Lawrence Road, Delhi. The work was awarded to a contractor in December, 1986 at a cost of Rs 114.09 lakh along with escalation costs, against the estimated cost of Rs 103.45 lakh. The work was to be completed before July 1988 but was completed in January 1992 after a delay of 42 months at a cost of Rs 140.72 lakh.

Test check of records in PWD revealed that the delay was mainly attributable to non-supply of firmed up drawings for the work, suspension of work by the contractor, short supply of construction materials, non-completion of other works relating to electrical cables, water supply lines, sewer lines etc. all of which were on account of the department. This resulted in payment of escalation amounting to Rs 13.70 lakh.

Thus, due to the delay attributable to the department, there was an avoidable cost overrun of Rs 13.70 lakh. The delay in completion of work also deprived the staff of timely allotment of accommodation besides loss of licence fee of Rs 6.03 lakh recoverable from them for 42 months at the flat rate for type III quarters and House Rent Allowance of Rs 28.35 lakh at the rate applicable to employees entitled for type III quarters.

The matter was referred to Government in July 1996; their reply was awaited as of January 1997.

Department of Training & Technical Education

Delhi Institute of Technology (DIT)

3.17 Excess expenditure

Delhi Institute of Technology gave advertisements through private agency in disregard of Government instructions and spent Rs 23.53 lakh in place of Rs 4.04 lakh compared with the rate approved by the government.

As per instructions of the Government of NCT of Delhi, the advertisements of the different Government departments of Delhi are to be released on the approved rates decided by or approved by the Directorate of Information and Publicity through the firm empanelled by them.

In violation of the above direction, Delhi Institute of Technology (DIT) published advertisements through a private agency namely Maya Associates, New Delhi at commercial rates instead of Delhi Administration's approved rate during October 1994 and May 1995 and incurred an extra expenditure of Rs 7.06 lakh on a total payment of Rs 8.61 lakh to the agency, when compared to the government approved rates. In the process DIT paid advertisement charges more than six times higher than the approved rates. Further, DIT also published advertisement in October 1995 through the same agency at Rs 14.92 lakh at commercial rates. DIT did not furnish bill on this advertisement. Based on the *pro rata* rate of the previous advertisement brought out above, DIT incurred a liability of Rs 12.23 lakh in excess of the payment it had to pay, had the advertisement been through Directorate of Information and Publicity.

DIT stated, in November 1996, that the advertisements were released at the instance of the Department of Training & Technical Education in the above cases as such the institute was not aware of the circumstances/ justification under which these advertisements were made through a private agency. The contention of DIT is not tenable, as the institute had appointed the agency.

The matter was referred to Government in December 1996; their reply was awaited as of January 1997.

3.18 Poor cash management

A review of receipt and expenditure of grant-in-aid (Plan) of Delhi Institute of Technology (DIT) disclosed heavy monthly closing balances during 1993-94 to 1995-96, which were held either in saving bank account or in cash.

As the funds to the extent indicated below were not needed for immediate requirement, these could have been gainfully invested in short term deposits, whereby DIT could have earned interest of Rs 11.25 lakh at prevailing rates after retaining anticipated amount for its two months requirement.

Year	Minimum closing balance during different quarters of the year (Rs in lakh)	Balance after retention of 20% (Rs in lakh)	Min. difference of intt. in Saving Bank & term deposit	Intt. to be accrued in term deposit for 90 days (Rs)	Total (Rs)
1993-94	(1) Rs 87 (for 5/93, 6/93 & 7/93) (2) Rs 65 (for 8/93, 10/93 & 11/93) (3) Rs 34 (for 11/93, 12/93 & 1/94)	70 52 27	4 % 4 % 4 %	69041 51287 26630	146958
1994-95	(1) Rs 62 (for 6/94, 7/94 & 8/94) (2) Rs 259 (for 9/94, 10/94 & 11/94) (3) Rs 83 (for 12/94, 1/95 & 2/95)	52 207 66	4 % 4 % 4 %	51287 204164 65096	320547
1995-96	(1) Rs 34 (for 6/95, 7/95 & 8/95) (2) Rs 430 (for 9/95, 10/95 & 11/95) (3) Rs 225 (for 12/95, 1/96 & 2/96)	27 344 180	4 % 4 % 4 %	26630 339287 177533	543450
1996-97	Rs 145 (for 8/96, 9/96 & 10/96)	116	4 %	114410	114410
Total					1125365

DIT stated, in November 1996, that Government's directive prohibit investment in short term deposits but failed to produce evidence in support of its contention.

The matter was referred to Government in December 1996; their reply was awaited as of January 1997.

CHAPTER IV

Revenue Department

4.1 Trend of revenue receipt

The total revenue receipt of Government of National Capital Territory (NCT) of Delhi for the year 1995-96 were Rs 2174 crore against the anticipated receipt of Rs 1500 crore registering an increase of 15.21 *per cent* over those of 1994-95 (Rs 1887 crore). Of these the tax revenue was Rs 2111 crore and non-tax revenue Rs 63 crore.

The growth of revenue receipt during the last three years is given below:

			(Rs in crore)
	1993-94	**1994-95**	**1995-96**
Tax revenue	1424	1787	2111
Non tax revenue	60	100	63
Total	**1484**	**1887**	**2174**

4.2 Cost of collection of tax revenue

The gross collection in respect of major revenue receipt, expenditure incurred on their collection and the percentage of such expenditure to gross collections during the years 1993-94, 1994-95 and 1995-96 along with the relevant all India average percentage of expenditure on collection to gross collections for 1994-95 are given below:

(Rs in crore)					
Head of Revenue	Year	Gross collection	Expenditure on collection	Percentage of expdr. to gross collection	All India average percentage for the year 1994-95
Sales Tax	1993-94 1994-95 1995-96	1001 1272 1539	7.12 10.98 10.84	0.7 0.9 0.7	1.25
State Excise	1993-94 1994-95 1995-96	284 306 336	0.51 0.94 1.32	0.2 0.3 0.4	3.12
Stamp Duty and Registration Fees	1993-94 1994-95 1995-96	66 112 127	0.38 0.37 2.27	0.6 0.3 1.8	3.65
Taxes on motor vehicles	1993-94 1994-95 1995-96	47 66 71	2.41 1.40 5.47	5.1 2.1 7.7	2.50

Sales-Tax

4.3 Analysis of collection

The break up of the total collections (at the pre-assessment stage and after regular assessment) of sales tax during the year 1995-96 and the corresponding figures for the preceding two years as furnished by the department are given below:

(Rs in crore)					
Year	Amount collected at pre-assess-ment stage	Amount collected after regular assessment	Amount refunded	Net collection	Percentage of column 2 to 5
1	2	3	4	5	6
1993-94	954.31	47.94	-	1002.25	95.21
1994-95	1195.04	27.05	0.03	1222.06	97.79
1995-96	1472.00	67.05	-	1539.05	95.64

The position of revenue collected by Sales Tax Department as detailed above, shows that the collection of revenue at pre-assessment stage ranged between 95 and 98 *per cent* during last three years ending March 1996. This indicates a high degree of voluntary compliance by tax payers.

4.4 Sales tax demands raised and pending

The information relating to the demands raised during 1993-94, 1994-95 and 1995-96 and pending at the end of each year as furnished by the department is given below:

			(Rs in crore)
	1993-94	1994-95	1995-96
Demands awaiting recovery at the beginning of the year	2054.68	2517.32	3053.18
Demands raised during the year	655.67	577.59	453.30
Tax collected during the year	47.94	27.05	67.05
Adjustment on account of reduction and remission of demands during the year	145.09	14.68	6.56
Demands pending at the end of the year	2517.32	3053.18	3432.87

It can be seen from the above that the demands raised during the last three years have been showing a decreasing trend whereas the amount of tax recoverable has increased from Rs 2517.32 crore in 1993-94 to Rs 3432.87 crore in 1995-96.

4.5 Results of Audit

Test check of records of Sales Tax, State Excise, Motor Vehicles Tax and other revenue earning departments of the Government of NCT of Delhi during the year 1995-96 revealed under assessment/ short levy/ loss of revenue amounting to Rs 99.97 crore in 532 cases.

This chapter contains 7 paragraphs involving Rs 51.44 crore which illustrate some of the major points noticed by Audit. Of these, audit observations in respect of 14 dealers, involving an amount of Rs 93.40 lakh were accepted by the department and a demand of Rs 59.99 lakh was raised.

4.6 Suppression of sales

4.6.1 Local sales

Delhi Sales Tax Act, 1975 provides that if a dealer conceals particulars of his sales/ furnishes inaccurate particulars he is liable to pay, in addition to the amount of tax payable, penalty not exceeding two and half times the amount of tax avoided. Interest is also payable for non-payment of tax with returns/ delayed payments.

During test check of records of 44 wards, it was noticed in audit that in 84 cases the dealers had concealed particulars of sales/ had furnished inaccurate particulars. The assessing authorities while finalising the assessments, failed to detect the suppression. This resulted in short levy of tax of Rs 163.27 lakh, interest Rs 133.73 lakh and penalty not exceeding Rs 498.23 lakh as detailed in Annexure-VI. Five illustrative cases in which the department accepted the omission and raised an additional demand of Rs 53.28 lakh are given below:

(i) A registered dealer engaged in the business of electronic & refrigeration items purchased goods valued at Rs 303.37 lakh and Rs 321.28 lakh during the year 1990-91 and 1991-92 from other registered dealers on the strength of statutory forms. He, however, accounted for purchases only amounting to Rs 267.02 lakh and Rs 305.25 lakh in his books of accounts, thereby concealing purchases amounting to Rs 36.35 lakh and Rs 16.03 lakh. This resulted in corresponding suppression of sales of Rs 38.38 lakh and Rs 16.41 lakh (after adding margin of profit at the rate of 5.59 and 2.39 *per cent*) and short levy of tax of Rs 5.48 lakh. In addition, interest of Rs 4.48 lakh and penalty not exceeding Rs 13.70 lakh was also leviable.

The department accepted the omission and after reassessment raised a demand of Rs 14.97 lakh in August 1996.

(ii) A registered dealer engaged in the business of glass purchased goods valued at Rs 18.13 lakh, Rs 14.16 lakh and Rs 18.55 lakh during the year 1989-90 to 1991-92 from other registered dealers on the strength of statutory forms. He, however, accounted for purchases only amounting to Rs 8.17 lakh, Rs 9.44 lakh and Rs 12.83 lakh in his books of accounts, thereby concealing purchases amounting to Rs 9.96 lakh, Rs 4.72 lakh and Rs 5.72 lakh. This resulted in corresponding suppression of sales of Rs 10.67 lakh, Rs 5.01 lakh and Rs 6.19 lakh (after adding margin of profit at the rate of 7.22, 6.14 and 8.17 *per cent*) and short levy of tax of Rs 2.19 lakh. In addition, interest of Rs 1.99 lakh and penalty not exceeding Rs 5.47 lakh was also leviable.

The department accepted the omission and after reassessment raised a demand of Rs 11.90 lakh in August 1996.

(iii) A registered dealer engaged in the business of electronics purchased goods valued at Rs 36.34 lakh and Rs 7.08 lakh during the year 1990-91 and 1991-92 from other registered dealers on the strength of statutory forms. He, however, accounted for purchases only amounting to Rs 30.19 lakh and Rs nil in his books of accounts, thereby concealing purchases amounting to Rs 6.15 lakh and Rs 7.08 lakh. This resulted in corresponding suppression of sales of Rs 6.28 lakh and Rs 7.23 lakh (after adding margin of profit at the rate of 2.17 *per cent*) and short levy of tax of Rs 0.75 lakh and Rs 0.87 lakh. In addition, interest of Rs 0.66 lakh and Rs 0.60 lakh and penalty not exceeding Rs 1.88 lakh and Rs 2.17 lakh was also leviable.

The department accepted the omission and after reassessment raised a demand of Rs 5.46 lakh in August 1996.

(iv) A registered dealer engaged in the business of iron and steel purchased goods valued at Rs 96.65 lakh during the year 1991-92 from other registered dealers on the strength of statutory forms. He, however, accounted for purchases only amounting to Rs 79.55 lakh in his books of accounts, thereby concealing purchases amounting to Rs 17.10 lakh. This resulted in corresponding suppression of sales of Rs 20.10 lakh (after adding margin of profit at the rate of 17.57 *per cent*) and short levy of tax of Rs 0.80 lakh. In addition, interest of Rs 0.56 lakh and penalty not exceeding Rs 2. 01 lakh was also leviable.

Department reassessed the case in December 1996 and the demand of Rs 5.39 lakh has been raised (December 1996).

(v) A registered dealer engaged in the business of electronics purchased goods valued at Rs 615.53 lakh during the year 1990-91 from other registered dealers on the strength of statutory forms. He, however, accounted for purchases only amounting to Rs 593.71 lakh in his books of accounts, thereby concealing purchases amounting to Rs 21.82 lakh. This resulted in corresponding suppression of sales of Rs 22.14 lakh (after adding margin of profit at the rate of 1.53 *per cent*) and short levy of tax of Rs 2.21 lakh. In addition, interest of Rs 1.93 lakh and penalty not exceeding Rs 5.53 lakh was also leviable.

Department reassessed the case in August 1996 and the demand of Rs 4.65 lakh has been raised (December 1996).

4.7 Irregular exemptions on sales under Delhi Sales Tax Act

4.7.1 Irregular exemption on sale of pesticides

Under the provisions of DST Act, 1975, pesticides for plant protection only are exempt from payment of sales tax.

Test-check of records in audit of three wards showed that in three cases exemptions were granted by the assessing authorities during the period from April 1990 to March 1993 on sale of pesticides although the dealers had not disclosed/ furnished proof that the same were sold for use in plant protection. Thus, irregular grant of exemption resulted in short levy of tax of Rs 3.37 crore and interest of Rs 2.40 crore.

Omission was brought to the notice of the department in September 1996; their reply has not been received (January 1997).

4.7.2 Irregular exemption on export to Nepal

It was noticed in audit that in two cases exemptions were granted by the assessing authorities during the years 1990-91 and 1991-92 on goods exported to Nepal. However, no clearance certificate from custom department, Patna was furnished as required vide Commissioner of Sales Tax circular No. 18 dated 26 October 1995. Hence exemption granted was irregular. This resulted in non-levy of tax of Rs 1.07 lakh, interest of Rs 0.80 lakh and penalty not exceeding Rs 2.67 lakh as detailed below:

(Rs in lakh)

Sl. No.	Ward No.	Assessment year	Extent of sales exempted by assessing authority	Tax	Interest	Penalty
1.	33	1990-91	03.11	0.31	0.27	0.78
2.	34	1991-92	10.84	0.76	0.53	1.89
		Total		1.07	0.80	2.67

Omission was brought to the notice of the department in February and March 1996 and the Government in August 1996; reply was awaited (January 1997).

4.8 Mistake in *ex-parte* assessments

Section 23 of DST Act, 1975 empowers the assessing authorities to make an assessment to the best of their judgement, if the dealer fails to furnish the returns or respond to the notice served on him.

A registered dealer engaged in the business of auto parts was assessed on a gross turnover of Rs 31.42 lakh for the year 1992-93. The assessment was made on best judgement basis as the dealer had not appeared at the time of assessment.

Test check by audit revealed that the dealer purchased goods valued at Rs 34.20 lakh apart from an opening balance of stock of Rs 25.05 lakh. Thus, the dealer had a stock of Rs 59.25 lakh for sale during the year. Taking into account the margin of profit at the rate of six *per cent* (1991-92) his corresponding sale worked out to Rs 62.81 lakh and under assessment of taxable turn over by Rs 31.39 lakh. This resulted in short levy of tax amounting to Rs 3.14 lakh and interest of Rs 1.61 lakh. Besides penalty not exceeding Rs 7.85 lakh was also leviable.

Department reassessed the case in October 1996 and demand of Rs 9.69 lakh was raised (January 1997).

4.9 Short levy of tax detected in cross-verification of statutory forms

(a) A registered dealer can claim exemption from sales tax on sales made to other registered dealers on the strength of statutory forms obtained by the selling dealer from the purchasing dealer. At the time of assessment, the dealer is required to submit a complete list of such sales supported by prescribed declarations. In case a dealer conceals the particulars of his sales, penalty not exceeding two and a half times of the tax avoided, is leviable.

In three cases, audit cross-verified the declarations of the selling dealers with the utilisation account (of forms) submitted by the purchasing dealers during the year 1990-91 and 1991-92 and noticed that the forms issued by the purchasing dealers were for an amount lesser than that shown by the selling dealers while claiming exemption. This resulted in short levy of tax of Rs 5.52 lakh, interest of Rs 3.97 lakh and penalty not exceeding Rs 13.78 lakh was also leviable in these cases.

In one case, department stated (October 1996) that the purchasing dealer had submitted revised ST-II account for 1990-91. Reply is not tenable as the ST-II account for 1989-90 can not be revised in 1990-91. Reply in the remaining two cases is awaited (January 1997).

(b) In other three cases, assessing authorities, allowed exemption of sales amounting to Rs 78.86 lakh on the basis of declarations submitted by the dealers. Audit found that these exemptions were irregular as the statutory forms submitted by the selling dealer had been declared obsolete and invalid by the department. This resulted in short levy of penalty not exceeding Rs 10.99 lakh as detailed below:

(Rs in lakh)

Sl. No.	Ward No.	Assessment year	Extent of exemption allowed on obsolete forms	Penalty
1.	67	1991-92	37.06	3.70
2.	56	1990-91	24.77	4.32
3.	16	1988-89	17.03	2.97
		Total	**78.86**	**10.99**

The matter was reported to the Department in May and July 1996; their reply has not been received (January 1997).

4.10 Non levy of penalty

As per provisions of DST Act, 1975 a registered dealer is permitted to purchase against statutory forms the goods covered by his certificate of registration. Any deviation to this, is treated as unauthorised attracting penalty not exceeding two and a half times of tax leviable.

It was noticed in audit, that in three cases the dealers made purchases valued at Rs 112.69 lakh during the period from April 1989 to March 1994 against declaration forms of the goods not covered under their certificates of registration. The assessing authority failed to detect the misrepresentation while finalising the assessment. This resulted in non levy of penalty not exceeding Rs 22.12 lakh. In one case, department stated that the dealer was allowed the items with effect from 9 November 1989 but the same were entered in the Registration Certificate in June 1996. Department's reply is not tenable as no evidence of change in the nature of goods applied within 30 days has been furnished (December 1996). In other two cases, reply is still awaited (January 1997).

4.11 Improper follow up action on surveys by Sales Tax Department

(a) Survey by Enforcement Branch

Test check of 50 cases of surveys conducted by the Enforcement Branch for detecting dealers liable for registration during 1991-92 to 1995-96 revealed that Registration Certificates were issued in only 13 cases. Out of these, in seven cases the dates of liability of dealers fixed by assessing authorities differed from those recommended by the Enforcement branch. No reasons for this difference were found recorded in respective assessment orders. It was further noticed that:

(i) In 22 cases of dealers liable for registration detected during 1991-92 to 1993-94, no action had been taken for granting registration as the files containing the survey reports of the Enforcement branch had not been received/ located in the respective wards.

(ii) In seven other cases dealers were liable for registration as per their quantum of turnover indicated in survey reports. The assessing authorities had assessed them as unregistered dealers without taking into account the survey reports.

(iii) In eight remaining cases, where survey reports were received in the wards in between 1991-92 and 1992-93, no action was taken by the department for registration of the concerned dealers (June 1996).

On this being pointed out in audit, the department stated (August-September 1996) that action for registration of five dealers out of eight mentioned at (iii) above had been initiated. Reply in respect of other cases had not been received (January 1997).

(b) Inaction on the recommendations of survey reports

(i) The business premises of a dealer engaged in the resale of steel were surveyed on two occasions by the ward in February 1989 and December 1991 and the firm was found not functioning and therefore it was recommended that **"issue of statutory forms be stopped and upto date assessment of the firm be undertaken."** In December 1991 it was further recommended that cancellation proceedings may be initiated as books of accounts and vouchers of sale and purchase were not produced. Neither of this was done. Instead the department further issued 929 statutory forms between April 1989 to December 1991 and accepted surety given by this firm during 1990-91 and 1991-92 in respect of ten other dealers.

The registration certificates of all these dealers were subsequently cancelled between 1991-92 to 1993-94 as their activities were found doubtful during surveys. The registration of this firm was also eventually cancelled in December 1993 i.e. two years after the second survey. Consequently demands totalling Rs 17.41 crore raised against all these firms for the assessment years 1990-91 to 1992-93 remained uncollected (December 1996).

(ii) Surveys of the premises of seven registered dealers during 1991-92 and 1992-93 revealed that the firms of these dealers were not functional. The Registration Certificates of these dealers had accordingly been cancelled by the department during 1991-92 and 1993-94. However, the assessment of these dealers was made during 1993-94 to 1996-97 after a lapse of 13 to 40 months from the date of cancellation of Registration Certificate and demands amounting to Rs 13.96 crore were created which remained uncollected (December 1996).

						(Rs in lakh)
Sl. No.	Name of the dealer	Date of cancellation of Registration Certificate	Year of assessment	Date of assessment	Period of delay in assessment (Months)	Amount of demand remaining uncollected
1.	A	31.01.92	1988-89 1989-90 1990-91 1991-92	26.02.93 26.02.94 30.07.94 10.03.95	13 25 30 37	789.01
2.	B	14.01.93	1991-92	12.05.95	28	213.71
3.	C	31.01.92	1991-92 1992-93	31.03.95 30.11.95	33 40	125.82
4.	D	08.02.93	1992-93	21.06.96	40	89.93
5.	E	30.09.91	1990-91 1991-92	15.04.94 18.03.95	30 40	81.57
6.	F	01.09.93	1991-92	15.03.95	18	79.00
7.	G	01.09.92	1992-93	15.11.95	38	17.41
			Total			1396.45

(iii) The premises of eight dealers were surveyed by Enforcement Branch/ Sales Tax Inspector of the ward and it was reported that the firms of these dealers were not functional on the date(s) of survey. Audit scrutiny disclosed the points as shown in the table below:

					(Rs in lakh)
Sl. No.	Name of dealer	Date(s) of survey	Date of cancellation of Registration Certificate	Period of delay in cancellation after last survey (In months)	Amount of demand remaining uncollected
1.	H	30.10.90	26.10.92	24	233.71
2.	I	18.02.91	27.04.95	50	131.09
3.	J	09.02.90, 05.07.90 & 29.08.90	23.05.96	68	75.76
4.	K	28.09.90, 08.10.90, 12.10.90 & 29.08.91	30.09.91	1	38.63
5.	L	24.12.92	Not yet cancelled (August 1996)	44	30.75
6.	M	19.03.94	31.07.96	28	20.65
7.	N	17.02.95	Not yet cancelled (July 1996)	17	15.05
8.	O	25.05.89	18.08.92	38	14.49
			Total		560.13

It was also noticed that the assessing authorities failed to take note of this fact and cancelled belatedly/ did not cancel Registration Certificates and issued statutory forms to the dealers even after the surveys. After the cancellation of the Registration Certificates, demands amounting to Rs 5.60 crore were created which remained uncollected (December 1996).

Entertainment Tax

4.12 Loss of revenue due to non-recovery of entertainment tax

Under the provisions of U.P. Entertainment Tax Act, 1937 as extended to Delhi, permission was granted to an organisation to hold a Fashion show in April 1994. Accordingly, 1000 tickets were proposed for sale of the denomination of Rs 50, Rs 100, Rs 350 and Rs 500 each for which the organiser deposited in advance an amount of Rs 23000 as entertainment tax. The organiser was to submit his accounts within 10 days of the programme.

It was noticed, in audit, that the organiser had sold 300 tickets of the denomination of Rs 850 each (including dinner) for which neither any permission was sought from the Department nor any entertainment tax was deposited in advance. The entertainment tax recoverable on the sale of these 300 tickets worked out to Rs 63750 in addition to the balance amount of tax of Rs 19940 as per ETI's report from the organiser. He had also not submitted the sale accounts to the Department.

On the omission being pointed out in audit the Department stated (September 1996) that the recovery certificate had been issued to recover the dues of Rs 83740 from the organiser.

CHAPTER V

Municipal Corporation of Delhi

5.1 Administrative set-up and financial aspects

5.1.1 Introduction

The Municipal Corporation of Delhi (MCD) was established in April 1958 as a civic body under the Delhi Municipal Corporation Act, 1957 with jurisdiction over the Union Territory of Delhi excluding the areas under the New Delhi Municipal Council and the Delhi Cantonment Board. It was superseded by Central Government in January 1990 and Chief Secretary, Government of NCT of Delhi was vested with powers and duties conferred on the Municipal Corporation of Delhi.

Audit of accounts of MCD is conducted by the Comptroller and Auditor General of India under Section 14 (2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971.

5.1.2 Form of Accounts

The Delhi Municipal Corporation (Maintenance of Accounts) Regulations, 1959 prescribe maintenance of separate accounts of all receipt and expenditure in the form approved for the budget estimates, in respect of its wings viz.,

- General Wing;
- Delhi Water Supply and Sewage Disposal Undertaking (DWS&SDU); and
- Delhi Electric Supply Undertaking (DESU)

With effect from 1 September 1992, Slum & *Jhuggi Jhonpri (SJJ)* wing of Delhi Development Authority (DDA) was also transferred to MCD.

The monthly and annual accounts of these wings are submitted to the Standing Committee of MCD by the Municipal Chief Accountant after certification by the Municipal Chief Auditor (MCA).

5.1.3 Arrears in accounts

The status of arrears in preparation of monthly, annual and appropriation accounts of MCD and their certification by MCA as on 31 March 1996 is indicated below:

	General Wing	DESU	DWS&SDU	SJJ
Annual accounts				
Year upto which accounts submitted	1994-95	1991-92	1994-95	1991-92
Year upto which accounts certified	1991-92	1989-90	1990-91	1991-92
Appropriation accounts				
Year upto which accounts submitted	1993-94	1980-81	1989-90	1991-92
Year upto which accounts certified	1990-91	1980-81	1987-88	1991-92
Monthly accounts				
Month upto which accounts submitted	February 1996	March 94	April 1995	March 1992
Month upto which accounts certified	March 1995	March 1991	February 1993	March 1992

It would be thus seen that the certification of annual accounts are in arrears between four and six years.

5.1.4 Financial position

The receipt and expenditure of each of the four wings of MCD for the years 1992-93 to 1995-96 on the basis of budget documents and provisional figures of expenditure was as under:

(a) **General wing**

The revenue receipt comprise of grants from Government, assigned share of taxes, municipal taxes and rates etc. The capital receipt include grants-in-aid and loans from Government. The revenue expenditure is incurred on establishment, maintenance and repair of original works, debt charges etc.

						(Rs in crore)
Year	**Income**			**Expenditure**		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
1992-93	327.48	226.73	554.21	357.24	233.11	590.35
1993-94	433.15	222.12	655.27	417.21	226.11	643.32
1994-95	504.05	274.46	778.51	487.79	263.60	751.39
1995-96	581.16	379.94	961.10	582.05	372.87	954.92

(b) **Delhi Water Supply & Sewage Disposal Undertaking (DWS&SDU)**

(i) **Resources**

The sources of income of DWS&SDU are recovery of charges on water supply and sewage disposal, water tax etc. Revenue expenditure is incurred on supply of water to consumers and sewage disposal etc.

							(Rs in crore)
Year	**Revenue**				**Loan**		
	Receipt	Expr.	Excess expr. over receipt	Percentage of excess expr. over receipt	Receipt	Expr.	Excess(+) Short (-)
1992-93	76.81	214.34	137.53	179	124.50	113.28	(-) 11.22
1993-94	80.62	241.31	160.69	199	141.10	131.77	(-) 09.33
1994-95	89.05	265.84	176.79	199	184.00	169.97	(-) 14.03
1995-96	101.98	282.81	180.83	177	202.75	231.84	(+) 29.09

The gap between income and expenditure of the undertaking has been persisting, resulting in the accumulation of excess expenditure over income of Rs 1054.56 crore as on 31 March 1995. The excess expenditure has mainly been met by withholding repayment of loans received from Government of NCT of Delhi as is evident from the fact that the loan liability had risen to Rs 856.62 crore as on 31 March 1995. The progressive accumulated deficit vis-a-vis the loan liability including interest during 1992-93 to 1995-96 is given below:

		(Rs in crore)
Year	**Accumulated Deficit**	**Loan liability**
1992-93	717.08	587.52
1993-94	877.77	711.99
1994-95	1054.56	856.62
1995-96	1096.82	Not available

(ii) Arrears of water charges

The MCA in his report for the year 1993-94 pointed out the slackness in recovery of water charges. The recovery of revenues as percentage of total demand dropped from 75.98 *per cent* in 1991-92 to 68.62 *per cent* in 1993-94. Report for the year 1994-95 had not been compiled as of December 1996.

Arrears of water charges due from Government Departments, DDA, Railways etc. at the end of 1992-93 to 1994-95 are as follows:

			(Rs in crore)
Name	**As on 31 March**		
	1993	**1994**	**1995**
Govt. Deptt., DDA, Railways etc.	14.01	16.20	19.58
NDMC	7.57	3.70	5.96
Cantonment Board	3.53	2.10	1.17
Total	**25.11.**	**22.00**	**26.71**

(c) Delhi Electric Supply Undertaking (DESU)

(i) Resources

Revenue receipt consist of `Sale of Energy', `Rent of Meters', `Interest Income from Investments', `Misc. Receipt and Recoveries', `Recovery on account of maintenance of street lighting'. Revenue expenditure consist of 'Power purchased', expenses on generation and distribution, etc.

Capital receipt consist of `Loans from Government' and `Recoveries on account of deposits and contribution works'. Capital expenditure was incurred on `Schemes' and `Projects'.

(Rs in crore)

Year	Revenue			Capital	
	Receipt	Expen-diture	Excess Expenditure over Receipt	Receipt	Expen-diture
1992-93	1104.84	1322.49	217.65	251.48	347.26
1993-94	1381.72	1576.57	194.85	393.73	311.13
1994-95	1579.72	1921.94	342.22	532.67	310.51
1995-96	1656.75	2179.18	522.43	517.49	283.42

DESU purchases power from outside sources. The accumulated liability on this account was Rs 5489.86 crore (including interest liability of Rs 2416.30 crore) as on 31 March 1996. Apparently, the excess expenditure over receipt was met by non-payment of this liability. Rs 134.63 crore was also payable to Railways, Coal India Ltd. and others as on 31 March 1995.

In addition, there existed a loan liability of Rs 3568.55 crore as on 31 March 1996 (including interest liability of Rs 326.51 crore) payable to the erstwhile Delhi Administration, now Government of NCT of Delhi and the Central Electricity Authority.

(ii) Dues receivable

Rs 685.85 crore was receivable on account of electricity supplied to various government agencies as of 31 March 1996 as under:

(Rs in crore)	
Name	**Dues recoverable**
NDMC	112.02
MES	2.09
HSEB	218.10
MCD	18.73
DWS&SDU	309.03
DDA	15.92
Traffic Signals	3.54
PWD	6.42
Total	685.85

(d) Delhi Slum and *Jhuggi Jhonpri* (SJJ)

(i) Resources

SJJ earns income mainly from licence fee received from various allottees/ licencees, water charges, other receipt etc. It incurs revenue expenditure mainly on salary and allowances of establishment and repairs & maintenance of various works/ buildings, etc.

(ii) Internal receipt and expenditure

(Rs in crore)

Year	Revenue			Capital			
	Receipt	Expenditure	Excess expenditure over income	Receipt	Expenditure	Short (-) Excess (+)	Overall Short (-) Excess (+)
1992-93	2.30	7.33	5.03	0.67	0.84	(+) 0.17	(+) 5.20
1993-94	2.91	8.12	5.21	2.45	0.60	(-) 1.85	(+) 3.36
1994-95	1.77	8.04	6.27	3.94	0.52	(-) 3.42	(+) 2.85
1995-96	2.47	9.04	6.57	2.76	0.39	(-) 2.37	(+) 4.20

The excess of revenue expenditure over income has increased from Rs 5.03 crore in 1992-93 to Rs 6.57 crore in 1995-96 i.e. an increase of 30.61 *per cent.*

The increasing trend of expenditure was attributable to the unprecedented growth of 0.40 lakh *jhuggi jhonpries* every year vis-a-vis their rehabilitation and resettlement.

(iii) Loans and grants

The receipt and expenditure against loans and grants were as under:

		(Rs in crore)
Year	Receipt	Expenditure includes repayment
1992-93	19.41	9.42
1993-94	09.61	5.66
1994-95	17.78	22.73
1995-96	27.66	30.21

Loan liability of Rs 21.19 crore was outstanding as on 31 March 1996.

Though the SJJ wing was transferred by DDA to MCD w.e.f. 1 September 1992, DDA had not prepared the balance sheet for SJJ wing. As a result, the total assets and liabilities of this unit could not be taken into account by the MCD.

5.1.5 Outstanding temporary advances

Temporary advances are required to be adjusted within a period of one month from the date of withdrawal and, if left unadjusted, a detailed report is required to be furnished to the Government of NCT of Delhi.

Advances amounting to Rs 4.19 crore in General Wing, Rs 733.68 crore in DESU, Rs 8.00 crore in DWS&SDU and Rs 5.48 crore in SJJ had not been adjusted upto 31 March 1996 as shown below:

				(Rs in crore)
Period	General wing	DESU	SJJ	DWS& SDU
Advances paid upto 1987-88	1.57	*80.44	0.42	*0.41
Advances paid between 1988-89 and 1994-95	0.37	**612.89	2.90	**7.59
Advances paid during 1995-96	2.25	***40.35	2.16	***NA
Total	**4.19**	**733.68**	**5.48**	**8.00**

(Upto 1986-87, **between 1987-88 and 1993-94, ***during 1994-95)*

Possibility of all or parts of these amounts becoming irrecoverable with passage of time cannot be ruled out.

5.1.6 Non-reconciliation of external receipt

The figures relating to grants-in-aid and loans appearing in the books of the Government of NCT of Delhi were found to be at variance with those of the MCD as shown in the table below:

			(Rs in crore)
	Loans and grants		
Year	**released as per Govt. of NCT of Delhi**	**received as per MCD**	**Difference**
1992-93	676.19	602.71	73.48
1993-94	826.50	671.56	154.94
1994-95	1066.26	1040.87	25.39
1995-96	1191.56	1117.05	74.51
Total	**3760.51**	**3432.19**	**328.32**

The difference amounting to Rs 328.32 crore had not been reconciled by MCD, though these were pointed out in earlier Reports of Comptroller and Auditor General of India.

5.1.7 Audit by Municipal Chief Auditor

The last Report of MCA for the year 1993-94 was issued in September 1995. Report for the year 1994-95 had not been finalised as of December 1996. A total of 7481 Inspection Reports containing 45281 objections relating to the period from 1963-64 to 1993-94 were awaiting settlement at the end of March 1996 as shown below:

Name	Upto 1991-92	During 1992-93	During 1993-94	Total
General Wing				
Inspection reports	3647	152	119	3918
Paras	23161	1490	1498	26149
DWS&SDU				
Inspection reports	1175	84	51	1310
Paras	6396	696	543	7635
DESU				
Inspection reports	2113	83	57	2253
Paras	10550	538	409	11497

GENERAL WING

5.2 Construction of multi-level underground car parkings

5.2.1 Introduction

With a view to meet growing demand for car parkings and to overcome problems associated with such parkings, Municipal Corporation of Delhi (MCD) formulated three schemes to provide multi-level underground car parkings on (i) Jawahar Lal Nehru Marg (JLN Marg) opposite Lok Nayak Jai Prakash Hospital (ii) Church Mission Road and (iii) underground car parking at Gandhi Ground in December 1985, October 1986 and March 1987 respectively. These schemes were approved by Government of India, Ministry of Surface Transport (MOST) in November 1987 at a total estimated cost of Rs 1963.53 lakh.

5.2.2 Organisational set-up

Construction of car parkings was entrusted to two civil divisions i.e. Project City Zone and Bridge IV under over all charge of Engineer-in-Chief of MCD.

5.2.3 Scope of Audit

Records relating to the construction of car parkings during the years 1991-92 to 1995-96 maintained in the two civil divisions of the Engineering Department were test-checked in audit during January 1996 to August 1996.

5.2.4 Highlights

- **Despite the delay of over eight years and an expenditure of Rs 3205.71 lakh against the sanction of Rs 1963.53 lakh, entire work of car/ scooter parkings at three sites had not yet been completed. As a result, the car/ scooter parking problems continued to persist, besides loss of revenue of Rs 250 lakh.**

  (Paragraphs 5.2.5, 5.2.6 & 5.2.8)

- **Grant of irregular extensions to the contractors beyond the stipulated date resulted in payment of escalation of about Rs 335 lakh.**

  (Paragraph 5.2.7)

- **The expenditure of Rs 21.21 lakh incurred on construction of Tharas remained questionable due to non-shifting of shops of Sanjay Market.**

  (Paragraph 5.2.9)

- **Advances aggregating Rs 42.85 lakh paid to three agencies during 1989-96 were awaiting adjustment.**

  (Paragraph 5.2.10)

5.2.5 Financial outlay and expenditure

Against the approved estimated cost of Rs 1963.53 lakh, total expenditure of Rs 3205.71 lakh was incurred upto September 1995. Year-wise provisions made and actual expenditure booked on these three schemes were as under:

			(Rs in lakh)
Year	Provision	Expenditure	(+) Excess (-) Savings
1986-91	840.50	713.50	(-) 127.00
1991-92	510.00	588.09	(+) 78.09
1992-93	500.00	685.28	(+) 185.28
1993-94	714.00	491.40	(-) 222.60
1994-95	915.00	439.23	(-) 475.77
1995-96	300.00	288.21 (upto September 1995)	(-) 11.79
Total	**3779.50**	**3205.71**	**(-) 573.79**

The savings during 1986-91, 1993-94 and 1994-95 would suggest very slow execution of the projects during these periods.

5.2.6 Execution of the schemes

The car parkings at three sites were designed to accommodate 1522 cars, 883 scooters and 456 cycles. Though the schemes were sanctioned in November 1987, Superintending Engineer concluded the contracts for execution of the work on Church Mission Road and JLN Marg after a delay of 19 months and 42 months respectively. These were to be completed in two years from the date of award of work. The work on Gandhi Ground was almost complete but the work on the remaining two sites was yet to be completed as of September 1996 though over eight years from the date of sanction have already elapsed as shown below:

			(Rs in lakh)
Particulars	**JLN Marg (multi-level)**	**Church mission Road (multi-level)**	**Gandhi Ground (underground)**
Plinth area in Sqm.	13000	11385	16246
Type of structure	(i) Sub-basement floor (ii)Basement floor (iii)Ground floor	(i)Basement floor (ii)Ground floor	(i)Basement floor (ii)Open
Capacity			
Cars	537	342	643
Scooters	238	414	231
Cycles	456	-	-
Administrative approval by MOST			
Amount	933.81	595.62	434.10
Date	November 1987	November 1987	November 1987
Date of award of main work	June 1991	July 1989	July 1988
Contractual cost	1385.00	391.00	333.00
Stipulated date of completion	June 1993	July 1991	August 1990
Actual date of completion	work in progress	work in progress	almost complete
Expenditure incurred as per running accounts bills excluding other works	1663.62	403.51	537.98
Revised estimated cost	1978.71	682.02	491.00

The delay in award of work and its completion not only reflected poor monitoring/ managerial action/ control but failed to address the parking problem as per the plan.

5.2.7 Delay in construction

(a) The work on JLN Marg was awarded in June 1991 for completion by June 1993. However, MCD failed to provide entire site free from hindrances to the contractor for four years. The Executive Engineer in disregard of the delegated powers gave six extensions to the contractor without prejudice to right to levy liquidated damages. Instead, MCD ended up paying escalation of Rs 210.49 lakh.

(b) Similarly, the Executive Engineer gave five extensions for completion of construction of underground car parking at Gandhi Ground without prejudice to the right to recover liquidated damages. Later, Additional Commissioner not only waived the liquidated damages but also allowed escalation of Rs 74.44 lakh ignoring the advice of Finance Division to fix responsibility for delay.

(c) MCD failed to hand over the entire site to the contractor at Church Mission Road also free from all encumbrances upto August 1996 involving an extra burden of Rs 49.90 lakh towards escalation which was yet to be regularised.

5.2.8 Loss of revenue

All the three parkings had started functioning partially from the dates as mentioned in the table below. Had all the works been completed by the stipulated dates, MCD would have earned Rs 249.52 lakh as parking fee worked out on the basis of average earning.

(Rs in lakh)

Name of scheme	Stipulated date of completion	Date of operation	Delay in completion		Amount
			Months	Days	
Car parking at JLN Marg	15 June 1993	4 October 1995	27	18	41.23
Church Mission Road	12 July 1991	2 October 1993	26	20	85.89
Gandhi Ground	11 August 1990	17 March 1993	31	6	122.40
Total					**249.52**

5.2.9 Indecision on shifting of Sanjay Gandhi Market

MCD decided to shift shops of Sanjay Market coming under the proposed site for construction of multi-level car and scooter parking at Church Mission Road in two phases as under:

(a) New *Tharas* be constructed at Sushila Mohan Park and existing vegetable market adjacent to Sanjay Market be shifted to this new place.

(b) *Tharas* be constructed at left out space of vegetable market and shops from Sanjay Market be shifted to this place.

302 vegetable and shopping *Tharas* were constructed during 1992-94 at a cost of Rs 21.21 lakh. Of these, 200 *Tharas* had been allotted to vegetable vendors and remaining 102 *Tharas* were yet to be allotted as of September 1996 which has caused hindrances to the construction. Thus, failure to shift the shops of Sanjay Market to new

Tharas rendered the entire expenditure of Rs 21.21 lakh questionable, besides delay in completion of the scheme.

5.2.10 Non-adjustment of outstanding advances

As per General Financial Rules, advances to the suppliers for stores are required to be adjusted within one month from the date of drawal. If an advance cannot be adjusted within one month of the drawal, a detailed report is required to be submitted to the Administrative Ministry concerned.

MCD paid an amount of Rs 42.85 lakh in advance to three agencies during 1989-90 to 1995-96 for supply of stores/ material required for construction of car parkings. The amount was outstanding against the agencies as of August 1996.

The matter was referred to Government in September 1996; their reply was awaited as of January 1997.

5.3 Remunerative Project Cell of Municipal Corporation of Delhi

5.3.1 Introduction

Remunerative Project Cell was created by Municipal Corporation of Delhi (MCD) in the year 1969 with a view to augment its resources and reducing the possibility of burden of extra taxes on the citizens of Delhi. Besides, the underlying idea was to create more business avenues and new projects to generate more jobs and employment for the weaker section of the society and also to improve the development of the city. The Cell introduced schemes for allotment of plots, kiosks, shops, stalls, canteens, car parking sites, tourist camps, restaurants, *dhabas* etc. The Cell generates income by way of licence fee, contract money, ground rent etc. The aforesaid assets are constructed/ acquired by MCD and allotted/ disposed of to the public through open tenders/ auction.

5.3.2 Scope of Audit

The records relating to disposal of assets and recovery of licence fee, ground rent, contract money, etc. for the period from 1991-92 to 1995-96 maintained in the Cell were test-checked in audit during July-August 1996.

5.3.3 Organisational set-up

The Cell is headed by Additional Deputy Commissioner/ Assistant Commissioner under the overall control of the Municipal Commissioner.

5.3.4 Highlights

- **Remunerative Project Cell was created to generate more business avenues and employment for the weaker section of the society but the benefits were practically drawn by persons other than the targetted category.**

  (Paragraph 5.3.5)

- **Failure of the Cell to take effective measures to recover the dues from the allottees resulted in non recovery of ground rent of Rs 206 lakh. This ultimately led to non payment of ground rent of Rs 148 lakh to Delhi Development Authority and additional liability of Rs 70 lakh on account of interest on unpaid amount.**

  (Paragraph 5.3.7(a))

- **The Cell did not update property and demand registers to watch leasing of properties and recovery of licence fee and ground rent. Thus, the status of licencing of property and recovery of its rent in all the cases were not ascertainable. Demand for licence fee of Rs 3.39 lakh in respect of two tourist camps was not raised for the last five years.**

  (Paragraphs 5.3.7.(a)(i)(ii) & 5.3.7.(b)(ii))

- **MCD constructed dormitories in Sanjay Gandhi Transport Nagar for use by truck drivers at a total cost of Rs 611 lakh. The dormitories have not been made operational resulting in idle investment besides loss of revenue.**

(Paragraphs 5.3.8(c)(i))

- **The MCD incurred an avoidable liability of Rs 661 lakh on account of interest on unpaid amount of cost of land and ground rent of Rs 642 lakh.**

(Paragraphs 5.3.8(c)(ii))

5.3.5 Objectives of the Cell

MCD created the Cell in 1969 with the objectives of creating more business avenues and employment for the weaker section of the society. Scrutiny revealed that the schemes entrusted to the Cell, by and large, were implemented for the benefits of other than weaker section of the society and income generated from car parkings/ tourist camps/ restaurants/ canteens/ shops/ stalls etc. went to people not belonging to the targetted category.

5.3.6 Expenditure and revenue

The position of consolidated receipt and expenditure and source-wise revenue realised by the Cell during the last five years is as under:

Consolidated receipt and expenditure

(Rs in lakh)

Year	Receipt	Expenditure		
		Plan	Non Plan	Total
1991-92	236.17	159.28	8.42	**167.70**
1992-93	202.05	283.40	8.58	**291.98**
1993-94	236.00	114.46	8.93	**123.39**
1994-95	304.29	155.46	6.74	**162.20**
1995-96	288.04	195.71	10.87	**206.58**

Source-wise receipt

(Rs in lakh)					
	Revenue				
Sources	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**
Kiosks	31.98	23.37	37.33	66.70	50.54
Restaurant	5.22	4.32	4.32	4.32	6.97
Car parking site	86.14	91.33	135.75	188.74	184.57
Tourist camping sites	21.40	17.20	18.74	18.74	19.00
Sanjay Gandhi Transport Nagar	25.74	20.58	19.58	14.15	12.75
Distt. Centre of Naniwala Bagh	30.24	10.76	00.10	N.A.	2.13
Shops at Football Stadium at Delhi Gate	2.72	3.00	3.13	4.38	2.82
Gaffar Market	10.66	8.31	9.17	7.16	7.63
Misc. receipt & sale of tender forms	22.07	23.18	7.88	0.11	0.33
Development of land at District Centre West Delhi	-	-	-	-	1.30
Total	**236.17**	**202.05**	**236.00**	**304.29**	**288.04**

During 1992-93 the expenditure exceeded the receipt. Further, there was a decline in revenue realised from kiosks, car parkings and shops at the football stadium at Delhi Gate during 1995-96 in comparison to the revenue realised during 1994-95. MCD did not maintain separate accounts in respect of capital and revenue expenditure to indicate the revenue realised there against.

5.3.7 Non recovery of arrears of ground rent

(a) System of payment of ground rent

The allotment of plots is decided through auction. After receipt of full amount of premium, the commercial plots are handed over to the party concerned. Within two months of possession of plots lease deed should be executed and ground rent at the rate of rupee one per plot *per annum* is charged for first three years and thereafter two and a half *per* *cent* of bid money of plot *per annum* is recovered as a ground rent. The lessee is required to deposit the amount of ground rent each year failing which notice of demand is issued to the defaulter directing him to deposit the requisite amount of ground rent.

Mention was made in paragraph 4.6 of Report No. 12 of 1991 of the Comptroller & Auditor General of India about non recovery of Rs 60.41 lakh from 43 plot allottees. In their Action Taken Note, MCD had stated, in February 1992, that an amount of Rs 26.13 lakh had been recovered and efforts were being made to realise the balance amount, failing which action would be taken as permissible under the law.

Further review in audit revealed that 68 allottees had not paid the ground rent from the date of allotment of plots which involved outstanding recovery of ground rent of Rs 206 lakh for the period from 1979 to 1996. Out of these, lease deed had not been executed in 65 cases. In 44 cases, show cause notices were issued after five years from the date of allotment. Thus, the Cell did not make serious efforts against the defaulters, despite the assurance given by MCD in February 1992. This ultimately resulted in non-payment of ground rent of Rs 148 lakh to Delhi Development Authority (DDA) and an additional liability of Rs 70 lakh on account of interest on unpaid amount.

(i) Monitoring and Control

The management/ Governing body comprising Administrator/ Mayor/ Deputy Mayor and Chairpersons of standing committees of MCD formulate policies for implementation through executive body headed by the Commissioner of MCD. The Cell is responsible to execute and monitor various schemes and to watch recoveries.

Demand and Collection Registers were not maintained for monitoring levy and recovery of ground rent. Others were not maintained upto date. Further, these were neither closed nor submitted to the higher authorities. Thus, it was not possible to ascertain the outstanding dues, payment of which was left to the allottees at their will.

(ii) All immovable properties vested in or owned or leased by the Cell are to be listed in Property Registers. Since the Cell was not maintaining the requisite registers, it could not be ensured in audit that all the immovable properties had been allotted/ leased out and no property was lying vacant or under un-authorised occupation.

(b) Arrears of licence fee

(i) Kiosks

There were 208 Kiosks as on September 1996. Kiosks are allotted for a period of five years in the first instance on the basis of tenders/ bids. In case the monthly licence fee remains unpaid for three months, the allotment is liable to be cancelled.

Scrutiny of Demand and Collection Register of kiosks revealed that licence fee of Rs 4.86 lakh was outstanding for more than three months against 31 kiosks holders upto December 1995. The Cell failed to take any action against the defaulters as per terms and conditions of lease deed.

(ii) Tourist camps

MCD maintains two tourist camps at Qudesia Garden, ISBT and Jawahar Lal Nehru Marg which are given on lease to the bidders. In the absence of up-to-date Demand and Collection Register of tourist camps, the Cell did not raise demand for Rs 3.39 lakh against the allottees of both the camps for more than five years.

5.3.8 Capital works

(a) MCD provides budget to the Cell for implementation of the schemes which are allotted to the Engineering Division/ DESU/ DWS&SDU for execution.

Expenditure on construction/ development of schemes undertaken by the Engineering Department during 1991-96 is as under:

		(Rs in lakh)
Year	**Budget allocation**	**Capital expenditure**
1991-92	90.00	167.70
1992-93	280.00	291.18
1993-94	150.00	123.39
1994-95	175.00	162.20
1995-96	225.00	206.58

(b) Unadjusted advances

Engineering department had advanced funds aggregating Rs 125 lakh from time to time to DESU/ DWS&SDU for developmental works at Sanjay Gandhi Transport Nagar. The advances were lying unadjusted for want of completion reports for more than 10 years.

The Cell failed to take any effective measures to liquidate the advances.

(c) Development of commercial plots at Sanjay Gandhi Transport Nagar

MCD initiated a proposal for setting up a Transport Nagar near Samaipur Badli to curtail the movement of transport and to minimise the pollution in the city, for which the land was to be provided by the DDA. The scheme was executed on self-financing pattern for the beneficiaries. For development of 1420 plots, DDA allotted 164.71 acre of land at the cost of Rs 494 lakh to the Cell. But DDA actually handed over 159.77 acre of land during 1983-85 as 4.94 acre was under unauthorised possession of JJ clusters who obtained stay orders from the Court. Upto December 1986, only 1204 plots could be developed on the area of 159.77 acre which were allotted to the beneficiaries through a draw at the rate of Rs 500 per sqm. Out of 1204 plots, possession of the 74 plots was withheld under the orders of the Supreme Court. Thus, only 1130 plots were handed over to the beneficiaries.

The Cell further acquired additional land during 1991-93 to accommodate the remaining 216 beneficiaries and developed 265 plots without taking the beneficiaries into confidence regarding revised cost of Rs 3600 per sqm. as against the original cost of Rs 500 per sqm. In the meantime, court vacated the stay in respect of 4.94 acre under encroachment by JJ clusters in February 1993. The Cell also developed 178 plots on the portion of this land making a total number of 443 plots for allotment. The beneficiaries refused to accept the revised cost and filed writ petition in the court. As against requirement of 216 plots for allottees (1420 allottees minus 1204 plots developed under phase I), 443 plots were developed at a cost of Rs 2050 lakh. The corporation has not disposed of these 227 plots developed additionally. Failure of MCD to dispose of these plots has resulted into questionable investment of Rs 2050 lakh. This has also not served the purpose of developing the plots to that extent.

(i) Wasteful expenditure on construction of dormitories

The Engineering department constructed four dormitories at Sanjay Gandhi Transport Nagar at cost of Rs 611 lakh including cost of land during 1994-95. These dormitories were handed over to the Cell in 1994-95 to be used by truckers on payment. Due to insufficient licence fee offered by the tenderers in February 1995, these have remained unallotted since then. Failure of MCD to allot these dormitories has deprived the truckers of the facilities of accommodation in the dormitories besides loss of revenue.

(ii) Avoidable liability of interest

The Cell was to pay to DDA a sum of Rs 642 lakh on account of cost of land and ground rent. Non-payment of these dues to DDA resulted in additional liability of Rs 661 lakh on account of interest.

The matter was referred to the Government in September 1996; their reply was awaited as of January 1997.

5.4 Health care through indigenous system of medicine

5.4.1 Introduction

Municipal Corporation of Delhi (MCD) provides health care to the public through indigenous system of medicines i.e. *Ayurvedic*, Homeopathic and *Unani* through its 117 dispensaries and two *Ayurvedic* Hospitals at Hyderpur and Ballimaran. While the total number of *Ayurvedic* dispensaries increased from 80 in 1991-92 to 89 in 1995-96, 14 dispensaries each were working under Homeopathic and *Unani* system through out the last five years.

MCD follows a norm of one dispensary for every 25000 population. Presuming the population of 60 lakh in MCD area, there should be at least 240 dispensaries. Against this, 117 dispensaries are functioning.

5.4.2 Scope of Audit

The accounts and records of the two *Ayurvedic* hospitals and Pharmacy cum stores for the period 1991-92 to 1995-96 were test-checked in audit during November 1995 to June 1996. The findings of audit are set out in the succeeding paragraphs.

5.4.3 Organisational set-up

The pharmacy is headed by officer-in-charge and the two hospitals are headed by Resident Superintendents. The Pharmacy, hospitals and dispensaries are under overall administrative control of Deputy Health Officer, MCD.

5.4.4 Highlights

- **Against the requirement of at least 240 dispensaries as per the norms, MCD had set-up only 117 dispensaries.**

(Paragraph 5.4.1)

- **No norms were prescribed by MCD for deployment of doctors and nurses in Ayurvedic hospitals at Hyderpur and Ballimaran. Staff were too inadequate to meet the demand for minimum service to patients. Each doctor in the Hyderpur and Ballimaran hospitals had to attend to 252 - 328 and 175 - 248 out patients respectively every day.**

(Paragraph 5.4.6.(a))

- **The two hospitals had only six and three nurses for patient care against 29 and 11 respectively required on the basis of Nursing Council norms.**

(Paragraph 5.4.6.(a))

- **The procedure for quality control and coding of ayurvedic medicine was not followed.**

(Paragraph 5.4.6 (b))

5.4.5 Human resources

As per the existing norm followed by MCD, every dispensary is to be equipped with one each of Medical Officer, Ayurvedic Pharmacist, Auxiliary Nursing Midwife (ANM), peon and part time *Safai karamchari*. As such, all the 117 dispensaries should have identical number of staff in each category. As against this, there were 96 Medical Officers, 121 Pharmacists, 69 ANMs and 114 peons as of March 1996.

♦ **Financial outlay and expenditure**

The budget allocation and actual expenditure on pharmacy-cum-stores and dispensaries during the past five years was as under:

Expenditure Head	1991-92		1992-93		1993-94		1994-95		1995-96 (Rs in lakh)	
	BE	AE	BE	AE	BE	AE	BE	AE	BE	AE
Establishment	185.00	184.12	204.00	200.63	225.00	220.96	255.00	235.06	300.00	288.86
Medicines	220.00	219.99	220.00	219.85	220.00	216.08	220.00	219.93	220.00	215.64
Stores	3.50	1.81	3.00	2.16	3.00	2.24	3.00	2.44	3.00	1.81
Improvement of Pharmacy	4.00	0.55	1.50	0.28	0.50	0.00	0.50	0.35	0.50	0.50
Total	412.50	406.47	428.50	422.92	448.50	439.28	478.50	457.78	523.50	506.81

BE *Budget Estimate* **AE** *Actual Expenditure*

While the number of dispensaries had increased from 108 to 117 during the last five years, the budget allocation on purchase of medicines had been stagnating at Rs 220 lakh in spite of general trend of rise in prices.

5.4.6 Health care in *ayurvedic* hospitals

Ayurvedic hospitals at Hyderpur and Ballimaran with bed strength of 80 and 40 respectively were established in 1972 under the indigenous system of medicine to treat patients of bronchitis, gout, skin, partial paralysis, mental, cardiac disorders etc. In order to keep pace with the developing technology, an X-ray unit was also installed in Hyderpur hospital in 1985. In addition, both the hospitals have been providing training to interns for a period of 6 to 12 months.

(a) Hospital services

The hospitals provided medical care to patients through an OPD service and by admitting them to its general wards. The bed occupancies in both the hospitals during the last five years was as under:

Year	Hyderpur Hospital		Ballimaran Hospital	
	Total No. of patient days	Average occupancy per day	Total No. of patient days	Average occupancy per day
1991	16628	46	7399	20
1992	18477	51	8758	24
1993	29346	81	8991	25
1994	31571	86	8710	24
1995	26005	71	8746	24

Against the bed capacity of 80 and 40, the average occupancy ranged between 46 to 86 and 20 to 25 patients per day respectively in the two hospitals. The reasons for under-utilisation of capacity of Ballimaran hospital were not available.

- **Out patient department**

i) Deployment of doctors

The hospitals were not aware whether any norms for the deployment of the doctors in OPD on the basis of work-load to ensure satisfactory patient care, were fixed by MCD. Out of five doctors deployed in Hyderpur Hospital, one was diverted to one of the dispensaries on regular basis, two were entrusted with looking after the indoor patients in evening and night shifts. Thus, only two doctors were available for the OPD services.

In Ballimaran hospital, against the sanctioned strength of two doctors, four doctors were deployed but only two doctors were available to look after the OPD services. Scrutiny of OPD register in Hyderpur hospital disclosed that on an average each doctor had to attend to 252 to 328 patients every day. This figure for Ballimaran hospital stood at 175 to 248 patients per doctor per day. In addition they are expected to perform ward duties. MCD may conduct a work study norm to ensure proper patient-doctor ratio.

ii) **Deployment of nurses**

MCD has not fixed any norms for deployment of staff nurses for general nursing. However, the Indian Nursing Council has laid down the norms that there should be one staff nurse for three patients with 30 *per cent* leave reserve to meet the exigencies of leave and the special needs of patients care in the evening and night shifts in a hundred bedded hospital.

As per this norm the two hospitals should have a strength of atleast 29 and 11 nurses respectively even on the basis of average bed occupancy. Against this, MCD deployed only six and three nurses respectively. As such, adequate patient care could not be ensured. Moreover, the pharmacist was available only during day shift.

(b) Purchase of medicines

The Pharmacy makes purchases of *Unani* and Homeopathic medicines in two groups and *Ayurvedic* medicines in six groups through open tenders. The first group of *Ayurvedic* medicines consists of proprietary medicines and the remaining five groups consist of medicines indicated in authoritative books listed in schedule of the Drug and Cosmetic Act, 1945. However, as per the decision of the Standing Committee of December 1990, the samples which should be of uniform size and packing, were to be coded by an officer nominated by the Commissioner for examination and acceptance of the medicines on the basis of colour, taste and odour of the medicine by Purchase Board.

Test check of the notice inviting tenders revealed that the above mentioned procedure was not followed while purchasing *Ayurvedic* medicines through open tenders in most cases during 1991-92. The Deputy Health Officer had stated, in January 1991, that the coding of the samples was not possible as samples of the firms were different in packing from each other. He added that at the time of floating the tenders in future, the condition to this effect would be inserted in the NIT for submitting the samples in uniform packing. Despite this, it was not followed on the ground that the procedure involved subjective judgement and problem in selection of the medicines.

(c) **Induction of new medicines**

The Commissioner, MCD laid down in March 1992, the following criteria for introducing new *Ayurvedic* medicines.

- The firm should have a standing of atleast five years.
- The firm should have supplied the product being offered to any of the Government/ Semi-Government Organisation/ Institution for atleast two years.
- There should be a clinical test report of the product from any of the following institutions:
  - A & U Tibia College, Delhi
  - Jamnagar Research Institute, Jamnagar
  - Jaipur Medical College & Research Institute
  - Banaras Hindu University
- The medicines should be tried in MCD institutions after clinical reports from the institutions mentioned in (c) above.

The Purchase Board recommended in September 1995 for inclusion of 19 proprietary medicines of nine firms after getting the product clinically tested in both the *Ayurvedic* hospitals at Hyderpur and Ballimaran. However, the records relating to clinical trials of these medicines were not available and therefore, it was not ascertainable whether the new medicines were introduced after a successful clinical trial. The Purchase Board did not ensure fulfillment of other three conditions before introducing these medicines.

(d) **Disposal of hospital wastes**

The unserviceable linen of the hospital is to be destroyed by burning in order to control spread of infection. However, in both the hospitals all unserviceable linens were kept in store and some of these bed sheets were used as table covers or dusters. Since the hospitals did not have modern means for disposal of hazardous and infectious waste, they were asked in November 1995 to intimate the method of disposal of hospital waste. The reply was awaited as of January 1997.

The matter was referred to the Government; their reply was awaited as of January 1997.

5.5 Non-installation of equipment

Failure of Hindu Rao Hospital to complete the civil and electrical works to install the Cardiac Control Unit purchased in July 1994 at a cost of Rs 54.67 lakh resulted in idle investment on the one hand and on the other, denial of modern heart care facilities to the cardiac patients.

With a view to providing modern services to cardiac patients, Municipal Corporation of Delhi approved a proposal of Hindu Rao Hospital (HRH) in March 1993 for purchase of new Cardiac Control Unit monitoring system at total cost of Rs 40 lakh. The project was considered as top priority in January 1994, and consisted of three components viz. (i) procurement and installation of system (ii) construction of civil site for Cardiac Control Unit and (iii) electrical installation.

The hospital took advance action for civil and electrical work in January 1994. While the civil and electrical works were under way, the hospital placed supply orders for Cardiac Control Unit on a US firm through their Indian agent in March 1994. The hospital received the equipment in July 1994 at a cost of Rs 54.67 lakh.

Scrutiny of records of the hospital in September 1996 disclosed that the equipment was not installed primarily due to non-completion of civil and electrical works.

Thus, the hospital not only failed to ensure completion of civil and electrical works before purchase of equipment to facilitate its immediate installation, it also failed to install and commission the equipment procured on priority basis for more than two years after its receipt. This, on one hand, has rendered the investment of Rs 54.67 lakh on the equipment and associated civil and electrical works unfruitful for more than two years and on the other hand deprived the patients of the facility of modern heart care system.

The Medical Superintendent, Hindu Rao Hospital stated, in November 1996, that the equipment is expected to be installed within two weeks .

The matter was referred to Government in September 1996; the reply was awaited as of January 1997.

5.6 Malfunctioning of incinerator

Lackadaisical approach of Rajan Babu Tuberculosis Hospital towards disposal of wastes generated in the hospital through incinerator for the past six years has led to its disposal in a hazardous manner.

Infectious and hazardous wastes from hospitals need to be disposed of by incineration rather than by removal and dumping. Consequent upon the direction of Hon'ble Supreme Court in March 1996, Central Pollution Control Board has also laid down procedure for safe disposal of bio-medical and hazardous hospital wastes through incineration.

Rajan Babu Tuberculosis Hospital, Kingsway Camp, Delhi generates considerable hazardous waste from its wards having 1155 beds, laboratories and operation theaters. It installed an incinerator with a capacity to burn 125 kg waste per hour in December 1990 at a cost of Rs 8.60 lakh, for disposal of bio-hazardous waste. The equipment was made operational in October 1991 only because of non-availability of Light Diesel Oil.

Scrutiny of records of the hospital in August 1996 disclosed that the incinerator functioned for a total of 829 hours only on 309 days out of 1775 days from October 1991 to August 1996. Even on the days it was operated, it functioned on an average for 2.68 hours per day during which it can dispose of not more than 335 kg of wastes against estimated 1500 kg of wastes generated daily by the hospital. The hospital wastes had therefore to be removed with the help of MCD trucks posing grave risk to the public health.

The hospital attributed the non-functioning of the incinerator mainly to non availability of Light Diesel Oil. The hospital, however, did not take effective action to ensure continuous supply of Light Diesel Oil directly from Indian Oil Corporation (IOC). It was revealed that IOC agreed to supply directly a minimum of 10,000 litres of Light Diesel Oil at a time. The storage capacity of Light Diesel Oil in hospital, however, is only for 5,000 litres. The hospital administration neither took action to increase the capacity of the exiting storage nor made effective alternative arrangement.

Besides, the hospital did not make regular arrangement of overhauling/ repair of the incinerator as of March 1996. It approached a firm for annual maintenance service contract in March 1996, but the award of work was awaited as of October 1996. The hospital stated, in October 1996, that it was considering to reject the proposals for repairs or modifications in the plant as the plant would not be able to meet the latest norms of Central Pollution Control Board (CPCB).

Scrutiny also disclosed that the hospital did not create any post for operating the incinerator as of October 1996 and utilised one ward boy for operating this system. This arrangement was not found satisfactory. It was also noticed that clearance required for operating the incinerator was also not obtained from the concerned pollution control authority. The hospital stated, in October 1996, that it was still in the process of getting clearance from CPCB for the existing as well as new incinerator plants proposed to be installed soon.

The matter was referred to Government in September 1996; their reply was awaited as of January 1997.

5.7 Non commissioning of project

Lackadaisical management of the project by MCD resulted in non commissioning of a bridge 10 years after it was sanctioned and three years after the construction was completed at an expenditure of Rs 89.77 lakh.

Municipal Corporation of Delhi (MCD) awarded a lump sum contract at a total cost of Rs 43.40 lakh in September 1986 for construction of a bridge at the down stream channel Nazafgarh drain from Kakrola Regulator on Nazafgarh Road. As the Nazafgarh Road was widened from two lane carriage way to four lane with a divider in the centre for up and down traffic, the bridge was also to be widened accordingly. The construction of the bridge was to be completed by October 1989. MCD, however, did not ensure clear title of the land and suitability of the site before awarding the work. The work was started in May 1988 but was intercepted by the Irrigation and Flood Control Department of Delhi Administration in June 1988, as the part of the land, belonged to them. This compelled MCD to shift the site of the bridge to the upstream of the channel, and it changed the alignment of the bridge, along with scope of the work. The construction of the bridge could be completed only in February 1993 at an expenditure of Rs 76.77 lakh causing a time over-run of 40 months and cost over-run of Rs 33.37 lakh.

The bridge has not been commissioned as of December 1996, due to non installation of improved system of street lighting after shifting of over head line by DESU. MCD failed to take timely action for shifting the electrical lines. It deposited Rs 13 lakh as late as December 1994 with DESU for shifting the overhead lines but failed to deposit the balance amount of mere Rs 0.38 lakh.

The department stated, in April 1996, that due to financial cut imposed by Central Government, the additional demand could not be deposited with DESU. The contention of the department is not tenable as the amount required was very small. They should have deposited the balance amount promptly particularly when initial payment of Rs 13 lakh had already been made.

Thus, mismanagement of the project from the beginning itself led to time over-run of 40 months which further resulted in cost over-run of Rs 33.37 lakh. Further, delay in providing proper lighting arrangements due to non payment of a mere Rs 0.38 lakh kept the entire project non-functional defeating the objective of smooth flow of traffic.

The matter was referred to the Government in September 1996; their reply was awaited as of January 1997.

New Delhi Municipal Council

5.8 Introduction

New Delhi Municipal Council is a nominated body governed by New Delhi Municipal Council Act, 1994 which came into force from 25 May 1994.

The Act provides for appointment of a Chief Auditor under section 33(1) of the NDMC Act 1994 who is responsible to audit the accounts of expenditure from revenue, besides debts, deposits, sinking fund, advances, and commercial services etc. The Chief Auditor was appointed in September 1996.

5.8.1 Financial position

The receipt and expenditure of NDMC during the years 1992-93 to 1995-96 are given below:

(Rs in crore)

Sl. No.		1992-93	1993-94	1994-95
1.	Receipt			
	Internal	227.85	272.97	326.78
	From NCT			
	Grants	22.65	20.27	15.05
	Loans	11.95	11.12	3.68
	Total	**262.45**	**304.36**	**345.51**
2.	Expenditure			
	Non-Plan	231.67	274.89	330.18
	Projects	28.04	33.22	22.50
	Total	**259.71**	**308.11**	**352.68**

The accounts for the year 1995-96 had not been finalised till December 1996 by the council.

5.8.2 Audit

Audit of accounts of NDMC is conducted by the Comptroller and Auditor General of India under Section 14(2) & 15(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act, 1971.

5.8.3 Audit by Examiner, Local Fund Accounts

The Examiner, Local Fund Accounts, Delhi Administration had been entrusted with the concurrent audit of NDMC. He had completed audit only upto 1985-86, and submitted his report to the then Delhi Administration in July 1990.

5.8.4 Internal Audit

Out of approximately 220 units to be audited during the current audit cycle of four years i.e. from April 1994 to March 1998, audit of 123 units was conducted by Internal Audit wing during 1994-95 to 1995-96. A total of 3332 audit objections including the current audit cycle were outstanding as on 31 March 1996.

Year	No. of Paras outstanding at the beginning of the year	Paras added during the year	Paras settled during the year	No. of Paras outstanding at the end of the year
1992-93	2107	472	140	2439
1993-94	2439	554	192	2801
1994-95	2801	602	176	3227
1995-96	3227	288	183	3332

5.8.5 Outstanding advances

Temporary advances are required to be adjusted within a period of one month from the date of withdrawal and, if left unadjusted, a detailed report is required to be sent to the Ministry of Home Affairs being the Administrative Ministry.

Advances of Rs 2.48 crore had not been adjusted upto 31 March 1995 as shown below:

	(Rs in crore)
Period	**Advance outstanding as on 31 March 1995**
Advances paid upto 1985-86	0.20
Advances paid between 1986-87 and 1993-94	0.17
Advances paid during 1994-95	2.11
Total	**2.48**

Advances paid during 1995-96 and outstanding as on 31 March 1996 was not available due to non-finalisation of accounts for the year 1995-96.

CHAPTER VI

GENERAL VIEW OF GOVERNMENT COMPANIES INCLUDING DEEMED GOVERNMENT COMPANIES AND STATUTORY CORPORATIONS

6.1 Introduction

The accounts of the Government companies and deemed Government companies (as defined in Section 619-B of the Companies Act, 1956) are audited by the Statutory Auditors who are appointed by Central Government on the advice of Comptroller and Auditor General of India (CAG) as per provision of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provision of Section 619 (4) of the Companies Act.

The accounts of Delhi Financial Corporation are audited by the Chartered Accountants appointed by the Government of NCT of Delhi in consultation with the CAG who also undertakes the audit of this Corporation separately. Audit Report on the accounts of the Corporation is issued by the CAG to the respective organisation/ Government of NCT of Delhi. In case of Delhi Transport Corporation (DTC), CAG is the sole auditor.

6.2 Government companies - General view

6.2.1 As on 31 March 1996 there were five Government companies with total investment of Rs 55.81 crore (equity: Rs 46.84 crore, loans: Rs 8.97 crore). The same number of Companies with total investment of Rs 52.47 crore (equity: Rs 43.88 crore, loans: Rs 8.59 crore) were there as on 31 March 1995.

The classification of the companies is as under:

			(Rs in crore)
	Particular	No. of Companies	Paid up capital
a)	Working companies	5	46.84
b)	Non-working companies (i) Defunct companies (ii) Companies under liquidation	Nil Nil Nil	Nil Nil Nil

6.2.2 The financial position and working results in respect of Government companies are given in Annexure-VII & VIII.

6.2.3 Sector-wise investment

The sector-wise investment in these companies is as below:

Equity and Loans

							(Rs in Crore)
Sl. No.	Ministry/Deptt type of PSU	No. of Companies	At the end of				Debt equity Ratio in 1995-96
			1994-95		1995-96		
			Equity	Loan	Equity	Loan	
1. A.	Industries Govt. Companies	2	25.04	8.59	25.04	8.63	0.34:1
2. A.	Tourism Govt. Company	1	4.28	-	5.28	0.34	0.06:1
3. A.	Welfare Govt. Company	1	9.56	-	11.52	-	-
4. A.	Public Distribution Govt. Company	1	5.00	-	5.00	-	-
	Total	5	43.88	8.59	46.84	8.97	0.19:1

a) Analysis of Investments

The increase in investment was due to increase in investment in Industries, Tourism and Welfare sector. There was no case of disinvestment or privatisation of any activity in any of the companies during the year 1995-96.

6.2.4 Guarantees

Government of NCT of Delhi has not given any guarantee against loans and credits taken by any of the companies from the Banks etc.

6.2.5 Budgetary outgo and waiver of dues

(a) The outgo from the Government of NCT of Delhi to PSUs during the year 1993-94 to 1995-96 in the form of equity and subsidy (Annexure-IX) is as detailed below:

				(Rs in crore)
		1993-94	1994-95	1995-96
1	Equity	1.18	0.65	2.00[1]
2	Subsidy	0.65	2.40	2.01
	Total outgo	1.83	3.05	4.01

(b) During last three years, in none of the companies, amount due to the Government were foregone by way of loans written off or interest waived.

6.2.6 Finalisation of account

Accountability of PSUs to the legislature is to be achieved through the submission of audited annual accounts within the prescribed time schedule to the legislature. Of the five Government companies, none of the companies finalised its accounts for the year 1995-96 by September 1996. The accounts of all five companies were in arrears for periods ranging from two years to seven years as indicated in Annexure-XI (as on 30 September 1996).

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[1]There was an investment of Rs 0.96 crore by way of equity in one Company by Central Government.

According to the latest finalised accounts of these companies, Delhi State Industrial Development Corporation (DSIDC) and Delhi State Mineral Development Corporation (DSMDC) had incurred losses of Rs 2.95 crore and the remaining three companies earned profit of Rs 8.93 crore as indicated below:

(Rs in crore)

Sl. No.	No. of Companies	Year upto which accounts were finalised	Profit		Loss		Reference to Sl. No. of companies as per Annexure-*XI*
			No. of companies	Amount	No. of companies	Amount	
1	1	1988-89	1	0.58	-	-	4
2	1	1990-91	1	0.61	-	-	5
3	1	1991-92	-	-	1	1.21	2
4	1	1992-93	1	7.74	-	-	3
5	1	1994-95	-	-	1	1.74	1
		Total	3	8.93	2	2.95	

The administrative departments are responsible for ensuring that the accounts are finalised and adopted by the companies in the annual general meeting within the time schedule prescribed in the Companies Act, 1956. Though the concerned administrative departments were apprised by Audit of the position of arrears quarterly, no effective measures were undertaken for timely finalisation of accounts. Due to non-adherence of the time schedule, the investment made in these companies remained outside the purview of Audit and their accountability could not be ensured.

6.2.7 Working Results

a) Profit making companies

During the year 1995-96 one company, Delhi Tourism & Transport Development Corporation Ltd. finalised its accounts for previous year, had earned profit of Rs 7.74 crore.

b) **Loss making companies**

One loss making company (Delhi State Mineral Development Corporation Ltd.) suffered loss for two consecutive years. Loss was due to closure of main activity of Badarpur Sand Mining in 1990-91.

Out of five working companies none of the companies were sick or in the process of being referred to BIFR or in the process of liquidation.

c) Under Section 619(4) of the Companies Act, 1956, the CAG has the right to comment upon or supplement the report of the Statutory Auditors. Accordingly, the audited annual accounts of Government Companies are reviewed on a selective basis. During the period from October 1995 to September 1996, accounts of two companies were selected for review.

d) **Return on capital invested**

As the capital structure differs from company to company and rates of interest charged on long term loans given to the companies are not uniform, it may be unrealistic to compare profit of the companies wholly on the basis of profit and loss as reflected in the accounts. To study the results on a uniform basis therefore the capital was taken into account consisting of the total paid up capital, long term loans and free reserves less accumulated losses at the close of the financial year. Similarly, the return was taken not only as the profit or loss (before tax and prior period adjustments) as disclosed in the accounts but also the interest paid on long term loans. On the basis of latest available accounts return on capital invested in companies in different sectors was as below:

(Rs in lakh)					
Sl. No.	Sector	Year	Capital Invested	Return	Percentage of return on capital invested
1.	Industries DSIDC Ltd. DSMDC Ltd.	1994-95 1991-92	2004.36 (2166.68) 335.81 (461.26)	559.49 (818.65) (-)120.56 [(-)96.42]	27.91 (37.78) (-)35.90 [(-)20.90]
2.	Tourism (DT&TDC)	1992-93	1289.91 (812.61)	777.73 (434.33)	60.29 (53.45)
3.	Public Distribution (DSCSC)	1990-91	699.51 (676.09)	60.72 (66.46)	8.68 (9.63)
4.	Welfare (DSCF&DC Ltd.)	1988-89	375.08 ((327.63)	58.21 (43.25)	15.52 (13.20)

Note: Figures for previous year are given in brackets

e) Return on capital employed

Capital employed has been taken as net fixed assets (excluding capital works in progress) plus working capital. Interest on borrowed funds is added/subtracted to the net profit/loss as disclosed in the profit and loss account. On the basis of latest available accounts sector-wise capital employed and return thereon in these companies was as under:

(Rs in lakh)					
Sl. No	Sector	Year	Capital employed	Return on capital employed	Percentage of return on capital employed
1.	Industries DSIDC Ltd. DSMDC Ltd.	 1994-95 1991-92	2018.62 (2182.55) 349.97 (474.62)	581.63 (841.09) (-)120.56 [(-)96.42]	28.81 (38.54) (-)34.45 [(-)20.30]
2.	Tourism (DT&TDC)	1992-93	(-)983.13 [(-)1403.28]	777.73 (434.33)	(-)79.10 [(-)30.95]
3.	Public Distribution (DSCSC)	1990-91	749.51 (722.40)	60.72 (66.46)	8.10 (9.20)
4.	Welfare (DSCF&DC Ltd.)	1988-89	681.37 (545.49)	58.21 (43.25)	8.54 (7.93)

Note: Figures for previous years are given in brackets.

6.2.8 Buy back of shares by joint sector companies promoted by Government Companies

The DSIDC Ltd. is engaged in the development of industries by making investment in their share capital. There was no case of buy back of shares during the year 1995-96.

6.2.9 The Companies Act, 1956, empowers the CAG to issue directions to the Statutory Auditors of Government companies in regard to performance of their functions. In pursuance of the directives so issued, special reports of the Statutory Auditors on the accounts of DTTDC Ltd. and DSIDC Ltd. for the years 1991-92 and 1994-95 respectively were received during the year. The important points noticed in the reports are summarised below:

Sl. No.	Nature of defect	No. of companies in which defect was noticed	Reference to Sl. No. of companies as per *Annexure--XI*
1.	Fixed Asset registers are not properly maintained, posted to date	2	1 & 3
2.	In respect of banks from which the corporation has taken loan in earlier years no reconciliation is done.	1	1
3.	Variances together with reasons thereof between budgets and actuals have not been analysed by the management	1	1
4.	Review of outstanding dues and valuation of investments has not been done during the year by any authority	1	1
5.	Internal Audit is not commensurate as to size of the company and nature of its business.	2	1 & 3

6.2.10 Capacity utilisation

Out of five companies, none of the company was a manufacturing company.

6.2.11 619-B Companies

There was no company covered under section 619-B of the companies Act, 1956.

6.3 Statutory corporation

6.3.1 General aspects

There was one Statutory corporation in the Government of NCT of Delhi as on 31 March 1996. However, another statutory Corporation namely Delhi Transport Corporation has also been transferred to Government of NCT of Delhi on 5 August 1996. The audit arrangements of these corporations were as under:

Name of the Corporation	Delhi Financial Corporation
Statute under which constituted	State Financial Corporation Act, 1957
Date of formation	1-4-1967
Audit arrangement	Chartered Accountant/ Audit Report issued by CAG
Year upto which accounts finalised	1995-96
Separate Audit Report placed in legislature upto the year	1994-95
Authority for Audit by CAG	u/s 37(6) of the SFC Act, 1951

6.3.2 Investment

The total investment in the Corporation as on 31 March 1996 was Rs 62 crore (equity Rs 15.39 crore and long term loan Rs 46.61 crore) against Rs 50.60 crore in 1994-95 (equity Rs 15.35 crore and long term loans Rs 35.25 crore).

Position of debt-equity ratio which was 2.29:1 in 1994-95 deteriorated to 3.03:1 in 1995-96 due to increase in loans.

6.3.3 Profit of the Corporation

During the year 1995-96, the Corporation earned profit of Rs 6.34 crore.

6.3.4 Finalisation of Accounts

The corporation has finalised its accounts for the year 1995-96 by October 1996. The summarised financial results are given in Annexure-X.

6.3.5 Guarantee

a) Guarantee on share capital

Under Section 6(1) of the Act, the Government of NCT of Delhi has guaranteed the repayment of share capital and payment of annual dividend of three *per cent* on Rs 0.32 crore, 3.5 *per cent* on Rs 8.69 crore and five *per cent* on Rs 0.18 crore, 7.5 *per cent* on Rs 2.54 crore of the paid up capital of the corporation except on the shares issued u/s 4(A) of the Act.

b) Guarantee on loans

The corporation's borrowing as on 31 March 1996 amounted to Rs 46.61 crore comprising bonds and debentures of Rs 15.67 crore, borrowing from IDBI Rs 4.16 crore and from SIDBI Rs 26.78 crore. The repayment of principal and interest (except on borrowing from IDBI and SIDBI) on bonds and debentures amounting to Rs 15.67 crore was guaranteed u/s 7(1) of the SFC Act, 1951.

6.3.6 Subsidy

During last three years ending 31 March 1996 no subsidy was given to the Corporation by the Government of NCT of Delhi.

6.3.7 During the year 1995-96 there was no case of disinvestment and privatisation of any activity in the Corporation.

6.3.8 Financial position

Financial position of the Corporation for the last three years upto 1995-96 is given below:

(Rs in lakh)

			Years	1993-94	1994-95	1995-96
A.			**Liabilities**			
	a)		Paid up capital (including share application money)	1527.22	1535.22	1539.22
	b)		**Reserves & Surplus**			
		i)	Free Reserves	1429.73	1659.27	1935.44
		ii)	Committed Reserves	330.68	391.77	492.43
	c)		**Borrowing from**			
		i)	Government of India	-	-	
		ii)	Financial Institutions	2795.37	1847.00	3093.61
		iii)	Bonds & Debentures	1677.50	1677.50	1567.50
	d)		**Current liabilities & provision**	914.69	1050.99	649.28
			Total	**8675.19**	**8161.75**	**9277.48**
B.			**Assets**			
	e)		**Gross Block**	-	-	-
	f)		**Cumutative depreciation**	-	-	-
	g)	i)	Net Block	38.75	86.45	444.28
		ii)	Capital work in progress	1.12	1.12	1.12
	h)		**Investments**	0.80	43.76	43.76
			Current Assets	8634.52	8030.42	8788.32
			Total	**8675.19**	**8161.75**	**9277.48**
C.	i)		**Capital employed**[2]	8118.94	7435.63	7869.48
	j)		**Capital invested**[3]	7429.82	6718.99	8135.77

6.3.9 Working Results

The following table indicates the details of working results of the corporations for each of the years upto 1995-96.

[2] Capital employed represents the mean of aggregate of opening and closing balances of paid up capital, reserves, bonds, deposits and borrowings.

[3] Capital invested represents paid up capital plus long term borrowings plus free reserves and surplus.

				(Rs in lakh)
		1993-94	1994-95	1995-96
A.	**Income**			
(a)	Interest on Loans & advances	1282.56	1226.87	1258.84
(b)	Other income	66.65	80.72	194.38
	Total	**1349.21**	**1307.59**	**1453.22**
B.	**Expenditure**			
(a)	Interest on bonds, deposit, borrowings	795.84	496.19	448.62
(b)	Other expenditure	228.59	237.56	370.33
	Total	**1024.43**	**733.35**	**818.95**
	Profit before tax	324.78	573.84	634.27
	Provision for tax	128.12	214.98	202.51
	Profit after tax	196.66	358.86	431.76
	Transfer to Reserves/Special Reserves*	129.91	229.54	238.76
	Dividend Proposed	67.39	67.86	68.16
	Return on capital employed	1120.62	1070.03	1082.89
	Return on capital invested	1120.62	1070.03	1082.89
	Percentage return on capital employed	13.8	14.4	13.8
	Percentage return on capital invested	15.1	15.9	13.3

* Special reserves for the purpose of section 36(i)(viii) of Income Tax Act.

6.3.10 The following table indicates the position regarding the receipt and disposal of applications for loan during each of the three years upto 1995-96.

							(Rs in lakh)
Sl.No.	**Particulars**	**1993-94**		**1994-95**		**1995-96**	
		No.	**Amount**	**NO.**	**Amount**	**NO.**	**Amount**
1.	Applications pending at the beginning of the year	33	501.17	36	309.33	66	495.93
2.	Applications received	618	2641.59	754	5390.92	781	6865.15
3.	Total(1+2)	651	3142.76	790	5700.25	849	7361.08
4.	Applications sanctioned	532	2021.28	600	4407.67	724	5874.97
5.	Applications cancelled/ withdrawn/rejected	83	812.15	122	796.65	76	1026.59
6.	Applications pending at the end of the year	36	309.33	63	495.93	49	459.12
7.	Loan disbursed	421	1575.85	424	2205.78	552	4095.32
8.	Amount outstanding at the close of the year	2947	7045.29	3117	7054.82	2784	8249.06
9.	Amount overdue for recovery at the end of the year						
(a)	Principal	-	198.88	-	183.74	-	146.57
(b)	Interest	-	266.55	-	161.53	-	94.54
(c)	Total	812	465.43	768	345.27	-	241.11
10.	percentage overdue		6.6		4.9		2.9

6.4 Delhi Transport Corporation

Name of the Corporation	Delhi Transport Corporation
Statue under which constituted	Road Transport Corporations Act, 1950 as amended by Delhi Road Transport Laws (Amendment Act) 1971.
Date of formation	3-11-1971
Audit arrangement	CAG is the sole auditor
Year upto which accounts finalised	1995-96
Separate Audit Report placed in Legislature/Parliament upto the year	1994-95
Authority for Audit by CAG	U/s 33(2) of the Road Transport Corporations Act, 1950

6.4.1 Investment

The total investment in DTC as on 31 March 1996 was Rs 2039.20 crore (equity Rs 335.36 crore and long term loans Rs 1703.84 crore) against Rs 1679.12 crore as on 31 March 1995 (equity Rs 335.36 crore and long term loans Rs 1343.76 crore).

Position of debt-equity ratio which was 4.01:1 in 1994-95 deteriorated to 5.08:1 in 1995-96 due to increase in loans.

6.4.2 Profit/ Loss of the Corporation

During the year 1995-96, the Corporation had incurred a net loss of Rs 392.29 crore.

6.4.3 Finalisation of Accounts

The Corporation has finalised its accounts for the year 1995-96 by 30 September 1996. The summarised financial results are given in Annexure-X.

6.4.4 Guarantees and Subsidy

Consequent upon the transfer of DTC from the Central Government to the Government of NCT of Delhi, w.e.f. 5 August 1996, Government of India had written off liabilities of DTC amounting to Rs 2123.21 crore as on 31 July 1996, which include (i) Capital loan of Rs 415.08 crore, (ii) ways and means loan of Rs 565.76 crore and (iii) interest of Rs 1142.37 crore on (i) and (ii) above.

During the year 1995-96, there was no case of disinvestment and privatisation of activity in the Corporation.

6.4.5 Financial Position

Financial position of the Corporation for the last three years upto 1995-96 is given below:

				(Rs in lakh)
	Liabilities	**1993-94**	**1994-95**	**1995-96**
(a)	Paid up Capital (including Reserve for equity capital)	33536.45	33536.45	33536.45
(b)	Reserves and Surplus			
(i)	Free Reserves	-	-	-
(ii)	Committed Reserves	1717.30	1720.12	1802.46
(c)	Borrowings (including interest)			
(i)	Govt. of India	109108.76	134376.42	170383.53
(ii)	Financial Institution			
(iii)	Bonds & Debentures	-	-	-
(d)	Current Liabilities & Provisions	7357.81	10934.53	12598.88
	Total	**151720.32**	**180567.52**	**218321.32**
	Assets			
(e)	Gross Block	19391.66	19836.69	18158.97
(f)	Less Depreciation	9145.38	10225.27	9845.37
(g)	Net Block	10246.28	9611.43	8313.60
(h)	Capital work in progress	815.25	267.21	34.94
(i)	Investments/deposits	43.35	53.31	57.11
(j)	Current Assets	2970.83	2287.05	2338.01
(k)	Appropriation Account (Loss)	137644.61	168348.52	207577.66
	Total	**151720.32**	**180567.52**	**218321.32**
(l)	Capital employed[4]	(-)48544.23	(-)75949.13	(-)106833.35
(m)	Capital invested[5]	88198.31	90946.46	98976.79

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[4] Capital employed represents net fixed assets excluding capital works in progress plus working capital.

[5] Capital invested represents capital contribution by state and central government plus secured and unsecured loans.

6.4.6 Working results

The following table indicates the details of working results of the Corporation for each of the years upto 1995-96.

				(Rs in lakh)
	Income	**1993-94**	**1994-95**	**1995-96**
(a)	Operating Revenue	14565.96	15215.52	13291.01
(b)	Non operating revenue	1121.55	1373.34	776.33
	Total	**15687.51**	**16588.86**	**14067.34**
	Expenditure			
(c)	Operating	25496.93	25006.38	25042.20
(d)	Non operating (interest on loans)	18362.33	22511.53	27919.85
	Total	**43859.26**	**47517.91**	**52962.05**
	Loss	28171.75	30929.05	38894.71
	Prior period adjustments	(+) 12.34	(-) 225.16	(+) 334.44
	Net Loss	28184.09	30703.89	39229.15

Note: The Corporation incurred losses during all the three years.

6.4.7 Physical performance

The following table highlights performance of DTC in physical terms for the years 1993-94 to 1995-96.

Sl.No.	Particulars	1993-94	1994-95	1995-96
1.	Fleet strength at the end	3502	3480	2770
2.	Average Fleet during the year	3706	3517	3206
3.	Average buses on road daily	3247	2313	1722
4.	Fleet utilization (percentage)	87.61	65.77	53.71
5.	Km. operated (in lakh)	2558.20	2121.68	1697.38
6.	Average Km. operated daily (in lakh)	7.01	5.81	4.64
7.	Average Km. per bus daily	216	251	269
8.	Average passengers carried daily (in lakh)	24.39	17.43	15.79
9.	Income per bus daily (in Rs)	1321	1993.00	2365.00

6.5 Delhi Tourism & Transportation Development Corporation Limited

Highlights

- **Delhi Tourism and Transportation Development Corporation Ltd. (DTTDC) was incorporated in December 1975 as wholly owned Government Company with the main object to develop tourism in National Capital Territory (NCT) of Delhi. Even after 21 years of its incorporation the Company was sustaining mainly on operation of Indian Made Foreign Liquor and Country Liquor Trade and its entire tourism division was incurring losses.**

(Paragraph 6.5.1 & 6.5.2)

- **Due to absence of effective cash-Management, surplus funds ranging from Rs 141.48 lakh to Rs 212.66 lakh were kept idle during the period from April 1995 to March 1996 thus depriving the company of potential revenue of Rs 6.55 lakh by not investing these funds in fixed deposits.**

(Paragraph 6.5.9 b(i))

- **In view of risk factors involved in the investment of funds in securities, the Central Government issued guidelines in December 1994 to Public Sector Undertakings for disinvestment in UTI Schemes in phased manner. The Company had not disinvested Rs 461.38 lakh held in US-64 Scheme of UTI so far (September 1996).**

(Paragraph 6.5.9 b(ii))

- **Against available average 1645 number of bus days, the fleet utilisation of the buses held by corporation decreased from 1065 number of bus days in 1991-92 to 894 in 1995-96. The deteriorating performance resulted in non-earning of income of Rs 15.56 lakh during these years.**

(Paragraph 6.5.10 b)

- **As per feasibility report of ITDC for one Coffee Home, the cost of food & beverage at coffee home was recommended as 50 per**

cent of the total sales. However, it ranged from 57.9 per cent to 66.5 per cent of the sales in all the Coffee Homes due to poor cost control.

(Paragraph 6.5.11)

- **Out of a total amount of Rs 53.52 crore refundable to Government of NCT of Delhi on account of Government share of profits on sale of country liquor, the Corporation refunded Rs 24.22 crore and balance Rs 29.30 crore were pending for refund. The retained Government's money was invested in securities without the concurrence of the Government. An income of Rs 19.48 crore was earned by way of interest/ dividend.**

(Paragraph 6.5.12)

- **Government of India, Ministry of Urban Development offered a plot of land to the company for sub-lease by the company to a third party for construction of a hotel subject to entering into an agreement with it. The Company paid Rs 132.45 lakh towards licence fee for the allotted plot of land. As the company failed to give its consent within stipulated time the Government allotted the same land to a private party. Delay in giving consent on the part of company resulted in infructuous expenditure of Rs 132.45 lakh. The company was also deprived of projected average annual earnings of Rs 10.90 crore for 33 years as the land was directly allotted by the Government to the private party.**

(Paragraph 6.5.14)

6.5.1 Introductory

Delhi Tourism Development Corporation Ltd. (DTDC) was incorporated in December 1975 as wholly owned Government Company with the main object to develop tourism in National Capital Territory (NCT) of Delhi. In June 1989, the name of the company was changed to Delhi Tourism and Transportation Development Corporation Ltd. (DTTDC).

6.5.2 Objectives

The main objects of the Company were to develop tourism in the NCT of Delhi and

- to take over and manage existing hotels, motels and sell, construct, purchase, acquire, lease, take on lease and to carry on projects.
- to establish and maintain transport units, travel and transport counters.
- to construct, run and maintain tourist information bureaus and centres in the NCT of Delhi and elsewhere and to produce, distribute and sell tourist publicity materials and films etc.
- to provide entertainment to tourists by way of cultural shows, tourist complexes, entertainment and amusement parks.
- to have collaboration with the Archaeological survey and other departments with a view to develop and promote tourism in the NCT of Delhi.
- to provide shopping facilities to tourists.
- to organise all inclusive tours.
- to undertake and engage in the business whether as dealer, commission agent, wholesaler, distributor and retailer of wine, liquor and spirits of all kinds, mineral water, beer and other soft drinks.
- to plan, design, erect, build, alter, pull down, develop, carry out, improve, execute, administer, manage and control works and convenience of all kinds including tramways, rope ways, barrages, reservoirs, structures, embankments, canals, roads, culverts, bridges, approach road, sub-ways, grade separators.

In pursuant of above objectives, the Company was engaged in running of information centres, conducting of tours for promotion of tourism, running of coffee homes for providing hygienic foods and carrying out business of Indian Made Foreign Liquor (IMFL). The Company had also established "Dilli Haat" in March 1994 for highlighting the Indian cultural heritage by displaying and providing foods of different regions of India, handicrafts etc. and organising fairs and festivals.

The activity of constructing flyovers, under ground sub-ways etc. was transferred to the Company by Government of NCT of Delhi in May 1989. Upto 31 March 1996 three flyovers at Loni Road, IIT Gate and Chirag Delhi were constructed by the Company. The expenditure incurred on this activity of the Company was met through sale of country liquor from 17 shops (March 1996) by the Company.

Even after incorporation of 21 years the company could neither take over any existing hotel nor it could construct any hotel of its own. From the succeeding paragraphs it can safely be concluded that the company is sustaining mainly through the funds generated by sale of IMFL and Country Liquor. Although the company was running on profit but its entire tourism division was continuously incurring losses year after year and its performance for the development of tourism was not very encouraging.

6.5.3 Scope of Audit

The Company has been reviewed for the first time by Comptroller and Auditor General of India. The working of the company for the five years i.e. 1991-92 to 1995-96 was reviewed from April 1996 to September 1996 and the results are brought out in the succeeding paragraphs.

6.5.4 Organisational Set-up

The management of the Company rests in the Board of Directors comprising not more than fifteen members including Chairman & Managing Director, all appointed by the State Government. The number of members of the Board of Directors as on 31 March 1996 was thirteen including the Chairman & Managing Director (CMD). CMD is the Chief Executive who is assisted in his day to day work by the General Manager and Financial Controller & Company Secretary.

6.5.5 Capital Structure

As on 31 March 1996, against the authorised capital of Rs 1000 lakh, the paid up capital of the Company was Rs 528.25 lakh.

6.5.6 Financial Position

The annual accounts upto 1993-94 have only been finalised. The table below summarises the financial position of the Company for the last three years upto 1993-94*:

(Rs in lakh)

		1991-92	1992-93	1993-94
A	LIABILITIES			
a)	Paid up share capital (including Share Application money)	368.25	428.25	428.25
b)	Reserves and surplus	420.36	837.66	1210.01
c)	Borrowings from	24.00	24.00	24.00
	i) Delhi Admn.			
	ii) Interest accrued and due	25.24	28.84	32.44
	d) Current Liabilities and provisions	6681.75	4286.62	4722.34
	Total	7519.60	5605.37	6417.04
B	ASSETS			
e)	Gross Block	345.33	370.71	623.86
f)	Less Cumulative Depreciation	63.00	83.59	104.04
g)	Net Block	282.33	287.12	519.81
h)	Capital Work in progress	14.55	71.69	22.41
i)	Investments	2201.35	2201.35	2303.75
j)	Current Assets & loans and Advances	5021.38	3045.21	3571.07
	Total	7519.61	5605.37	6417.04
Capital Employed**		(-) 1403.28	(-) 983.13	(-) 663.90
Net Worth#		788.61	1265.91	1638.26
Capital invested##		812.61	1289.91	1622.26

* *The Company has not finalised even the provisional figures for the year 1994-95 & 1995-96.*

** *Capital employed represents net block plus current assets & loans and advances less current liabilities & provisions & interest due*

\# *Net worth represents paid up share capital plus reserves and surplus.*

\#\# *Capital invested represents paid up capital plus long term borrowings plus free reserves and surplus.*

6.5.7 Working Results

Working Results of the Company for the last three years ending 31 March 1994 were as below:

				(Rs in lakh)
		1991-92	1992-93	1993-94
	Income			
a	Turnover	16,852.71	18,453.14	18039.13
b	Less cost of goods sold/service rendered	15,786.34	17,026.84	16030.62
c	Operating Profit	1,066.37	1,426.30	2008.51
d	Less transfer to infrastructure utilisation Fund	680.43	1,001.07	1348.21
	Net Operating Profit	**385.94**	**425.23**	**660.30**
e	Add other Income	732.26	762.37	490.79
f	Gross Profit	1118.20	1187.60	1151.09
	Expenditure			
g	Employees remuneration & Benefits	207.93	259.14	370.38
h	Administrative and other Expenditure	222.09	122.72	208.16
i	Depreciation	18.67	21.02	23.42
j	Loss on sale of Fixed Assets	2.76	0.13	0.09
k	Interest	19.49	3.60	3.60
l	Provisions for doubtful debt	-	6.86	-
m	Prior period adjustment	-	-	-
n	Provision for fluctuation in the value of investment	232.42	-	-
o	Contribution to P.M. Relief Fund	-	-	10.27
	Total	**703.36**	**413.47**	**615.92**
p	Net profit before tax	414.84	774.13	535.17
q	Provision for Income Tax	282.67	320.00	120.00
r	Net profit after Tax	132.17	454.13	415.17
s	Proposed Dividend	24.10	36.83	42.82
t	Surplus	108.07	417.30	372.35
u	Return on capital employed	434.33	777.73	538.77
	Return on capital invested	434.33	777.73	538.77
v	Percentage of return on capital employed	(-) 31.0	(-) 79.1	(-) 81.2
w	Percentage of return on capital invested	53.4	60.2	32.4

It would be seen from the table that percentage of return over capital invested has decreased from 60.3 in 1992-93 to 32.4 in 1993-94 due to decrease in net profit of Rs 774.13 lakh in 1992-93 to Rs 535.17 lakh in 1993-94.

6.5.8 Delay in Finalisation of Accounts

The Companies Act, 1956 provides that the audited annual accounts of a company should be adopted in the Annual General Meeting (AGM) of the shareholders within six months of the closure of the financial year and within three months thereafter, the Government of NCT of Delhi should cause it to be laid before the legislature along with the Audit Report.

The company has finalised its accounts only up to 1993-94 in December 1996. The accounts for 1994-95 and 1995-96 were yet to be finalised (December 1996).

The management stated (December 1996) that the main reason for delay in finalisation of accounts of the Corporation was delay in finalisation of the terms of the retail trade of Country Liquor, which was assigned to DTTDC in May 1989. The terms have only been determined in 1992-93.

Even after the determination of the terms, the company was lagging behind in finalisation of accounts.

6.5.9 Financial Management

(a) Budgeting System

Budgeting is a tool for higher management to exercise its control over the operations of the organisation. It is also needed for the planned development of an organisation. However, it was observed in Audit that DTTDC did not prepare any type of budget. In absence of budget, the flow of expenditure could not be monitored properly by the company.

The management stated (December 1996) that they had initiated action for having a proper divisional budget.

(b) Investments

(i) The guidelines issued by Government of India (December 1994), envisaged that availability of surplus funds should be worked out based on cash flow statements taking into account working capital requirement and replacement of any asset etc. However, scrutiny of the records revealed that the Company was neither assessing its working capital requirement nor preparing any cash flow to assess the availability of surplus funds during 1991-96.

Further, scrutiny of the bank balances in IMFL & Country Liquor Division during the period from April 1995 to March 1996 revealed that the Company was having a total of minimum daily balances ranging from Rs 141.48 lakh to Rs 212.66 lakh in current accounts in various banks. The company could have earned Rs 6.55 lakh had these funds been invested in fixed deposit for more than 45 days and earned interest at the rate of 10 *per cent* annually. Thus, due to poor cash management, huge amounts were lying un-utilised in the current accounts maintained in the banks.

The management stated (December 1996) that the daily cash collection of the corporation was ranging between Rs 80 to 150 lakh, which was only known to the Corporation on the next day or in the evening hours on getting the information from various collecting bankers and the cash van deputed for the purpose.

The reply was not tenable as the company was not preparing daily cash flow statements/ consolidated position of cash balances.

(ii) The guidelines *inter alia* provide for disinvestment of funds invested in UTI schemes which could have been started in phased manner w.e.f. January 1995 as these had inherent risk element. The Company was holding investment worth Rs 461.38 lakh as on December 1994 in US-64 scheme of UTI. The disinvestment had not been started so far (December 1996).

6.5.10 Tourism Division

Tourism division came into existence in December 1975. Division has various activities such as operating information offices for dissemination of information to tourists at all disembarkation points of Delhi. Under this scheme, the corporation was operating 11 centres in Delhi and four out of Delhi as on 31 March 1996. The information centres in addition to disseminating information to tourists provides facilities for hotel reservation, tours and transport. Tourism division also provides facility of converting foreign exchange into Indian currency at its Information Centres at Indira Gandhi International Airport & N-Block Connaught Place.

Tours to various places in Delhi and outside Delhi were operated through transport division which controls and maintains the fleet of 23 commercial vehicles as on 31 March 1996, (five buses and 18 DLY & DLZ cars) and coordinates with tourism division for smooth operation of tours and transfers.

(a) Working Results

The working results of tourism division (including Transport Division) of the Corporation for the last five years ending March 1996 were as below:

					(Rs in lakh)
	1991-92	1992-93	1993-94	1994-95	1995-96
Sale of Printed Literature	7.21	5.82	6.77	7.66	9.20
Income Other services rendered	94.51	124.57	131.31	137.28	135.52
Other Income	9.34	23.30	4.96	9.85	7.23
Grant-in-aid	8.00	10.00	-	-	15.00
Total	119.06	163.69	143.04	154.79	166.95
Purchase	4.72	6.36	7.76	8.66	10.65
Cost of services rendered	76.35	107.63	150.90	133.72	139.44
Salary & Allowance	91.58	113.62	134.86	118.31	82.87
Admn. Expenses	149.32	38.05	49.20	24.22	36.22
Total	321.97	265.66	342.72	284.91	269.18
Profit(+)/Loss(-) before Depreciation & Int.	(-) 202.91	(-) 101.97	(-) 199.68	(-) 130.12	(-) 102.23
Less					
i) Depreciation	12.83	15.33	9.50	10.15	10.15
ii) Interest on Loan	3.60	3.60	3.60	1.05	-
Loss	(-) 219.34	(-) 120.90	(-) 212.78	(-) 141.32	(-)112.38

Figures as supplied by the Management

It could be seen from above table that although the losses were on decreasing trend yet the division was continuously incurring losses of more than Rs one crore per year. The Company did not supply any record to show that the reasons of the losses were ever analysed by them to control such losses and make the division economically viable.

(b) Under Utilisation of Buses

The table below indicates the fleet utilization of the buses held by Corporation during each of the five years upto 1995-96.

		1991-92	1992-93	1993-94	1994-95	1995-96
1	No. of Buses	5	5	5	5	5
2	No. of bus days available	1830	1825	1825	1825	1830
	Less :					
3	No. of bus days for Rep. & Maintenance	183	182	182	182	183
4	No. of bus days available	1647	1643	1643	1643	1647
5	Utilisation	1065	1084	1064	926	894
6	No. of idle bus days	582	559	579	717	753
7	Percentage Utilisation	64.7	66	64.8	56.4	54.3
8	Average net Operational Profit per bus per day (Rs)	443	443	387	565	559
9	Revenue Loss (Rs in lakh) (6 x 8)	2.58	2.48	2.24	4.05	4.21

It can be seen that actual utilisation of the buses decreased from 64.7 *per cent* in 1991-92 to 54.3 *per cent* in 1995-96. Similarly number of idle bus days also increased from 582 in 1991-92 to 753 in 1995-96 indicating a deteriorating operational performance.

It was observed in audit (June 1996) that no remedial action was taken to check the deteriorating performance which resulted in 3190 idle bus days and consequent non earning of income of Rs 15.56 lakh after meeting the operational expenditure during 1991-92 to 1995-96.

The management stated (December 1996) that further corrective actions were being taken for better utilisation of the fleet.

(c) Outstanding dues on account of hiring of vehicles Rs 10.62 lakh

A review of the records of Transport Division of the Company revealed that an amount of Rs 10.62 lakh was outstanding from different departments/ parties as on 31 March 1996 as detailed below:

	(Rs in lakh)
Period	Amount
Upto 3 years	7.28
3-5 years	0.17
5-7 years	1.53
above 7 years	1.64
Total	10.62

The above amount includes an amount of Rs 3.34 lakh which has become more than three years old.

In March 1994, the corporation formed a committee to review all old cases, but the report, if any, was not made available to audit.

The management stated (December 1996) that since some of the amounts are recoverable from the departments of the Government it may not be appropriate to write them off, where action is in hand to recover the amount by taking up the matter at appropriate levels.

Management reply is not tenable as it transpired that there was inaction of management in recovering the old outstanding debt.

(d) Held up of commercial vehicles in Workshop

The Company had no workshop or mechanical staff of its own and repair and maintenance work was got done from private workshops. Driver of the vehicle submits a defect report on the plain paper for the repair work/ replacement of spare parts. Estimates for the work are obtained from nearest workshop and on that basis the approval of the amount is sought from competent authority. Thus, the company had to pay the charges/ estimates prepared by the workshop.

The Corporation has fixed a certain criteria for selecting private workshops i.e. workshop should be near the parking of Corporation, should have good mechanical staff, sufficient machines and tools and situated at such a place where other workshops having lathe, grinding machine and boring facility etc. exist. Though these workshops might be fulfilling all the laid down norms of the Corporation, it was noticed that repair work was delayed abnormally with the result that the Corporation had to bear the loss of revenue due to docking of these commercial vehicles. In the year 1994-95 and 1995-96 the commercial vehicles remained held up in private workshops for 446 days. The Corporation has not laid down any norms/ time span for minor/ heavy repairs with the owner of these workshops. The Corporation did not prescribe any procedure for servicing and repairs of the commercial vehicles for the smooth running of its fleet.

The management stated (December 1996) that the Corporation is not having any workshop or mechanical staff of its own and all repairs are being carried out from the private workshops, where it is natural that some men days are lost in getting repairs of the vehicles. The reply is not tenable in view of the fact that commercial vehicles were held up in workshops even for minor repairs from four to 38 days. The company had no system to monitor the docking of vehicles in private workshops.

6.5.11 Catering Division

The Catering Division came into existence in the year 1983. It runs four Coffee Homes started in February 1989, July 1990, May 1991 and November 1995 respectively. Main object of the division was to provide cheap and hygienic food.

- **Working Results**

Out of four coffee Homes working results of first three coffee homes for last five years ending on 31 March 1996 are given in the Annexure-XII (a to c).

As per Techno-Economic Feasibility Report Submitted by ITDC in respect of Coffee Home-I in 1988, the cost of food & beverage should be 50 *per cent* of the total sales, whereas it ranged between 57.9 *per cent* to 62.4 *per cent* in Coffee Home-I, 58.6 *per cent* to 66.4 *per cent* in Coffee Home-II and 61.6 *per cent* to 66.5 *per cent* in Coffee Home-III during 1991-92 to 1995-96.

It can be seen from the table that Coffee Home-II & III were incurring losses almost in all the years. The company had not devised any system of cost control in these Coffee Homes and had not analysed the reasons for different working results in these Coffee Homes.

6.5.12 Country Liquor (CL) Vends

Though country liquor trade was transferred to the company in May 1989, the pattern of sharing of profits generated from the country liquor trade could be finalised by the Government of NCT of Delhi only in April 1991. Company's share of profit was as follows:

(i) Rupee one per bottle for the year ended 31 March 1990 and

(ii) Rs two per bottle for the years 1990-91, 1991-92 and 1992-93.

According to the terms and conditions, company's share of profit after debiting cost of running CL trade was to be transferred to the Infrastructure Development Fund meant for flyovers etc. up to 31 March 1993.

For the years 1993-94, 1994-95 and 1995-96 Government of NCT of Delhi decided that Rupee one per bottle would be allowed to the Company to meet the cost of running CL trade. For the years 1993-94, 1994-95 and 1995-96, retail's margin was Rs eight, Rupee one and Rs six per bottle respectively. Thus Rs seven per bottle and Rs five per bottle were allowed to be transferred to the infrastructure Development Fund for the years 1993-94 and 1995-96.

(a) Non-Refund of Government Money

Retail margin on country liquor trade was Rs 11.02 per bottle in 1989-90 and Rs 10.68 per bottle in 1990-91. Against this the company was allowed to retain only Rupee one per bottle for the year 1989-90 and Rs two per bottle for the year 1990-91. The balance was to be transferred to the Government of NCT of Delhi. In September 1991, Government of NCT of Delhi, had demanded Rs 54.06 crore against which company agreed at Rs 53.52 crore.

Meanwhile, without transferring these funds to Government of NCT of Delhi, Rs 20.63 crore were invested in Public Sector Companies' Bonds during the period from 28 July 1989 to 31 March 1990 and Rs 2.76 crore were invested in Unit Trust of India (UTI) in October 1990. All these investments were for the period ranging from eight to 10 years.

When the amount was again demanded by the Government of NCT of Delhi, Rs 24.22 crore were refunded to the Government in December 1992. For the balance of Rs 29.30 crore, it was stated that the funds of Government were blocked in long term securities. So the Government money could not be refunded (June 1996). Thus, all the money invested in the Public Sector companies and UTI pertains to the Government of NCT of Delhi. During the period from 1989-90 to 1995-96, Rs 15.93 crore of interest/dividend were earned on this Government money which had been utilised towards its working capital requirements.

Besides above, Rs 5.91 crore were invested by the management in short term investment. Company had earned Rs 3.55 crore (at the rate of 10 *per cent per annum*) as interest on this Government money. Thus, an amount of Rs 29.30 crore was retained by the Company and had been invested in various securities which was otherwise refundable to the Government of NCT of Delhi as on 31 March 1996.

The management stated (December 1996) that in absence of any specific directions/ guidelines, the funds of the sale proceeds of liquor have been utilised by the company which generated some income. The reply of the management is not tenable because the retention of the

Government money and investment of the same without the concurrence of the Government in securities lacked justification.

(b) Working Results

Working results of Country Liquor Trade for the last five years ended 31 March 1996 are given below:

						(Rs in lakh)
		1991-92	1992-93	1993-94	1994-95[6]	1995-96[6]
	Sale (No. of bottles in lakh)	340.22	331.44	268.92	145.01	167.59
1.	Income					
i)	Turnover	9454.62	9663.32	8527.33	7477.74	7287.97
ii)	Other Income	-	28.82	28.27	15.33	15.24
	Total Income	**9454.62**	**9692.14**	**8555.60**	**7493.07**	**7303.21**
2.	Less Cost of goods sold	8774.19	8662.25	6922.46	7256.65	6254.89
	Gross Profit	**680.43**	**1029.89**	**1633.14**	**236.42**	**1048.32**
	Less: Transferred to Infrastructure Development Fund	583.37	902.64	1348.21	-	828.88
	Total	**97.06**	**127.25**	**284.93**	**236.42**	**219.44**
	Less					
i)	Expenditure on CL Vends	63.04	77.20	113.34	123.32	125.00
ii)	Corporate Office Allocations	34.02	50.05	107.57	118.32	120.00
	Total	**97.06**	**127.25**	**220.91**	**241.64**	**245.00**
	DTTDC Income from CL Vends	Nil	Nil	(+) 64.02	(-) 5.22	(-) 25.56

From the table it would be seen that:

- decreasing trend of sale in country liquor division from 340.22 lakh bottles in 1991-92 to 167.59 lakh bottles in 1995-96 had resulted in the loss of Rs 5.22 lakh during 1994-95 and Rs 25.56 lakh during 1995-96.

- the division had registered steep rise (46.8 *per cent*) in expenditure of country liquor division from Rs 77.20 lakh during 1992-93 to Rs 113.34

[6] The figures as supplied by the management

lakh during 1993-94. The management could not adduce any reason for this steep rise in the expenditure on CL vends and

- corporate office allocation had increased from Rs 50.05 lakh in 1992-93 to Rs 107.57 lakh in 1993-94 whereas sale of the division had decreased from 331.44 lakh bottles in 1992-93 to 268.92 lakh bottles in 1993-94.

(c) Infrastructure Utilisation Fund

(Rs in lakh)

	1991-92	1992-93	1993-94	1994-95[7]	1995-96
Opening Balance	**31.63**	**7.63**	**(-)162.06**	**150.79**	**128.63**
Add. Transferred from CL Trade	583.37	902.64	1348.21	91.14[8]	828.88
Received from Govt. of NCT of Delhi	-	-	443.11	350.00	-
Total	**615.00**	**910.27**	**1629.26**	**591.93**	**957.51**
Utilisation	607.37	1072.33	1478.47	463.30	271.22
Closing Balance	**7.63**	**(-) 162.06**	**150.79**	**128.63**	**686.29**

It would be seen from the above that huge amounts were lying un-utilised in the fund during 1993-94 to 1995-96.

An analysis of expenditure pertaining to Engineering Division indicated below:

(Rs in lakh)

		1991-92	1992-93	1993-94	1994-95	1995-96
1	Total Expenditure	685.29	1135.24	1132.01	462.32	292.00
2	Works Expenditure	655.55	1091.49	1070.97	391.76	223.85
3	Estt. & Admn. Expenditure	29.74	43.75	61.04	70.56	68.15
4	% of work Exp. to Total Expenditure	95.7%	96.2%	94.6%	84.7%	76.7%

[7] The figures supplied by the management.

[8] This represents the refund from "Excise Department".

It would be seen from above that there were unutilised funds under infrastructure utilisation fund during 1993-94 to 1995-96 while the expenditure on works declined sharply during the period, which is indicative of lack of proper planning for developmental activities.

6.5.13 Indian Made Foreign Liquor (IMFL) Division

The retail sale of the IMFL was entrusted to the Company by Government of NCT of Delhi (erstwhile Delhi Administration) in April 1979. The Company started a separate IMFL Division in April 1979 itself. Working results of the division during the last five years ended 31 March 1996 are given below:

						(Rs in lakh)
		1991-92	1992-93	*1993-94	*1995-95	*1995-96
i	Turnover	7144.06	8533.13	9251.98	10335.38	12319.32
ii	Less Cost of good sold	6618.73	8172.82	8896.82	9904.88	11786.70
iii	Gross Profit	325.33	360.31	355.78	430.50	532.62
iv	Add other income	25.54	38.71	40.00	44.50	56.30
	Total Income	**350.87**	**399.02**	**395.78**	**475.00**	**588.92**
v	Administrative and other expenses	228.82	294.28	196.00	252.50	264.30
	NET SURPLUS	122.05	104.74	199.78	222.50	324.52

** Figures as supplied by the management*

- **Ordering Policy**

There was no firm ordering policy of the Company. In May 1995, Delhi Government decided to synchronize the ordering policy of all the four State Undertakings entrusted with the retail trade of liquor in the NCT of Delhi, including DTTDC.

The "Excise Review Committee" (ERC) of the Government decided in July 1995 to follow the "Self Service Vend" formula.

In August 1995, DTTDC confirmed that the ordering formula as suggested by ERC had been fully implemented by the Company.

However, it was observed in Audit (August 1996) that out of total purchase orders of 668849 cases (During July 1995 to March 1996) only purchase order for 335739 cases were given as per approved Self-service vends formula and orders of 333110 cases were given in violation of formula suggested by ERC.

Thus, in 49.8 *per cent* cases ordering formula of ERC was not followed by the Company. This resulted in placing orders with the liquor firms purely on ad hoc basis. The possibility of giving excess orders for a particular brand could not be ruled out.

Besides, according to Delegation of Powers, Chairman and Managing Director were empowered to place any purchase order during 1995-96. However, it was observed (August 1996) in Audit that purchase order of 136887 IMFL cases were placed with the approval of officers other than Chairperson and Managing Director of the Company which resulted in irregular ordering of 136887 cases of IMFL during 1995-96.

The management stated (December 1996) that since there was no ordering policy announced by the Government, ordering of IMFL purchases was made by seeking appropriate approval of the competent authority, which was CMD, DTTDC. Only on a few occasions, ordering of IMFL purchases was done either with the prior approval of the then General Manager or the Financial Controller, for which the post-facto approval of CMD was sought subsequently.

Management's reply is not convincing as Excise Review Committee was constituted by Government of NCT of Delhi wherein "Self Service Vend" formula was arrived for rational IMFL ordering in Delhi and it was applicable to all Companies dealing in the trade. Reasons for deviating from the laid down procedure were not on record which needs thorough investigation by the company.

6.5.14 Other Topics of Interest

Non implementation of Budget Hotel Project

A plot of land measuring 11320 square meters was allotted by Ministry of Works and Housing, Government of India to the Company in June 1983 for construction of a `Budget Hotel'. The company paid an annual licence fee of Rs 14.72 lakh for this land in June 1983. The possession of the land was taken in August 1983. The Hotel could not be constructed upto December 1991 as Delhi Administration did not accord approval for starting the work in view of Prime Minister office's general directives. However, on demand by Ministry of Urban Development arrears of licence fee of Rs 117.73 lakh was paid in March 1992.

In January 1992 the project was changed for Construction of `Star Hotel' for which global tenders for participation by reputed private parties were invited in February 1992, as per decision of the Government of India, Department of Tourism. After the scrutiny of offers, the Board of Directors advised Chairman of DTTDC to enter into an agreement with M/s East India Hotels Ltd. for the construction of hotel. Accordingly, licence agreement was executed by the company with M/s East India Hotels Ltd. in July 1992. According to the agreement, the company was expected to earn minimum licence fee aggregating to Rs 720 crore during the span of 33 years. Licence fee for the first year (Rs 172.60 lakh) was received by the Company in July 1992.

In February 1993, the allotment was cancelled by the Ministry on the following grounds :-

(i) The sub lease was entered into between the company and M/s East India Hotels Ltd. in contravention of allotment conditions.

(ii) The land was allotted for constructing Budget Hotel meant for lower and middle income groups. On the contrary, the land was subleased to M/s East India Hotels Ltd. for construction of three star hotel of international standards.

The matter regarding cancellation was sorted out with the Ministry of Urban Development in October 1993 on following stipulations of the Ministry :

(i) The land which was allotted earlier to the Company would be restored by revoking the cancellation orders and issuing modified allotment orders which would permit sub-lease by the Company to a third party.

(ii) The Company would pay 50 *per cent* of the amount of sub-lease fee received from the sub-lessee.

(iii) The new agreement will take effect from the date on which agreement was entered into between the Company and M/s East India Hotels Ltd.

It was also agreed that the revised allotment orders be issued and lease be drawn up only after:

(a) the Company agrees to the new terms and conditions in writing;

(b) payment of arrears are made;

(c) the Company obtains the consent of East India Hotels Ltd.

The Company could not give their consent till May 1995. In June 1995 Ministry allotted the land to M/s East India Hotels Ltd. Thus, payment of Rs 132.45 lakh towards licence fee made to Ministry of Urban Development has become infructuous. In addition, the Company was deprived of expected earnings from licence fee of Rs 360 crore being 50 *per cent* of sub-lease fee from M/s East India Hotels Ltd.

The management stated (December 1996) that the cancellation took place due to the delay in the decision making process in the State Government, where the case was held up from November 1993 to first week of June 1995. This was beyond the control of the Company. The Company took up the matter with the State Government several times.

The cancellation made by the Land and Development Office/ Ministry of Urban Development had been disputed by the Company and in this regard, the State Government had taken up the matter with the Union Government.

It is also pertinent to note that DTTDC received a sum of Rs 172.60 lakh on account of licence fee from sub-lessee for the period from 24 July 1992 to 31 March 1993 and therefore, DTTDC would not have suffered any loss on account of payment of Rs 132.45 lakh paid by DTTDC to the Ministry of Urban Development as premium and licence fee.

Management's reply is not tenable because the Company has already shown the amount of Rs 132.45 lakh as expenditure in 1991-92. Also licence fee received from sub-lessee amounting to Rs 172.60 lakh had been shown as liability by the Company during 1992-93. Thus, as the company could not enter into an agreement with Ministry of Urban Development within stipulated period this resulted in allotment of land to M/s East India Hotels directly. By not entering into agreement, the Company was deprived of an average annual earning of Rs 10.90 crore for 33 years which it could have earned from M/s East India Hotels had it allotted the land itself.

6.5.15 Conclusion

The Company, established in December 1975 with the object of development of tourism in Delhi, could not construct any hotel till December 1996 and the sale of IMFL and CL constituted 98.61 *per cent* and 98.56 *per cent* of the total turnover during 1992-93 and 1993-94. Only four Coffee Homes were in operation during 1991-96 out of which three were running in loss. The study revealed that company had sustained mainly on the sale of IMFL/CL and interest earned on the refundable government money in respect of sale of Country Liquor.

The following points need emergent attention of the Company:

(i) It has to strengthen the Financial Management.

(ii) The company should exercise proper cost control on its catering activities.

(iii) There should be proper utilisation of commercial vehicles by monitoring the docking of vehicles for repair.

(iv) There is a scope for ameliorating the working of Engineering Division.

(v) The company should rationalise its ordering policy in accordance with Self-service vend formula.

(vi) Instead of relying mainly on liquor trade the company should generate sources by revamping its tourist activities.

(vii) The company should explore the possibilities of taking over the existing hotels or construct new hotels and provide accommodation to tourists at reasonable rates for which the company came into existence.

The above matters were reported to the Government of NCT of Delhi in September 1996; their replies had not been received (January 1997).

6.6 Miscellaneous topics of interest

Statutory Corporations - Delhi Transport Corporation

Avoidable loss

(a) The Central Workshop-II, Okhla of Delhi Transport Corporation (DTC) , was sanctioned a power load of 1568 KVA and agreement valid for five years and renewable every year was entered into with the Delhi Electric Supply Undertaking (DESU) in July 1982. It was observed that during the period from July 1983 to March 1996 the maximum power demand of the workshop ranged between 120 KVA to 432 KVA i.e. eight *per cent* to 28 *per cent* of the sanctioned load, because load was not utilised simultaneously on all the machines and there were frequent ON-OFF operations of the machines. However, the DTC took no action to get the sanctioned load reduced, to avoid payment of maximum demand charges, specially when the DTC was going through a serious financial crisis. Its failure not to get the sanctioned load reduced and by not providing "change over switches", resulted in an avoidable payment of Rs 68.54 lakh to DESU for the period July 1983 to March 1996.

The DTC (January 1996) while admitting the audit contention, stated that on the recommendations of a Committee (appointed by General Manager to look into the matter) in March 1994, DESU had been requested to amend the original agreement for reduction of load from 1568 KVA to 1246 KVA. Action was also being taken to disconnect loads not in use and to provide change over switches on machines. The reply is not convincing in the light of depleted fleet strength from 4135 in 1983-84 to 2770 in 1995-96 and the fact that agreement was renewable and connected load could have been reduced to actual utilisation by providing change over switches. The extra cost involved for the change over switches could have easily been met from the extra amount paid to DESU.

(b) In order to reduce the "impedance" that acts to retard the current and correspondingly reduce the distribution losses, installation of shunt capacitors for maintaining the power factor at 0.85 was made mandatory by DESU. In 1983 DTC installed 300 KVA shunt capacitors along with automatic controlling system at a cost of Rs 1.86 lakh. However, as the power factor varied between 0.69 to 0.83, DTC had to make an avoidable payment of surcharge amounting to Rs 6.74 lakh between April 1992 to March 1996.

The DTC admitted (March 1994) that the control system was out of order since long.

Failure to take timely action resulted in an avoidable loss of Rs 75.28 lakh.

The matter was referred to the Government in December 1996; their reply was awaited as of January 1997.

New Delhi **(R. P. Singh)**
The 10 March 1997 **Accountant General (Audit), Delhi**

Countersigned

New Delhi **(V. K. Shunglu)**
The 13 March 1997 **Comptroller and Auditor General of India**

Annexure I

(Refer paragraph 2.1)

Grant wise saving and excess

(Rs in thousand)

Grant No.	Revenue/ Capital	Charged Voted	Original Grant	Supple-mentary	Total Grant	Actual expen-diture	Saving(-) Excess(+)	Percentage of Saving/ Excess
1.	Revenue	Charged	800	-	800	578	(-) 222	27.75
		Voted	17400		17400	10387	(-) 7013	40.30
2.	Revenue	Charged	7229	-	7229	6193	(-) 1036	14.33
		Voted	134071		134071	88790	(-) 45281	33.77
3.	Revenue	Charged	92700	10387	103087	102787	(-) 300	0.29
		Voted	218530	39940	258470	221389	(-) 37081	14.35
4.	Revenue	Voted	326580	-	326580	224269	(-) 102311	31.33
5.	Revenue	Charged	2690	2795	5485	4418	(-) 1067	19.45
		Voted	3219440	393565	3613005	3595105	(-) 17900	0.50
	Capital	Voted	95500	-	95500	90499	(-) 5001	5.24
6.	Revenue	Charged	1200		1200	459	(-) 741	61.75
		Voted	4703880	300	4704180	4592021	(-) 112159	2.38
	Capital	Voted	18316	3539	21855	21049	(-) 806	3.69
7.	Revenue	Charged	570	7950	8520	7312	(-) 1208	14.18
		Voted	1789733		1789733	1749734	(-) 39999	2.23
	Capital	Voted	100	99900	100000	100000	-	-
8.	Revenue	Charged		90	90		(-) 90	10.0
		Voted	864309		864309	725504	(-) 138805	16.06
	Capital	Voted	439650	-	439650	154738	(-) 284912	64.80
9.	Revenue	Charged	2000	-	2000		(-) 2000	100
		Voted	190340		190340	171942	(-) 18398	9.67
	Capital	Voted	18000	1316	19316	18869	(-) 447	2.31
10.	Revenue	Charged	800	200	1000	343	(-) 657	65.70
		Voted	756152	100	756252	648834	(-) 107418	14.20
	Capital	Charged	400	-	400	-	(-) 400	100
		Voted	817178	-	817178	620889	(-) 196289	-
11.	Revenue	Charged		1000	1000	979	(-) 21	2.10
		Voted	6377430	600	6378030	5974541	(-) 403489	6.33
	Capital	Charged	426500	93500	520000	525815	(+) 5815	(+) 24.02
		Voted	11699315	200	11699515	11225805	(-) 473710	4.05
12.	Capital	Voted	42500	-	42500	30218	12282	28.90
13	Revenue	Voted	300000	-	300000	-	(-) 300000	100
Public Debt Charged								
	Revenue		150600	789400	940000	940000	-	-
	Capital			700000	700000	700000		
			-			Total	2305228	-

Annexure II

(Refer paragraph 2.3)

Details of saving

(More than rupees one crore in each case)

Exceeding 50 per cent of the total grant

(Rs in crore)

Sl. No.	Grant No.	Head of Accounts	Original	Actual Expenditure	Savings	Percent-age
1	4	2047-other Fiscal Services A-2 (1)-Promotion of small savings	7.00	2.24	4.76	68
2.	4	2040-Sales Tax G-1(3)(8), creation and maintenance of Data Base & Statistical Decision Support System	2.00	0.32	1.68	84
3.	5	5054-Capital outlay on Roads and Bridges AA-1(1)(1)(1), Installation of Traffic Lights and Blinkers	2.00	0.75	1.25	63
4.	8	2235-Social Security and Welfare : A-2(1)(7)(3) Old Age Pension	2.83	1.24	1.59	56
5.	8	2041-Taxes on vehicles D-1(4)(2) Computerisation of records of Directorate of Transport	2.57	1.24	1.33	52
6.	11	2210-Medical and Public Health A-6(2)(3)(4), MCD for other Public Health Programme	2.50	1.25	1.25	50
7.	11	2217-Urban Development A-9(2)(1)(11), MCD for construction of Pay and Use Jan Suvidha Complexes	14.00	6.00	8.00	57
8.	11	6216-Loans for Housing, AA-4(1)(1)(3), Loans to MCD for construction of houses for Safai Karamcharies (SCP)	6.00	1.50	4.50	75
9.	11	4059- Capital outlay on Public Works BB-1(1)(1)(1) Buildings	36.66	17.36	19.30	53
10.	11	4216-Capital outlay on Housing BB-4(1)(1) General Pool Accommodation	8.87	3.01	5.86	66
11.	11	4851-Capital outlay on Village and Small Industries BB-11(1)(2)- Seven Functional Industrial Estates at Patparganj	1.15	0.12	1.03	90
12.	11	5075-Capital outlay on other Transport Services BB-14(1)(1)(2)-Setting up of Driving Schools	2.60	1.03	1.57	60

Annexure III

(Refer paragraph 2.4)

Statement of amount not surrendered

					(Rs in thousand)
Grant No.	**Revenue/ Capital**	**Charged Voted**	**Saving Excess (+) Saving (-)**	**Amount Surrendered**	**Amount not surrendered**
1.	Revenue	Charged	(-)222	100	(-)122
		Voted	(-)7013	6377	(-)636
2.	Revenue	Charged	(-)1036	242	(-)794
		Voted	(-)45281	36715	(-)8566
3.	Revenue	Charged	(-)300		(-)300
		Voted	(-)37081		(-)37081
4.	Revenue	Charged			
		Voted	(-)102311	84817	(-)17494
5.	Revenue	Charged	(-)1067	571	(-)496
		Voted	(-)17900	7998	(-)9902
	Capital	Voted	(-)5001	5000	(-)1
6.	Revenue	Charged	(-)741	400	(-)341
		Voted	(-)112159	60079	(-)52080
	Capital	Voted	(-)806	-	(-)806
7.	Revenue	Charged	(-)1208		(-)1208
		Voted	(-)39999		(-)39999
8.	Revenue	Charged	(-)90		(-)90
		Voted	(-)138805	118810	(-)19995
	Capital	Voted	(-)284912	284740	(-)172
9.	Revenue	Charged	(-)2000	1500	(-)500
		Voted	(-)18398	16258	(-)2140
	Capital	Voted	(-)447	-	(-)447
10.	Revenue	Charged	(-)657	328	(-)329
		Voted	(-)107418	78858	(-)28560
	Capital	Charged	(-)400	-	(-)400
		Voted	(-)196289	196848	(+)559
11.	Revenue	Charged	(-)21		(-)21
		Voted	(-)403489	380035	(-)23454
	Capital	Charged	(+)5815	-	(+)5815
		Voted	(-)473710	437629	(-)36081
12.	Capital	Voted	(-)12282	11500	(-)782
13.	Revenue	Voted	(-)300000	300000	-
	Total		**2305228**	**2028805**	**276423**

Annexure IV

(Refer paragraph 2.5)

Details of saving due to non implementation of scheme

(Rs in crore)

Sl. No.	Grant No.	Major Head/ Sub Head	Original	Saving
1.	4	2040-Sales Tax G. 1(3)(7)-Reorganisation of the Units of the Sales Tax Admn.	1.00	1.00
2.	6	2204-Sports and Youths Services A2(3)(5)-Delhi School of Sports	1.30	1.30
3.	6	2230-Labour and Employment B2(1)(2)(9)-Machinery and Equipments (CSS)	1.12	1.12
4.	7	2211-Family Welfare: L.2(8)(1)-Other Schemes (CSS)	2.0	2.0
5.	8	2225-Welfare of SC/ST and Backward Classes: C.1(3)(1)(3)-Interest subsidy Under loan scheme for SC/ST	1.0	1.0
6.	8	2225-Welfare of SC/ST and backward Classes: C.1(3)(1)(5)-Merit cum means scholarships for economically depressed sections.	1.65	1.65
7.	8	3435-Ecology and Environment: D.5(1)(1)(2)-Studies for checking Air Pollution in Delhi	3.0	3.0
8.	8	5055-Capital outlay on Road Transport Services: DD.1(1)(1)-Land & Building for MRTS	10.0	10.0
9.	8	5055-Capital outlay on Road Transport Department	1.70	1.70
10.	8	5075-Capital outlay on other transport Services: DD.2(1)(1)(2)-Modernisation of Passenger related Services at ISBT Complex at Kashmare Gate.	1.0	1.0
11.	9	3456-Civil Supplies D.1(2)(8)-One time grant for strengthening and modernisation of District Forum and State Commission	1.40	1.40
12.	10	4216-Capital outlay on Housing : CC1(1)(1)(1)-Share Capital to Delhi Co-operative Housing Finance Society	1.0	1.0
13.	11	2217-Urban Development : A.9(2)(1)(24) Development of unauthorised colonies in respective Assembly Constituencies	20.0	20.0
14.	11	4202-Capital outlay on Education, Sports: BB2(3)(1)(5) Delhi School of sports	1.0	1.0
15.	11	4202-Capital outlay on education Sports Art and Culture: BB.2(3)(1)(7)-Estt. of Sport Centres	1.0	1.0

Annexure V

(Refer paragraph 2.7)
Supplementary grants

				(Rs in lakh)
Sl. No.	**Grant No.**	**Head of Account**	**Supplementary Grant**	**Saving**
1.	5	2070-other Administrative Services : D.1.(1)(2)- Protection and Control	98.88	74.73
2.	10	2415-Agricultural Research and Education : B.9(2)(2)(1)-Grants-in-aid to S.P.C.A.	1.00	6.88
3.	3	2014-Administration and Justice : B.1.(1)-Civil and Session Courts	300.00	247.13
4.	5.	2055-Police : A.1.(2)(1) Police Training	13.50	6.59
		Total	**413.38**	**335.33**

Annexure - VI

(Refer paragraph 4.6.1)

Cases of suppression of sales

(Rs in lakh)

Sl. No.	Ward No.	Assess-ment year	Purchases against statutory forms	Purchases as per trading account	Suppress-ion of purchases	Suppression of sales including gross profit margin	Tax	Interest	Penalty
1	62	1990-91	188.93	167.92	21.01	21.90	1.53	1.15	3.83
2	30	1991-92	89.40	79.91	9.49	9.86	0.69	0.47	1.73
3	62	1991-92	105.07	97.89	7.18	7.97	0.56	0.33	1.39
4	30	1991-92	271.77	266.87	4.90	5.11	0.36	0.24	0.89
5	62	1989-90	139.79	130.61	9.18	9.40	0.38	0.35	0.94
6	10	1991-92	16.05	11.43	4.62	5.15	0.26	0.18	0.64
7	62	1990-91	34.58	30.98	3.60	3.86	0.39	0.29	0.97
8	19	1990-91	30.74	25.47	5.27	5.36	0.38	0.33	0.94
9	66	1991-92	267.28	240.79	26.49	36.35	3.64	2.49	9.10
10	66	1991-92	54.90	45.56	9.34	16.06	1.12	0.78	2.80
11	66	1991-92	297.12	249.78	47.34	61.10	4.28	2.96	10.70
12	67	1992-93	143.16	105.90	37.26	40.14	2.81	1.44	7.03
13	67	1991-92	48.11	45.04	3.07	3.51	0.35	0.18	0.88
14	66	1991-92	97.28	93.72	3.56	3.99	0.40	0.28	1.00
15	20	1991-92	81.54	72.78	8.76	9.24	0.65	0.45	1.62
16	20	1990-91	69.21	60.17	9.04	11.17	2.07	1.57	5.17
		1991-92	89.95	75.13	14.82	18.37			
17	11	1990-91	159.58	108.12	51.46	51.97	2.60	2.27	6.50
18	101	1990-91	18.29	11.85	6.44	7.50	1.99	1.51	4.96
		1991-92	22.46	11.94	10.55	12.35			
19	74	1991-92	115.15	111.86	3.29	3.44	0.34	0.24	0.86
20	20	1990-91	63.19	4.17	59.02	64.78	4.53	3.95	11.33
21	11	1989-90	64.79	45.61	10.18	10.28	0.51	0.54	1.28
22	74	1990-91	16.13	13.79	2.34	3.39	0.34	0.30	0.85
23	80	1990-91	303.87	267.02	36.35	38.38	5.48	4.48	13.70
		1991-92	321.28	305.25	16.03	16.41			
24	80	1990-91	615.53	593.71	21.82	22.14	2.21	1.93	5.53
25	71	1991-92	48.11	34.91	13.20	14.85	1.03	0.71	2.59
26	76	1990-91	26.53	25.30	1.23	1.29	0.70	0.51	1.75
		1991-92	30.12	24.66	5.46	5.46			
27	76	1990-91	36.34	30.19	6.15	6.28	0.75	0.66	1.88
		1991-92	7.08	Nil	7.08	7.23	0.87	0.60	2.17
28	99	1989-90	18.13	8.17	9.96	10.67	2.19	1.99	5.47
		1990-91	14.16	9.44	4.72	5.01			
		1991-92	18.55	12.83	5.72	6.19			
29	59	1990-91	29.20	26.24	2.96	3.64	0.25	0.22	0.64

(Rs in lakh)

Sl. No.	Ward No.	Assess-ment year	Purchases against statutory forms	Purchases as per trading account	Suppress-ion of purchases	Suppression of sales including gross profit margin	Tax	Interest	Penalty
30	104	1990-91	396.37	379.64	16.73	17.09	0.68	0.60	1.71
31	8	1989-90	169.69	163.89	5.80	6.08	0.30	0.32	0.75
32	61	1991-92	13.40	12.06	1.34	1.58	0.43	0.24	1.07
		1992-93	26.85	22.89	3.97	4.56			
33	72	1990-91	18.95	18.05	0.90	1.15	0.58	0.40	1.45
		1991-92	22.96	20.54	2.42	3.12			
		1992.93	14.48	13.29	1.19	1.55			
34	11	1990-91	123.57	117.57	Nil	6.00	0.30	0.26	0.75
35	81	1991-92	16.59	0.80	15.79	16.38	1.15	0.79	2.87
36	63	1989-90	63.70	53.49	10.21	11.04	0.84	0.83	2.10
		1990-91	73.96	69.46	4.50	5.77			
37	23	1990-91	90.29	41.29	49.20	50.18	2.00	1.75	5.00
38	63	1990-91	65.70	57.30	8.40	8.75	0.50	0.41	1.24
		1991-92	145.48	142.00	3.48	3.62			
39	64	1991-92	98.83	93.86	4.97	5.13	0.36	0.25	0.90
40	63	1991-92	71.36	44.12	27.24	38.74	1.93	1.34	4.84
41	64	1992-93	83.70	74.11	9.59	16.49	1.15	0.59	2.87
42	57	1991-92	96.65	79.55	17.10	20.10	0.80	0.56	2.01
43	81	1990-91	18.90	13.77	2.13	2.32	0.38	0.31	0.95
		1991-92	17.10	15.71	1.39	1.49			
44	33	1991-92	65.68	54.28	11.40	14.29	1.00	0.69	2.50
45	33	1991-92	112.76	96.67	16.09	19.82	1.38	0.96	3.45
46	33	1990-91	33.20	27.93	5.27	5.57	0.39	0.34	0.97
47	33	1989-90	65.25	55.14	10.11	11.04	0.77	0.81	1.93
48	33	1990-91	78.98	69.51	9.47	10.29	0.72	0.63	1.80
49	33	1990-91	103.50	100.68	2.82	2.82	0.28	0.25	0.71
50	104	1991-92	1221.44	1112.97	108.47	110.33	4.41	3.05	11.03
51	65	1989-90	31.56	26.82	4.74	5.12	0.36	0.38	0.90
52	3	1990-91	76.92	61.30	15.62	15.78	0.63	0.55	1.58
53	63	1990-91	25.36	20.28	5.08	5.43	1.02	0.80	2.55
		1991-92	31.21	26.63	4.58	4.76			
54	104	1990-91	51.76	8.00	43.76	55.78	9.00	7.24	22.50
		1991-92	37.58	8.50	29.08	34.19			
55	104	1990-91	444.85	410.84	34.01	34.37	2.79	2.18	6.98
		1991-92	576.78	541.85	34.93	35..58			
56	21	1991-92	101.93	89.51	12.42	13.34	0.93	0.65	2.33
57	35	1991-92	7.20	1.68	5.52	5.62	0.39	0.20	0.98
58	63	1991-92	71.82	59.15	12.67	15.60	1.56	1.08	3.90
59	39	1992-93	31.41	27.47	3.94	4.19	0.42	0.21	1.04
60	12	1991-92	14.38	10.09	4.29	4.85	0.34	0.24	0.85
61	13	1991-92	27.26	23.65	3.61	3.70	0.26	0.18	0.65
62	43	1991-92	148.91	146.07	2.84	3.02	0.30	0.21	0.76
63	39	1991-92	19.47	16.57	2.90	3.62	0.36	0.25	0.91
64	39	1992-93	223.85	219.63	4.22	4.35	0.44	0.22	1.08

(Rs in lakh)									
Sl. No.	Ward No.	Assess-ment year	Purchases against statutory forms	Purchases as per trading account	Suppress-ion of purchases	Suppression of sales including gross profit margin	Tax	Interest	Penalty
65	20	1992-93	36.94	32.92	4.02	4.42	0.31	0.16	0.77
66	20	1992-93	100.85	83.31	17.54	22.10	1.54	0.79	3.86
67	100	1991-92	361.65	351.01	10.64	10.64	0.43	0.29	1.06
68	95	1991-92	419.45	412.41	7.04	7.04	0.49	0.34	1.23
69	84	1991-92	-	-	-	7.56	0.76	0.52	1.89
70	15	1991-92	51.98	48.67	3.31	3.58	0.36	0.25	0.90
71	28	1990-91	150.48	145.63	4.85	4.97	0.52	0.43	1.31
		1991-92	367.22	364.80	2.42	2.51			
72	15	1991-92	79.67	76.17	3.50	3.63	0.36	0.25	0.91
73	43	1991-92	260.11	198.04	62.07	86.07	6.02	4.17	15.05
74	27	1989-90	9.25	*	9.25	11.49	0.80	0.85	2.01
75	14	1990-91	438.99	433.39	5.60	5.81	1.01	0.81	2.54
		1991-92	492.64	488.39	4.25	4.34			
76.	32	1991-92	87.35	78.20	9.15	9.15	0.64	0.44	1.60
77.	66	1990-91	820.08	758.72	61.36	61.36	2.45	2.13	6.12
78.	74	1990-91	125.60	118.55	7.05	7.05	0.49	0.43	1.20
79.	3	1989-90	4756.78	4290.77	466.01	466.01	54.67	51.32	136.70
		1990-91	4432.53	4295.18	137.35	137.35			
		1991-92	4756.37	4278.57	177.80	177.80			
80.	34	1991-92	21.71	12.07	9.64	9.64	0.39	0.27	0.98
81.	43	1990-91	284.92	271.46	13.46	13.46	0.67	0.59	1.70
82.	16	1990-91	346.99	292.11	54.88	54.88	7.22	5.69	18.05
		1991-92	715.54	667.28	48.26	48.26			
83.	64	1991-92	30.92	22.57	8.44	8.44	0.84	0.58	2.10
84.	44	1992-93	61.81	54.82	6.99	6.99	0.49	0.25	1.20
Total							163.27	133.73	498.23

* Not shown in Trading Account

Note:

1. *In case of Sl. Nos.23, 24, 27, 28 and 42 the department reassessed the respective dealers and raised additional demands.*
2. *In all the other cases reply has not been received (December 1996)*

Annexure VII

(Refer paragraph 6.2.2)

Statement showing particulars of up-to-date Capital, Budgetary outgo, Loans given out from Budget outstanding loans as on 31-3-96.

(Rs in lakh)

Sl. No.	Name of the Company	Paid up Capital as at the end of 1995-96				Loans given out of Budget during the year	Loans outstanding
		State Govt.	Central Govt.	Others	Total		
1	2	3(a)	3(b)	3(d)	3(e)	4	5
1.	Industry DSIDC Ltd.	-	2186.23	-	2186.23	Nil	846.50
2.	DSMDC Ltd.	317.99	-	0.02	318.01	Nil	16.25
3.	Tourism DTTDC Ltd.	528.25	-	-	528.25	33.73	33.73
4.	Welfare DSCF&DC Ltd.	565.75 (100.00)	586.36 (96.07)	-	1152.11 (196.07)	Nil	Nil
5.	Public Distribution DSCSC Ltd.	499.92	-	-	499.92	Nil	NIl
	Total	**1911.91**	**2772.59**	**0.02**	**4684.52**	33.73	897.48

Note: *Figures in bracket indicate budgetary outgo during the year.*

Annexure VIII

(Refer paragraph 6.2.2 & 6.2.7)

Summarised Financial results of Government Companies for the latest year for which Accounts were finalised

(Rs in lakh)

Sl. No.	Name of the company	Date of incorporation	Period of accounts	Year in which finalised	(+)Profit (-)Loss	Paid up capital	Accumulated Profit & Loss	Capital invested	Capital employed	Return on capital invested	Return on capital employed	Percentage of total return on capital invested	Percentage of total return on Capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Delhi State Industrial Development Corporation Ltd	15.02.71	1994-95	1995-96	(-)173.72	2186.23	(-)1240.22	2004.36	2018.62	559.49	581.63	27.91	28.81
2.	Delhi State Mineral Development Corporation Ltd.	27.05.85	1991-92	1994-95	(-)120.56	318.00	(+)17.81	335.81	349.97	(-)120.56	(-)120.56	35.90	(-)34.45
3.	Delhi Tourism & Transportation Development Corporation Ltd.	12.12.75	1992-93	1995-96	(+)774.13	428.25	(+)837.66	1289.91	(-)983.13	777.73	777.73	60.29	(-)79.10
4.	Delhi Scheduled Castes Financial & Development Corporation Ltd.	29.01.83	1988.89	1996-97	(+)58.21	273.96	(+)101.11	375.08	681.37	58.21	58.21	15.52	8.54
5.	Delhi State Civil Supplies Corporation Ltd.	14.11.80	1990-91	1996-97	(+)60.72	499.92	(+)199.59	699.51	749.51	60.72	60.72	8.68	8.10

Annexure IX

(Refer paragraph 6.2.5)

Statement showing subsidy received at the end of the year

Sl. No.	Name of the company	Subsidy received during the year (Rs in lakh)			
		Central	State	Others	Total
1	*2*	*3(a)*	*3(b)*	*3(c)*	*3(d)*
1.	DSCF&DC	Nil	200.86	-	**200.86 (578.71)#**

This includes total subsidy unutilised as on 31-03-1996

Annexure X

(Refer paragraph 6.3.4)

Summarised financial results of Statutory Corporations for the latest years for which the accounts have been finalised

(Rs in lakh)

Sl. No	Name of the company	Name of the Depart-ment	Date of Incorp-oration	Period of accounts	Year in which finalised	Total Capital invested at the end of the year of the accounts	Profit (+) Loss (-)	Total interest charged to profit & loss Account	Interest on long term loans	Total return on capital invested	Capital employed	Total return on capital employed	Percentage of total return on capital invested	Percentage of total return on capital employed
1.	2.	3.	4.	5.(a)	5.(b)	6.	7.	8.	9.	10.	11.	12.	13.	14.
1.	Delhi Financial Corporation	Ministry of Finance, Govt. of NCT of Delhi	1-04-1967	1995-96	1996-97	8135.77	634.27	448.62	448.62	1082.89	7869.48	1082.89	13.31	13.8
2.	Delhi Transport Corporation	Ministry of Surface Transport, New Delhi	3-11-1971	1995-96	1996-97	98976.79	(-) 39229.15	27919.85	104878.27	(-)11039.78	(-)106833.35	(-) 10974.86	—	—

Annexure XI

(Refer paragraph 6.2.6)

Statement showing companies whose accounts were in arrear as on 30-9-1996

(Rs in lakh)

Sl. No.	Name of Company	Extent of arrears	No. of Years	Investment by					
				State Govt.		Central Govt.		Others	
				Capital	Loan	Capital	Loan	Capital	Loan
I	II	III	IV	V	VI	VII	VIII	IX	X
1.	DSIDC Ltd.	1994-95 1995-96	2	-	-	2186.23	846.50		
2.	DSMDC Ltd.	1992-93 to 1995-96	4	318.00	-	-	-	-	16.25
3.	DTTDC Ltd.	1993-94 to 19 95-96	3	528.25	33.73	-	-	-	-
4.	DSCF&DC Ltd.	1989-90 to 1995-96	7	565.75	-	586.36	-	-	-
5.	DSCSC Ltd.	1991-92 to 1995-96	5	499.92	-	-	-	-	-
	Total			**1911.92**	**33.73**	**2772.59**	**846.50**		**16.25**

Annexure XII (a)

(Refer paragraph 6.5.11)

Connaught Place Coffee Home-I

					(Rs in lakh)
Coffee Home - I	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**
Income					
Sales	61.14	62.31	62.17	-	65.08
Other Income	0.03	0.21	0.94		-
Closing Stock	0.29	0.23	-		-
Total	**61.46**	**62.75**	**63.11**		**65.08**
Expenditure					
Opening Stock	0.54	0.29	0.23		-
Purchase *	37.03	36.11	38.78		40.16
Exployee's Remuneration	13.02	16.12	14.50		19.01
Administration Expenditure	5.38	6.68	4.67		4.99
Provision for Bad Debts	-	0.31	-		-
Total	**55.97**	**59.51**	**58.18**		**64.16**
Profit/Loss before Depriciation	(+) 5.49	(+) 3.24	(+) 4.93		(+) 0.92
Depriciation	1.70	1.90	1.90		1.90
Net Profit/Loss	**3.79**	**1.34**	**3.03**		**(-) 0.98**
Percentage of Purchase to Sales	**60.6**	**57.9**	**62.4**		**61.7**

Note : *Figures pertaining to the years 1993-94 and 1995-96 are provisional. The records pertaining to the year 1994-95 was not made available.*

Annexure XII (b)

(Refer paragraph 6.5.11)

Connaught Place Coffee Home - II

					(Rs in lakh)
Coffee Home - II	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**
Income					
Sales	20.63	19.94	19.94	26.25	28.49
Other Income	0.19	1.49	0.52	-	-
Closing Stock	0.28	0.23	-	-	-
Total	**21.10**	**21.66**	**20.46**	**26.25**	**28.49**
Expenditure					
Opening Stock	0.09	0.28	0.23	-	-
Purchase *	12.04	12.71	12.44	17.09	18.67
Exployee's Remuneration	6.97	7.60	6.66	6.84	6.79
Administration Expenditure	6.52	7.36	2.77	1.54	4.56
Provision for Bad Debts	-	-	-	-	-
Total	**25.62**	**27.95**	**22.10**	**25.47**	**30.02**
Profit/Loss before Depriciation	(-) 4.52	(-) 6.29	(-) 1.64	(+) 0.78	(-) 1.53
Depriciation	1.24	1.31	1.64	1.55	(-)1.90
Net Profit/Loss	**(-) 5.76**	**(-) 7.60**	**(-) 3.28**	**(-) 0.77**	**(-) 3.43**
Percentage of Purchase to Sales	**58.6**	**66.4**	**62.4**	**65.1**	**65.5**

Note: Figures pertaining to the years 1993-94 are provisional.

Annexure XII (c)

(Refer paragraph 6.5.11)

Connaught Place Coffee Home - III

					(Rs in lakh)
Coffee Home - III	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**
Income					
Sales	30.56	35.35	35.42	39.10	38.34
Other Income	0.02	0.02	0.29	-	-
Closing Stock	0.27	0.27	-	-	-
Total	**30.85**	**35.64**	**35.71**	**39.10**	**38.34**
Expenditure					
Opening Stock	-	0.27	0.27	-	-
Purchase *	19.92	23.29	22.58	24.08	25.60
Exployee's Remuneration	7.75	9.50	9.18	10.90	12.00
Administration Expenditure	3.86	4.19	4.18	2.50	2.97
Provision for Bad Debts	-	-	-	-	-
Total	**31.53**	**37.25**	**36.21**	**37.48**	**40.56**
Profit/Loss before Depriciation	(-) 0.68	(-) 1.61	(-) 0.50	1.62	(-) 2.22
Depriciation	1.70	1.46	1.66	1.60	1.60
Net Profit/Loss	**(-) 2.38**	**(-) 3.07**	**(-) 2.16**	**0.02**	**(-) 3.82**
Percentage of Purchase to Sales	**62.6**	**65.9**	**63.7**	**61.6**	**66.5**

Note : Figures pertaining to the years 1993-94, 1994-95 and 1995-96 are provisional