Report of the
Comptroller and Auditor General
of India

for the year ended March 1999

Government of National Capital Territory of Delhi

Contents

Chapter – 3: Civil Departments

Chapter – 4:Revenue Receipt

16

PREFACE

This report for the financial year ended March 1999 has been prepared for submission to the Lieutenant Governor under Article 151(2) of the Constitution of India. It covers matters arising from audit of the accounts of the Government of National Capital Territory of Delhi which came into existence by virtue of the Constitution (Sixty-ninth Amendment) Act, 1991.

Service or Utility Organisations under the jurisdiction of Government of National Capital Territory of Delhi which feature in this report are the Municipal Corporation of Delhi and Delhi Vidyut Board. The matters relating to Public Sector Undertakings of the Government of National Capital Territory of Delhi viz. Delhi Transport Corporation, Delhi Financial Corporation, Delhi Tourism and Transport Development Corporation Limited, Delhi State Mineral Development Corporation Limited, Delhi State Civil Supplies Corporation Limited, Delhi State Industrial Development Corporation Limited and Delhi Scheduled Caste Financial and Development Corporation Limited, whose accounts are audited by the Comptroller and Auditor General of India, have also been included.

The cases mentioned in this report are those which came to notice in the course of Audit conducted during 1998-99 and early part of 1999-2000. For the sake of completeness, matters relating to earlier years which could not be covered in the previous report have also been included, wherever pertinent. Similarly, results of Audit of transactions after 31 March 1999 are also mentioned, wherever relevant.

OVERVIEW

This Audit report for the year ended March 1999 contains 35 paragraphs and six reviews.

I Accounts of the Government of NCT of Delhi

During 1998-99, the total receipt and expenditure of Government of NCT of Delhi on revenue account were Rs 3660 crore and Rs 2840 crore respectively which yielded a revenue surplus of Rs 820 crore. The loans and advances disbursed by the Government during the year were Rs 1493 crore while the recoveries were merely Rs 55 crore. The Government of NCT of Delhi borrowed Rs 976 crore from the Union Government during the year.

Revenue receipts increased from Rs 3481 crore in 1997-98 to Rs 3660 crore in 1998-99. The share of tax revenue in the total revenue receipt was Rs 3089 crore, which constituted 84 *per cent* of the total receipt.

Capital expenditure decreased by 2.89 *per cent* from Rs 1889 crore in 1997-98 to Rs 1834 crore in 1998-99.

Government of NCT of Delhi made investment of Rs 68.50 crore in 1998-99 in Government companies and co-operative societies bringing the total investment at the end of March 1999 to Rs 357.42 crore. The dividend received from the total investment of Rs 357.42 crore at the end of 1998-99 was Rs 4.82 crore, which constituted 1.35 *per cent* on total investment.

2552 utilisation certificates relating to grants-in-aid of Rs 3003.60 crore released up to 30 September 1997 were outstanding against various departments at the end of March 1999.

Indicators of financial performance of Government of NCT of Delhi to assess how far the means of financing are sustainable point towards increasing interest burden, indebtedness and lower return on investments.

The Government of NCT of Delhi was in a position to meet its revenue expenditure from its own resources and therefore the borrowed funds alongwith revenue surplus were applied for capital expenditure including loans and advances given by the Government of NCT of Delhi.

(Chapter 1)

II Appropriation Accounts

During 1998-99, Government of NCT of Delhi was authorised Rs 5954 crore as Original Grant and Rs 767 crore as Supplementary Grant. Against the total provision of Rs 6721 crore, total expenditure aggregated Rs 5528 crore. Overall unspent provisions of Rs 1193 crore were 20 *per cent* of the total grant for the year.

Approved budget provision under 20 sub-heads was excessive as unspent provisions under each of them exceeded Rs one crore.

Charged expenditure during 1998-99 increased to Rs 745 crore from Rs 391 crore in 1997-98 registering an increase of 48 *per cent* whereas the increase in voted expenditure during the corresponding period was six *per cent* only.

Provision of Rs 87 crore in 84 cases could not be used at all due to non-implementation of schemes.

Actual recoveries, in the capital section were Rs 585.72 crore during 1998-99 against estimated recoveries of Rs 832.35 crore.

Against the unspent provisions of Rs 1193 crore, Rs 533 crore only were surrendered on the last day of the financial year and the remaining Rs 659 crore were not surrendered.

In six grants/ appropriations the entire amount of supplementary provisions of Rs 310.28 crore obtained in September 1998 and March 1999 were unnecessary as the final expenditure was less than even the original grants.

Funds aggregating Rs 32.55 crore received from the central grants for implementation of 101 centrally sponsored schemes up to the end of 1998-99 remained unutilised as of March 1999.

(Chapter 2)

III Management of Machinery and Equipment in G.B. Pant Hospital

Review of management of machinery and equipment in G.B. Pant Hospital disclosed serious shortcomings in purchase systems, installation and commissioning and their operational status, affecting the patient care.

G.B. Pant Hospital Administration did not monitor the timely issue of machinery and equipment to various departments resulting in 92 machines which included 58 important machines worth Rs 2.42 crore, for use in operation theatres for monitoring anesthetic gases, diagnosis of gastric ulcer, etc. were lying idle in stores. 77 machines and equipment issued to the departments remained unutilised for up to ten years. Another 12 machines imported at Rs 85.78 lakh, which included machines for identification of bacteria, diagnosis of tuberculosis, etc. were lying unused in various departments for periods ranging from six months to three and half years for want of reagents and consumables.

There was a waiting period of 15 days to six months for various radiology and cardiology tests. Frequent breakdown and delay in repairs of machines contributed significantly to this delay. 82 machines reported non-functional during November 1991 to November 1998 were repaired after a delay ranging from six to 34 months. 25 machines were lying out of order for over one to five years.

G.B. Pant Hospital had deficient internal control. No watch was kept over the indents placed with DGS&D for purchase of machines and equipment against the items approved by Technical Advisory Committee, the payments actually made by the PAO against each supply order placed by DGS&D, the supply received thereagainst by the hospital, etc. There was delay ranging from one and a half years to six years in purchase of machines for use in cardiac surgery, gastrointestinal surgery, neuro-surgery, etc. Delay in purchase of these equipment not only affected medical facilities to a number of patients but led to increase in the cost of these equipment by Rs 1.36 crore.

Accessories and spares worth Rs 87.17 lakh purchased between 1989 and 1999 were lying unused in the stores. 896 instruments costing Rs 36.25 lakh purchased between December 1989 and June 1995 remained unutilised as of July 1999. Apart from these, 11799 items including surgicals and consumables for cardio thoracic surgery lying in stores became time expired.

(Paragraph 3.1)

IV Prevention of Food Adulteration Department

The objective of creating the PFA Department for ensuring the availability of unadulterated food items to consumers by adequate coverage of all food outlets remained largely unfulfilled due to poor planning, inept management and ad-hoc deployment of Local Health Authorities and Food Inspectors. Thus, there is a high risk of adulterated food being supplied to the consumers in Delhi.

Delhi is the only State where a licensing authority responsible for identification of food vendors and issuing of licences to food establishments, after ensuring their quality, safety and hygienic conditions, has not been appointed. Thus, the food establishments in Delhi function without any licensing control. Besides, the Government also suffered a loss of over Rs 200 crore due to non-collection of licence fees since 1977 at the approximate rate of Rs 10 crore *per annum*.

The overall control of PFA Department was deficient, as it failed to ensure the lifting of prescribed number of samples by each Food Inspector, resulting in shortfall of achievements of targets by 83 *per cent*. The quality of testing of food samples collected was also deficient and the Department failed to establish a large number of adulteration cases filed in the courts.

Despite outbreak of dropsy epidemic, which claimed 66 lives and led to the hospitalisation of 2556 persons in August 1998, the vigilance over items of mass consumption like milk, edible oil, mineral water, etc. remained scanty.

(Paragraph 3.2)

V Control of pollution of river Yamuna in Delhi

Delhi is polluting the river Yamuna seriously. Pollution load in the river in terms of Bio-chemical Oxygen Demand in Delhi stretch has increased from 117 tonnes per day during 1982 to 211 tonnes per day during 1998. While the water quality of river Yamuna where it enters Delhi meets the bathing standards it gets severely polluted when it leaves Delhi at Okhla Barrage.

The estimated quantity of sewage generated in Delhi is around 2852 MLD. Against this the total capacity of the sewage treatment plants in Delhi is merely 1382 MLD and the actual sewage treatment is still less at around 886 MLD. The remaining untreated sewage of about 1966 MLD finds its way into river Yamuna.

The progress of construction/ augmentation of sewage treatment capacity has been tardy. In seven years since April 1992, Government had augmented the sewage treatment capacity by only 112 MLD. Other works for new sewage treatment plants and augmentations of the capacity of the existing plants have suffered from serious delays.

Mis-match between the STPs and attendant sewerage works for interception and diversion had led to large capacity of sewage treatment remaining unutilised in some areas, while in other areas, the untreated sewage is released in the river due to non-availability of sewage treatment plant.

The proper functioning of the treatment plant depends upon the functioning of its aerators, sludge digesters, gas holders, etc. In one unit of the Keshopur plant 34 aerators out of 48 remained out of order during the last five years while in another unit out of 24 aerators, 18 to 21 aerators did not function. Also, sludge digesters of Keshopur and Kondli plant either developed cracks in their domes or were not put to use since 1987-89 resulting in incomplete sludge treatment and release of highly explosive and health hazardous gases in the atmosphere.

Most of the industrial pollution also remains to be tackled. The Government of NCT of Delhi did not ensure installation of individual effluent treatment plants by 348 grossly polluting industrial units. Besides, construction of 15 common effluent treatment plants for other polluting industries envisaged to be constructed by June 1998 had not started as of November 1999.

(Paragraph 3.3)

VI Rent/ Licence fee in New Delhi Municipal Council

Director (Estate) of NDMC, responsible for collection and accounting of rent/ licence fee from the licensees/ tenants did not maintain detailed break-up of receipts on account of outstanding licence fee, damages and interest pertaining to previous years and the receipts against current year's demand leading to inaccurate assessment of budget estimates for receipts. Outstanding licence fee, damages on account of unauthorised occupation and interest stood at Rs 277.80 crore at the end of March 1999.

In the case of one firm, namely C J International Hotels, NDMC granted moratorium in the payment of annual licence fee repeatedly for its hotel project Le Meridian. The firm continued to default. By 30 April 1999, Rs 115.57 crore was outstanding towards licence fee and interest against it.

Rs 25.05 crore towards licence fee and interest remained outstanding against 291 ex-allottees of shops, offices, restaurants, etc. as of March 1999. A major part of this amount could be time barred due to NDMC's failure to prefer claims within the time limit. In respect of 13 out of 20 cases test checked, NDMC did not increase the licence fee by 100 *per cent* as per the resolution of January 1993, resulting in loss of Rs 2.16 lakh up to March 1999.

The documentation of properties by NDMC was seriously deficient in as much as the prescribed columns in the Demand and Collection registers viz. authority of allotment, date of occupation, date of vacation, rate of licence fee, demand bill number and date, etc. were left blank in respect of 419 shops comprising 67 *per cent* of 629 cases test checked. The columns prescribed in the Damage registers, in case of licensees who had overstayed beyond their licensed period or violated the terms of allotment, rate of licence fee, rate of damage, date of cancellation/ term of expiry in respect of 38 shops out of 105 cases test checked were not filled in. The deficient documentation is indicative of lack of internal control exposing NDMC to the risk of loss of revenue due to incorrect charging of licence fee from allottees including defaulters, incorrect assessment of outstanding demands against licensees, increase in licence fee remaining uncollected, etc.

Rs 67.69 lakh towards licence fee and interest remained unrecovered in respect of two shops where either NDMC or the licensee did not execute the licence deed. NDMC did not take action under Negotiable Instruments Act to recover fine equivalent to double the amount of cheques dishonoured in respect of 62 cheques with aggregate value of Rs 28.73 lakh pertaining to 1996-99, which were dishonoured due to insufficient funds in the account of licensees. Further, NDMC did not take effective action against three defaulters whose cheques were dishonoured repeatedly.

(Paragraph 3.4)

VII Unused 120 bed ward

A new 120 bed ward block building for Gobind Ballabh Pant Hospital constructed at a cost of Rs 13.10 crore by Public Works Department in 1995 was not made functional as of July 1999 due to delay on the part of Hospital Administration in laying of medical gases pipe lines and compressed air system and failure to create posts of medical and para-medical staff.

The delay in making the ward block functional deprived the public of the facility of 120 additional beds of various specialities in the new block. No value for the expenditure of Rs 13.10 crore was realised for more than four years.

The Hospital Administration spent Rs 56.09 lakh up to July 1999 on 62 additional posts filled in 1997-98 for this new block while none of the 120 beds, for which these posts were filled, was made functional.

(Paragraph 3.5)

VIII Non-installation of X-ray machine

Medical Superintendent, Lal Bahadur Shastri Hospital, Khichripur purchased a high powered X-ray machine valued at Rs 14.60 lakh in January 1997 for radio-diagnosis including contrast X-rays of certain specified investigations such as Barium swallow, Fluoroscopy, etc. He, however, did not ensure the required load of electricity from DVB. Consequently the new machine could not be put into operation, resulting not only in idle investment but also denial of the facility of radiological investigations to patients.

(Paragraph 3.6)

IX Unproductive expenditure of Rs 13.44 lakh on the purchase of Medical Equipment

Director, Guru Nanak Eye Centre, purchased two medical equipment valued at Rs 13.44 lakh in 1985 and 1992 for treating patients suffering from glaucoma and retinal disorders. He failed to take timely action to install both the medical equipment, which led to idling of machinery since purchase rendering them outdated and unusable. Besides, the patients were deprived of sophisticated testing methods and treatment.

(Paragraph 3.8)

X Schools deprived of teaching aids

Under the New Educational Technology Programme, Directorate of Education, Government of NCT of Delhi, purchased 2800 Radio-cum-Cassette Players in March 1996 and 1068 Colour Televisions in March 1998 for Rs 1.65 crore. Out of these, 980 Colour Televisions and 748 Radio-cum-Cassette Players valued at Rs 1.29 crore were lying in stock as of September 1999, depriving the students of the important educational aids.

(Paragraph 3.9)

XI Foreclosure of work due to defective planning

Executive Engineer, Supplementary Drainage Division No. III, Irrigation and Flood Control Department, awarded the work of 'Excavation of Supplementary Drain' in May 1994 at a tendered cost of Rs 64.60 lakh without ensuring availability of site for dumping the excavated earth. As a result, the work was foreclosed in November 1998 after an expenditure of Rs 43.75 lakh.

(Paragraph 3.10)

XII Failure to undertake widening of road

Executive Engineer PWD-XX, awarded the work of widening of Captain Gaur Marg Road No. 4 in south Delhi in June 1995 at a tendered cost of Rs 2.50 crore without taking possession of encroachment free site. As a result, the work was foreclosed in February 1999 after an expenditure of Rs 20.23 lakh.

(Paragraph 3.13)

XIII Idle equipment

Executive Engineer (Electrical), PWD Delhi awarded the work of installation of fire fighting system in the multi-storey block at College of Arts, Tilak Marg, New Delhi, at Rs 16.09 lakh in March 1993.

Lack of co-ordination between the civil and electrical divisions of PWD resulted in idling of equipment installed at a cost of Rs 14.56 lakh for over six years due to delay in construction of pump house and water sump by civil divisions of PWD.

(Paragraph 3.14)

XIV Revenue receipt

The Revenue Receipt of the National Capital Territory of Delhi for 1998-99 excluding grants-in-aid from Government of India of Rs. 383 crore totalled Rs 3277 crore. Out of the total tax revenue of Rs 3089 crore, bulk of the revenue of Rs 2113 crore was from sales-tax, followed by state excise which was Rs 526 crore, and others Rs 450 crore.

(Paragraph 4.1)

Sales tax demands pending for collection, which were Rs 3643 crore at the end of 1996-97 increased to Rs 4718 crore at the end of 1998-99.

(Paragraph 4.4)

Interest amounting to Rs 3071.84 crore was not claimed from the loanees.

(Paragraph 4.6.1)

Loans amounting to Rs 292.72 crore were granted to Delhi Transport Corporation without prescribing terms and conditions of recovery of loans and interest.

(Paragraph 4.6.3)

Sales tax and interest aggregating Rs 1.20 crore in 16 cases of REP Licences and Rs 1.75 crore in 21 cases of sale of assets were not levied.

(Paragraphs 4.12 and 4.13)

Irregular grant of exemptions from payment of sales-tax on sale of pesticides resulted in short-levy of sales-tax and interest aggregating Rs 2.45 crore.

(Paragraph 4.17)

Non-deposit of bank-drafts to Government account by the Transport Department for four to seven years resulted in non-utilisation of revenue amounting to Rs 4.33 crore.

(Paragraph 4.18)

XV Government Commercial and trading activities

As on 31 March 1999, there were five Government companies with the total investment of Rs 67.97 crore (equity: Rs 61.47 crore, long term loans: Rs 6.50 crore) and three Statutory corporations with total investment of Rs 5557.81 crore (capital: Rs 132.53 crore, long term loans: Rs 5425.28 crore).

(Paragraphs 5.2.1 and 5.2.2)

The accounts of all the five companies were in arrears for one to eight years as of September 1999. Accounts of one statutory corporation viz. Delhi Vidyut Board were also in arrears since inception. The other two statutory corporations viz. Delhi Transport Corporation and Delhi Financial Corporation had finalised their account for the year 1998-99. The former had accumulated losses aggregating to Rs 462 crore which had far exceeded its paid up capital of Rs 117 crore. The Delhi Financial Corporation had earned a profit of Rs 5 crore during this period.

(Paragraphs 5.4 and 5.5)

XVI Delhi Vidyut Board

The Suspended particulate matter emission level of Electrostatic Precipitators of one of the Thermal Power Station was very high and maximum suspended particulate matter during the last five years ranged between 495 to 811 mg/ nm^3 as against the norm of 150 mg/ nm^3 fixed by Delhi Pollution Control Committee. The excessive suspended particulate matter not only led to loss of generation and increased atmospheric pollution but was also causing fast erosion of ID fan impellers.

To reduce emission of suspended particulate matter and increase power generation, the installation of another electrostatic precipitator and renovation of boiler was scheduled to be completed by December 1995. The installation of electrostatic precipitator has not been completed till September 1999 whereas renovation of the boiler was completed in March 1999 only.

Due to non timely completion of electrostatic precipitator the thermal power station had to run on reduced load than envisaged which resulted in loss of potential power generation to the extent of 591.98 MUs valued at Rs 172.69 crore.

Due to fast erosion of ID fan impellers, 24 such fan impellers had to be replaced during the last five years causing forced shut down of the plant for 1020 hours resulting in loss of generation of 61.20 MUs valued at Rs 14.76 crore.

(Paragraph 5.10)

The proposed 400 KV Delhi Ring main line comprising three sections envisaged to be completed by July 1993 at a cost of Rs 81.68 crore was to cater to the expected power demand of 3481 MW of Delhi up to end of IX Plan. The project was cleared by Government of India with conditions that (i) no forest land would be acquired for the purpose and (ii) Delhi Vidyut Board would under take a study on the effect of high voltage frequency lines on urban environment and health hazard.

But for one section – Mandaula - Bawana completed in July 1995, the remaining two sections of the line could not be completed even after a lapse of more than six years. The reasons for non completion were attributable to (i) non timely supply of material to the contractor by Delhi Vidyut Board, (ii) non clearance of route – 7.5 Kms. approx. falling on Aravali Hills in the third section, by forest department Haryana and (iii) non undertaking of a study by Delhi Vidyut Board on the effect of high voltage frequency lines on urban environment and health hazard.

The work on the 400 KV Delhi Ring main lines after July 1995 came to a standstill after incurring an expenditure of Rs 59.71 crore being 73 *per cent* of the total project cost on laying of 23.80 kms of the transmission lines against the length of 113.58 kms., thereby depriving the citizens of Delhi of the requisite availability of power.

(Paragraph 5.11)

XVII Delhi Transport Corporation

The Corporation suffered a loss of Rs 1.18 crore on purchase of computer hardware by ignoring the lowest rates. The hardware was lying unutilised since December 1998.

(Paragraph 5.13)

Fabrication of buses without technical evaluation and cost benefit analysis of new design and specifications resulted in potential loss of Rs 1.59 crore.

(Paragraph 5.16)

Chapter 1: Accounts of the Government of NCT of Delhi

1.1 Introduction

1.1.1 Structure of Government Accounts

The accounts of the Government of NCT[1] of Delhi are kept in three parts: (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund

All receipt of the Government from revenues, loans and advances go into the Consolidated Fund of the Government of NCT of Delhi constituted under Article 266 (1) of the Constitution of India. All expenditure of the Government is met from this Fund. It consists of two divisions namely Revenue Account (Revenue Receipt and Revenue Expenditure) and Capital Account (Capital Receipt, Capital Expenditure, Public Debt, Loans and Advances, etc.).

Part II: Contingency Fund

The Contingency Fund, created under Article 267 (2) of the Constitution of India in the nature of imprest to meet urgent unforeseen expenses, is placed at the disposal of the Lieutenant Governor. Approval of Legislative Assembly is subsequently obtained for such expenditure and for transfer of an equivalent amount to the Contingency Fund from the Consolidated Fund. The corpus of this Fund for the Government of NCT of Delhi is Rs 10 crore.

Part III: Public Account

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.

1.1.2 Annual accounts

The accounts of the Government of NCT of Delhi are compiled annually by the Controller of Accounts, Delhi. These are prepared in two volumes, the Finance Accounts and the Appropriation Accounts. The Finance Accounts present details of all transactions pertaining to both receipt and expenditure under appropriate classification in the government accounts. The Appropriation Accounts, on the other hand, present details of amounts

[1] *National Capital Territory*

actually spent by Government *vis-a-vis* the amounts authorised by the State legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the legislature.

1.2 Reporting parameters

In this chapter, the figures of Gross State Domestic Product (GSDP)* by economic activity at current prices-Delhi have been used for analysis.

1.3 Summarised financial position

1.3.1 The financial position of the Government of NCT of Delhi as on 31 March 1999, as emerging from the Finance Accounts for the year 1998-99 is given in the following statement:

Summarised financial position of the Government of NCT of Delhi as on 31 March 1999

(Rs in crore)

Liabilities				Assets			
Amount as on 31 March 1998			Amount as on 31 March 1999	Amount as on 31 March 1998			Amount as on 31 March 1999
-	**Internal debt. Including Ways and Means advances**		-		**Gross capital outlay**		3588.87*
				3248.03*	Investment in shares of companies	357.42	
					other capital outlay	3231.45	
3080.94	**Loans and advances from the Union Government**		3788.17		**Loans and advances**		8512.51*
				7074.11	**Advanced by Government of NCT of Delhi**		
2285.34	Non plan loans-Share of small savings	2771.68			Loans for General Services	36.74	
					Loans for social services	2714.66	
					Loans for energy	3608.28	
795.60	Loans for State/UT plan schemes-Block loans	1016.49			Other loans for economic services	316.55	
					Loans to Government servants and Misc. Loans	1836.28	
2803.80	**Revenue surplus**		3623.80	507.01	**Cash balance merged with that of Union Government**		255.00
*1587.95	**Balance of capital outlay adopted from CGA during 1994-95**		*1587.95				
*3356.46	**Balance of loans and advances adopted from CGA during 1994-95**		*3356.46				
10829.15			**12356.38**	**10829.15**			**12356.38**

* *The Assets amounting to Rs 3248.03 crore and Rs 3588.87 crore as on 31 March 1998 and 31 March 1999 respectively under the head Gross capital outlay include an amount of Rs 1587.95 crore which were adopted during 1994-95 from Controller General of Accounts. Similarly, Loans and Advances depicted on Assets side amounting to Rs 7074.11 crore and Rs 8512.51 crore as on 31 March 1998 and 31 March 1999 respectively include Rs 3356.46 crore (Rs 1835.36 crore for Power Projects, Rs 985.91 crore for Water Supply and sanitation and Rs 535.19 crore for other loans) adopted from Controller General of Accounts. But the corresponding figures to be shown on the liabilities side have not been depicted distinctly in the Finance Accounts for these years.*

* *Rs. 36681 crore for 1998-99*

1.3.2 Assets and liabilities

Assets of the Government of NCT of Delhi comprising capital investments and loans advanced and liabilities comprising mainly of loans and advances from the Government of India, as at the end of last five years were as under:

(Rs in crore)

Year	Assets	Liabilities	Revenue surplus	Ratio of Assets to liabilities
1998-99	12356.38	8732.58	3623.80	1.41
1997-98	10829.15	8025.35	2803.80	1.34
1996-97	8794.40	7149.32	1645.08	1.23
1995-96	7179.02	6298.12	880.90	1.14
1994-95	6033.29	5571.74	461.55	1.08

The increasing difference in the assets and liabilities is suggestive of a sizeable portion of expenditure booked under capital account being met out of revenue surplus.

The figures are exclusive of the assets and liabilities represented by the balances under deposits, advances, suspense and remittances which are accounted for in the Public Account of the Union Government.

1.4 Consolidated fund

The receipt and expenditure under the Consolidated Fund of the Government of NCT of Delhi for 1998-99 as against the previous financial year were as under:

(Rs in crore)

CONSOLIDATED FUND – NCT of Delhi					
Receipt	**Amount**			**Disbursement**	**Amount**
Revenue	3660.12 *[3480.72]*	Revenue surplus	820.00 [1158.72]	Revenue	2840.12 [2322.00]
Capital	-			Capital	340.84 [665.13]
Recovery of loans & advances	54.92 [154.15]			Loans & Advances disbursement	1493.32 [1223.67]
Sub total CF NCT (other than public debt)	3715.04 [3634.87]	Fiscal Deficit	959.24 [575.93]		4674.28 [4210.80]
Borrowed fund: Loans from GOI	975.55 [876.03]			Repayment of borrowed fund	268.32 [-]
Total receipt in CF NCT*	**4690.59 [4510.90]**	**Deficit in CFI**	**252.01**	**Total disbursement from CF NCT****	**4942.60 [4210.80]**
Decrease in cash balance	**252.01 [-]**			**Increase in cash balance**	**- [300.10]**
PUBLIC ACCOUNT**					

Note: *Figures in bracket are for 1997-98.*

* *Consolidated Fund of Government of NCT of Delhi.*

** *Public Account of Government of NCT of Delhi is merged with the Union Government.*

(i) Receipt in the Consolidated Fund increased from Rs 4510.90 crore in 1997-98 to Rs 4690.59 crore in 1998-99 which registered increase of 3.98 *per cent*. The receipt of loans from the Union government constituted 20.79 *per cent* of the receipt in the Consolidated Fund.

(ii) Revenue receipt of the State Government were Rs 3660.12 crore against which revenue expenditure was Rs 2840.12 crore resulting in a revenue surplus of Rs 820.00 crore constituting 22.40 *per cent* of the revenue receipt.

(iii) The Government of NCT of Delhi is not empowered to raise loans in the open market. All loans are advanced to it from the Consolidated Fund of India. Public debt of the State Government increased by Rs 975.55 crore during 1998-99

(iv) Net decrease in cash balance in Consolidated Fund of the Government of NCT of Delhi at the end of March 1999 was Rs 252.01 crore.

1.5 Revenue receipt

(a) Ggrowth of revenue receipt

The revenue receipt consists mainly of tax and non-tax revenue besides grants-in-aid from Government of India. Trend of revenue receipt during the last five years was as under:

(Rs in crore)

Year	Actual Revenue Receipt	Percentage of increase over previous year	Gross State Domestic Product	Percentage of Revenue Receipt to GSDP
1998-99	3660.12	5.15	*36681	9.98
1997-98	3480.72	24.48	**33026	10.54
1996-97	2795.99	21.74	***29007	9.64
1995-96	2296.51	15.96	23941	9.59
1994-95	1980.45	Not applicable	21155	9.36

Advance Estimate, ** Quick Estimates, * Provisional*

(i) The revenue receipt in absolute terms grew at an average annual rate of 17 *per cent* during 1994-95 to 1998-99.

(ii) Although in absolute terms revenue receipt increased from Rs 3480.72 crore in 1997-98 to Rs 3660.12 crore in 1998-99, the percentage of increase registered in 1998-99 was significantly lower than those registered during last three years.

(iii) As a percentage of GSDP[2] it declined from 10.54 in 1997-98 to 9.98 in 1998-99.

[2] *Gross State Domestic Product*

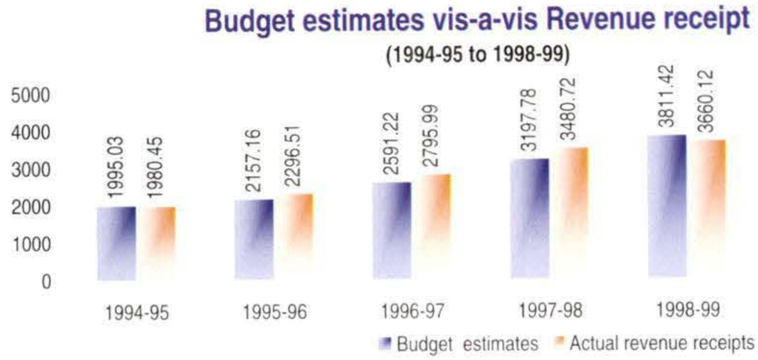
(b) *Actual collection of revenue receipt* vis-a-vis *estimates*

The actual collection of revenue receipt against budget estimates during last five years were as under:

(Rs in crore)

Year	Budget estimates	Actual revenue receipt	Increase (+) / decrease(-) of actual revenue receipt over budget estimates	Percentage increase (+)/ decrease (-) over budget estimates
1998-99	3811.42	3660.12	(-) 151.30	(-) 3.96
1997-98	3197.78	3480.72	(+) 282.94	(+) 8.85
1996-97	2591.22	2795.99	(+) 204.77	(+) 7.90
1995-96	2157.16	2296.51	(+) 139.35	(+) 6.46
1994-95	1995.03	1980.45	(-) 14.58	(-) 0.73

The Budgetary assumptions have not been accurate over the years.



(c) *Components of revenue receipt*

The components of revenue receipt in terms of tax and non-tax revenue and receipt from Government of India during the last five years were as under:

(Rs in crore)

Component	1998-99	1997-98	1996-97	1995-96	1994-95
Tax revenue	3088.78 (*84.39*)	2941.58 (*84.51*)	2534.87 (*90.66*)	2111.05 (*91.92*)	1787.47 (*90.26*)
Non-tax revenue	187.96 (*5.14*)	169.52 (*4.87*)	55.74 (*1.99*)	63.13 (*2.75*)	99.63 (*5.03*)
Grant-in-aid from GOI	383.38 (*10.47*)	369.62 (*10.62*)	205.38 (*7.35*)	122.33 (*5.33*)	93.35 (*4.71*)
Total revenue receipt	3660.12 (*100*)	3480.72 (*100*)	2795.99 (*100*)	2296.51 (*100*)	1980.45 (*100*)

Note: *Figures in bracket indicates percentage of total revenue receipt*

As a percentage of total revenue receipt, the tax revenue decreased from 90.26 in 1994-95 to 84.39 in 1998-99. The grants-in-aid from Government of India, however, increased from 4.71 to 10.47 *per cent* during the same period.

1.5.1 Tax revenue

(a) Growth of tax revenue

The growth of tax revenue during 1994-99 was as under:

(Rs in crore)

Year	Actual tax revenue	Percentage of increase over the previous year	As percentage of total revenue receipt	Percentage of tax revenue to GSDP
1998-99	3088.78	5.00	84.39	8.42
1997-98	2941.58	16.04	84.51	8.91
1996-97	2534.87	20.08	90.66	8.74
1995-96	2111.05	18.10	91.92	8.81
1994-95	1787.47	Not applicable	90.25	8.45

The tax revenue constitutes a major share of the revenue receipt. The rate of growth declined in 1998-99 after a healthy growth rate in 1995-96 to 1997-98. This was mainly due to decline in the rate of growth of sales tax from 21 *per cent* in 1995-96 to 4.14 *per cent* in 1998-99. The percentage of tax revenue to GSDP came down by 0.49 points against the previous year.

(b) Actual collection of tax revenue vis-a-vis *estimates*

(Rs in crore)

Year	Budget estimate	Actual tax revenue	Increase(+) /decrease (-) of tax revenue receipt over budget estimates	Percentage increase (+) / decrease (-) over budget estimates
1998-99	3595.12	3088.78	(-) 506.34	(-) 14.08
1997-98	3145.10	2941.58	(-) 203.52	(-) 6.47
1996-97	2544.10	2534.87	(-) 9.23	(-) 0.36
1995-96	2109.21	2111.05	(+) 1.84	(+) 0.09
1994-95	1933.03	1787.47	(-) 145.56	(-) 7.53

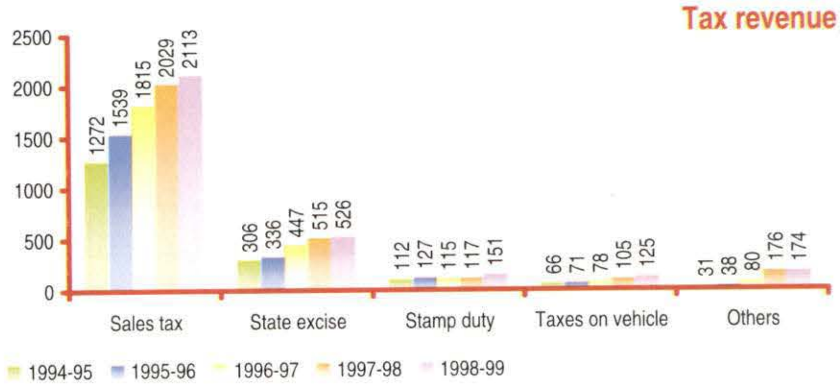
(i) The short fall of 14.08 *per cent* in the collection of actual tax revenue with reference to the budget estimates was due to short fall in collection of sales tax by 14.28 *per cent*, stamp duty and registration fee by 36.55 *per cent* and taxes on vehicles by 35.90 *per cent.*

(ii) The budget estimates of tax revenue were optimistic, as the actual receipt have been consistently lower than the budget estimates during 1996-99.

(c) Components of tax revenue

The component wise break up of tax revenue during the five years ending

1998-99 is depicted in the following chart:



The relative contribution of sales tax has come down from 71.18 *per cent* in 1994-95 to 68.40 *per cent* in 1998-99, while that of state excise from 17.12 *per cent* to 17.02 *per cent* and stamp duty and registration fee from 6.25 *per cent* to 4.88 *per cent* during the corresponding period. The relative contribution of taxes on vehicles increased from 3.69 *per cent* in 1994-95 to 4.04 *per cent* in 1998-99 and that of the other taxes from 1.74 *per cent* to 5.63 *per cent* during the corresponding period.

(d) Sales Tax 1998-99

Compared to the collection of sales tax in the metropolitan cities of Mumbai and Chennai in 1998-99, the sales tax collection in Delhi in 1998-99 is quite low as indicated below:

(Rs in crore)

City	Sales tax revenue of the city (Rs in crore)
Mumbai	**5551.00**
Chennai	**4606.03**
Delhi	**2113.00**

1.5.2 Non-tax revenue

(a) Growth of non-tax revenue

The growth of non-tax revenue during the last five years ended March 1999 was as under:

(Rs in crore)

Year	Actual non-tax revenue	Percentage increase (+)/ decrease (-) over the previous year	As a percentage of total revenue receipt	As a percentage of GSDP
1998-99	187.96	(+) 10.87	5.14	0.51
1997-98	169.52	(+) 204.13	4.87	0.51
1996-97	55.74	(-) 11.71	1.99	0.19
1995-96	63.13	(-) 36.63	2.75	0.26
1994-95	99.63	Not applicable	5.03	0.47

The non-tax revenue constituted 5.14 *per cent* of the total revenue receipt of the Government. As a percentage of GSDP, the non-tax revenue was static at 0.51 during the last two years.

(b) Actual collection of non-tax revenue vis-a-vis estimates

(Rs in crore)

Year	Budget estimates	Actual non-tax revenue	Increase (+)/ decrease (-) of non-tax revenue receipt over budget estimates	Percentage Increase (+)/ decrease (-) over budget estimates
1998-99	216.30	187.96	(-) 28.34	(-) 13.10
1997-98	52.68	169.52	(+) 116.84	(+) 221.79
1996-97	47.12	55.74	(+) 8.62	(+) 18.29
1995-96	47.95	63.13	(+) 15.18	(+) 31.65
1994-95	62.00	99.63	(+) 37.63	(+) 60.69

The collection of non-tax revenue during 1998-99 fell short by Rs 28.34 crore i.e. 13.10 *per cent* of the budget estimates mainly due to short fall in interest receipt - Rs 25.00 crore, lower return from investments - Rs 4.18 crore and lower collection of receipt from village and small industries - Rs 12.86 crore, while the other components registered an increase of Rs 13.70 crore.

1.5.3 Grants-in-aid from the Central Government

Trend of grants-in-aid from the Central Government during the last five years was as under:

(Rs in crore)

Year	Grant-in-aid	As percentage of revenue receipt
1998-99	383.38	10.47
1997-98	369.62	10.62
1996-97	205.38	7.35
1995-96	122.33	5.33
1994-95	93.35	4.71

The grants-in-aid, as a percentage of revenue receipt, increased from 4.71 *per cent* in 1994-95 to 10.47 *per cent* during 1998-99.

1.5.4 Arrears of tax revenue

The position of arrears of tax revenue pending collection at the end of the financial year as against total tax revenue raised by the Government during 1994-95 to 1998-99 is given below:

(Rs in crore)

Year	Amount collected	Amount in arrears	Increase over previous year
1998-99	3088.78	4718.04	532.07
1997-98	2941.58	4185.97	542.79
1996-97	2534.87	3643.18	210.31
1995-96	2111.05	3432.87	379.69
1994-95	1787.47	3053.18	-

There was an overall deterioration in the position of arrears of tax revenue over the period 1994-95 to 1998-99. The entire amount in arrears pertained to sales tax.

1.6 Total expenditure

The trend of the total expenditure of the Government of NCT of Delhi during 1994-99 was as under:

(Rs in crore)

Year	Revenue	Capital	Loans	Total
1998-99	2840.12	340.84	1493.32	4674.28
1997-98	2322.00	665.13	1223.67	4210.80
1996-97	2031.81	416.98	1066.55	3515.34
1995-96	1877.16	268.74	735.55	2881.45
1994-95	1430.91	212.55	763.55	2407.01

The revenue expenditure increased from Rs 2322.00 crore in 1997-98 to Rs 2840.12 crore in 1998-99 which constituted an increase of 22.3 *per cent*. The capital expenditure decreased by 49 *per cent* from Rs 665.13 to Rs 340.84 crore during the corresponding period.

(ii) The share of capital expenditure out of total expenditure decreased from 15.80 *per cent* in 1997-98 to 7.29 *per cent* in 1998-99.

(iii) Loans were given mainly to Delhi Vidyut Board, Delhi Jal Board, Municipal Corporation of Delhi and Delhi Transport Corporation for augmentation of electric supply, improvement of water supply and sanitation in Trans Yamuna areas and rural areas, improvement of road transport, etc. Payment of loans by the State Government increased by 22.04 *per cent* during 1998-99 over the previous year.

1.6.1 Revenue expenditure

(a) Trend of revenue expenditure

Trend of revenue expenditure of the Government during the five years ending 1998-99 was as under:

(Rs in crore)

Year	Actual revenue expenditure			Increase (+)/ decrease (-) over the previous year		Total revenue expenditure as a percentage of GSDP
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1998-99	795.05	2045.07	2840.12	(+) 158.72	(+) 359.40	7.74
1997-98	636.33	1685.67	2322.00	(-) 22.55	(+) 312.74	7.03
1996-97	658.88	1372.93	2031.81	(+) 96.42	(+) 58.23	7.00
1995-96	562.46	1314.70	1877.16	(+) 171.16	(+) 275.09	7.84
1994-95	391.30	1039.61	1430.91	Not applicable	Not applicable	6.76

(i) Over the last five years, the revenue expenditure increased from 1430.91 crore in 1994-95 to Rs 2840.12 crore in 1998-99, which constituted an increase of 98 *per cent*.

(ii) However, as a percentage of GSDP, it increased by 0.98 *per cent* points during the same period.

(iii) Revenue expenditure under plan increased from Rs 636.33 crore in 1997-98 to Rs 795.05 crore in 1998-99 registering an increase of 24.94 *per cent* while the expenditure under non-plan increased from Rs 1685.67 crore in 1997-98 to Rs 2045.07 crore in 1998-99 registering an increase of 21.32 *per cent* during the corresponding period.

(b) Actual revenue expenditure vis-à-vis estimates

(Rs in crore)

	Budget estimates			Actual expenditure			Increase (+)/ Decrease (-)		
Year	**Plan**	**Non-Plan**	**Total**	**Plan**	**Non-Plan**	**Total**	**Plan**	**Non-Plan**	**Total**
1998-99	1024.69	2125.70	3150.39	795.05	2045.07	2840.12	(-)229.64	(-)80.63	(-)310.27
1997-98	842.34	1823.39	2665.73	636.33	1685.67	2322.00	(-)206.01	(-)137.72	(-)343.73
1996-97	831.68	1335.63	2167.31	658.88	1372.93	2031.81	(-)172.80	(+)37.30	(-)135.50
1995-96	670.14	1245.51	1915.65	562.46	1314.70	1877.16	(-)107.68	(+)69.19	(-)38.49
1994-95	526.39	1076.91	1603.30	391.30	1039.61	1430.91	(-)135.09	(-)37.30	(-)172.39

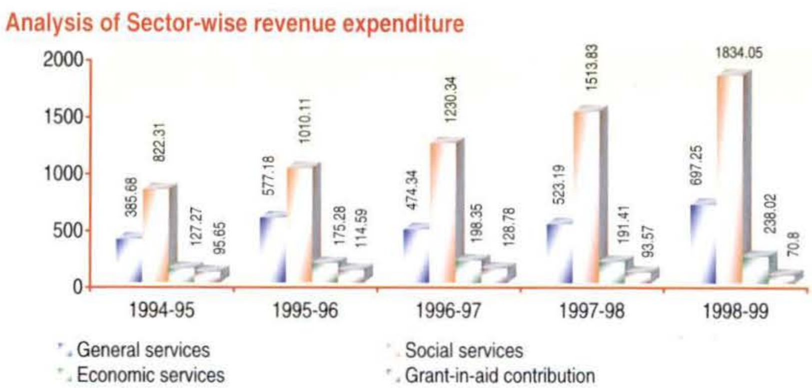
Actual revenue expenditure under plan has been lower than the budgeted expenditure during each year from 1994-95.

(c) Sector-wise revenue expenditure

The sector-wise distribution of revenue expenditure was as under:

(Rs in crore)

Sector	1998-99	1997-98	1996-97	1995-96	1994-95
General services	697.25	523.19	474.34	577.18	385.68
Social services	1834.05	1513.83	1230.34	1010.11	822.31
Economic services	238.02	191.41	198.35	175.28	127.27
Grants-in-aid contributions	70.80	93.57	128.78	114.59	95.65
Total	**2840.12**	**2322.00**	**2031.81**	**1877.16**	**1430.91**



While the expenditure on Social services increased by 123 *per cent* from Rs 822.31 crore in 1994-95 to Rs 1834.05 crore in 1998-99, the corresponding increase in General services and Economic services was 81 *per cent* and 87 *per cent* respectively. As a proportion of total expenditure, the share of Social services increased from 57 *per cent* in 1994-95 to 65 *per cent* in 1998-99, whereas the share of General services decreased from 27 *per cent* to 25 *per cent* and that of Economic services from 9 *per cent* to 8 *per cent*.

1.6.2 Interest payments

The interest payments during the period 1994-99 were as follows:

(Rs in crore)

Year	Loan received	Interest paid	Percentage of interest to tax revenue	As percentage of revenue expenditure	Interest ratio*
1998-99	975.55	432.34	14.00	15.22	0.08
1997-98	876.03	314.08	10.68	13.53	0.05
1996-97	851.20	189.89	7.49	9.34	0.07
1995-96	796.38	94.00	4.45	5.00	0.04
1994-95	510.33	Nil	-	-	0

(i) Interest payments on loans received from Central Government increased steadily by 360 *per cent* from Rs 94.00 crore in 1995-96 to Rs 432.34 crore in 1998-99.

(ii) The percentage of interest paid to tax revenue increased from four in 1995-96 to 14 in 1998-99.

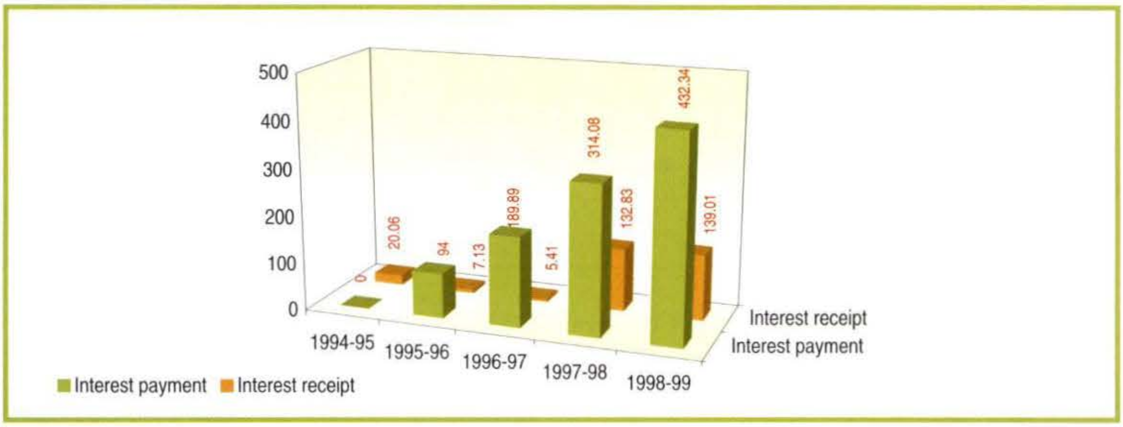
(iii) Interest payment accounted gradually for a rising share of the revenue expenditure. Similarly, the interest ratio also registered an increase during the period indicating reduced availability of receipt for other expenditure.

(iv) A comparison of interest received by the Government with the interest paid revealed that the net burden on revenue increased from Rs 86.87 crore during 1995-96 to Rs 293.33 crore during 1998-99 as detailed below:

(Rs in crore)

Year	Interest payments	Interest receipt	Net interest payment
1998-99	432.34	139.01	293.33
1997-98	314.08	132.83	181.25
1996-97	189.89	5.41	184.48
1995-96	94.00	7.13	86.87
1994-95	-	20.06	(-) 20.06

* Interest ratio = $\frac{\text{Interest payment} - \text{Interest receipt}}{\text{Total revenue receipt} - \text{Interest receipt}}$



1.6.3 Financial assistance to local bodies and other institutions – Grants-in-aid to local bodies

The quantum of grants-in-aid provided to different local bodies etc. during the period of last five years was as follows:

(Rs in crore)

Sl. No.	Name of body	1998-99	1997-98	1996-97	1995-96	1994-95
1	Municipal Corporation of Delhi	416.17	641.37	511.42	427.91	311.96
2	New Delhi Municipal Committee	38.47	27.90	16.50	17.20	10.30
3	Delhi Cantonment Board	1.69	1.92	0.72	0.71	0.60
4	Delhi Development Authority	12.91	0.32	2.10	0.40	-
5	Delhi Jal Board	32.13	23.73	5.00	-	-
6	Delhi Vidyut Board/ DESU	-	-	-	0.02	0.09
7	Others	179.86	141.00	23.99	20.89	14.78
	Total	**681.23**	**836.24**	**559.73**	**467.13**	**337.73**

The total assistance at the end of 1998-99 had increased by 102 *per cent* over the level of 1994-95.

2552 Utilisation Certificates relating to Rs 3003.60 crore in respect of grants-in-aid released up to 30 September 1997 were outstanding in various departments at the end of March 1999.

1.6.4 *Capital expenditure*

(a) Trend of capital expenditure

Assets are created mostly out of capital expenditure. In addition, financial assets arise from moneys invested in Institutions or Undertakings i.e. Public Sector Undertakings, Corporations, etc. and loans and advances. Capital expenditure for the last five years was as under:

(Rs in crore)

Year	Actual capital expenditure (including loans)	Percentage of increase (+)/ decrease (-) over the previous year	Percentage of capital expenditure with reference to total expenditure	Total capital expenditure as percentage of GSDP
1998-99	1834.16	(-)2.89	39	5.00
1997-98	1888.80	(+)27.32	45	5.72
1996-97	1483.53	(+)47.72	42	5.11
1995-96	1004.29	(+)2.89	35	4.19
1994-95	976.10	Not applicable	41	4.61

(i) During 1998-99, the capital expenditure in absolute terms decreased by 2.89 *per cent* over the previous year. Its share in total expenditure has decreased from 45 *per cent* in 1997-98 to 39 *per cent* in 1998-99.

(ii) As a percentage of GSDP, the capital expenditure increased from 4.61 in 1994-95 to 5 in 1998-99. It however, declined from 5.72 *per cent* in 1997-98 to 5 *per cent* in1998-99.

(b) Actual capital expenditure vis-a-vis estimates

(Rs in crore)

Year	Budget estimates of capital expenditure (including loans)	Capital expenditure during the year (including loans)	Percentage of actual expenditure to budget estimates
1998-99	2803.58	1834.16	65.42
1997-98	2018.07	1888.80	94.00
1996-97	1595.15	1483.53	93.00
1995-96	1355.75	1004.29	74.08
1994-95	1314.83	*976.10	74.24

* *Excluding Rs 1587.95 crore adopted during 1994-95 from CGA.*

The budget estimates of capital expenditure were unrealistic, as the capital expenditure has been consistently below the budget estimates.

(c) Sector-wise capital expenditure

The sector-wise capital expenditure excluding loans during the last five years as disclosed from statement No. 11 of the Finance Account is given below:

(Rs in crore)

Name of the service	1998-99	1997-98	1996-97	1995-96	1994-95
General services	31.84 *(9)*	90.36 *(14)*	25.57 *(6)*	28.94 *(11)*	18.55 *(9)*
Social services	45.92 *(14)*	127.30 *(19)*	85.85 *(21)*	111.39 *(41)*	84.86 *(40)*
Economic services	263.08 *(77)*	447.47 *(67)*	305.56 *(73)*	128.41 *(48)*	109.14 *(51)*
Total	**340.84 (100)**	**665.13 (100)**	**416.98 (100)**	**268.74 (100)**	**212.55 (100)**

Note: *Figures in brackets indicate percentage of total expenditure*

Decrease in capital expenditure on Social services was 64 *per cent* during 1998-99 as compared to last year whereas those for General services and Economic services were 65 and 41 *per cent* respectively.

1.7 Loans and advances by the Government

1.7.1 The Government gives loans and advances to local bodies, autonomous bodies, co-operative institutions, public sector and other undertakings and Government departments for various development and non-developmental activities. It also disburses loans to Government servants for construction of houses, purchase of vehicles, etc. The position of loans disbursed by the Government during the last five years was as given below:

(Rs in crore)

	1998-99	1997-98	1996-97	1995-96	1994-95
Opening balance (1)	7074.11	6004.59	4967.42	4260.87	178.52
Balance adopted from CGA	-	-	-	-	3356.46
Amount advanced during the year :					
(i) Energy	441.75	302.96	318.68	303.90	350.40
(ii) Social services	320.56	336.37	333.39	199.71	220.72
(iii) Others	731.01	584.34	414.48	231.94	192.43
Sub Total (2)	**1493.32**	**1223.67**	**1066.55**	**735.55**	**763.55**
Amount recovered during the year :					
(i) Energy	32.32	-	2.90	12.82	6.46
(ii) Social services	16.95	47.16	19.08	8.39	19.64
(iii) Others	5.65	106.99	7.40	7.79	11.56
Sub Total (3)	**54.92**	**154.15**	**29.38**	**29.00**	**37.66**
Closing balance (1+2-3)	**8512.51**	**7074.11**	**6004.59**	**4967.42**	**4260.87**
Net addition	1438.40	1069.52	1037.17	706.55	4082.35

The outstanding loans increased from Rs 4260.87 crore in 1994-95 to Rs 8512.51 crore in 1998-99 which constituted an increase of 100 *per cent*.

1.7.2 Recoveries of loans

Detailed accounts of loans are maintained by the Pay & Accounts Offices under the Controller of Accounts of the Government of NCT of Delhi. Of the outstanding loans of Rs 8512.51 crore as of March 1999, Rs 6902.93 crore were overdue from New Delhi Municipal Corporation – Rs 7.46 crore, Municipal Corporation of Delhi - Rs 531.34 crore, Delhi Jal Board - Rs 1997.23 crore, Delhi Vidyut Board – Rs 3963.60 crore, Delhi Development Authority – Rs 95.18 crore, Delhi Schedule Caste Financial and Development Corporation – Rs 8.15 crore, Delhi Transport Corporation – Rs 292.72 crore, Co-operatives – Rs 0.58 crore, Delhi State Civil Supplies Corporation – Rs 6.50 crore and Khadi Village and Industries Board – Rs 0.17 crore. Besides, Rs 1061.65 crore were overdue as interest from these bodies.

1.8 Investment and returns

1.8.1 Investments are made out of capital outlay by the Government to promote developmental, manufacturing, marketing and social activities. The sector-wise details of investments made and the number of concerns involved were as under:

(Rs in crore)

Sl. No.	Sector	*Number of concerns*	Amount invested	
			As on 31 March 1999	*During 1998-99*
1.	Statutory Corporations	2	31.88	-
2.	Government Companies	6*	292.91	68.50
3.	Cooperative Institutions	717	32.63	-
	Total		**357.42**	**68.50**

* *Includes Delhi Metro Rail Corporation Ltd.*

The details of investments and returns realised during the last five years by way of dividend were as follows:

(Rs in crore)

Year	Investment at the end of the year	*Returns*	Percentage of returns
1998-99	357.42	4.82	1.35
1997-98	288.92	4.44	1.54
1996-97	182.10	6.95	3.82
1995-96	103.14	0.75	0.73
1994-95	88.35	2.84	3.21

Thus, the investments in Government Companies, etc. fetched insignificant returns, which fell from 3.21 *per cent* in 1994-95 to 1.35 *per cent* in 1998-99.

During 1998-99, only one co-operative society, one statutory corporation and one Government company paid the dividends as detailed below:

(Rs in crore)

Sl. No.	Name of Agency	Status	Total investment upto 31 March 1999	Dividend received	Period of dividend
1	Delhi Co-operative Housing Society Ltd.	Co-operative Society	30.26	3.63	1996-97
2	Delhi Financial Corporation Ltd.	Statutory Corporation	8.05	0.38 0.38	1996-97 1997-98
3	Delhi Tourism and Transportation Development Corporation Ltd.	Government Company	5.78	0.43	1993-94

Four out of five companies, namely Delhi State Mineral Development Corporation Limited, Delhi State Civil Supplies Corporation Limited, Delhi State Industrial Development Corporation Limited and Delhi State Scheduled Castes and Financial Development Corporation Limited with total investment of Rs 44.81 crore, had not paid any dividend during the last five years i.e. 1994-99.

1.8.2 Discrepancies in investments account

As per the detailed account of capital expenditure during and to the end of 1998-99 incorporated in the Finance Account-Statement No.11, the total investments made during the year 1998-99 were Rs 87.54 crore and up to the end of the year 1998-99 Rs 483.28 crore. However, the corresponding investments shown in the Statement No 12 showing details of investments of Government in Government Companies and Co-operative Institutions were Rs 68.50 crore and Rs 357.42 crore respectively. The Controller of Accounts, Government of NCT of Delhi failed to reconcile the total investments as reflected in Finance Accounts-Statement No 11 with the investments detailed in Statement No. 12.

1.9 Deficit

The revenue deficit is the excess of revenue expenditure over revenue receipt.

The fiscal deficit is defined as the excess of revenue and capital expenditure including net loans given over the revenue receipt including grants-in-aid received and certain non-debt capital receipt.

Primary Deficit is fiscal deficit less interest payments.

The trend of the deficits for the last five years was as under:

(Rs in crore)

Year	Revenue Surplus	Fiscal deficit	Primary deficit	Percentage of fiscal deficit to GSDP
1998-99	820.00	959.24	526.90	2.61
1997-98	1158.72	575.93	261.85	1.74
1996-97	764.18	689.98	500.09	2.38
1995-96	419.35	555.94	461.94	2.32
1994-95	549.54	388.90	388.90	1.83

While there was revenue surplus during the last five years, the fiscal deficit in absolute terms has increased during the same period. In 1997-98 there was an improvement, when it came down by Rs 114.05 crore.

1.10 Public debt

1.10.1 The Government of NCT of Delhi is not empowered to raise loan in the open market. The public debt of the Government constitutes only 'Loans and Advances' from the Government of India. During 1998-99, the

Government of NCT of Delhi received Rs 975.55 crore as loans from Government of India, of which Rs 754.66 crore were non-plan loans and Rs 220.89 crore were loans for plan schemes.

1.10.2 Loans and advances from the Central Government

The position of loans and advances from the Government of India, repayments and interest payments for the last five years were as under:

(Rs in crore)

Year	Opening balance	Additions during the year	Repayment of loan	Closing balance	Interest payment	Net inflow	Percentage of column 7 to column 3
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1998-99	3080.94	975.55	268.32	3788.17	432.34	274.89	28
1997-98	2204.91	876.03	-	3080.94	314.08	561.95	64
1996-97	1353.71	851.20	-	2204.91	189.89	661.31	78
1995-96	627.33	796.38	70.00	1353.71	94.00	632.38	79
1994-95	117.00	510.33	-	627.33	-	510.33	100

Despite an overall increase in the quantum of loans, their contributions to the net cash inflow after meeting the liability of repayment and interest payment has declined from 79 *per cent* in 1995-96 to 28 *per cent* in 1998-99.

1.11 Adverse balances

The adverse balances are the negative balances appearing under those heads of accounts, where there cannot normally be a negative balance. A negative balance means more repayment than the original amount advanced. Such situation can arise due to mis-classification, excess refunds, and non-reconciliation of accounts or due to some other reasons, which require investigation and rectification.

In the Finance Account of the Government of NCT of Delhi for the year 1998-99, one item of adverse balance appeared under capital section, as under:

Head of Account	Balance as on 31 March 1999 (Rs in lakh)
4401- Capital Outlay on Crop Husbandry 105- Manure & Fertilizers	(-) 29.23

This negative balance was appearing in the account since 1994-95 but no action was taken to investigate and rectify it as of October 1999.

1.12 Indicators of the financial performance

1.12.1 A Government may either wish to maintain its existing level of activity or increase its level of activity. For maintaining its current level of activity it would be necessary to know how far the means of financing are sustainable. Similarly, if Government wishes to increase its level of activity it would be pertinent to examine the flexibility of the means of financing. All the State Governments continue to increase the level of their activity principally through Five Year Plans which translate to annual development plans and are provided for in the state budget. Broadly, it can be stated that non-plan expenditure represents Government maintaining the existing level of activity, while plan expenditure entails expansion of activity. Both these activities require resource mobilisation increasing Government's vulnerability. In short, financial health of a Government can be described in terms of sustainability, flexibility and vulnerability. These terms are defined as follows:

(a) Sustainability

Sustainability is the degree to which a Government can maintain existing programmes and meet existing creditor requirements without increasing the debt burden.

(b) Flexibility

Flexibility is the degree to which a Government can increase its financial resources to respond to rising commitments by either expanding its revenues or increasing its debt burden.

(c) Vulnerability

Vulnerability is the degree to which a Government becomes dependent on and therefore vulnerable to sources of funding outside its control or influence, both domestic and international.

(d) Transparency

There is also the issue of financial information provided by the Government. This consists of annual Financial Statement (budget) and the accounts. As regards the budget, the important parameters are timely presentation indicating the efficiency of budgetary process and the accuracy of the estimates. As regards accounts, timeliness in submission, for which milestones exist and completeness of accounts would be the principal criteria.

1.12.2 Information available in Finance Accounts can be used to indicate Sustainability, Flexibility and Vulnerability that can be expressed in terms of certain indices/ ratios worked out from the Finance Accounts. The list of such indices/ ratios is given in *Appendix - I.* The following table indicates the behaviour of these indices/ ratios over the period from 1994-95 to 1998-99. The implications of these indices/ ratios for the financial health of the State Government are discussed in the paragraphs that follow the table:

	1998-99	1997-98	1996-97	1995-96	1994-95
Sustainability					
BCR[1] (Rs in crore)	1520.37	1706.03	1343.96	900.81	869.14
Primary Deficit[2] (Rs in crore)	526.90	261.85	500.09	461.94	388.90
Interest Ratio[3]	0.08	0.05	0.07	0.04	0
Capital outlay/ Capital receipts[4]	(-)0.74	(-)3.44	(-)2.24	2.99	(-) 0.99
Total tax receipt/ GSDP	0.091	0.096	0.087	0.088	0.084
Return on investment ratio[5]	0.013	0.015	0.038	0.007	0.032
Flexibility					
BCR (Rs in crore)	1520.37	1706.03	1343.96	900.81	869.14
Capital repayments/ Capital[6] borrowings	0.27	0	0	0.09	0
State tax receipt/ GSDP	0.084	0.089	0.087	0.088	0.084
Debt./ GSDP	0.10	0.09	0.08	0.06	0.03
Vulnerability					
Revenue surplus	820.00	1158.72	764.18	419.35	549.54
Fiscal Deficit (Rs in crore)[7]	959.24	575.93	689.98	555.94	388.90
Primary Deficit (Rs in crore)	526.90	261.85	500.09	461.94	388.90
Primary Deficit/ Fiscal Deficit	0.55	0.45	0.72	0.83	1
Revenue Deficit/ Fiscal Deficit[8]	(-)0.85	(-)2.00	(-)1.10	(-)0.75	(-)1.41
Assets/ Liabilities	1.41	1.34	1.23	1.14	1.08

Note:

1 *Balance from Current Revenue = Revenue receipt-Plan assistance grants-Non plan revenue expenditure*

2 *Primary deficit = Fiscal deficit-Interest payments*

3 *Interest ratio* $= \dfrac{\textit{Interest payments - Interest receipt}}{\textit{Total revenue receipt - Interest receipt}}$

The zero interest ratio in 1994-95 indicates that no interest was paid during the year.

4 *In the ratio capital outlay vs. capital receipt, the denominator has been taken as loans and advances from Government of India + repayments received from loans advanced by the Government of NCT of Delhi – loans advanced by State Government. Negative figures show that loans advanced by the NCT Government were more than the total of borrowed funds from the Government of India and recovery of loans advanced.*

5 *Return on investment ratio = Dividend/Investments*

6 *The zero ratio during 1994-95, 1996-97 and 1997-98 indicate that no repayment was made during these years.*

7 *Fiscal deficit has been calculated as: Revenue expenditure + Capital expenditure + Net loans and advances – Revenue receipt – Non-loan capital receipt.*

8 *Negative figures show that there was revenue surplus instead of revenue deficit.*

1.12.3 The behaviour of the indices/ ratios is discussed below

(a) Balance from current revenues (BCR)

BCR is defined as revenue receipt minus plan assistance grants minus non-plan revenue expenditure. A positive BCR shows that the State Government has surplus from its revenues for meeting plan expenditure. The table shows that the Government of NCT of Delhi had positive BCRs in all the five years which shows that the Government has surplus from its revenue for meeting plan expenditure.

(b) Interest ratio

It is defined as

$$\frac{\text{Interest payments} - \text{Interest receipt}}{\text{Total revenue receipt} - \text{Interest receipt}}$$

The higher the ratio the lesser the ability of the Government to service any fresh debt and meet its revenue expenditure from its revenue receipt. In case of Government of NCT of Delhi, the ratio has moved in the range of 0.04 to 0.08. A rising interest ratio has adverse implications on the sustainability since it points out to the rising interest burden.

(c) Capital outlay/ capital receipt

This ratio would indicate as to what extent the capital receipt are applied for capital formation. A ratio of less than one would not be sustainable in the long term in as much as it indicates that a part of the capital receipt is being diverted to revenue expenditure. On the contrary, a ratio of more than one would indicate that capital investments are being made from revenue surplus as well. A rising negative ratio is indicative of a healthy trend. The analysis of the trend of this ratio would throw light on the fiscal performance of the State Government. In the case of Government of NCT of Delhi, the ratio has all along been negative except during 1995-96 indicating that a substantial part of the capital receipt was not available for investment.

(d) Tax receipt vs Gross State Domestic Product

Tax receipt consists of state taxes and state share of central taxes. The latter can also be viewed as central taxes paid by people living in the state. Tax receipt suggest sustainability. But the ratio of tax receipt to GSDP would have implications for the flexibility as well. While a low ratio would imply that the Government can tax more, and hence its flexibility, is more, a high ratio may not only point to the limits of this source of finance but also its inflexibility. The Government of NCT of Delhi received its share of Central taxes only in 1997-98 and 1998-99 during the last five years. Time series analysis shows that in case of NCT of Delhi the ratio of total tax receipts vs GSDP has been between 0.084 and 0.096 during the five years' period. Similarly the ratio of state tax receipts compared to GSDP has moved in a narrow range between 0.084 and 0.089. However, during 1998-99, the ratio came down by 0.5 percentage points against the previous year. The ratio suggests that while the state Government had the option to raise more resources through taxation, it chose the easier option of borrowing to meet its increasing fiscal deficits. As brought out in paragraph 1.5.1 (d), there is a great deal of scope for increasing the sales tax collection.

(e) Return on Investment

The return on investment is the ratio of the earnings to the capital employed. A high return on investment suggests sustainability. This represents the return on Governments investments in statutory corporations, Government companies, joint stock companies and co-operative institutions. The return on investment in case of Government of NCT Delhi has been negligible and has moved in the narrow range of 0.7 *per cent* to 3.8 *per cent*.

(f) Capital repayments vs capital borrowings

This ratio would indicate the extent to which the capital borrowings are available for investment, after repayment of the principal. The lower the ratio, the higher the availability of capital for investment. Loan was first sanctioned by the Central Government to the Government of NCT of Delhi in 1993-94 and the repayment started from 1998-99. The ratio of capital repayments vs capital borrowings has been 27 *per cent* during 1998-99. During three of the last five years, no repayment were made, the entire borrowing was available as resource to the Government.

(g) Debt vs Gross State Domestic Product

The GSDP is the total internal resource base of the State Government. An increasing ratio of Debt/ GSDP would signify a reduction in the Government's ability to meet its debt obligations and therefore increasing risk for the lender. In the case of NCT Government this ratio has risen sharply from 0.03 in 1994-95 to 0.10 in 1998-99 indicating that the government's indebtedness has been increasing significantly which is also evident from the steep increase in the interest ratio.

(h) Revenue deficit/ Fiscal deficit

The revenue deficit is the excess of revenue expenditure over revenue receipt and represents the revenue expenditure financed by borrowings, etc. Evidently, the higher the revenue deficit, the more vulnerable is the State. Since fiscal deficit represents the aggregate of all the borrowings, the revenue deficit as a percentage of fiscal deficit would indicate the extent to which the borrowings of the Government are being used to finance non-productive revenue expenditure. Thus, the higher the ratio the worse off the state because that would indicate that the debt burden is increasing without adding to the repayment capacity of the state. There has been no revenue deficit in NCT Government of Delhi during 1994-99.

(i) Primary deficit vs Fiscal deficit

Primary deficit is the fiscal deficit minus interest payments. It represents non-interest borrowing of the Government, resulting from current actions/ programmes of the Government, while the interest payments result from past actions/ programmes. Primary deficit is sustainable only when the economy grows at a rate higher than the interest rate i.e. cost of borrowings. This not being the case, primary deficit is not sustainable. As can be seen from the table above, primary deficit has increased from Rs 388.90 crore in 1994-95 to Rs 526.90 crore in 1998-99. In case of Government of NCT of Delhi the ratio of primary deficit vs fiscal deficit has been between 1 and 0.45 during 1994-99. The position was particularly bad in 1997-98, when the interest payments accounted for more than 50 *per cent* of the net funds received from the borrowings, though it looked up slightly in 1998-99 when the interest payments accounted for 45 *per cent* of the net borrowed funds.

(j) Application of the borrowed funds (fiscal deficit)

As indicated before, fiscal deficit represents total net borrowings of the Government. These borrowings are applied for meeting the revenue deficit for making the capital expenditure and for giving loans to various bodies for developmental and other purposes. The relative proportions of these applications would indicate the financial prudence of the Government and also the sustainability of its operations because continued borrowing for revenue expenditure would not be sustainable in the long run. The following table shows the position in respect of the Government of NCT of Delhi for the last five years :

Ratio	1998-99	1997-98	1996-97	1995-96	1994-95
Revenue deficit/ Fiscal deficit	(-) 0.85	(-) 2.0	(-) 1.10	(-) 0.75	(-) 1.41
Capital expenditure/ Fiscal deficit	0.35	1.15	0.60	0.48	0.54
Net loans/ Fiscal deficit	1.50	1.86	1.50	1.27	1.87
Total	1.00	1.00	1.00	1.00	1.00

Note : Negative figures because of revenue surplus

It would be seen that the Government was in a position to meet its revenue expenditure from its own resources and therefore the borrowed funds together with revenue surplus were applied for capital expenditure and loans and advances given by the Government.

(k) Assets vs liabilities

This ratio indicates the solvency of the Government. A ratio of more than one would indicate that the State Government is solvent i.e. assets are more than the liabilities, while ratio of less than one would be a contra indicator. The government accounts do not capture all assets and liabilities, they capture mainly financial assets and liabilities. However, even the ratio of financial assets and liabilities would throw light on the quality of financial management in the Government. The ratio of assets vs liabilities for NCT Government of Delhi has all along been more than one.

(l) Budget

As would be evident from the following, there was no delay in submission of the budget and their approval.

Preparation	Month of submission	Month of approval
Vote on account	*Not presented*	NA
Budget	March 1998	March 1998
Supplementary I	September 1998	September 1998
Supplementary II	March 1999	March 1999

Chapter II of this Report carries a detailed analysis of variations in the budget grants and the actual expenditure as also on the quality of budgetary procedure and control over expenditure indicating defective budgeting and inadequate control over expenditure, as evidenced by persistent surrenders of significant amounts every year *vis-a-vis* the final modified grant. Significant variations between the final modified grant and actual expenditure were also persistent.

(m) Accounts

There was no significant delay in the submission of accounts by the departments during 1998-99.

1.13 Follow up on Audit Reports

Scrutiny of outstanding Action Taken Notes on paragraphs and reviews included in the Report of the Comptroller and Auditor General of India, Government of NCT of Delhi as of 31 December 1999 revealed as under:

Year of Report ending 31 March	No. of paragraphs printed in the report	No. of paragraphs for which ATNs were awaited
1994	35	9
1995	29	16
1996	39	21
1997	35	24
1998	34	22
Total	**172**	**92**

Action Taken Notes on 92 paragraphs were outstanding as detailed in *Appendix – II.*

Chapter 2: Appropriation Accounts

Summary of Appropriation Accounts 1998-99
Government of NCT of Delhi

Total No. of Grants/ Appropriation		13
		Rupees in Crore
Original provision 5953.98		Gross expenditure 5528.32
Supplementary grant 766.84		
Total provision 6720.82		Unspent provision 1192.50
Provision 832.35	◁— Recoveries —▷ In reduction of expenditure	Actual recoveries 585.72
	Charged and Voted Section	
Provision 797.54	◁— Charged —▷	Expenditure 744.51
Provision 5923.28	◁— Voted —▷	Expenditure 4783.81
	Revenue and Capital Section	
Provision 3350.36	◁— Revenue —▷	Expenditure 2905.38
Provision 3370.46	◁— Capital —▷	Expenditure 2622.94
Net provision 5888.47		Net expenditure 4942.60

2.1 Introduction

In accordance with the provisions of Article 204 of the Constitution of India, soon after the grants under Article 203 are made by the State Legislature, an Appropriation Bill is introduced to provide for appropriation out of the Consolidated Fund of the State. The Appropriation Act passed by the State Legislature contains authority to appropriate specified sums from the Consolidated Fund of the State for the specified services. Supplementary or additional grants can also be sanctioned by subsequent Appropriation Acts in terms of Article 205 of the Constitution of India.

The Appropriation Acts include the expenditure which has been voted by the Legislature under various grants in terms of Articles 204 and 205 of the Constitution of India and also include the expenditure which is required to be charged on the Consolidated Fund of the State. The Appropriation Accounts are prepared every year indicating the details of amounts on various services actually spent by Government *vis-a-vis* those authorised by the Appropriation Acts.

2.2 Appropriation audit

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Acts and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure incurred is in conformity with the law, relevant rules, regulations and instructions.

This chapter contains audit observations in respect of Appropriation Accounts prepared by the Controller of Accounts, Government of NCT of Delhi for 1998-99.

2.3 Charged and voted expenditure

The break-up of charged and voted expenditure during 1995-96 to 1998-99 is given below:

(Rs in crore)

		Expenditure				
Sl. No.	**Year**	**Voted**	**Charged**	**Total**	**Percentage voted**	**Percentage charged**
1	1998-99	4783.81	744.51	5528.32	87	13
2	1997-98	4495.05	391.46	4886.51	92	8
3	1996-97	3798.71	319.62	4118.33	92	8
4	1995-96	3026.46	228.89	3255.35	93	7

It would be seen that while total expenditure of the departments has increased by 69.82 *per cent* from Rs 3255.35 crore in 1995-96 to Rs 5528.32 crore during 1998-99, the voted expenditure has increased by 58.07 *per cent* from Rs 3026.46 crore in 1995-96 to Rs 4783.81 crore in 1998-99 and charged expenditure has increased by 3.25 times from Rs 228.89 crore to Rs 744.51 crore.

2.4 Appropriation Accounts

A summary of Appropriation Accounts of gross sums expended during the year ended March 1999 compared with the sums authorised by the State Legislature during the year 1998-99 is given below:

(Rs in crore)

Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total grant	Actual expenditure	Unspent provisions	Unspent provisions as percentage of total grants
Revenue						
Charged	449.67	3.74	453.41	451.92	1.49	0.33
Voted	2700.73	196.22	2896.95	2453.47	443.48	15.30
Total Revenue	**3150.40**	**199.96**	**3350.36**	**2905.39**	**444.97**	**13.28**
Capital						
Charged	75.55	268.58	344.13	292.59	51.54	14.98
Voted	2728.03	298.30	3026.33	2330.34	695.99	23.00
Total capital	**2803.58**	**566.88**	**3370.46**	**2622.93**	**747.53**	**22.18**
Gross Total	**5953.98**	**766.84**	**6720.82**	**5528.32**	**1192.50**	**17.74**

Note : *In a demand for grants, provision for charged expenditure is called appropriation and for voted expenditure, it is called grant*

2.5 Results of appropriation audit

2.5.1 Unspent provision under various grants/ appropriation

Unspent provision in each grant is worked out separately for voted and charged sections for both revenue and capital expenditure.

Unspent provision in a grant or appropriation indicates that the expenditure could not be incurred as estimated, anticipated and planned. They are indicative of poor budgeting or shortfall in performance depending upon the circumstances and the purpose for which the original grant or appropriation was provided. As already mentioned above, the overall unspent provision in the budget of Government of NCT of Delhi totalled Rs 1192.50 crore.

The overall unspent provisions of Rs 1192.50 crore constitute 155 *per cent* of the supplementary grant of Rs 766.84 crore and 20 *per cent* of the budget provision of Rs 5953.98 crore for the year 1998-99. Details of grants/ appropriation-wise unspent provisions were as given in *Appendix - III.*

Provision of Rs 30.00 crore was made under Revenue Section of Grant No. 13 – Pensions, towards pension and other retirement benefits without ensuring that the scheme was transferred from the Government of India to the Government of NCT of Delhi. As a result the entire grant was surrendered, which was indicative of unrealistic budget estimates.

A few other cases of unspent provisions are given below along with main contributory reasons and schemes affected by unspent provision:

(Rs in crore)

Sl. No.	Grant No./ Description of grant	Amount of unspent provision (Percentage of the total provision)

Revenue Voted

1.	**3 - Administration of Justice**	**23.78 (33 %)**

Contributory reasons stated by the Department

* Non-filling of vacant posts, receipt of less diet bills, non-payment of arrears owing to up-gradation of post of readers, non-finalisation of proposals for computer table chairs and non receipt of bills.
* Non-establishment of family courts.
* Receipt of less claims, non-receipt of sanctions in respect of tentage, honorarium & printing in time.

Schemes / Projects / Activities affected by unspent provision

⇒ Civil and Session courts (Rs 4.10 crore).
⇒ Criminal courts : Judicial Magistrate's courts (Rs 5.58 crore).
⇒ Legal Advisors and Councils: Prosecution wing (Rs 1.49 crore).
⇒ Establishment of family courts (Rs 1.35 crore).
⇒ Issue of identity cards to voters (Rs 1.06 crore).
⇒ Lok Sabha Elections (Rs 4.52 crore).

Note: figures in bracket refer to unspent provision

2.	**8 - Social welfare**	**39.14 (29 %)**

Contributory reasons stated by the Department

* Receipt of less grant-in-aid from Government of India.
* Release of less grant owing to less number of beneficiaries.
* Irregular supply of material in Anganwadies.
* Non-finalisation of proposals in time.

Schemes / Projects / Activities affected by unspent provision

⇒ Home for male and female beggars (Rs 1.10 crore).
⇒ Old age pension (Rs 1.67 crore).
⇒ National old age pension scheme (CSS) (Rs 0.72 crore).
⇒ Nutrition Programme (Rs 6.85 crore).
⇒ Grants to MCD for Nutrition Programme (Rs 10.47 crore).
⇒ Supplementary Nutrition Programme (Rs 1.20 crore).
⇒ Grants-in-aid to Delhi Scheduled Caste Financial Development Corporation for setting up of a computerised footwear design centre (Rs 1.01 crore).
⇒ Mass rapid transport system studies/ consultancy services (Rs 1.67 crore).

3.	**10 - Development**	**41.75 (30 %)**

Contributory reasons stated by the Department

* Non-submission of proposals in time by the executing agencies i.e. Delhi State Industrial Development Corporation, Municipal Corporation of Delhi and Irrigation & Flood Control Department.
* Vacant posts were not filled.
* Transfer of staff to various districts due to distribution of district establishment into nine districts.
* Less expenditure on maintenance.
* Less number of beneficiaries.

Schemes / Projects / Activities affected by unspent provision

⇒ Mini Master Plan for development of rural villages (Rs 2.40 crore).
⇒ Externally aided project under prevention and control of pollution (Rs 10 crore).
⇒ Flood control and drainage : Maintenance; Direction and Administration (Rs 4.35 crore).
⇒ District establishment (Rs 2.47 crore).
⇒ Rehabilitation (Rs 2.42 crore).

4. **11 - Urban Development and Public Works Departments** 172.31 (17 %)

Contributory reasons stated by the Department

* Release of less grant to MCD for providing essential services in unauthorised colonies, and strengthening of dairy colonies.
* Release of less grant-in-aid to National Informatics Center
* Non-filling up of vacant posts and receipt of less bills of water and electricity charges.

Schemes / Projects / Activities affected by unspent provision

⇒ MCD for study and preparation of perspective plan of sub-standard areas (Rs 1.50 crore).
⇒ Provision of essential services in unauthorised colonies (Rs 19.19 crore).
⇒ Strengthening of dairy colonies (Rs 3.22 crore).
⇒ PWD establishment charges (Rs 3.63 crore).

Capital Voted

5. **5 - Police** 14.88 (99 %)

Contributory reasons stated by the Department

* Slow progress of construction work.
* Scheme for strengthening of Delhi Fire Service was not implemented.

Schemes / Projects / Activities affected by unspent provision

⇒ Delhi Forensic Sciences Laboratory (Rs 6.88 crore).
⇒ Strengthening of Delhi Fire Service (Rs 8.00 crore).

6. **6 - Education** 27.01 (38 %)

Contributory reasons stated by the Department

* Proposal for construction of colleges by the PWD was not finalised.

Schemes / Projects / Activities affected by unspent provision

⇒ Universities and Higher Education - Allotment of land and construction of building of Indraprastha Vishwavidhyalaya (Rs 26.68 crore).

7. **8 – Social Welfare** 239.26 (45 %)

Contributory reasons stated by the Department

* Slow progress of work in acquiring land for Metro Rail Transport Service.
* Release of less equity capital to Metro Rail Transport Authority.

Schemes/ Projects/ Activities affected by unspent provision

⇒ Equity capital to Metro Rail Transport Authority (Rs 67.00 crore)

⇒ Land and Building for Metro Rail Transport Service (Rs 33.58 crore).

⇒ Equity contribution to Delhi Transport Corporation (Rs 125.00 crore).

8. **10 - Development** 46.75 (44 %)

Contributory reasons stated by the Department

* Proposals by the executing agencies i.e. Delhi State Industrial Development Corporation, Municipal Corporation of Delhi, Irrigation & Flood Control were not finalised in time.
* Slow progress of drainage works.
* Technical sanction from the Board of Urban Development was not received.

Schemes / Projects / Activities affected by unspent provision

⇒ Mini Master Plan for the development of rural villages (Rs 25.07 crore).

⇒ Mini Master plan for development of rural villages (SCP[3]) (Rs 5.07 crore).

⇒ Flood control drainage works (Rs 11.66 crore).

⇒ Remodeling of trunk dram No. 1 in Trans Yamuna Area (Rs 1.01 crore)

[3] *Special Component Plan*

9.	**11 – Urban Development and Public Works Department**	**364.20 (16 %)**

Contributory reasons stated by the Department

- * Slow progress of work.
- * Less release of loan to MCD.
- * Tenders were not finalised in time and sanction of client departments was not received.
- * Court case was not finalised.
- * Release of less amount to DDA for acquisition of land in Delhi.

Schemes / Projects / Activities affected by unspent provision

⇒ Relocation of JJ Squatters (Site & services) (Rs 15.02 crore).
⇒ Sewerage and Sanitation (Rs 34.89 crore).
⇒ Development of rural villages (Rs 1.50 crore).
⇒ Development of regularised unauthorised colonies (Rs 9.02 crore).
⇒ Development work in approved colonies (Rs 3.00 crore).
⇒ Development of Kabbadi Shopping Complex & Auto Work Shop Complex, Narela Nazafgarh and Mehrauli township (Rs 2.50 crore).
⇒ Waste Heat Recovery Unit (Rs 7.75 crore).
⇒ Construction of general pool accommodation by PWD (Rs 25.07 crore).
⇒ Construction of buildings for middle schools (Rs 4.12 crore).
⇒ Construction of building for Delhi College of Engineering (Rs 2.44 crore).
⇒ Construction of Delhi School of Sports (Rs 4.56 crore).
⇒ Construction of Roads & Bridges (Rs 6.61 crore).
⇒ Large scale acquisition of land in Delhi (Rs 384.90 crore).

2.5.2 Unspent provisions due to non-implementation of schemes

Provisions of Rs 538.07 crore made for 382 schemes were augmented by supplementary provision of Rs 0.20 crore. Against this, Rs 451.52 crore were transferred by re-appropriation and the remaining Rs 86.75 crore remained wholly unutilised due to non-implementation of schemes. Details of cases involving such provisions of Rs one crore and more remaining wholly unutilised were as given in *Appendix - IV*.

Besides, 179 schemes for which a provision of Rs 331.42 crore was made were also not implemented, and the entire provision was either transferred by re-appropriation to other heads or was surrendered. Details of cases involving such withdrawals of rupees one crore and more in each case were as given in *Appendix – V*.

A few cases are discussed below:

- The entire provision of Rs 8.00 crore made under Grant No. 5 for 'Strengthening of Delhi Fire Service' was re-appropriated to other heads due to non-implementation of the scheme.

- The entire provision of Rs 60.30 crore under Grant No. 6 for 'Establishment of affiliating University' was re-appropriated due to non-implementation of the scheme.

- The entire provision of Rs 1.50 crore under Grant No. 6 for 'Free DTC Passes for all college going students' was re-appropriated due to non-implementation of the scheme.

- The entire provision of Rs 7.00 crore under Grant No.8 'Improvement of SC/ ST Basties and Conversion of Dry Latrines into water borne for liberation of Scavengers' was re-appropriated due to non-execution of the schemes.

- Out of the provision of Rs 134.00 crore under Grant No. 8, for 'Equity Capital to MRT Authority', Rs 67.00 crore only were spent and Rs 23.99 crore were re-appropriated due to release of less equity capital to MRT Authority. The remaining Rs 43.01 crore remained unutilised.

- Out of provision of Rs 125.00 crore for 'Equity contribution to DTC', Rs 94.64 crore were re-appropriated due to release of less equity contribution to DTC. Even the balance of Rs 30.36 crore remained unutilised due to non implementation of the scheme.

- Out of the provision of Rs 13.46 crore under grant No. 8 for 'Nutrition Programme', Rs 6.61 crore were actually utilised and Rs 6.31 crore constituting 47 *per cent* were surrendered due to less number of beneficiaries covered under the scheme.

- Out of the provision of Rs 59.00 crore under Grant No. 10 for 'Mini Master Plan for the development of rural villages' and 'Mini Master Plan for the development of rural villages (SCP)', Rs 5.30 crore were re-appropriated due to slow progress of work and Rs 24.83 crore remained unutilised due to non-finalisation of proposals in time by the executing agencies viz. Delhi State Industrial Development Corporation, Municipal Corporation of Delhi and Irrigation and Flood Control Department.

- The entire provision of Rs 2.25 crore under Grant No. 11 for 'Relocation of existing slaughter house' was re-appropriated due to non-execution of the scheme.

- Out of the provision of Rs 16.50 crore under Grant No. 11 for 'Relocation of JJ Squatters (Site and Services)' Rs 15.02 crore were surrendered due to slow progress of work.

2.5.3 Failure to surrender unspent provisions

Unspent provisions in a Grant or Appropriation are to be surrendered to the Government as soon as these are foreseen without waiting for the last day of the financial year. Unspent provision should also not be held in reserve for possible future use. Against the unspent provision of Rs 1192.50 crore, only Rs 533.11 crore was surrendered on the last day of the financial year. Surrender of unspent provision on the last day of financial year deprived the Government of opportunity to utilise the funds in other needy sectors. Besides, the remaining unspent provision of Rs 659.39 crore was not surrendered. Details of unspent provisions and amount not surrendered were as given in *Appendix – VI.*

The major amounts not surrendered under the grants pertaining to the following departments ranged between 39.09 and 99.96 *per cent* of the unspent provisions under these grants/ appropriation:

(Rs in crore)

Grant No.	Name of Department	Amount not surrendered	Percentage of unspent provisions
3	Administration of Justice	15.39	64.58
6	Education	68.94	99.96
7	Medical and Public Health	29.80	44.55
8	Social Welfare	108.84	39.09
10	Development	59.73	67.32
11	Urban Development and Public Works Departments	363.71	61.86

2.5.4 Utilisation of Supplementary Grants

Details of supplementary grants obtained during 1998-99 were as under:

(Rs in crore)

Section	Obtained in		Total
	September 1998	March 1999	
Voted			
Revenue	2.48	193.74	196.22
Capital	287.40	10.90	298.30
Total	**289.88**	**204.64**	**494.52**
Charged			
Revenue	-	3.74	3.74
Capital	268.32	0.26	268.58
Total	**268.32**	**4.00**	**272.32**
Grand Total	**558.20**	**208.64**	**766.84**
No. of Grants/ Appropriations	4	12	13

Supplementary provision obtained but not utilised
6 grants Rs 310.28 crore

Unnecessary supplementary grants

In six grants/ appropriations, as detailed below although the supplementary provisions were obtained in anticipation of higher expenditure, the final expenditure was less than even the original grants. Thus, the entire amount of supplementary provision aggregating Rs 310.28 crore proved to be unnecessary.

(Rs in crore)

Sl. No	Grant/ Appropriation	Amount		Batch and amount of Supplementary grants	Reasons for obtaining supplementary grants
Revenue – Voted					
1.	7-Medical and Public Health	O. S. AE. U.P.	356.51 0.04 289.69 66.86	March 1999	To defray court orders. Grant-in-aid to Centralised Accident and Trauma Services. Contribution of Delhi Government towards State Illness Assistance.
2.	8-Social Welfare	O. S. AE. U.P.	134.62 0.08 95.56 39.14	March 1999	Grant-in-aid to voluntary organisations. Grant-in-aid to DSCFDC[4] for setting up of computerised Footwear Design Centre. Grant-in-aid to DT&TDC[5] for construction of Netaji Subhash Chandra Bose Memorial, Tikri Kalan, New Delhi. Development of Roshanara Bagh.
3.	10-Development Department	O. S. AE. U.P.	138.22 0.04 96.51 41.75	March 1999	Grant-in-aid to National Research & Development Foundation, Delhi for setting up spawn production & pasteurised compose unit. Grant-in-aid to Delhi Development Agency for Integrated Rural Energy Programme. Grant-in-aid to Delhi Energy Development Agency.
4.	11-Urban Development and Public Works Department	O. S. AE. U.P.	941.10 83.99 852.78 172.31	March 1999	Grant-in-aid to Delhi Jal Board for providing potable water supply in unauthorised colonies/ extended in rural areas, augmentation of water supply in urban villages and in resettlement

[4] *Delhi Scheduled Castes and Financial Development Corporation Limited.*
[5] *Delhi Tourism & Transportation Development Corporation Limited*

					colonies. Release of Basic Tax Assignment to MCD/ NDMC.
Capital – Voted					
5.	8-Social Welfare	O. S. AE. U.P.	416.42 110.91 288.07 239.26	September 1998-Rs 110.90 crore March 1999-Rs 0.01 crore	Loan to DTC[6].
6.	9-Industries	O. S. AE. U.P.	14.90 0.02 11.68 3.24	March 1999	Loan to DSCSC[7] for procurement of Onions & supply of Palmolein Oil.
7.	11-Urban Development and Public Works Departments	O. S. AE. U.P.	2167.64 115.07 1918.51 364.20	September 1998-Rs 115.00 crore March 1999-Rs 0.07 crore	Loans to DVB[8] for Electricity Supply, for housing for T&D Staff (SCP) and special loan to DVB.
Revenue-Charged					
8.	6-Education	O. S. AE. U.P.	0.12 0.10 0.005 0.22	March 1999	Grant-in-aid to Government Secondary School. Provisions of additional schooling facilities in the age group of 11-14 & 14-17.
9.	7-Medical and Public Health	O. S. AE. U.P.	0.005 0.0257 0.0002 0.0305	March 1999	Medical Establishment.

***O** = Original Provision : **S** = Supplementary Provision : **AE** = Actual Expenditure : **UP** = Unspent Provision*

As the expenditure under these grants was less than the original provisions, the Departments were required to obtain token/ technical supplementary for re-appropriating, if necessary, the unspent provisions within the same segment of the grant instead of obtaining large amounts of supplementary provisions and as such the supplementary grants proved to be unnecessary.

There is, therefore, a need to assess the requirement of the supplementary grants judiciously.

2.5.5 Inadequate control over expenditure

The Appropriation Acts specify the sums authorised by the Legislature under each grant for meeting expenditure during a financial year; the final modified grants authorised by government are the sums to be spent up to 31 March with reference to the proposals of the Secretary (Finance), Government of NCT of Delhi, based on actual and anticipated expenditure, and the balance which is surrendered to the Consolidated Fund is not available to the controlling officer for meeting any further expenditure. Such surrenders of funds under the grants were persistent not only during 1998-99 but also in earlier years. Further there had also been variation i.e. excess or savings between the final

[6] *Delhi Transport Corporation*
[7] *Delhi State Civil Supply Corporation Limited*
[8] *Delhi Vidyut Board*

modified grant/ appropriation and actual expenditure. Overall position, for the five years from 1994-95 to 1998-99 is indicated below:

(Rs in crore)

Year	Sums authorised by the Legislature	Amount surrendered	Final modified Grant/ Appropriation	Actual expenditure	Variation between columns (4) and (5) Excess(+) / Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)
1998-99	6720.82	533.11	6187.71	5528.32	(-) 659.39
1997-98	5473.42	153.55	5319.87	4886.51	(-) 433.36
1996-97	4432.61	190.90	4241.71	4118.33	(-) 123.38
1995-96	3485.87	202.95	3282.92	3255.35	(-) 27.57
1994-95	3005.61	292.20	2713.41	2693.39	(-) 20.02

Surrender of more than Rs 190 crore to Rs 533 crore during 1994-95 to 1998-99 indicated over-estimation of expenditure. Persistent significant variations between the final modified grant and actual expenditure showed that estimates of expenditure prepared even in March, the last month of the financial year, were unrealistic.

2.6 Injudicious re-appropriation

A grant or appropriation is distributed among sub-heads or standard objects, called primary units under which it is to be accounted. Re-appropriation of funds can take place between primary units of appropriation within a grant or appropriation before the close of financial year to which such grant or appropriation relates. Re-appropriation of funds should be made only when it is known or anticipated that the appropriation from the unit to which funds are to be transferred will not be fully utilised due to unavoidable reasons.

In 100 sub-heads, re-appropriation was injudicious as the original provision under the sub-head to which funds were transferred by re-appropriation was more than adequate. Consequently final unspent amount under the sub-heads were greater than the amount re-appropriated to those sub-heads. In other four sub-heads the original provision from which funds were re-appropriated was not sufficient to meet the final expenditure and the final excess under those sub-heads was more than the amount re-appropriated from these sub-heads. Details of a few cases exceeding Rs 25.00 lakh are given in *Appendix – VII.*

2.7 Excess expenditure without augmenting the provisions

As per provisions of Appendix `A' to Note 3 under Rule 66 of the General Financial Rules, it is an important part of the functions of the Accounts Offices to see that no payment is made in excess of the budget allotment under any sub-head or primary unit of appropriation. In cases where existing provision is not sufficient to cover the payment, PAO can make payment only on receipt of an assurance in writing regarding obtaining of funds in future through re-appropriation, from the head of Department controlling the grant. In 18 cases, test checked, the expenditure exceeded the budget provision by Rs 11.83 crore. The excess expenditure was incurred either without augmenting the provisions by re-appropriating the funds from other unit of appropriation or even after providing funds by way of re-appropriation despite sufficient unspent provisions being available for re-appropriation under other sub-heads in the same grants.

A few cases in which the actual expenditure exceeded the budget provisions by more than Rs 50 lakh are given below:

(Rs in lakh)

Sl. No.	Grant/ Appropriation	Sub-head	Budget provisions and re-appropriation	Total provisions	Actual expenditure	Final excess expenditure without re-appropriation
1.	8-Social Welfare	2235-Social Security and Welfare A.2(1)(5)(13) Expansion of old age assistance	O. 1400.00 R. 222.00	1622.00	1695.35	73.35
2.	10-Development Department	2245-Relief on Account of Natural Calamities L.5(1) Flood, Cyclone, etc. L.5(1)(1)(1) Other items	O. 5.00	5.00	82.12	77.12
3.	11-Urban Development and Public Works Departments	2059-Public Works B.1(1)(4) Maintenance and Repairs	O. 4928.12 R. 522.53	5450.65	5585.62	134.97
4.	-do-	4059-Capital Outlay on Public Works BB.2(1)(2)(1) Construction of Building for Secondary Schools	O. 1983.75 R. 1016.25	3000.00	3801.83	801.83

O=Original S=Supplementary Grant R = Re-appropriation

2.8 Funds flow for centrally sponsored plan schemes

Details of Central assistance released during 1998-99 as grants to the Government of NCT of Delhi for implementation of various centrally sponsored plan schemes, quarter wise, are indicated as follows:

(Rs in crore)

	Quarter	Amount of Central assistance released
I	April – June 1998	1.10
II	July – September 1998	13.80
III	October – December 1998	8.90
IV	January – March 1999	18.23
	Total	**42.03**

Out of the amount released during the fourth quarter, Rs 3.32 crore were received during the month of March 1999. Rs 13.72 crore released by the Central Government during 1998-99 were actually received and accounted for by the Government of NCT of Delhi in the following year 1999-2000.

Against Rs 42.50 crore released during the year, which included Rs 0.47 crore relating to 1997-98, the Government spent Rs 35.27 crore for implementing the various Centrally Sponsored Plan schemes.

No expenditure was incurred against Rs 6.04 crore received for implementation of 19 centrally sponsored schemes. These included:

(i) Providing facilities for teaching of Sanskrit in Senior Secondary Schools – Rs 0.90 crore.

(ii) Selected Area Project-India Population Project – Rs 2.50 crore.

(iii) Swarn Jayanti Shahari Rojgar Yojna – Rs 0.92 crore.

Funds aggregating to Rs 32.55 crore received from the Central Government for implementation of 101 Centrally Sponsored Schemes up to the end of 1998-99 remained unutilised as of March 1999. These included schemes of :

(i) Operation Black Board – Rs 1.81 crore.

(ii) Grants-in-aid to Voluntary Organisations (General Area) – Rs 1.36 crore.

(iii) Urban Family Welfare Centre – Rs 3.43 crore.

(iv) Post Partum at District level Hospitals – Rs 1.43 crore.

(v) Revamping of Urban Family Welfare Centre – Rs 2.45 crore.

(vi) Selected Area Project-India Population Project - Rs 4.50 crore.

(vii) Special Central Assistance for Scheduled Castes Component Plan Scheme – Rs 1.65 crore.

2.9 Recoveries in reduction of expenditure

		Rs in crore
Estimated Recoveries	➢	832.35
Actual Recoveries	➢	585.72

The demands for grants presented to the Legislature are for gross expenditure including credits and recoveries which are adjusted in the accounts in reduction of expenditure; the anticipated recoveries and credits are shown separately in the Budget estimates. During 1998-99, such recoveries were anticipated at Rs 832.35 crore, however, actual recoveries during the year were Rs 585.72 crore only.

During the previous four years also, actual recoveries were much less than those estimated as given below:

(Rs in crore)

Year	Estimated recoveries	Actual recoveries	Excess (+) Short fall (-)	Percentage of variation Excess (+)/ Short fall (-)
1998-99	832.35	585.72	(-) 246.63	(-) 30
1997-98	818.97	675.71	(-) 143.26	(-) 17
1996-97	621.67	602.99	(-) 18.68	(-) 3
1995-96	310.53	303.90	(-) 6.63	(-) 2
1994-95	345.60	286.38	(-) 59.22	(-) 17

The short recoveries of Rs 246.63 crore during 1998-99 were due to shortfall in realisation of sale proceeds of land under the scheme 'Large scale acquisition, development and disposal of land in Delhi'. The shortfall in recoveries indicates incorrect estimation of recoveries and inaccurate budgetary assumption. It ultimately alters the net amount of expenditure finally booked under the relevant service head in the Finance Accounts and has the effect of increasing the net expenditure.

2.10 Suspense balance

The Government of NCT of Delhi has no separate Public Account and such transactions are made under the 'Public Account of the Union Government'. All such transactions as are ultimately cleared either by payment or recovery in cash or by book adjustment are recorded initially under the 'Suspense' heads. All such balances under suspense heads are required to be reviewed at short intervals so as to ensure that no item remains unadjusted longer than is reasonably necessary to bring about its clearance in the ordinary course with due regard to the rules applicable to each case. There is, therefore, a need to clear these balances expeditiously and classify them to appropriate heads of accounts.

Examination of such transactions in the Public Account (Central) prepared by the Government of NCT of Delhi revealed large balances under `Suspense Heads'.

The figures lying under the suspense heads for the last three years are given below :

(Rs in crore)

At the end of March	Amount
1999	Dr. 161.95
1998	Dr. 149.01
1997	Dr. 141.50

The balance as on 31 March 1999 included debit balance under Pay and Accounts Office Suspense Account (Rs 49.12 crore), Cash Settlement Suspense Account (Rs 74.44 crore), Public Sector Bank Suspense Account (Rs 61.40 crore) and credit balance under Material Purchase Suspense Account (Rs 15.07 crore).

2.11 Expenditure in the month of March

As per General Financial Rules, rush of expenditure particularly in the closing month of the financial year is to be regarded as a breach of financial regularity and should be avoided. In 10 grants, 10 *per cent* to 33 *per cent* of the total expenditure of the year was incurred in the month of March. Details of Grant wise expenditure in the month of March were as given in *Appendix – VIII.*

CHAPTER 3: Civil Departments

Reviews

Medical and Public Heath Department

3.1 Management of Machinery and Equipment in G. B. Pant Hospital

Highlights

The management of the equipment required for patient care in the super speciality G.B. Pant Hospital has been unsatisfactory over many years affecting the quality of service to the patients.

(Paragraph 3.1.6)

The Director of the Hospital has not set standard operating procedures for indent, purchase, installation, commissioning and for ensuring operational status of equipment required for diagnostic and patient care service. As a result, the equipment purchased and its management has been attended to on an ad hoc basis.

(Paragraphs 3.1.5(a) and (b), 3.1.7)

Large number of machines and equipment have been lying in the stores for years together without being issued to respective indenting departments. This, on one hand has resulted in no value for money from the equipment, on the other, denied the patients the facility for use of these equipment. This also calls into question the system of indenting since those who indented for these equipment never pressed for their supply. Even the equipment which were supplied to the indenting department, there were delays of one to five years in their issue after their receipt. 92 items of equipment, some of which included equipment like Rascal Raman Respiratory Gas Monitors, Electro-gastro centric Diagnostic system, Haemodynamic Profile Monitor, Fast Track Monitors, etc. were lying in the stores for one to nine years.

(Paragraph 3.1.7(b))

Sample checks disclosed a gap of up to six years in the first indent and placement of orders/ supply of equipment, which is suggestive of an uncoordinated and unsystematic approach. This type of delay establishes that either these equipment were not required in the first place or that the patients were denied the services of these equipment. However, since the Hospital did not maintain any transparent documentation of the patients who were denied the services of such equipment or for that matter all equipment, it was not possible to assess the adverse impact on patient care in the Hospital.

(Paragraph 3.1.5(d))

The operational status of equipment issued to the departments was also a cause of concern. The heads of departments took a very long time in installation and commissioning of equipment. As of July 1999, 77 equipment issued to various departments were not installed/ commissioned for six months to ten years. 12 equipment, which included equipment like Vitek AMS 60, Thermo cycler Model PTC 100-60, Autotransfusion system AVL-4 machine, CUSA, etc. were lying unused in various departments for want of reagents and consumables for six months to three and a half years. The operational status of the installed machines was also poor due to deficient system of maintenance. 450 out of 1357 equipment were non-functional. Sample checks disclosed that 25 of them were out of order for over one to five years. Repairs were undertaken after delays of six to thirty four months from the date of equipment becoming non-functional.

(Paragraphs 3.1.6, 3.1.7(c), 3.1.8(a), 3.1.10(b))

There was a waiting period of 15 days to six months for various radiology and cardiology tests due to frequent breakdown and delay in repairs of machines.

(Paragraph 3.1.11)

Due to injudicious purchases, 12904 accessories and spares of machines and 1123 instruments were lying unused in stores. Out of these, 5312 items were valued at Rs 1.23 crore, while the cost of the remaining 8715 was not available with the Hospital.

(Paragraphs 3.1.9(a) and (b))

11799 items of surgical and consumables had expired and become time barred. Of these, 9038 items were procured nine years ago at a cost of Rs 1.23 crore, while the cost of remaining was not available with the Hospital.

(Paragraph 3.1.9(c))

Budget allocations of Rs 9.94 crore for the purchase of machines and equipment remained unutilised during 1994-99.

(Paragraph 3.1.3)

The Hospital did not follow any system of pairing the indents with purchase orders, purchase orders with receipt of equipment nor did it link the payments with the actual receipt of equipment. This exposed the Hospital to the risk of non-fulfilment of demanded equipment and payments without actual receipt of equipment.

(Paragraph 3.1.5(c))

3.1.1 Introduction

G.B. Pant[10] Hospital established in 1964 provides super speciality treatment of Cardiology, Cardio-thoracic Vascular Surgery, Gastroentrology, Gastrointestinal Surgery, Neurology, Neuro-Surgery and Psychiatry.

The hospital has a total strength of 462 beds since April 1998 including 75 private rooms against the sanctioned strength of 601 beds as of July 1999. It also has separate intensive care units for Cardiology, Gastroentrology and Neurology specialities besides intensive care post operative wards.

3.1.2 Scope of Audit

The purchase and management of machinery and equipment by the G.B. Pant Hospital was commented upon in the review on "Health Care in G. B. Pant Hosiptal" included in the Report of the Comptroller and Auditor General of India, Union Government (Delhi Administration) for the year ended 31 March 1992 (No 3 of 1993). The records of the hospital for the periods 1994-99 were test checked during April – August 1999 to examine the purchases of equipment, their functional status, repairs and maintenance and consequential impact on patient care.

3.1.3 Financial management

The year-wise position of the budget estimates and actual expenditure on purchase and maintenance of machinery and equipment during 1994-95 to 1998-99 under Plan and Non-Plan was as under:

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[10] *Gobind Ballabh Pant*

(Rs in crore)

Year	Budget estimate			Actual expenditure			Excess (+) /Savings (-)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1994-95	2.25	8.00	10.25	0.99	1.52	2.51	(-) 1.26	(-) 6.48	(-) 7.74
1995-96	2.30	4.70	7.00	1.66	3.00	4.66	(-) 0.64	(-) 1.70	(-) 2.34
1996-97	2.60	4.00	6.60	2.91	3.57	6.48	(+) 0.31	(-) 0.43	(-) 0.12
1997-98	3.30	4.75	8.05	5.28	4.73	10.01	(+) 1.98	(-) 0.02	(+) 1.96
1998-99	5.30	5.00	10.30	4.64	3.96	8.60	(-) 0.66	(-) 1.04	(-) 1.70
Total	15.75	26.45	42.20	15.48	16.78	32.26	(-) 0.27	(-) 9.67	(-) 9.94

Budget provisions to the extent of Rs 9.94 crore remained unutilised during 1994-99.

Of the total budget allocation of Rs 42.20 crore during 1994-99, Rs 9.94 crore constituting 24 *per cent* were not utilised. The savings against annual provisions ranged from 16 to 75 *per cent.*

Director attributed the reasons for savings to delay on the part of the DGS&D[11] in (i) finalisation of supply orders against the indents placed by the hospital and (ii) submission of inward claims against the supplies received by the hospital.

Examination by Audit disclosed that apart from the delay on the part of the DGS&D, there was delay in placing the indents by the Hospital which is brought out in sub-paragraph 3.1.5(d).

3.1.4 Patient care

The Hospital provides medical care to patients through an out patient department and as indoor patients in general wards and nursing homes. The Hospital has no emergency services and the admission to the hospital including OPD[12] services is based on reference by the hospitals or medical practitioners.

The position of sanctioned and actual bed strength and the patients treated in OPD and indoor services during 1994 to 1998 was as under:

Sl No	Description	1994	1995	1996	1997	1998
1	No. of sanctioned beds	350	*481	481	481	**601
2	No. of actual beds	Not furnished by the hospital				462
3	No. of patients admitted	9593	10478	11098	10950	11198
4	Daily average number of indoor patients	367	424	396	366	360
5	Average monthly bed occupancy	89.2	88.0	82.3	77.4	81.0
6	OPD attendance	2,22,177	2,18,004	2,29,897	2,46,047	2,47,580
7	Daily average number of OPD patients	755	744	747	837	765
8	No. of operations	2873	2906	2630	2818	2818

* *Increased from 350 to 481 with effect from 31 August 1995*
** *Increased from 481 to 601 with effect from 28 December 1998*

[11] *Director General of Supplies and Disposal*
[12] *Out Patient Department*

The shortfall of 139 beds as of July 1999 against the sanctioned bed strength of 601,was mainly due to delay in making a newly constructed building functional, which was to accommodate 120 additional beds, as discussed in paragraph 3.3.

The Hospital did not maintain any waiting list of patients seeking admission to indoor and outdoor services. Although the Government of NCT of Delhi approved a project in 1994-95 for setting up an EDP[13] cell in this Hospital for faster retrieval of patient's records, availability of information on clinical diagnosis and treatment and better resource management, the project did not take off as of July 1999. The project according to feasibility report of March 1993 was to be completed within one year, and the Director had paid Rs 70.75 lakh to NIC[14] in June 1995 without signing an MOU[15]. This had earlier been brought out in paragraph 3.5 of the Report of Comptroller and Auditor General of India for the year ended 31 March 1996-Government of NCT of Delhi. Despite this, the MOU still remained unsigned as of July 1999 and the work was not taken up.

No record of patients denied admission due to shortage of beds maintained.

Due to lack of transparency in patients care management of the hospital, and non-maintenance of records for the number and categories of patients on waiting list and those denied the admission facilities due to shortage of beds and other diagnostic facilities could not be ensured in audit.

3.1.5 Purchase of machinery and equipment

(a) Assessment of requirement

As per the procedure laid down by the Government of NCT of Delhi, the proposals for purchase of machinery and equipment are made by departmental purchase committees consisting of three specialists from the disciplines for which these items were to be procured including at least one Head of the Department from a hospital other than the one for which the item is to be procured. The purchase committee is to submit the justification for purchases costing more than Rs 0.50 lakh, which has been raised to Rs 2.00 lakh from April 1999, to the Technical Approval Committee of the Government of NCT of Delhi consisting of Secretary (Medical) as its Chairman, Joint Secretary (Medical) as the member secretary and heads of the major hospitals and heads of departments concerned as its members. The specifications for the purchases provisionally approved by the TAC[16] are finalised by the Specification Committee for the concerned discipline appointed by the Government of NCT of Delhi before the indents are placed with the DGS&D.

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[13] *Electronic Data Processing*
[14] *National Informatics Centre*
[15] *Memorandum of Understanding*
[16] *Technical Approval Committee*

The procedure laid down for assessment of requirement of equipment not followed.

Director, G.B. Pant Hospital did not follow the procedure laid down by the Government of NCT of Delhi in as much as the justification submitted before the TAC for purchase of machines and equipment suffered from infirmities as the same were not supported with the requisite details of (i) equipment lying in stores, (ii) items received in the department but not made operational, and (iii) items which were not in use for one or the other reasons, etc. The dovetailing of all equipment purchase with the actual and carefully assessed requirements for patient care, the availability of infrastructure, posts and the equipment was not evident from the purchase proposals submitted to TAC.

The failure of Director, G. B. Pant Hospital to follow the laid down procedure resulted in a number of machines lying in stores and a number of machines remaining uninstalled and unused with various departments, as discussed in sub-paragraph 3.1.7.

(b) Control over purchase orders

Hospital did not maintain consolidated record of purchases of machines and equipment.

Despite audit comments included in Report No 3 of 1993 of the Comptroller and Auditor General of India, Union Government (Delhi Administration) for the year ended 31 March 1992, the Director did not lay down any procedure or maintain any consolidated record to keep a watch over the indents placed with the DGS&D for purchase of machines and equipment against the items approved by the TAC, supply orders placed by the DGS&D and the machines actually received thereagainst.

In the absence of any consolidated record, the actual number of machines and equipment approved by the TAC, the number of indents placed by the hospital with the DGS&D and the machines received could not be ascertained in audit. As per the information compiled by Audit from the files dealing with indents placed by the hospital with the DGS&D, against 70 indents, machinery and equipment with foreign exchange component equivalent to Rs 18.71 crore were received during 1994-95 to 1998-99. 12 indents were either cancelled or withdrawn or were not pursued. Against three indents, although the supply orders were placed by the DGS&D between March 1996 and June 1997, the supply of machines and equipment were not received as of July 1999.

(c) Non-maintenance of records of payments against purchases

The payments against import orders placed by the DGS&D are made as per procedure shown in the following flow chart :

Total C.I.F[17] Value

- Net C.I.F value (90 to 95 *per cent* of total C.I.F)
  - 90 *per cent* against proof of despatch ,test certificate and guarantee/warranty through irrevocable letter of credit in the country of origin
  - 10 *per cent* on installation and commissioning
- Agency commission (5 to 10 *per cent* of total C.I.F)
  - 50 *per cent* on installation and commissioning
  - 50 *per cent* on final acceptance of stores

Unless a consolidated record to keep a watch over the (i) receipt of supplies against the supply orders placed by the DGS&D and (ii) payments claimed by the DGS&D and adjusted by the Pay and Accounts Office is kept, it poses the following risks:

(i) non receipt of supplies after release of 90 *per cent* of net CIF value.

(ii) double payments.

(iii) incorrect payments.

There was no record to watch the payments adjusted by Pay and Accounts Officer against supplies received.

The Director did not maintain any consolidated record to watch the payments authorised to the Pay and Accounts Officer, Government of NCT of Delhi and the payments actually made by the PAO[18] against each supply order placed by DGS&D and the supplies received thereagainst by the Hospital. In the absence of any such record, Audit could not link up the payments adjusted by PAO against the supplies received by the Hospital. Due to vulnerability of the system, the correctness of the payments made by PAO against the actual receipt of the equipment could not be vouchsafed in audit.

(d) Delay in purchases

There was delay ranging from one and a half years to six years in purchase of machines after their approval by TAC.

There was delay ranging from one and a half years to six years in the purchase of machines and equipment after their approval by the TAC mainly because of delay up to three and a half years in placing the indents by the Director with the DGS&D and delay of more than three years in finalisation of tenders and placing of supply orders by the DGS&D in 23 cases test checked.

17 *Cost, Insurance and Freight*
18 *Pay and Accounts Officer*

Undue delay in the purchase of machines and equipment not only led to increase in their cost substantially but more importantly deprived the patients of these facilities.

These included:

- A Portable Echocardiogram used for echo cardiograph of cardiac patients received by Cardiac thoracic Surgery Department in September 1994 after two years of its approval by TAC in September 1992.

- Two Thoracotomy sets used for thoracotomic (heart) surgery received in May 1997 by Cardio-thoracic Surgery Department after four and a half years of its approval in September 1992.

- Two CABG sets used for coronary artery by-pass surgery and grafting received by Cardio-thoracic Surgery Department in July 1997 after four and a half years of its approval by TAC in September 1992.

- Six Escorts II –100 series monitors used to monitor vital signs including ECG, blood pressure, respiration, temperature, etc. received by Cardio-thoracic Surgery Department in September 1996 after three and a half years of their approval by TAC in September 1992. Similar monitors used by Cardiology Department received in February 1997 after more than four years of approval by TAC in September 1992.

- Holter monitoring system used for Holter test of cardiac patients in Cardiology Department received in March 1996 after three and a half years of its approval by TAC in September 1992.

- An Aloka high resolution portable intra operative ultra sound used for ultrasound at the time of surgery received by Gastrointestinal Surgery Department in April 1995 after two and a half years of its approval by TAC in October 1992.

- A Brain Oximeter used for monitoring of oxygen saturation in brain received by Neuro Surgery Department in May 1997 after three and a half years of its approval by TAC in August 1993.

- An Endoscope used for removal of tumour, etc. from brain and in assisting in neuro-surgical operations received by Neuro Surgery Department in October 1998 after six years of its approval by TAC in September 1992.

- Two operation theater tables for Neuro Surgery Department received in May 1997 after four and a half years of their approval by TAC in September 1992.

The patients had been deprived of medical facilities of these machines for a considerable period due to delay in their purchase.

Besides, in 23 cases test checked, the cost increased by Rs 1.36 crore against the estimated cost of Rs 3.80 crore approved by the TAC.

3.1.6 Functional status of machinery and equipment

The Hospital acquired many expensive and special machines and equipment for providing specialised services to indoor as well as outdoor patients. The proper management of machine and equipment is critical for better patient care.

The following table would indicate the department-wise break-up of major machinery and equipment maintained and their operational status as of May 1999 :

SL. No.	Department	Number of equipment	Number of equipment non functional	Percentage
1	Anesthesia	88	5	6
2	Bio Chemistry	73	24	33
3	Blood Bank	37	8	22
4	Cardiology	248	98	40
5	Cardio-thoracic Surgery	376	141	37
6	Gastroentrology	97	40	41
7	Gastrointestinal Surgery	91	16	18
8	Microbiology	24	3	12
9	Neurology	84	41	49
10	Neuro-Surgery	144	48	33
11	Pathology	52	11	21
12	Psychiatry	31	15	48
13	Radiology	12	-	-
	Total	**1357**	**450**	33

33 *per cent* of the machines and equipment were not functioning.

Thus, out of a total of 1357 equipment, 450 constituting about 33 *per cent*, were lying non- functional in various departments.

The 450 machines and equipment lying non-functional included 77 lying uninstalled and unused, 12 lying idle for want of consumables, 179 under repairs, and 68 for want of spares. Further, 103 machines and equipment, declared beyond economical repairs were awaiting condemnation.

Equipment lying non-functional carried the risk of patients care being affected in the absence of critical services for which these machines and equipment were meant.

3.1.7 Delay in issue and installation of machines and equipment

No monitoring of machines and equipment lying in stores was done.

Director, G. B. Pant Hospital did not monitor the timely issue of machinery and equipment purchased from time to time to various departments which impacted significantly on patient care as a number of machines were lying unused in stores and a number of machines remained uninstalled and unused with various departments. There was undue delay in installation of a number of machines due to non-availability of infrastructure and civil works besides a number of machines lying non-functional due to poor maintenance system, as discussed in succeeding paragraphs.

(a) Delay in issue of machines and equipment to the departments

Delay of one to five years in issue of 84 machines and equipment to different departments.

84 machines purchased during 1990 to 1996 were issued after a delay of one to more than five years as detailed below:

No. of machines	Delay in issue
7	One to two years
45	Above two years to three years
26	Above three years to five years
6	Above five years

A few instances are detailed below :

Sl. No	Name of machine/ equipment	Quantity	Date of Purchase	Cost (Rs in lakh)	Issued to	Quantity issued	Date of issue	Delay (Y-M)*	Purpose of the equipment in brief
1	Volumetric Infusion pump-Deltron	6	January 1991	4.55	Anesthesialogy	6	July 1993	2-5	Infusion of medicine at a rated flow
2	Cell Washing system (Haemonitics)	1	January 1991	2.66	Blood Bank	1	February 1993	2-0	Washing of blood cells
3	Cardiac Monitors (Temperature monitor)	1	January 1993	NA	Cardiology	1	May 1995	2-5	To monitor vital sign of patient.
4	PCS System (Haemonitcs)	1	January 1991	5.41	Cardio-thoracic surgery	1	August 1993	2-6	Separation of plasma from blood and its preservation till re-infusion to the patient
5	New port Breege Ventilator	3	February 1992	3.64	Cardio-thoracic surgery ----do---	1 2	January 1995 January 1997	2-11 4-11	Artificial breathing
6	Oxy-Shuttle	1 1	July 1992 December 1992	1.91 1.91	Cardio-thoracic surgery Gastroentrology	1 1	January 1995 June 1998	2-6 5-5	To monitor pulse rate and oxygen saturation of patients
7	500 Dec-R continuous sealing device	4	April 1991	6.64	Cardiology Anesthesiaology Cardio-thoracic surgery	1 2 1	December 1994 --do- January 1995	3-7 3-7 3-8	Sealing sterilisation bags
8	Life Base with Medument (Emergency Respirator)	3	April 1991	2.78	Neurosurgery Cardiac surgery Gastrointestinal surgery	1 1 1	January 1997 --do— March 1997	5-8 5-8 5-10	Artificial breathing

** Y-Years, M-Months*

Inordinate delay in issue of machines deprived the patients of the facility of these machines besides the funds spent on their purchase remained unproductive up to more than five years.

(b) Machines and equipment lying in stores

92 machines and equipment, purchased between 1989 and 1998, were lying in stores.

92 machines and equipment were not issued to various departments and were lying in stores as of July 1999. Details are at *Annex - I*. Out of these, 58 machines costing Rs 2.42 crore were purchased at least nine years ago during 1989 - 1990 and three costing Rs 3.43 crore between 1995 and 1998. The cost and date of purchase of the remaining 31 machines and equipment could not be ascertained as the details of purchase were not available with the Hospital.

Some of the equipment not issued to the functional departments were as under:

(i) A 'Cath Lab', meant for various cardiac procedures viz. angiography, angioplasty, balooning etc. was imported in November 1998 from Germany at Rs 3.42 crore. The lab was expected to reduce the number of patients on the waiting list for various cardiac procedures as the existing two Cath Labs were quite old, one 12 years and another seven years. Director, G. B. Pant Hospital initiated action for the civil works required for installation of the above lab only after its receipt in November 1998. Expenditure sanctions for Rs 6.31 lakh for the civil works and for Rs 9.69 lakh for electrical and air conditioning works were communicated to the PWD in December 1998 and during August- November 1999 respectively. The work was completed in November 1999 and the Cath Lab was made operational in December 1999.

Thus, inaction for an item costing mere Rs 16.00 lakh has rendered a vital equipment valued at Rs 3.42 crore non-functional for one year.

Machinery costing Rs 3.42 crore was installed after one year as the civil works were not initiated.

Failure of Director, G. B. Pant Hospital to initiate timely action for completing the civil works in consultation with the local agent of the supplier of the Cath Lab prior to the arrival of the lab deprived at least 3000 patients of the timely availability of facility of the lab.

(ii) 58 machines and equipment purchased during 1989-1990 at Rs 2.42 crore lying in stores included:

- 12 Nos. Rascal Raman Respiratory Gas Monitors imported from Singapore between September 1989 and June 1990 for use in Operation Theatres for monitoring anesthetic gases at Rs 1.44 crore.

- Electro - gastrocentric Diagnostic System, for diagnosis of gastric ulcer, imported from Hong Kong in May 1990 at Rs 38.88 lakh.

- A Haemodynamic Profile Monitor used for continuous measurement of mixed various oxygen saturation, pulse, complete haemodynamic computation, imported from Singapore in April 1990 at Rs 15.42 lakh.

– Six Fast Track Monitors used for Anesthesiology imported from U.S.A. in April 1990 at Rs 11.45 lakh.

This clearly indicated that these machines were purchased either without assessing the actual requirement or the patient care has suffered in the departments where these were required to be used.

(c) Machinery and equipment lying unused with Departments

77 machines and equipment were lying uninstalled with Departments.

77 machines and equipment as indicated in *Annex - II* were issued to the departments by the Stores Department but remained unutilised in the departments. Of these, 46 machines and equipment valuing Rs 1.80 crore were purchased between 1988 and 1992 and 25 valuing Rs 1.24 crore were procured during 1996 - 1999. The cost of purchase of the other six machines and equipment could not be ascertained in audit as the details of purchase were not available with the Hospital.

The status of a few of these machines are discussed below:

(i) The purchase of an 'Image Intensifying Television Set', an X-ray machine for Gastroentrology Department was approved by the TAC in September 1992. The machine was to replace the fluroscopy unit installed in the Department in 1984 which went out of order in 1994 and was subsequently condemned in 1996. An indent for the purchase of the said machine was placed with the DGS& D in November 1995. The machine costing Rs 22.74 lakh was received in January 1999 but was not installed as of August 1999. The delay in installation of the machine was due to delay in providing the site for its installation and in carrying out necessary civil works before installation. The Director approached the Executive Engineer, PWD only in April 1999, i.e. three and a half years after placing the indent for its purchase for the civil works, which were not taken up as of December 1999.

In the absence of an independent machine for the Gastroentrology Department, the work was carried out in slots allotted to the Department on the X-ray machines installed in Radiology Department.

An X-ray machine costing Rs 22.74 lakh was not installed due to delay in providing site and civil works.

The delay in installation affected the emergency procedures, which could not be carried out by Gastroentrology Department due to non-availability of the independent X-ray machine, as the machine with the Radiology Department was utilised by other departments and was not always available to the Gastroentrology Department.

(ii) The Hospital imported three 'Deep Freezers' from U.K. in August 1997 at Rs 11.14 lakh for storage of various life saving kits, blood samples, etc. by Blood Bank, Bio-Chemistry and Microbiology departments. These freezers, installed after two years of their import in July 1999, did not function as the gas cylinders supplied by the suppliers were empty. These units were lying unused as of July 1999.

A high speed sterlizer purchased at a cost of Rs 24.03 lakh remained unutilised for ten years.

(iii) A 'High Speed Sterilizer' was imported from Japan in August 1989 at Rs 24.03 lakh. The machine was installed after seven years in April 1996 in a newly constructed 110 ward block building which was yet to be made functional. It had never been issued. The non-installation of the machine deprived the Hospital of high speed sterilization facility. The three years free guarantee on the machine also expired. This resulted in unproductive investment of Rs 24.03 lakh for ten years apart from depriving the patients of this facility.

(iv) Between 1988 and 1992, 46 machines were purchased for Rs 1.80 crore. All of them were lying unused with various departments.

Heads of departments attributed the reasons for non-utilisation of 25 machines to:

– Vital components of five machines costing Rs 69.64 lakh were missing.

– Three machines costing Rs 27.06 lakh needed repairs.

– 13 machines costing Rs 14.46 lakh were not required.

– Four machines costing Rs 3.32 lakh would be used in new 110 bed ward block on its being made functional.

The reasons for non-installation of the remaining 21 machines costing Rs 65.52 lakh were not furnished. The Director did not take any action to put these machines to use as of July 1999.

Some of the machines lying unused out of the above included the following high value equipment:

– A Respiromnograph, used for diagnosis of Psychiatric patients, imported from Singapore in November 1989 at Rs 15.42 lakh.

– a Biologic Brain Atlas and a Biologic CEE Graph, used for Neurology patients, imported from U.S.A. in July 1989 at Rs 26.46 lakh.

– a Transand II Gas Monitor and Pulmonary Function Test Machine, for use in Anesthesiology Department, imported from U.S.A. in December 1988 and in May 1989 at Rs 24.86 lakh and Rs 23.85 lakh respectively.

Non installation of these machines and equipment deprived the patients of the facility of these equipment.

3.1.8 Machines lying idle

(a) Non availability of Reagents and consumables

12 machines costing Rs 85.78 lakh were lying unused for want of consumables.

Apart from unused equipment discussed in sub-paragraph 3.1.7(c), 12 machines imported at Rs 85.78 lakh were lying unused in various departments for the periods ranging from six months to three and a half years as of July 1999 for want of testing kits or chemicals, etc. needed for their operation and for analysing the data. Details are at *Annex - III.*

A few cases are discussed below:

A machine costing Rs 13.81 lakh was installed after seven years for want of testing kits.

(i) 'Vitek AMS 60', a life saving machine for identification of bacteria and sensitivity was imported from U.S.A. in October 1990 at Rs 13.81 lakh. It was installed after seven years in December 1997 for want of identification cards. Out of eight cards, purchased in March 1997, only seven cards were used for 142 tests by December 1998. Examination of utilisation of this machine in July 1999 disclosed that this machine was not used since December 1998.

A machine costing Rs 1.55 lakh was not put to use since its purchase for want of testing material.

(ii) Another machine 'Thermo-cycler Model PTC 100-60' imported from U.S.A. in May 1997 at Rs 1.55 lakh for use in Microbiology Department for accurate diagnosis of Tuberculosis, etc., remained unused for want of testing material kit.

The Director failed to ascertain the availability of consumables for these machines. Action was not taken to procure the testing kits and consumables as of July 1999.

(b) Non availability of proper accommodation

Patient care was affected by 48 *per cent* due to inadequate space in the physiotherapy lab.

A Physiotherapy laboratory of the Hospital having 26 major equipment for various physiotherapy treatment was shifted from its existing location to another part of the building in October 1998 due to some renovation works. The laboratory was working only with seven equipment in the new accommodation due to inadequate space . It affected the patient care to the extent of 48 *per cent*, as against 4820 patients provided physiotherapy treatment during July-September 1998 prior to shifting of the laboratory, only 2520 were provided the treatment during April-June 1999 after shifting.

3.1.9 Other store items

The Director did not keep a watch over the issue of accessories, spares, surgicals, etc., purchased from time to time, to various departments for which these were purchased. It was observed that stores valuing Rs 2.46 crore, purchased during 1989 - 1999 were lying unused in the Machinery and Equipment Stores as discussed below:

(a) Accessories and spares

A review of the Accessories Register for the machinery and equipment revealed that 12904 accessories and spares were lying unused as of July 1999. Of these, 2193 items costing Rs 65.20 lakh were purchased at least 5 years ago during 1989–94, 2066 costing Rs 19.86 lakh during 1995-97 and 157 costing Rs 2.11 lakh during 1997-99. The cost and date of purchase of the remaining 8488 were not available with the Hospital.

The store officer in-charge was not aware of the machines and the department concerned to which these accessories pertained. However, the matter for identification of these accessories for the machines was referred to the various departments after being pointed out by audit.

(b) Instruments

Instruments valuing Rs 36.25 lakh were lying unused.

896 instruments costing Rs 36.25 lakh purchased during December 1989 - June 1995 were lying unutilised in stores as of July 1999. Out of 896, 451 instruments costing Rs 31.84 lakh were purchased for Neuro-Surgery Department in December 1989.

Besides the cost of 227 other instruments was not available with the hospital authorities.

The Director could neither state the reasons for non-utilisation of these instruments nor suggest their proper use for patient care.

(c) Time expired surgicals and consumables

Surgicals and consumables costing more than Rs 1.23 crore became time barred.

Besides, the machines and equipment, accessories and instruments lying unused and uninstalled as discussed in the preceding paragraphs, 11799 items including surgicals and consumables for cardio thoracic surgery, etc. were lying in the store and had become time expired. Of these, 9038 items were purchased during February 1989 to July 1990 at Rs 1.23 crore. The cost of remaining 2761 items was not available.

The reasons for keeping these items unused for over nine years were not on record.

3.1.10 Repair and maintenance of equipment

(a) Non-maintenance of records

Hospital did not maintain a consolidated record of machines under guarantee/ warranty, annual maintenance contract and machines lying out of order.

(b) Delay in repairs

Delay in repair of 82 machines and equipment ranged from 6 to 34 months.

A test check of the files dealing with repairs of 309 machines and equipment revealed that 82 machines reported non-functional during November 1991 - November 1998, were repaired after a delay ranging from 6 to 34 months as detailed below:

No. of machines	Delay in repairs (in months)
37	6-9
20	10-12
14	13-18
6	19-24
2	25-30
3	31-34

The reasons for delay in repairs were as follows :

- Delay which ranged from 7 to 33 months in obtaining the estimate for repairs and their sanction by the Director of the Hospital.
- Non-availability of spares with the Indian agents of the foreign suppliers, which were to be imported by the agents before taking up the repairs.

25 machines were lying out of order for one to five years.

In 25 cases, the machines were lying out of order for period ranging from one to five years as of July 1999. Few of these machines/equipment are detailed below:

Sl. No	Name of machine/ equipment	Quantity	Department	Date since when lying out of order	Purpose of the equipment in brief
1	Olympus Auto analyser	2	Bio Chemistry	August 1997 & July 1998	Autoanalysis of blood components
2	Na +K analyser KNA-I Radiometer	1	Cardio-thoracic surgery.	September 1994	Sodium-potassium analysis of blood
3	Physio control bed side monitors	1	---do---	May1995	Vital sign monitoring of patients
4	Echo Cardiograph color Doppler.	1	---do--	June 1997	Eco-cardiograph of patients
5	Spectromed pulsate (Pulse Oximeter)	1	Gastrointestinal surgery	July 1996	To monitor pulse rate etc.
6	Lumber traction bed	1	Physiotherapy-Neurology	October 1994	Back stretching of neuro patients
7	Ultra sound 2003	1	---do--	--do--	Removal of swelling by ultra sonic waves
8	Versatone Doppler	1	Neuro surgery	July 1997	Monitoring of air embolism in brain

Undue delay in repairs of the life saving machines deprived the patients of requisite treatment.

(c) Payment of annual maintenance charges

In five cases, annual maintenance charges were paid for non-functional machines.

The charges of Rs 0.89 lakh were paid for three to nine months under the annual maintenance contract in five cases during the period in which the machines were not working.

Annual maintenance contract awarded for a machine even during guarantee.

Annual maintenance contract of a machine 'Vingmed CFM-725 intera operative Echo Cardiograph' which was installed in November 1994 and was made functional in April 1995 was awarded for the period from November 1997 to October 1998 for Rs 0.92 lakh although the machine was under guarantee/warranty up to April 1999.

(d) Lapse of guarantee/ warranty

Non-utilisation of 21 machines deprived the hospital of the benefit of guarantee/ warranty.

16 machines and equipment imported during September 1996 - February 1997 at Rs 58.48 lakh were installed during February 1997 to March 1997 but remained unutilised as of July 1999. Five equipment imported in May 1997 at Rs 31.29 lakh were yet to be installed as of July 1999. These equipment had a guarantee of three years and additional two years free after sales service from the date of installation. Non utilisation/ installation of these machines and equipment as of July 1999 deprived the Hospital of the benefit of guarantee/ warranty periods.

3.1.11 Delay in important investigations

The number of important radiology and cardiology tests conducted during the last five years were as under:

Sl. No.	Tests	1994	1995	1996	1997	1998	1999 (up to June 1999)
1.	TMT	2073	2379	2922	2891	2747	1987
2.	Holter	768	677	976	1112	729	354
3.	Cardiac Cath	3813	3592	3775	3996	3915	2091
4.	Echocardiography	11898	12373	11744	12142	11889	5348
5.	C.T. Scan	Nil	210	1153	1124	3735	2451

There was a waiting period up to six months in important radiology and cardiology tests.

There was a backlog of 15 days to six months for various important radiology and cardiology tests as given below :

Sl. No.	Name of the Test	No of machines	Average number of cases done in a day*	Number of patients waiting for the test	Date by which the backlog has to be cleared	Back-log
1.	TMT	2	20 (four days a week)	555 as on 30 June 1999	7 December, 1999	Five months
2.	Holter	11	3 (five days a week)	187 as on 30 June 1999	1 November, 1999	Four month
3	Echocardiography	3	35 (six days a week)	4079 as on 30 June 1999	29 January, 2000	Six months
4.	Ultra Sound/ Special Investigation	2	20-27 (three days a week)	191 as on 22 July 1999	8 August 1999	15 days
5.	C.T. Scan	1	16 (six days a week)	252 as on 22 July 1999	10 August, 1999	20 days

* *based on statistics for January to June 1999.*

Besides, the patients were also on the waiting list for various cardiac tests and procedures such as angiography, angioplasty, balooning, etc. For these tests the number of patients actually on waiting list from time to time was not made available to audit. The Department stated in August 1999 that the record of patients on waiting list was kept by the faculty members individually. Since 44 *per cent* of the total patients admitted to the hospital are in Cardiology Department, the maintenance of a transparent record for the cardiac test and procedures was important. The non-maintenance of record has the risk of patients having been denied the facility for consideration of the attending specialist.

It was observed in audit that :

(i) against 11 Holter tests that could be done every day, 3 tests on an average, were being done due to frequent break down of the machines. Only two, out of 11 holter recorders, were in working order as of July 1999.

(ii) one of the three Echo-cardiograph machines became non-functional in March 1998 and the other one was reported to be old, which was working up to 20 *per cent* of its operating time.

The Director stated in July/ August 1999 that :

(i) action was being taken to repair holter recorders,

(ii) two more Echo Cardiograph machines were being procured and

(iii) a new Cardiac-Cath lab was under installation, which would reduce the waiting period for Holter, Echo-cardiography and Cardiac tests.

The matter was referred to the Department in October 1999; their reply was awaited as of December 1999.

ANNEX – I

(Referred to in paragraph 3.1.7 (b))

Statement of machines and equipment lying in stores

(Rs in lakh)

Sl. No.	Name of the machine/ equipment	Quantity	Date of purchase	Cost
1.	Endoscopic Transformer	3	NA	NA
2.	Portable Ventilator Synergic	1	NA	NA
3.	Accuvac Suction Machine	6	NA	NA
4.	Robert GV 239/Suction Pump	1	NA	NA
5.	Infant Oxygen Hood	2	NA	NA
6.	Weighing Machine Infant	5	NA	NA
7.	Dual Suction Machine	3	NA	NA
8.	Electrical Boiler (Sterilizer)	3	NA	NA
9.	Schoest Adult Ventilator With Compressor	1	September 1990	3.60
10.	Elcinment ECG Machine (Schiller AT-6)	1	NA	NA
11.	Doltron Peristatic Pump PA-100	1	NA	NA
12.	Haeomdynamic Profile Monitor	1	April 1990	15.42
13.	Life Stat 1600 Printer (Physio-Control)	1	April 1990	2.05
14.	Recorder Model VSMR-2 (Physio-Control)	1	NA	NA
15.	ECG Machine AT Type (Schiller without Lead)	1	NA	NA
16.	Quick Pace	1	NA	NA
17.	Portable Kumara Ventilator KV 1+1	1	July 1989	2.41
18.	Humiditifier Penlon for Air 402	1	NA	NA
19.	Oxfold Ventilator	1	NA	NA
20.	Oxy-Shuttle	1	January 1990	1.87
21.	Fast Track Monitors	6	April 1990	11.45
22.	Transum-II Non-Invasive Monitor	1	January 1990	3.44
23.	Nerve Stimulator (Paragraph)	1	NA	0.45
24.	Incubator	1	October 1990	2.92
25.	Rascal Raman Respiratory Gas Monitors	4 2 2 4	September 1989 January 1990 April 1990 June 1990	144.17
26.	Haeomorrhoid Management System 2010	1	March 1990	0.80
27.	Lixi Imaging Scope	2	NA	5.32
28.	Electro Gastro Centric Diagnostic System	1	May 1990	38.88
29.	Choride Titractor	1	April 1990	0.55
30.	Recording Titration System	1	April 1990	2.28
31.	24000 PIM 303 Volumetric Infusion 220 V Deltron	8	June 1990	4.05
32.	Venkay Suction Machine	4	NA	0.26
33.	Model 360 W-Z Connector Bed Rack	6	June 1990	0.50
34.	500 DEC-R-Continuous Ceiling Dence	1	NA	1.66
35.	Weighing Machine	7	NA	0.04
36.	Cardiac & Angiography System Including Digital Acub No.098-72886704 (Cath Lab)	1	NA	341.87
37.	Halsthane Vaposize with Filling Device with Key	2	October 1995	1.09
	Total	**61** **31**		**585.08** **NA**

NA -Not Available

ANNEX – III
(Referred to in paragraph 3.1.7 (c))

Statement of machines and equipment lying uninstalled, not in use etc. with the various departments

(Rs in lakh)

Sl. No.	Name of the department	Name of the machine /equipment	Quantity	Date of purchase	Cost	Remarks
1	Anaesthesiology	Transed-II (Gas Monitor)	1	December 1988	24.86	Out of order since indented
2		Plum Function Test Machine	1	May 1989	23.85	Out of order since indented
3		Air Shield Ventilator	1	May 1988**	NA	Out of order since installed
4		High Speed Sterilizer	1	August 1989	24.03	Installed in April 1996 lying unsed
5	Bio-Chemistry	Chloride Titrator	1	April 1990	0.55	Functional but never used
6		PHM 83 Auto col. PH. Meter	1	April 1990	0.35	Functional but never used
7		Conductivity Meter	2	April 1990	0.88	Functional but never used
8		Ion Meter	2	April 1990	1.59	Functional but never used
9		Dts titration System	2	April 1990	5.84	Functional but never used
10		Elisa Reader (Uniskan)	1	June 1991**	NA	Working but not in use since January 1994
11	Blood Bank	Blood Collector BEG-404	2	June 1990	1.36	Not installed
12		Blood Collector BEG-2B2	2	June 1990	1.23	Not installed
13		Deep Freezers	*3	August 1997	11.14	Installed but not working
14	Cardiology	Lixi Imaging Scope	1		2.66	No utility in the department
15		Baby Care Lamp with Mixed Light	1	October 1990	0.81	Not installed
16		Split Radient Table with Light	1	October 1990	2.01	Not installed
17		Singery Pens Cribs	2	October 1990	0.50	Not used
18		Escorts II 100 Series Monitor	12	February 1997	41.27	Not installed
19		Defibrillator Monitors Series Zoll PD 1400	4	September 1996	17.21	Not installed
20	Cardio-thoracic Surgery	Lixi Imaging Scope	1	NA	2.66	Not in use since indented
21		Medsis Ventilator	1	July 1986**	NA	Used for three months only after installation
22	Gestro Entrology	Pulse Oxymeter	1	February 1990	0.61	Not in use since installed
23		Esophlux System BB-2000	1	August 1990	11.31	Not in use since installed
24		Micro Infusion Pump	1	June 1990	0.51	Not installed
25		Image Intensifying Television Set (X-Ray Machine)	1	January 1999	22.74	Lying packed
26	Gastro Surgery	Haemroid Management System (Ultroid Complete Set 220 V)	1	March 1990	0.80	Functioning but not in use
27		Nasal Crap Flow Gewermy	1	NA	0.58	Not known
28	Neurology	Biologic Brain Atlas – III	1	July 1989		Not functional since indented
29		Biologic – CEE Graph	1	July 1989	26.45	Not functional since indented
30		Myotuner with Accessories	1	May 1990		Not installed since indented
31		Nemectron Arodyne	1	May 1990	7.28	Not installed since indented
32		Isozone Bath	1	May 1990		Not installed since indented
33		Temperator Monitor	3	May 1990	3.54	Not in use since installed
34		Transducer Calibrator 17681 & 17678	2	February 1992 **	NA	Never used
35		New Port Respirator	1	June 1990	1.21	Not working since installed
36		Bannet Ventilator	1	April 1992**	NA	Not working since installed
37		Sachrist Respirator Pead.	1	September 1990	3.27	Not working since indented
38		Sachrist Respirator Adult	1	September 1990	3.60	Not working since indented
39		Pulse Oxymeter	2	February 1990	1.22	Not in use
40		Volumetric Infusion Pump	3	June 1990	1.52	Not in use
41		MDE II 100 Series Monitor	5	July 1997	31.29	Not in use
42	Neuro-Surgery	Myo-Exciser-1000	1	March 1990	4.14	Not working since installed
43	Psychiatric	Bio-Feed System Machine	1	May 1990	5.51	Not installed
44		Respirsomnograph	2	November 1989	15.42	Not installed
		Total	**71** **6**		**303.80** **Not available**	

NA -Not Available

** One each for Bio-Chemistry, Blood Bank and Microbiology departments*

*** Date of indent by the department*

ANNEX – III
(Referred to in paragraph 3.1.8(a))

Statement of machines and equipment lying idle for want of reagents and consumables

Sl. No.	Name of the department	Name of the machine/ equipment	Quantity	Date of purchase	Cost (Rs in lakh)	Remarks
1	Cardio-thoracic surgery	Auto Transfusion System (Haemonitis) MK-IV	1	June 1990	17.72	Lying unused for want of Consumables since August 1996
2	Micro Biology	Vitek System	1	October 1990	13.81	Lying idle for want of testing kit since January 1999
3		Thermocycler Model PTC-100-60	1	May 1997	1.55	Lying idle for want of reagents since May 1997
4	*Neurology (Physiotherapy)*	Myomed 432	1	March 1989	1.25	Lying unused for want of accessories since December 1995
5		*Sonoplus 464*	1	March 1989	1.20	Lying unused for want of accessories since December 1995
6		Dynatron 438	1	March 1989	1.30	Lying unused for want of accessories since December 1995
7		Endomed 433	1	March 1989	1.40	Lying unused for want of accessories since December 1995
8	*Neuro-surgery*	AVL-4 Machine	1	October 1989	7.13	Reagents not available since March 1997
9		CUSA (with Assessories and Spare kit)	1	March 1990	27.31	CUSA pack not available since January 1997
10		Pulse Oxymeter Oxyshuttle	2	April 1990	3.82	Lying unused for want of probe since July 1997
11		TCT Dropler	1	April 1990	9.29	Lying unused for want of probe since July 1996
		Total	**12**		**85.78**	

3.2 Prevention of Food Adulteration Department

Highlights

The risk of adulterated food being supplied to the consumers in Delhi is serious due to woefully inadequate surveillance and follow up for prevention of food adulteration in Delhi.

(Paragraph 3.2.4)

Delhi is the only state in the country where a licensing authority, responsible for issuing of licences to food establishments/ vendors after ensuring their quality, has not been established.

(Paragraph 3.2.4 (a))

The PFA Department does not have information about the exact number of food establishments in Delhi. The figure, derived on the basis of sales tax registration or from other departments, of 1.50 lakh establishments is only an estimate.

(Paragraph 3.2.1)

The infrastructure in the Department is too little to cover the estimated establishments, nor has the Department made any serious attempt to assess the requirement of infrastructure to ensure proper surveillance and follow up to provide reasonable assurance of unadulterated and uncontaminated food vending in Delhi.

(Paragraph 3.2.4)

Not only the infrastructure in the Department is inadequate, even the existing infrastructure has been performing very poorly. Against the target of 12 food samples to be lifted per inspector, each one of the 37 inspectors lifted on an average just about two samples per month. This reflects an insensitive attitude of the Department to the risk.

(Paragraph 3.2.5 (c))

Whatever little sample check is undertaken by the Department, these are on a random, rather than on a systematic and planned pattern.

(Paragraph 3.2.5 (c))

The Department remained without a regular public analyst, who is responsible for overall control of chemical analysis for five years. This adversely affected the quality of tests carried out in the food lab. Besides, the lab, being an integral part of the department, the independence of sample testing stands compromised.

(Paragraph 3.2.4 (b))

The Department did not pay desired attention to certain commodities of mass consumption viz. milk, edible oil and mineral water, even though the risk of adulteration is more in these items. They have lifted very few samples of these items in a non-systematic manner.

(Paragraph 3.2.6 (a))

The chances of outbreak of dropsy, which killed 66 persons and led to the hospitalisation of 2556 others, could have been minimised if the PFA Department had identified high risk areas and intensified surveillance and monitoring accordingly.

(Paragraph 3.2.6 (b))

3.2.1 Introduction

In 1954, Central Government enacted the PFA[19] Act with the objectives of eradicating the menace of food adulteration and to make available pure and wholesome food to the consumers. The implementation of this Central legislation was the responsibility of the state governments and union territories.

In Delhi, prior to 1976, local bodies i.e. Municipal Corporation of Delhi, New Delhi Municipal Committee and Delhi Cantonment Board were responsible for enforcing the provisions of the Act. From 1976 the responsibility of implementing the Act was transferred to the then Union Territory Administration of Delhi.

In 1977, a separate Prevention of Food Adulteration Department was set up in the National Capital Territory of Delhi for effective implementation of provisions of PFA Act 1954 and PFA Rules 1955. This was to ensure that pure and hygienic food was made available to the population of Delhi through its food establishments, numbering at least 1.50 lakh, as per the estimates of units registered with Sales Tax and Controller of Drugs. However, this figure does not take into account various other categories including small tea shop vendors and roadside stalls which have not been accounted for in the above estimates of the PFA Department. The offence of adulteration proved in the court attracts a sentence ranging from three months imprisonment and a fine

[19] *Prevention of Food Adulteration*

of Rs five hundred to life imprisonment and a fine of Rs five thousand, depending upon the seriousness of adulteration. Following are the main objectives of the department :

(i) to ensure that the consumers get unadulterated food items;

(ii) to protect the consumers from fraudulent trade practices and;

(iii) to provide necessary guidance to manufacturers and dealers in food articles.

The PFA Department was expected to achieve these objectives through maintenance of quality, safety and hygienic conditions of food stuff through strict implementation of licensing provisions of the Act, adequate surveillance of food outlets and by imparting consumer education and creation of awareness.

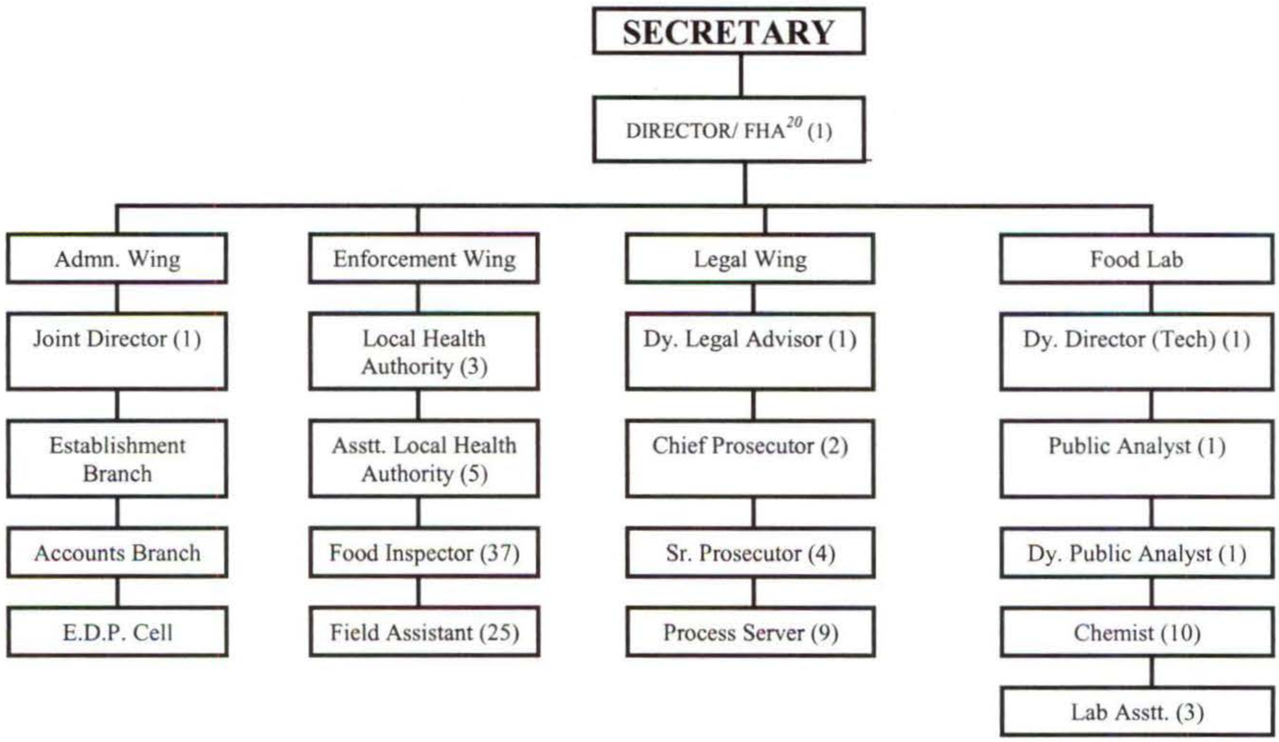
3.2.2 Scope of audit

Records of enforcement, prosecution and analytical laboratory wings of PFA Department for the periods 1994-95 to 1998-99 were test checked by Audit during March – June 1999. In addition, documents relating to 1250 out of the 4485 sample tests reports conducted during 1994-99 i.e 27 *per cent* of the cases were checked to ascertain whether the tests were conducted in accordance with the parameters and procedures laid down in the PFA Rules, 1955.

3.2.3 Organisational set up

The PFA Department of Government of NCT of Delhi which is under the Secretary (Medical and public Health) is headed by a Director. PFA Department consists of a total of 179 persons. Organisational set up is indicated below:

ORGANISATIONAL SET UP OF PFA DEPARTMET



The annual expenditure of PFA Department is around Rs 2.26 crore.

3.2.4 Adequacy of infrastructure

The Enforcement Wing of the PFA Department responsible for collecting samples and sending them for analysis, is manned by three LHAs[21], five ALHAs[22] and 37 Food Inspectors. Analytical Wing responsible for the testing of samples is equipped with a laboratory and is headed by a Public Analyst, who is assisted by a Deputy Public Analyst and 10 chemists.

Existing infrastructure of 37 Food Inspectors was woefully inadequate to ensure systematic sampling and surveillance of estimated 1.50 lakh food establishments.

Given the size of Delhi as a major food trading center, the Planning Department of the Government of NCT of Delhi had, in the Draft IX Five Year Plan identified the need for ten LHAs, ten ALHAs and 45 Food Inspectors to ensure effective enforcement of the provisions of PFA Act. If all the estimated 1.50 lakh food establishments are covered even once a year, number of Food Inspectors required works out to about 1000. In view of this, the infrastructure in place is woefully inadequate to ensure systematic sampling and surveillance in the nine districts of NCT of Delhi, considering that each Food Inspector is expected to lift 12 samples for testing every month.

[20] *Food Health Authority*
[21] *Local Health Authority*
[22] *Assistant Local Health Authority*

(a) Licensing Authority not established

Rule 50 of PFA Rules 1955 stipulates that no person shall stock, distribute or exhibit for sale any article of food except under a licence. No such licensing authority, responsible for the identification of food vendors and issue of licences to ensure public health and to exercise control over the quality, safety and microbiological contamination has been set up by the Department. Significantly, 10 posts of food inspectors were specifically created for this job in August 1992.

PFA Department failed to discharge its statutory duty to appoint the licensing authority, even after 22 years of its inception. Delhi is the only state in the country without a licensing authority resulting in a loss of about Rs 200 crore.

In response to an audit query as to why no licensing authority has yet been set up, Director PFA merely indicated that work was on hand to put the licensing authority in place. In view of specific directives from the Union Government urging the Department to set up such a licensing authority, failure to appoint one, reflects a negligent approach to public health. Delhi is the only state in the country, where there is no licensing authority for 22 years after setting up of the Department. Thus, the food establishments in Delhi function without any licensing control. Attendant fall out of the failure to put into place the licensing authority is that there is a loss of revenue of over Rs 200 crore to Government exchequer in the absence of collection of licence fee for a period of 20 years at the approximate rate of Rs 10 crore *per annum.*

(b) No regular Public Analyst for five years

The Public Analyst is a key figure in the PFA Department, as he is responsible for functioning of Food Laboratory. In the case of adverse report regarding a sample by Public Analyst, the LHA institutes prosecution proceedings against the person establishment concerned.

PFA Department remained without a regular Public Analyst for five years and there was no Public Analyst at all for three months.

Scrutiny of records revealed that the Department remained without a regular Public Analyst for five years i.e. 1994-99. During 1994-96 a Deputy Public Analyst of the PFA Department functioned as Public Analyst and during 1996-99, a junior analyst of FRSL[23] Ghaziabad was notified as Public Analyst and given additional charge of Delhi also. In between, for three months i.e. from mid January 1996 to mid April 1996 there was no Public Analyst with PFA Department.

The quality of testing suffered in the absence of a regular Public Analyst. A large number of tests, as is evident from table under paragraph 3.2.4 (c), where adulteration was established by laboratory of the PFA Department, were not confirmed by CFL Calcutta, leading to the discharge of the vendors.

Besides, the reliability of these tests, which declared the samples as free from adulteration is also compromised since the lab being an integral part of the Department, the independence of sample testing cannot be guaranteed. This is to be viewed in the background of absence of any system of random repeat tests of samples tested in the laboratory by the PFA Department. It is,

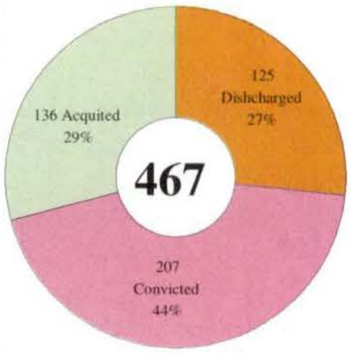
[23] *Food Research and Standardisation Laboratory*

therefore, recommended that the functioning of the laboratory may be independent of the PFA Department possibly by placing it directly under the Department of Medical and Public Health.

(c) Poor quality of tests

In terms of provisions of section 11 of PFA Act 1954, Food Inspector takes the samples of food articles after giving notice to the concerned person of his intention to have it analysed. In case the report of food analyst reveals that it is adulterated, the LHA is required to institute prosecution in the designated court against the persons from whom the sample of article of food was taken under section 13 of the PFA Act. Details of cases filed in the courts, cases of acquittals and cases discharged by courts are as under:

Year	No. of samples taken	No. of samples found adulterated	No. of cases where prosecu-tion was instituted by the Deptt.	No. Of cases decided by the courts	No. of cases of convictions	No. of cases of acquittal	No. of cases discharged by the courts on test reports of CFL Calcutta
1	2	3	4	5	6	7	8
1994-95	1264	103	123	95	56	32	7
1995-96	396	74	64	90	45	29	16
1996-97	693	126	134	62	35	10	17
1997-98	509	70	94	105	26	39	40
1998-99	1623	234	142	115	45	25	45
Total	**4485**	**607**	**557**	**467**	**207**	**135**	**125**
Percentage					**44.32**	**28.90**	**26.76**



It can be seen that during 1994-95 to 1998-99 out of 467 cases, which were decided by designated court average percentage of conviction was 44 *per cent*.

The Department failed to substantiate a large number of adulteration cases filed in the courts.

Sample scrutiny of 50 cases out of 125 discharged by the courts during 1994-99 further revealed that 86 *per cent* found adulterated by the Department were later declared as unadulterated by the CFL Calcutta and in the remaining 14 *per cent* cases, samples were found to be decomposed and not fit for test by CFL Calcutta. The benefit of doubt in favour of vendors due to decomposed samples reflects poorly on the quality of packing or/ and speed of finalisation of the cases by the Department.

(d) Deployment of SDMs[24] as LHAs

Lieutenant Governor of NCT Delhi in August 1998 appointed 27 Sub-Divisional Magistrates of Government of NCT of Delhi, as LHA for the purpose of PFA Act. From December 1998, the SDMs were given the discretion of lifting the samples from any part of the area under their jurisdiction. Director, PFA placed the services of Food Inspectors and Field Assistants under the direct charge of area SDMs.

While the decision to associate SDMs for lifting of samples under PFA Act was taken by Principal Secretary (Medical) in January 1998, their appointment was notified on 28 August 1998 i.e. only after the outbreak of dropsy and they started functioning in January 1999. SDMs were reportedly preoccupied with other works and they could not devote time for associating themselves in lifting the samples. Further, the SDMs did not necessarily possess the requisite essential qualification prescribed i.e. M.Sc. Chemistry/ Bio-Chemistry. This adversely affected the detection of adulteration as discussed below :

While 821 samples were lifted during the period April 1998 to December 1998 and 22 *per cent* of them were found adulterated, during the period when the SDMs were deployed as LHAs, i.e. January 1999 - March 1999, 802 samples were lifted but only 6.73 *per cent* were found adulterated.

This was because SDMs were not technically qualified to systematically plan the lifting of samples from vulnerable or adulteration prone areas, but concentrated on the number of samples taken. For instance, detailed scrutiny of samples lifted during January 1999 and March 1999 also revealed that SDMs ordered lifting of 200 and 82 samples of packed popular brands, in which only six and one samples respectively were found adulterated. Packed popular brands were not the priority areas. Even the Health Minister had stressed that lifting of samples of popular brands be minimised and emphasis given on lifting unbranded samples.

3.2.5 Planning and control mechanism

Director, PFA Department is required to institute proper system of deployment of Local Health Authorities, Assistant Local Health Authorities and Food Inspectors with a view to ensuring adequate coverage of all areas, food out-lets and commodities. This was, however, found lacking, as discussed below :

[24] *Sub-Divisional Magistrate*

(a) Poor planning

No norms were prescribed for adequate coverage of all categories of food establishments.

The PFA Department did not maintain the records of existing food establishments, nor did it maintain details of category wise number of food outlets/food establishments. The Department also did not prescribe any norms for adequate coverage of all categories of food establishments, all categories of commodities, especially commodities of priority items, where possibility of adulteration was high. Further, no quarterly or annual plans were drawn up to identify the areas and commodities from where the samples were to be lifted on the basis of survey or risk perceptions. As a result, there was no conscious or systematic sampling in identified areas.

(b) Inadequate coverage

On an average actual coverage of all the food establishments worked out to 0.6 *per cent* during the last five years.

Details of numbers of samples lifted out of the estimated 1.50 lakh establishments and percentage of coverage during the last five years are as under:

Year	No. of samples lifted	Percentage of coverage
1994-95	1264	0.84
1995-96	396	0.26
1996-97	693	0.46
1997-98	509	0.34
1998-99	1623*	1.08
Average		0.6

* *Increase in figures due to collection of more samples in the face of dropsy epidemic.*

It would be seen that on an average actual coverage of all food establishments during last five years was only 0.6 *per cent*. Thus, 99.4 *per cent* of the food establishments remained without surveillance, exposing the residents of Delhi to the risk of adulteration.

(c) Random inspections

It is the duty of food inspectors to inspect as frequently as prescribed by the rules, all establishments licenced for the manufacture, storage or sale of an article of food within the area assigned to him and to satisfy that the conditions of licence are observed. As per recommendation of CCFS[25], each Food Inspector has to draw 12 samples per month. The inefficient functioning of PFA Department and inadequacy in sample collections to ensure prevention of food adulteration were commented upon in the Report of Comptroller and Auditor General of India, Government of NCT of Delhi for the year ended 31 March 1997. Despite the above comments, PFA department did not take any action to ensure the effective enforcement of PFA Act though there was sharp increase in the food adulteration cases. Test check of records for the years 1994-99, revealed that the Food Inspectors were not assigned areas as prescribed in Rule 9 of PFA Rule 1955, and carried out only random

[25] *Central Committee on Food Standard*

inspections. As a result, accountability could not be fixed on any Food Inspector for lapses. Details of samples taken and required to be taken are as under:

Year	Norms fixed for collection of samples per F.I. per month	Average No. of samples taken per F.I. per month	percentage of short falls in achievement
1994-95	12	2.92	75.66
1995-96	12	0.91	92.41
1996-97	12	1.60	86.58
1997-98	12	1.17	90.25
1998-99	12	3.75	68.75
Average	12	2.07	82.73

Under-utilisation of Food Inspectors was to the extent of 83 *per cent*.

It would be seen that on an average, each Food Inspector collected 2.07 samples during 1994-99 against the norms of 12 samples per Food Inspector per month, disclosing poor control of Director PFA over systematic sampling.

Detailed scrutiny of data made available to audit further revealed as under:

Not even a single sample lifted during five months by 37 food inspectors.

Months during last five years, in which not even a single sample was lifted by all the 37 food inspectors	Months in which less than five samples were lifted by all the 37 food inspectors	Months in which 5 to 20 samples were lifted by all 37 food inspectors
February, March 1996, January, February, March 1998	August 1994, June 1995, April, May 1997 & May 1998.	November, December 1994, April 1995, January, September, November 1996, January, & July 1998.

As the staff strength of the enforcement wing for the last five years remained unchanged, sporadic collection of samples disclosed that, the Director failed to utilise even the available manpower optimally for enforcement of PFA Act.

(d) No sampling from street vendors

Not even a single sample was lifted from street food vendors during 1994 & 1995.

Percentage of adulteration increased from 30 to 58 *per cent* in respect of samples lifted from street food vendors during 1996 and 1997 respectively.

There was no uniform pattern of lifting of samples. Since over the years there has been substantial increase in population of Delhi, particularly in the slum areas, where a large number of street food vendors exist, more sampling from street food vendors was desirable. However, not even a single sample was lifted during 1994 and 1995 from street food vendors while in 1996 and 1997 only 44 and 26 samples respectively were lifted. Out of that 30 *per cent* and 58 *per cent* cases respectively were found adulterated. Besides, keeping in view the percentage of adulteration i.e. 30 *per cent* in 1996, more sampling of street food vendors was desirable, whereas the number of samples lifted came down to 26 in 1997 as compared to 44 in 1996.

3.2.6 Vigilance mechanism

Inadequate vigilance and control mechanism in detecting adulteration of priority food items of mass consumption led to out-break of disease like dropsy, etc. Some food items of mass consumption which are prone to adulteration were test checked in audit to verify the extent of control exercised by the Department.

(a) Neglect of certain priority items of mass consumption

It could be seen from *Annex - I* that there was no uniform pattern of lifting of samples of different commodities. Scrutiny revealed that some commodities which were of mass consumption and were more vulnerable to adulteration were ignored altogether or very few samples were lifted and sufficient attention was not given to factors like seasonal effects of the use of these commodities where the likelihood of adulteration was more. Details of samples of various commodities lifted during the last five years are given in *Annex - I.*

(i) Milk

Milk is used by all categories of population and especially by infants and children, who are largely dependent on it. Only 13 samples were taken in 1995-96 in which the adulteration was 38 *per cent.* In 1996-97, 149 samples of milk were lifted, of which 85 i.e. 59 *per cent* were adulterated. Only 48 samples of milk were lifted in 1997-98 out of which 10, i.e. 21 *per cent* were adulterated. Keeping in view the abnormal high rate of adulteration, there was scarce justification for reducing the number of samples of milk.

Not even a single sample of milk lifted during six months of May 1998 to October 1998.

Further, only three samples of milk were lifted during April 1998 and no sample was lifted during six months of May to October 1998, when milk production was reduced and demand of milk was met through tankers from adjoining states, where the possibility of adulteration was high. In reply to an audit query regarding low level of samples of milk, Director, PFA, stated that though inspection teams were sent to concerned SDM, due to their pre-occupation, the raids could not be conducted and the teams had to come back without lifting the samples. In the cases of milk supply through tankers from adjoining states, lifting of adequate number of samples at the entry points of borders of Delhi for checking adulteration was not adopted by the Department. Only five samples i.e. three in January and two in May 1999 were lifted from tankers.

(ii) Mineral water

Percentage of adulteration was 86 and 71 *per cent* in mineral water during 1996-97and 1997-98.

Scrutiny of data revealed that in the case of mineral water, six out of seven samples in 1996-97 and five out of seven in 1997-98 were found adulterated. Since this item is used extensively, neglect of intensified surveillance exposed them to serious risk of water borne diseases.

(iii) Pan Masala

Only six samples of pan masala lifted in five years.

Only six samples of Pan Masala were lifted during five years 1994-99, of which 50 *per cent* were found adulterated yet the Department did not intensify the surveillance.

(b) Out-break of dropsy

In the month of August 1998, severe epidemic of dropsy disease broke out in Delhi due to adulteration in mustard oil, as a result of which 2556 people were hospitalised and 66 persons lost their lives.

Details of samples of mustard oil lifted, found adulterated, prosecution launched, alongwith the position of conviction, by the courts during April 1998 to December 1998 were as under:

Month	No. of samples lifted	No. of samples found adulterated	No. of prosecution launched	No. of cases of		
				Conviction	Acquittal	Discharge
1	2	3	4	5	6	7
April'98	2	-	-	-	-	-
May'98	-	-	-	-	-	-
June'98	-	-	-	-	-	-
July'98	1	1	-	-	-	-
August'98	210	98	25	-	-	-
September'98	-	-	44	-	-	-
October'98	-	-	9	-	-	-
November'98	9	-	9	-	-	2
December'98	54	3	5	-	-	6

Only three samples of mustard oil were lifted during four months of April 1998 to July 1998.

It would be seen that PFA Department ignored in sampling, the lifting and examination of mustard oil, a commodity used in most of the house holds on regular basis, during the three years preceding August 1998, when the epidemic of dropsy struck Delhi. The Deaprtment lifted merely 16, 10 and 29 samples of edible oil during 1995-96 to 1997-98 respectively, which were woefully inadequate.

It is noteworthy that number of samples lifted dropped from 75 in 1994-95 to 16, 10 and 29 during the next three years. The outbreak of dropsy can be directly attributed to negligence in sampling of mustard oil.

Not even a single accused in dropsy case convicted as of July 1999 and all the 18 cases decided by Courts were discharged.

Scrutiny also revealed that till July 1999 all the 18 accused were discharged by the designated courts due to failure of the Department to substantiate the adulteration and even after 10 months of out break of dropsy epidemic not a single accused person was convicted as of July 1999.

3.2.7 Imported laboratory equipment lying idle

Highly sensitive imported laboratory equipment remained unused for more than five years with not even a single test conducted in five years.

Two FTIR[26], used for detection of animal fat in vegetable oils and ghee were imported and received in Food and Drug Laboratory in May 1994 at Rs 22 lakh through DGS&D[27]. The instruments were installed only in July 1996 due to non-availability of pre-installation accessories like dehumidifier and Uninterrupted Power Supply system. After installation, the instruments were not working satisfactorily. In August 1998 M/s Lab India was requested to repair the instruments expeditiously. As no action was taken by the firm, Director, PFA Department in April 1999 requested DGS&D to black list the firm and direct them to refund the entire amount alongwith the interest.

The Department failed to utilise the highly sensitive machines to improve the quality of tests conducted by the laboratory rendering the expenditure of Rs 22 lakh unproductive.

3.2.8 Misuse of Mobile Food Laboratory

In order to impart education to consumers and vendors for prevention/ check of adulteration, to create public awareness by holding demonstrations and exhibitions and to analyse food samples on the spot, the Department set up a mobile food laboratory at an expenditure of Rs 14.33 lakh during 1996-99.

Scrutiny by Audit disclosed that mobile laboratory was used for all kinds of purposes, except the purpose for which it was purchased. In five years ending March 1999, the Mobile Food Laboratory was used for demonstration and exhibition purposes only on 67 days. The misutilisation of Laboratory van included election duty, Chief Secretary's control room night duty and other sundry purposes by head clerk/ cashier/ store keeper, etc., thus defeating the very purpose for which it was set up.

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[26] *Fourier Transform Intra+red Spectrophotometer*
[27] *Director General of Supplies and Disposals*

ANNEX - I

(Referred to in paragraph 3.2.6(a))

Commodity wise details of number of samples lifted and Tested

Category Name	1994-95					1995-96					1996-97					1997-98					1998-99					TOTAL
	G	A	M	V	T	G	A	M	V	T	G	A	M	V	T	G	A	M	V	T	G	A	M	V	T	
ATTA	20	-	-	-	20	18	4	-	-	22	28	1	-	-	29	10	2	-	-	12	54	1	-	-	55	**138**
BESAN	64	-	-	-	64	22	1	-	-	23	8	-	-	-	8	26	1	-	-	27	34	-	-	-	34	156
BEVERAGES	15	4	-	-	19	2	-	-	-	2	4	1	-	-	5	7	3	-	-	10	61	6	2	-	69	105
CEREAL	7	1	-	-	8	-	-	1	-	1	5	-	-	-	5	1	-	-	-	1	4	6	-	-	10	25
DESSERT	-	-	-	-	-	4	-	-	-	4	-	-	-	-	-	1	-	-	-	1	-	-	-	-	-	5
EDIBLE OIL	74	1	-	-	75	12	4	-	-	16	10	-	-	-	10	29	-	-	-	29	384	115	-	-	499	629
FLAVOURING AGENT	16	3	-	-	19	-	-	1	-	1	-	-	-	-	-	1	-	-	-	1	-	-	-	-	-	21
GUTKHA	12	-	1		13	-	-	-	-	-	-	-	-	-	-	1	4	-	-	5	2	12	-	-	14	32
ICE CREAM	125	3	-	-	128	32	2	-	-	34	61	5	-	-	66	34	10	-	-	44	27	1	-	-	28	300
MAIDA	42	-	-	-	42	8	1	-	-	9	40	1	-	-	41	9	1	-	-	10	12	1	-	-	13	115
MILK	90	6	1	-	97	8	5	-	-	13	64	85	-	-	149	38	10	-	-	48	174	28	-	-	202	509
MISCELANEOUS	95	11	1	--	107	25	9	9	5	50(3)	36	1	1	-	38	27	6	1	-	34	22	2	-	-	24	254
MINERAL WATER	-	-	-		-	-	-	-	-	2(2)	1	3	3	-	7	2	5	-	-	7	8	2	1	-	11	27
MILK PRODUCT	153	16	-	-	169	91	9	-	-	101(1)	165	13	-	-	178	88	6	1	-	95	40	3	-	-	43	586
PAN MASALA	3	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	2	-	-	2	6
PULSES	23	18	-	-	11	19	10	1	-	30	16	1	-	-	17	4	3	1	-	8	42	1	-	-	43	139
SPICES	222	23	-	-	245	4	4	3	2	44	51	1	-	-	52	40	5	1	-	46	329	20	1	-	350	737
SUJI	-	1	-	--	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	-	-	6	7
SUPARI	2	1	-	-	3	-	-	-	-	1	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	5
SWEETERING AGENT	4	-	-	-	4	1	1	-	-	1	1	-	-	-	1	1	-	-	-	1	1	-	-	-	1	8
SWEETS	159	7	-	-	166	-	-	1	-	33	53	8	-	-	61	114	6	1	-	121	90	8	-	-	98	479
RAW BEVERAGES	10	2	-	-	12	-	-	-	-	1	1	-	-	-	1	2	-	-	-	2	52	-	-	-	52	68
TOBACCO	12	1	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13
VANASPATI	2	-	-	-	2	-	-	-	-	1	4	-	-	-	4	3	-	-	-	3	42	21	-	-	63	73
SALT	11	1	1	-	13	1	1	-	-	6	19	2	-	-	21	1	1	-	-	2	5	1	-	-	6	48
TOTAL	1161	99	4	-	1264	316	51	16	7	396(6)	567	122	4	-	693	439	64	6	-	509	1389	230	4	-	1623	4485

G : Genuine, A: Adulterated, M : Misbranded, V : Violation of Act, T : Total

3.3 Control of pollution of river Yamuna in Delhi

Highlights

The water quality of river Yamuna continues to be polluted by the domestic sewage and industrial effluent from Delhi while the water quality at the point where the river enters Delhi is of acceptable quality. Pollution load from Delhi renders it severely polluted downstream.

(Paragraph 3.3.14)

The management of sewage treatment by NCT Government of Delhi through the executing agency, *i.e.* Delhi Jal Board has been tardy. During the seven years 1992-99, the Government has been able to increase the sewage treatment capacity by only 112 MLD[28].

(Paragraph 3.3.7 (c))

Of the total estimated quantity of 2852 MLD sewage generated in Delhi, the Government is able to treat only 886 MLD. 1966 MLD untreated sewage is being discharged in river Yamuna causing serious pollution to the water.

(Paragraph 3.3.12)

Even the STP[29]s constructed are not being utilised optimally due to failure of the NCT Government to ensure completion of attendant sewerage lines and proper interception and diversion. In two cases STP has been constructed in an area which does not have the sewage load rendering the capacity for sewage treatment of 114 MLD unused, while in other areas untreated sewage is polluting Yamuna due to absence of STPs.

(Paragraphs 3.3.8 (a) and 3.3.7 (d))

The existing pumping stations and STPs were functioning much below their capacity. Problems in functioning of aerators used in the STPs and sludge digester and gas holders led to incomplete removal of the organic matters from the sewage and release of toxic gases in the atmosphere.

(Paragraphs 3.3.8 (a) and (b))

[28] *Million Litre per day*
[29] *Sewage Treatment Plant*

Industrial pollution also remains to be tackled. 348 out of 428 grossly polluting industries had not put up effluent treatment plants. In addition, construction of none of the 15 common effluent treatment plants to tackle the pollution from other polluting industrial units has been taken up.

(Paragraph 3.3.13)

In one of the STPs sample checked, the sewage even after treatment was found to be grossly polluted.

(Paragraph 3.3.9 (a))

3.3.1 *Introduction*

As per the latest estimates, the household sewage generated in Delhi is around 2720 MLD. In addition industrial effluent from 428 industries are also discharged into the river Yamuna. It was incumbent upon the NCT Government of Delhi and executing agencies under it to ensure that the domestic sewage is treated to bring the water quality of the outflow to acceptable standard, before the sewage is discharged into the river Yamuna. The failure in treatment of the domestic sewage is a measure of the extent to which the river water is polluted by the domestic sewage.

This review addresses the problem of pollution of the river by domestic sewage and the management of sewage treatment by the NCT Government of Delhi, besides the measures to contain the pollution of the river water.

Delhi Jal Board, formerly Delhi Water Supply and Sewage Disposal Undertaking, is entrusted with the task of interception, diversion and treatment of domestic sewage causing water pollution in Delhi. Department of Urban Development, Government of NCT of Delhi acts as the nodal agency for implementing works under Ganga Action Plan-II. The Delhi Jal Board is the executing agency for sewerage works, while Municipal Corporation of Delhi is the executing agency for non-sewerage works. The expenditure for most of the works of sewage treatment was met by the Board out of funds provided by NCT Government of Delhi. Only two treatment plants of capacity 10 MLD each were funded by the Union Government under GAP-II[30].

3.3.2 *Scope of audit*

The interception, diversion and treatment of sewage in Delhi, construction, maintenance and performance of STPs and other non sewerage works under GAP-II by the Delhi Jal Board and MCD and their impact on reducing pollution load in river Yamuna were test checked in Audit during March - December 1999.

[30] *Ganga Action Plan*

3.3.3 Estimation of sewage generation

In 1992-93, Delhi Jal Board had estimated the total sewage generation as 2852 MLD in Delhi by the end of March 1997. This was based on the assumption of 80 *per cent* of likely water supply of 3565 MLD by that time. Of this, 2270 MLD of sewage was estimated from the sewered areas which were covered by sewerage system and remaining 582 MLD from unsewered areas such as *Jhuggi Jhonpri* clusters, unauthorised colonies, rural villages, etc.

The estimation of sewage generated in Delhi suffered from inconsistancy.

While estimating the sewage generation the Board, however, did not take into account the quantum of sewage likely to be generated due to ground water extracted by individuals.

The Board assessed sewage generation of 2089 MLD as of March 1999. The CPCB had assessed sewage of 2547 MLD in Delhi earlier in December 1997. In yet another survey WAPCOS[31], a Government of India undertaking estimated in June 1999 the total sewage generated in Delhi at 2720 MLD as of March 1999.

3.3.4 Planning for treatment of sewage

(a) Status at the beginning of VIII Plan

In April 1992, the sewage treatment capacity was only 1270 MLD against sewage generation of 2852 MLD.

At the beginning of the Eighth Plan i.e., April 1992, Delhi had seven STPs with a combined capacity to treat 1270 MLD of sewage. Of the remaining 1582 MLD sewage out of the total 2852 MLD assessed by the Board, the Board planned to tackle 1000 MLD by March 1997 by constructing seven new STPs with combined treatment capacity of 304 MLD and augmentation of existing capacity of six out of seven STPs by 696 MLD.

Of the estimated sewage of 582 MLD from unsewered areas, which fall into the open drains traversing through the city, the Board planned to intercept and divert 562 MLD of sewage to the existing STPs by trapping all the 17 drains in Delhi outfalling in river Yamuna by March 1997. The remaining 20 MLD of sewage was to be treated by construction of two STPs of 10 MLD each under GAP-II.

(b) Actual sanction of STPs during VIII Plan

Jal Board sanctioned seven new STPs and augmentation of six existing STPs during VIII Plan until March 1997, none of the new STPs and augmentation works were completed.

The Jal Board actually sanctioned seven new STPs with total capacity of 477 MLD and augmentation of six existing STPs by 359 MLD. Thus, against target of tackling 1000 MLD, the Board actually approved works with combined capacity of only 856 MLD.

Against the target of additional capacity of 1000 MLD through seven new STPs and augmentation of existing six STPs, the NCT Government failed to

[31] *Water and Power Consultancy Services (India) Ltd.*

add to the existing capacity by March 1997, since neither the new STPs were commissioned nor the capacity of the existing STPs were augmented, as these works were sanctioned between February 1995 and May 1996.

(c) Status of STPs at the beginning of IX Plan

At the beginning of the Ninth Plan, the Board revised its target. The Ninth Plan target included further addition of one STP with treatment capacity of 23 MLD and further augmentation of the existing four STPs by 432 MLD over and above 1000 MLD planned for completion during the Eighth Plan. Thus, by the end of the Ninth Plan i.e., March 2002, NCT Government proposes to tackle additional 1455 MLD of sewage with help of the augmentation of the capacity of the existing seven STPs and construction of eight new STPs. However, work on only seven new STPs were sanctioned as of March 1999.

(d) Targets and achievement

Year-wise targets of capacity for sewage treatment fixed under the plans of Government of NCT of Delhi and achievements are as follows:

Year	Under NCT Government Plan		Under GAP-II		Total	
	Targets	Achievement	Targets	Achievement	Targets	Achievement
1994-95	1430	1270	-	-	1430	1270
1995-96	1430	1270	-	-	1430	1270
1996-97	2246	1270	20	-	2266	1270
1997-98	1857	1290	20	-	1877	1290
1998-99	1875	1508	20	10	1895	1518

It would be seen from the above that the progress of augmentation/ creation of capacity for sewage treatment has been tardy. Up to March 1997, no addition to the capacity had taken place and the NCT Government missed the targets set by it completely. During the next two years, i.e., up to March 1999 only 248 MLD treatment capacity was claimed to have been added. Due to its failure to complete the construction and augmentation of the STPs the Jal Board scaled down the target during 1997-98 by 389 MLD.

3.3.5 Over stated achievements

Achievements of treatment capacity were over stated by 136 MLD.

The achievement reported by the Jal Board was incorrect. Out of the two units of Coronation Pillar plant of 91 MLD and 45 MLD capacity, the former was non-functional from 1991 to 1998 due to uprating[32] and the latter was under construction. The achievements reported during 1994-99, included the capacity of these two units also. Thus, the achievements were overstated by 91 MLD till 1997-98 and 136 MLD thereafter. Thus, against the claim of creation of treatment capacity of 1518 MLD, the Board had effective capacity of only 1382 MLD.

[32] *Uprating - Increasing the secondary level treatment capacity of STP*

3.3.6 Trapping of open drains/ nallahs

Board failed to address the problem of sewage finding its way to storm water drains.

Absence of sewerage system in J.J clusters/ unauthorised colonies and also ineffective sewerage system in existing sewered areas, led to the sewage finding its natural course into open drains/ *nallahs* originally meant for conveying the storm water. In 1992-93, there were 17 open drains/ *nallahs* outfalling in river Yamuna. It was estimated by the Board that 582 MLD of sewage from unsewered areas would find its way in these drains/ *nallahs*.

The Board had affirmed in December 1993 that they had the capacity to convey the discharge of seven of these drains fully and four partly to STPs and that the remaining drains would be trapped by the end of Eight Five Year Plan i.e. by March 1997.

The existing system for trapping the drains was not functional for the last eight years as the trunk sewers through which sewage was to be conveyed to the treatment plants were choked at several places. The Board stated in July 1999 that it would take minimum two and a half years for their rehabilitation. Further, no action was initiated by the Engineer-in-Chief of Delhi Jal Board till March 1999 for trapping the remaining drains/ *nallahs* except trapping of 20 MLD under GAP-II.

As of March 1999, there are 18 drains/ *nallahs* through which 582 MLD untreated sewage was out falling in river Yamuna. Out of this, Board has tackled the discharge of 10 MLD only through one drain by constructing one STP which was commissioned in January 1999 under GAP-II. As a result, 572 MLD untreated sewage from unsewered areas is outfalling into river Yamuna.

3.3.7 Execution of the programme

(a) STPs funded by Government of NCT Delhi

During the VIII Five Year Plan, the Board awarded contracts for construction of seven new STPs of capacity 477 MLD and augmentation work of five STPs of capacity 359 MLD to be completed between August 1996 and July 1999. In addition, construction of two STPs and uprating/ increasing the treatment capacity of one existing STP of capacity 250 MLD were already taken up during February 1988 to February 1990. The details of these works are indicated in *Annex - I*.

As a result of delay in construction of STPs 845 MLD untreated sewage was released causing pollution in the river.

It would be seen from this Annex that all works were awarded only towards the close of the VIII Plan. Construction/ augmentation of none of the treatment plants could be completed by March 1997. As on March 1999, two STPs with combined capacity to treat 68 MLD and augmentation of three STPs with combined capacity of 173 MLD were made operational during 1998-99, after delay of two to nine years. Out of these, two treatment plants with capacity of 159 MLD viz. 114 MLD at Kondli and 45 MLD out of the existing plant capacity of 91 MLD at Coronation Pillar were providing incomplete treatment as work on subsequent sludge digester units were still in progress.

The Executive Engineer attributed the delay in completion of the works mainly to delay in supply of cement and steel and flow of funds. Reply of the Executive Engineer in relation to availability of funds is not tenable since funds remained unutilised as indicated in paragraph 3.3.11 (a). As a result, 845 MLD of sewage was left untreated causing pollution in river Yamuna.

(b) STPs funded under GAP-II

The work of the construction of two STPs of 10 MLD capacity each at Dr. Sen Nursing Home drain and Delhi Gate drain was awarded in May 1995 and was to be completed by December 1996.

Only one STP under GAP-II was commissioned after two years delay.

Of these, while one STP at Dr. Sen Nursing Home was commissioned in January 1999, after a delay of two years, the construction of the STP at Delhi Gate was in progress as of November 1999. Executive Engineer attributed this to delayed supply of steel and cement to the contractor.

Design of STP could not tackle bacterial load.

The design of these STPs was such that they could not tackle the problem of bacterial load as envisaged in the scheme. Reasons for adopting this design along with its impact on the treated effluent were not furnished by the Executive Engineer. Therefore, the certainty that water treated by these plants would conform to desired bacterial load cannot be vouchsafed.

(c) Total sewage treatment capacity

By March 1999, excluding the overstated capacity of 136 MLD, NCT Government of Delhi had created capacity to treat only 1382 MLD sewage in its nine STPs, which included one STP of 10 MLD capacity constructed under GAP-II. Thus, the NCT Government has been able to add only 112 MLD to the sewage treatment capacity in seven years since March 1992 against the total requirement of at least 2852 MLD. The net result is that even if the STPs worked to their full capacity an expected 1470 MLD untreated sewage is being discharged in Yamuna causing serious pollution to the river water. The actual sewage treated is much less as some of the treatment plants are not utilised at the full capacity due to deficient planning and inept management as brought out in subsequent paragraphs. As a result, much larger quantity of untreated sewage is released in the river.

(d) Idle capacity of STPs

STP at Ghitorni not likely to be gainfully used for next two to three years due to less load.

One STP of 23 MLD capacity at Ghitorni, completed in 1997 at Rs 6.62 crore was not commissioned as of September 1999. This was attributed to lack of habitation in that area by the Board. Sewage for treatment in this area was likely to be generated only two to three years later.

Failure to take into account the expected sewage load in this area led to investment in STPs at a place where hardly any sewage is generated, whereas untreated sewage was polluting the river from other areas. Besides, the Board would continue to incur liability of recurring expenditure of Rs 1.02 lakh per month towards the minimum electricity charges.

Another STP is being constructed at Rs. 81.12 crore without any effective system to convey sewage to it.

An STP of 182 MLD capacity at Rithala commissioned in 1991 was receiving on an average only 50 *per cent* of sewage for treatment even after eight years of its commissioning. Despite the fact that the existing plant at Rithala did not receive sufficient sewage, construction of another STP of 182 MLD capacity at the same site with same command area, at a tendered cost of Rs 81.12 crore was launched in December 1995 and was likely to be completed by December 1999. Since there was no sewerage system to convey the sewage of the command area to the STPs, the sewage generated in command area was being left untreated as the Board had not taken simultaneous steps to provide for conveying this sewage to Rithala despite an expenditure of Rs 81.12 crore on the STP. Thus, against the treatment capacity of 364 MLD, these two STPs were treating only 95 MLD sewage and treatment capacity of 269 MLD is not being utilised due to inability of the NCT Government to ensure proper interception and diversion of the sewage.

(e) Deficient planning of STPs

Trans-Yamuna area having a sizeable population of about 30 lakh as of March 1999, generates sewage of 572 MLD. But the Board had created treatment capacity of only 204 MLD, as of March 1999. Of this, only 38 MLD sewage i.e. seven *per cent* was being conveyed to the STP for treatment due to ineffective sewerage system. Further, against the likely sewage generation of 679 MLD by the year 2001, the Board planned to augment its treatment capacity to 477 MLD by the end of IX Five Year Plan i.e. by 2002. The uncoordinated approach of the Board in not ensuring simultaneous construction of sewage system and/or proper interception and diversion schemes has left even the created treatment capacity unutilised. While on one hand, no value for expenditure of Rs 87.74 crore could be derived.

Against the sewage discharge of 233 MLD from Dr. Sen Nursing Home and Delhi Gate drains, the construction of two STPs with a meagre capacity of 10 MLD each under GAP-II at a tendered cost of Rs 11.71 crore was planned. As regards the remaining sewage of 213 MLD, the Board stated in May 1999 that 74 MLD has already been trapped and conveyed to the Okhla treatment plant and the remaining 139 MLD would be trapped after rehabilitation of Ring Road and Delhi Gate trunk sewers. No action was, however, taken as of June 1999 to trap the sewage. Moreover, the trapping already made was also not functional due to choking of sewers.

Further, these plants were not provided with sludge digesters since land was not available and the sludge was to be transported to Okhla treatment plant at a distance of 10 kilometres. This would cause a recurring expenditure of Rs 29.16 lakh per annum on transportation of sludge.

The planning of construction of STPs to treat just nine *per cent* of sewage available at these two plants involving transportation of sludge to Okhla treatment plant at considerable expenditure was ill-conceived. It is pertinent to note that the major portion *i.e.* 91 *per cent* of the sewage discharged from these drains will go into the river Yamuna untreated causing pollution in the river and defeating the basic objective of the scheme.

3.3.8 Operation, maintenance and performance of STPs

The Board has nine STPs with commissioned capacity of 1382 MLD as of March 1999 including one STP of capacity 10 MLD constructed under GAP-II. This means that STPs have capacity to treat merely 51 *per cent* of sewage generated even if they work at their full capacity. Sewage is to be treated to a level conforming to the prescribed standards laid down by DPCC[33].

Scrutiny by Audit of the aspects of operation, maintenance and performance of four STPs having total capacity 645 MLD viz. Keshopur, Rithala, Kondli and Coronation Pillar revealed as under:

(a) Capacity utilisation

(i) Pumping stations

On an average only 16 *per cent* of the installed capacity of the 12 pumping stations was utilised.

Pumping stations pump the sewage from trunk sewer and convey it to the treatment plant. Sample check of the performance of 12 pumping stations connected with the above four treatment plants revealed as under:

Installed capacity of a pumping station refers to its capacity to pump the sewage at peak load whereas designed capacity refers to the average capacity of pumping based on maximum and minimum load. Against total installed capacity of 3559 MLD and designed capacity of 1810 MLD of 12 pumping stations, the actual average capacity utilisation during 1994-99 was 586 MLD which constituted merely 16 *per cent* of the installed capacity and was only 32 *per cent* of the designed capacity.

The actual utilisation of the installed capacity of the pumping stations at Rithala, Haiderpur and Bharat Nagar was as low as nine *per cent*, eight *per cent* and nine *per cent* respectively since there was insufficient load.

(ii) Treatment plants

The capacity utilisation of three of the four STPs with reference to their capacity was as under:

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[33] *Delhi Pollution Control Committee*

Name of the STP	Year	Capacity of the Plant (in MLD)	Volume of sewage treated (in MLD)	Percentage of capacity utilisation	Percentage of average capacity utilisation
Keshopur Plant	1994-95	327	416	127	108
	1995-96	327	399	122	
	1996-97	327	353	108	
	1997-98	327	315	96	
	1998-99	327	278	85	
Rithala Plant	1994-95	182	97	53	52
	1995-96	182	103	57	
	1996-97	182	95	52	
	1997-98	182	84	46	
	1998-99	182	95	52	
Kondli Plant	1994-95	45	32	71	56
	1995-96	45	25	55	
	1996-97	45	19	42	
	1997-98	45	20	44	
	1998-99	45	31	69	

Average capacity utilisation of two of the three STPs sample checked was 52 *per cent* only.

The average capacity utilisation of Rithala and Kondli plants during 1994-99 were 52 *per cent* and 56 *per cent* respectively.

The fourth STP of 91 MLD capacity at Coronation Pillar, commissioned in 1957 remained closed for uprating/ increasing its treatment capacity during January 1991 to April 1998. In 1998-99, on an average 43 MLD of sewage was treated up to the secondary level for four months only during November 1998 to March 1999. Since the units of sludge digester, gas holders, etc. were not commissioned, it resulted in incomplete sewage treatment and pollution of the atmosphere due to formation of hazardous gases from the undigested sludge.

The quantum of sewage shown as treated by the Board at Keshopur plant during 1994-95 to 1996-97 was more than its rated capacity. The Board stated that the estimate of sewage treatment was based on the rating of the pumps conveying the sewage to the treatment plant. It was further stated that the pumps were very old and actual sewage pumped might be less than that based on rating of the pumps. The system of assessing quantum of sewage shown as treated in the other three plants was also based on the rating of the pumps. Since the actual quantum of sewage treated was not being measured with help of appropriate devices, the figures of the Board on the quantum of sewage claimed to have been treated is not verifiable.

The Board failed to rectify the ineffective sewerage system leading to partial utilisation of capacity created.

The Chief Engineer stated in February 1999 that under utilisation of treatment plants/ pumping stations was due to settled, silted or choked sewers, non-existent sewers and in few cases sewer connections not given to residents due to non-payment of development charges.

From the foregoing it would be seen that in respect of the above four STPs against the total installed capacity of treating 645 MLD of sewage, only 509

MLD of sewage was shown to have been treated the correctness of which is not verifiable.

(b) Functioning and operation of treatment plants

The proper functioning of the treatment plant depends upon the functioning of aerators, sludge digesters, gas holders, etc. The flow chart indicating the process of treatment of sewage is given in *Annex – II.*

(i) Aerators

Non-functional aerators affected the quality of treated effluent.

The sewage from the primary classifier is received in the aeration tank for biological treatment. In this process oxygen is provided by aerators to remove the organic matter. 24 aerators costing Rs 56.86 lakh were installed in1998 in one of the units of Keshopur plant having capacity of 182 MLD. Scrutiny revealed that during 1994-98, 18 to 21 aerators did not function though the life of these equipment was assessed as 15 years. To make them functional, the gear boxes of 23 aerators were replaced at a cost of Rs 76.50 lakh during 1998-99. Further, on an average 34 aerators out of 48 remained out of order during the last five years at other unit of Keshopur with the capacity of 54 MLD.

Since aerators regulate the removal of organic matter, their malfunctioning resulted in incomplete removal of organic matter and affected the quality of final treated effluent being discharged in river Yamuna.

(ii) Sludge digester and gas holders

The gas holders and gas burners of STPs constructed in 1988 were not in use causing air pollution.

Keshopur treatment plant with capacity of 182 MLD was commissioned in 1988 with ten sludge digesters, three gas holders and one gas burner. All the sludge digesters developed cracks in their domes soon after their commissioning. Consequently poisonous gases produced during the process of treatment have been escaping in the atmosphere. Thus, gas holders and gas burners, which were constructed at a cost of Rs 1.49 crore, could not be put to use and were lying idle since commissioning of the plant. The sludge digesters, which were constructed at a cost of Rs 2.43 crore, also could not be fully utilised. Finally, the dome of one of the digesters caved in 1990.

The Executive Engineer stated in August 1999 that the repair work could not be initiated as the arbitration case against the contractor was pending in a Court of law.

Similarly in another plant at Keshopur of 54 MLD capacity, all the sludge digesters, drying beds, gas holder and a gas burner were out of order since 1984-85.

Kondli treatment plant with capacity of 45 MLD was commissioned in November 1987 with three sludge digesters, a gas holder, a gas burner and two filter pumps. Ever since the commissioning of the plant in November

1987, two digesters, gas holders, gas burner and two mixture pumps could not be put to use and were lying idle as of March 1999. Even the third sludge digester had developed cracks in its dome.

Owing to improper functioning of plants, highly explosive and hazardous gases like methane, hydrogen sulphide and carbon dioxide produced in the process were escaping in the atmosphere and polluting the environment. Besides, the treatment of the sludge separated from the water was not taking place properly.

3.3.9 Quality of treated effluent

Every treatment plant is equipped with a laboratory for analysis of samples of effluent collected from different units to ensure their performance. Final treated effluent discharged from the plant should conform to the standards and parameters prescribed by the Delhi Pollution Control Committee which were as under:

Parameters	Prescribed limits
Bio-chemical Oxygen Demand	30 mg/litre
Suspended solids[34]	50 mg/litre

However, DPCC had not laid down any parameters for bacterial load, which is crucial for ensuring the water quality. The variation from the standards prescribed in respect of Rithala and Kondli were not significant, whereas the effluent of Keshopur plant and Coronation Pillar plant did not conform to the parameters laid down as discussed below:

(a) Keshopur plant

Final treated effluent of Keshopur Plant did not conform to prescribed standard.

Keshopur Plant has three separate units with a total treatment capacity of 327 MLD. Unit-wise average BOD[37] and Suspended solids values of treated effluents during 1994-95 to 1998-99 were as under:

Sl. No.	Capacity of the unit	1994-95		1995-96		1996-97		1997-98		1998-99	
		BOD	SS[38]	BOD	SS	BOD	SS	BOD	SS	BOD	SS
1.	54 MLD	119	120	129	157	135	176	120	173	118	165
2.	91 MLD	57	58	62	76	83	114	83	140	72	125
3.	182 MLD	67	64	78	87	101	111	87	110	86	137

[37] Bio-chemical Oxygen Demand
[38] Suspended Solids

Thus, the sewage treated in all the three units did not conform to the prescribed standards. Further, of the 471 and 1400 samples analysed by Board's laboratory for BOD and Suspended Solids respectively during 1994-99, 458 and 1284 samples, which constituted 97 *per cent* and 92 *per cent* respectively, were found to be far below the prescribed standards.

The Executive Engineer stated in July 1999 that two units of 54 MLD and 91 MLD capacity needed renovation as they were very old. As regards 182 MLD plant, the Executive Engineer stated that the malfunctioning of 18 to 21 aerators, out of 24, affected the treatment quality.

(b) Coronation pillar plant

The sewage treatment at the plant commenced from November 1998. It was seen that 11 out of 47 samples analysed for Suspended solids value did not meet the prescribed standards.

3.3.10 Other works under Ganga Action Plan-II undertaken by MCD

(a) Construction of electric crematorium: Sarai Kale Khan

Ministry of Environment and Forests accorded administrative approval of Rs 1.03 crore for construction of an electric crematorium at Sarai Kale Khan in September 1994. The cost of land and the operation/ maintenance expenses were to be borne by the Government of NCT of Delhi from their own resources. The cost was later increased to Rs 2.50 crore in August 1996 in the revised estimates for completion by August 1997 due to increase in building/ equipment cost.

The estimates included construction of main electric crematorium-Rs 99.60 lakh, electric sub-station-Rs 50.85 lakh and other development works were Rs 68.52 lakh. However, the crematorium has yet to be made functional as of October 1999 due to delay in taking up and completion of the works, as discussed below:

(i) Construction of main electric crematorium

The work of construction of main electric crematorium was awarded to M/s PHE Projects at a tendered cost of Rs 99.60 lakh in January 1995 with stipulated date of completion in May 1996. The work was not completed as of November 1999. Even though the funds allotted by Government of India and Government of NCT of Delhi were available, the Commissioner, MCD did not allocate the funds to the executing division in time. Delay in making payment to the contractor led to slow progress of the work.

(ii) Construction of electric sub-station

Delhi Vidyut Board demanded Rs 43.62 lakh from MCD in January 1997 for supply of electric load of 150 kw including construction of sub-station for electric crematorium. The amount was deposited by MCD in October 1998, after more than one and a half years. The work has not been taken up by Delhi Vidyut Board as of November 1999. Therefore, even if the construction of electric crematorium is completed it cannot be functional in the absence of supply of electricity.

(b) *Afforestation, low cost sanitation, bathing ghats and public participation*

A provision of Rs 3.38 crore was made under the GAP-II in 1993-94 for non sewerage works, with the objective of arresting soil erosion and improving environment in general, encouraging public involvement through activities like public meetings, public awareness programme, etc as under:

Sl No.	Name of the Work	Cost (Rs in crore)	Quantum
1.	Afforestation	0.34	3.8 kms
2.	Low cost sanitation	1.94	60 units
3.	Bathing Ghats	0.97	5 Nos.
4.	Public participation	0.13	-

Secretary, Urban Development failed to identify the executing agencies for these works even after a lapse of four years. Finally, NRCD[35] dropped the above works from the scope of work under GAP-II in December 1998.

3.3.11 Financial outlay and expenditure

(a) *Programme funded by the Government of NCT*

The Government of NCT of Delhi releases interest bearing loans to the Board for sewerage and sanitation works including construction and renovation of STPs other than those constructed under GAP-II. Year-wise position of loan received by the Board from the Government of NCT of Delhi and the sums allocated for construction and renovation of STPs and actual expenditure during the period 1994-95 to 1998-99 were as under:

(Rs in crore)

Year	Loan received for STPs	Expenditure	Excess (+)/ Saving (-)
1994-95	55.00	52.64	(-)2.36
1995-96	38.17	26.63	(-)11.54
1996-97	72.00	72.36	(+)0.36
1997-98	95.17	67.43	(-)27.74
1998-99	66.52	54.94*	(-)11.58*
Grand Total	**326.86**	**274.00**	**(-)52.86**

(figures are provisional)*

[35] *National River Conservation Directorate*

The Board failed to utilise the loans allocated for STPs.

The Board failed to utilise the allocated loans of Rs 52.86 crore as of March 1999 due to slow progress of construction of STPs as discussed in paragraph 3.3.7 (a).

(b) Programme funded under GAP-II

Under the GAP-II, the capital cost of the works were to be equally shared between the Central and NCT of Delhi Government up to March 1997. Thereafter the programme was to be fully financed by the Central Government. The cost of operation and maintenance of the assets created under the programme was to be borne by the Government of NCT of Delhi. The funds released by the Government of India and the Government of NCT of Delhi during 1993-99 for construction of STPs and electric crematorium were as under:

(i) Construction of STPs

(Rs in lakh)

Year	Opening Balance	Funds released			Expenditure	Closing Balance
		Government of India as grant	NCT Government's matching contribution	Total		
1993-94	-	24.00	-	24.00	-	24.00
1994-95	24.00	-	-	-	6.89	17.11
1995-96	17.11	182.82	-	182.82	117.42	82.51
1996-97	82.51	400.00	400.00	800.00	600.65	281.86
1997-98	281.86	82.59	400.00	482.59	279.57	484.88
1998-99	484.88	100.00	-	100.00	93.12	491.76
Grand Total		**789.41**	**800.00**	**1589.41**	**1097.65**	

Following points emerged during scrutiny by Audit:

a) Matching contribution

The Government of NCT of Delhi did not release its matching contribution of Rs 2.07 crore during 1993-96. The reasons for the failure to release the matching contribution were not furnished to Audit.

b) Pattern of contribution

The NCT Government released funds as loans instead of matching grant for GAP projects.

The Government of NCT of Delhi released Rs four crore each year during 1996-97 and 1997-98 to the Board as loan at 12.5 *per cent* interest instead of treating it as grant as envisaged in GAP-II, which led to an interest burden of Rs 1.5 crore till March 1999 on the Board.

c) Loss of interest

The Board did not deposit grants received from Government of India in interest bearing bank account as per the conditions of the release of grant and thus caused a loss of interest of Rs 25.40 lakh during 1993-99.

(c) *Construction of electric crematorium*

(Rs in lakh)

Year	Government of India Share	NCT Government Share	Total	Expenditure	Excess (+)/ Saving (-)
1995-96	-	-	-	0.05	(+) 0.05
1996-97	60.53	-	60.53	-	(-) 60.53
1997-98	-	-	-	19.98	(+) 19.98
1998-99	101.97	62.50	164.47	65.26	(-) 99.21
Total	**162.50**	**62.50**	**225.00**	**85.29**	**(-) 139.71**

Following points emerged during scrutiny by Audit:

Against the receipt of Rs 2.25 crore from the Government of India and NCT Government during 1996-99, Commissioner, MCD allocated only Rs 1.04 crore to the executing division, as of March 1999, which consequently led to slow progress of work.

3.3.12 Present status

Against the estimated sewage of 2852 MLD, the Board had set up actual treatment capacity of only 1382 MLD. The average of actual sewage treated by the nine operational plants during the year 1998-99 was only 886 MLD, which is only 31 *per cent* of the sewage generated. Even from the point of view of operational status, out of the 1382 MLD capacity, the plant at Ghitorni with 23 MLD capacity is non-functional, the four sample-checked STPs were treating 136 MLD less than their capacity and the quality of 327 MLD treated by Keshopur plant was unsatisfactory. Due to mis match of the STPs and sewage interception/ diversion, large capacity of STPs remained unutilised, while in other areas untreated sewage is discharged in the river as the STPs were not completed. Besides, as brought out earlier, since the STPs were designed in such a way that bacterial load could not be controlled, there was a question mark on the quality of water treated. As a result, the water in Yamuna is exposed to contamination.

3.3.13 Industrial pollution

Major part of the industrial pollution remains to be tackled.

The objective of GAP I and II was to bring the water quality to bathing level by treating the domestic sewage. This objective was not possible to be achieved as industries along the river continue to discharge effluent in the river. Based on CPCB criteria, which DPCC has also adopted, industries handling hazardous substances and discharging effluents having BOD load of 100 Kg. per day or more were to be identified as grossly polluting. The DPCC informed in November 1999 that based on the above criteria, they had identified 428 grossly polluting industries in Delhi. Of these, 80 had installed the required effluent treatment plants and the remaining 348 units were discharging their untreated effluent in river Yamuna. Besides these grossly polluting industries, the effluents of other industries was to be treated by installing common effluent treatment plants,

Construction of common effluent plants for polluting industries had not been taken up.

Mention was also made in paragraph 3.2.8(ii) of the Report of the Comptroller and Auditor General of India, Government of NCT of Delhi for the year ended March 1998 regarding setting up of common effluent treatment plants to treat industrial effluent. 15 such plants were to be constructed at 15 sites at a cost of Rs 90 crore. Though the construction of these plants was to be completed by June 1998 as per the time frame fixed by the Lieutenant Governor, Delhi on the directions of the Supreme Court, the construction work had not started as of November 1999.

Chief Manager, Delhi State Industrial Development Corporation Limited, responsible for the construction of STPs attributed the delay to:

- handing over of the land for construction of STPs by DDA;
- providing of layout plans, etc. by NEERI[36], the consulting agency appointed on the directions of the Supreme Court;
- revamping the conveyance system for carrying effluents of industrial areas to the sites of STPs by MCD and the Board;
- short payment of share contribution of Rs 29.48 crore by the industries.

3.3.14 Pollution level of river Yamuna

Delhi continues to pollute the river seriously.

The main objective of the programmes implemented by the NCT Government from their own resources and also under GAP-II was to reduce the pollution level in river Yamuna to make it suitable for bathing by undertaking pollution abatement works. Actual water pollution level at Palla where the river Yamuna enters Delhi and at Agra canal/ Okhla barrage down stream where it leaves Delhi as monitored by CPCB during 1995-99 were as under:

Para-meters	Bathing Standards	Year-wise water quality of river Yamuna at Palla and Agra Canal/ Okhla Barrage							
		1995-96		1996-97		1997-98		1998-99	
		Palla	Agra Canal/ Okhla Barrage	Palla	Agra Canal/ Okhla Barrage	Palla	Agra Canal/ Okhla Barrage	Palla	Agra Canal/ Okhla Barrage
		Max. Min.	Max. Min.	Max. Min.	Max. Min.	Max. Min.	Max. Min.	Max. Min.	Max. Min.
Dissolved Oxygen	Not Less than 5 mg/litre	13.60~5.10 (9.52)	8.00~0.30 (2.01)	14.30~5.50 (8.85)	3.30~0.00 (1.00)	10.30~5.10 (7.58)	5.00~0.00 (1.62)	10.50~5.00 (7.41)	5.80~0.00 (2.12)
Bio-chemical Oxygen Demand	Not more than 3 mg/litre	7.00~1.00 (2.82)	55.00~4.00 (18.50)	7.00~0.10 (2.48)	58.00~3.00 (20.00)	3.00~1.00 (1.42)	46.00~1.00 (11.92)	2.00~1.00 (1.18)	12.00~2.00 (5.20)
Total Coliform Count	Not more than 10000 per 100 ml	42700~150 (7209)	798000~500 (249500)	2700~150 (694)	99999~11000 (215667)	30000~500 (5946)	384000~2900 (140483)	61000~800 (9604)	474000~6100 (131955)

Note : Figures in brackets denote average during the year.

[36] *National Environmental Engineering Research Institute*

Despite, abatement measures the pollution level of river Yamuna has increased twofolds between 1982 and 1998.

It would be seen from the above table that the water quality of river Yamuna upstream of Delhi i.e. up to Wazirabad meets the bathing standards but, after the confluence of the Najafgarh drain and other drains, it gets polluted. The pollution level is far in excess of the permissible levels. The trend in organic pollution load contribution in terms of BOD in the river Yamuna at Delhi has increased from 117.3 tonnes per day during 1982 to 211.00 tonnes per day during 1998.

The present water quality in stretch of river Yamuna between Wazirabad and Okhla Barriage is of 'E' category, that is, suitable for irrigation and industrial cooling only against required category of class 'B', which is suitable for bathing. The reasons for excessive water pollution can be attributed to underestimation of the quantum of sewage by the Board, improper maintenance of the sewers leading to under utilisation of STPs, lackadaisical and slow pace of construction of STPs and overall deficient planning to address a problem that is threatening to assume serious consequences for the citizens of Delhi as also for down stream areas and ultimately for the water quality of Ganga.

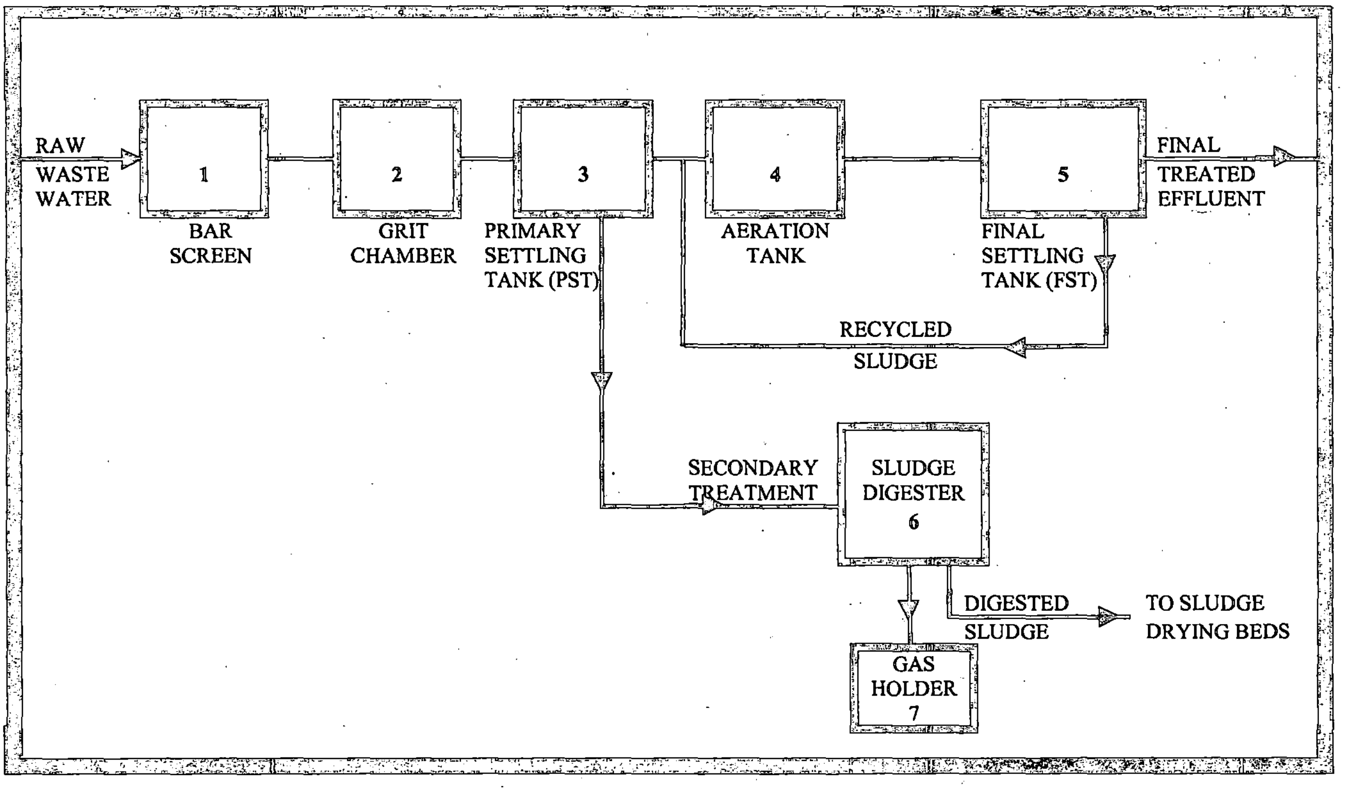
Annex - I

(Referred to in paragraph 3.3.7 (a))
Progress of construction/ augmentation of STPs

Sl. No.	Name of the STP	Capacity in MLD	Tendered Cost (Rs in crore)	Date of work award	Stipulated date of Completion	Expected date of Completion	Status as on 31.3.99
New construction							
1.	Ghitorni	23	6.62	Feb.95	August 96	-	Completed
2.	Yamuna Vihar	45	8.55	Feb.95	Feb.97	-	Commissioned in March 1999
3.	Narela	45	7.73	Feb.95	March 97	Sept. 99	81.35%
4.	Najafgarh	23	6.54	March 95	Sept.96	June 2000	77%
5.	Rohini Sec.	68	16.85	March 95	March 97	Dec.99	72%
6.	Papan Kalan	91	17.46	March 95	March.97	June 99	72%
7.	Nilothi	182	29.06	May 96	May 99	June 2000	56%
Augmentation of existing STPs							
8.	Kondli Ph-II	114	8.36	Feb. 88	June 89	Work order has been rescind. File for getting the work at risk and cost was in process (June 1999)	Under trial run for incomplete treatment. Balance work 63 % completed
9.	Coronation Pillar Ph-II	45	3.30	Feb.90	June 96	Dec. 2000	85%
	Coronation Pillar (uprating)	91	5.87	Feb 90	June 96	Dec. 2000	Out of 91 MLD, 45 MLD plant providing incomplete treatment. Balance work 68% completed
10.	Vasant Kunj	14	4.15	Feb.95	August 96	-	Commissioned in January 1999
11.	Coronation Pillar III	45	9.08	Feb.95	March 97	Sept. 99	84.5%
12.	Kondli	45	12.17	Feb.95	Feb.97	June 99	85%
13.	Okhla	73	16.69	Feb.95	Feb.97	June 99	86%
14.	Rithala	182	81.12	Dec.95	July 99	Dec. 99	72%

ANNEX - III

(Referred to in paragraph 3.3.5(b)
Treatment of sewage is indicated in the flow chart given below:



1. *Coarse solids and floating materials are removed.*
2. *Grits from the sewage is removed.*
3. *Sedimentation of settlable solids in the form of sludge takes place.*
4. *Clarified sewage from the P.S.T. flows to aeration tank for biological treatment.*
5. *The biological solids/ sludge is separated by sedimentation. Final treated effluent is disposed off.*
6. *Sludge digester receives sludge from P.S.T. for anaerobic digestion. Gases produced during the process are held in the dome of the sludge digester. Digested sludge then is passed to drying beds as manure.*
7. *Gases produced in the digesters are received in this unit before being burnt off.*

MUNICIPAL CORPORATIONS

3.4 Rent/ Licence fee in New Delhi Municipal Council

Highlights

Receipts on account of outstanding licence fee were not included in the budget estimates of New Delhi Municipal Council. There was no control on such outstanding amounts due on account of unauthorised occupation of premises and interest aggregating up to four times the budget receipts.

(Paragraph 3.4.4)

NDMC repeatedly accommodated requests of a firm for rescheduling its payments of licence fee without any success for recovery of dues which have accumulated to Rs 115.57 crore.

(Paragraph 3.4.4(c))

The Estate department of NDMC did not maintain any consolidated records in case of 291 ex-allottees from whom Rs 25.05 crore is recoverable. Due to non maintenance of proper records, a major part of outstanding amount could be time barred as the claims were not preferred within the limitation period.

(Paragraph 3.4.5)

There were aberrant decisions in licencing of its properties due to which NDMC suffered a loss of Rs 72.44 lakh as its properties remained unlicensed.

(Paragraph 3.4.6 (b))

NDMC did not maintain Property Register, Demand and Collection Registers and Damage Registers in complete and updated form which increases the risk in the matters of allotment, rent fixation, demand and collection, etc.

(Paragraph 3.4.7)

NDMC or its accredited representatives did not sign licence deeds in 16 out of 53 cases test checked. In two such cases, it could not make recovery of licence fee of Rs 67.69 lakh.

(Paragraph 3.4.7 (e))

3.4.1 Introduction

NDMC[37] covers an area of about 42.7 square km. within National Capital Territory of Delhi. It derives its revenue from licence fee accruing from various commercial units consisting mainly of shops, offices, commercial plots, restaurants, etc. which on an average worked out to 33 *per cent* of its total annual receipts excluding income from sale of electricity. The remaining 67 *per cent* of revenue was collected by way of House Tax, Motor Tax, Entertainment Tax, Advertisement Tax, etc.

3.4.2 Organisational set up

The overall administration of NDMC vests with the Chairperson. Director (Estate) is responsible for collection and accountal of rent/ licence fee, etc.

The system of collection and accounting of the rent and licence fee is as under:

The Allotment Sub-Committee of the NDMC allots commercial units by inviting open tenders. After allotment of units, the commercial branch raises the demand for licence fee from the allottees and the cash branch collects cash and cheques from them.

Accounts branch is responsible for posting the rent/ licence fee in Allocation, Demand and Collection registers and to watch raising of demands, collection of licence fees, proper accounting of the revenue realised, assessment of arrears, etc. through Demand and Collection registers.

3.4.3 Scope of audit

System of allotment, raising of demand and collection of licence fee from licensees/ tenants were reviewed during March-July 1999. The period covered under the review was five years 1994-99. The records relating to 845 units representing 24 *per cent* of the total units were examined by scrutiny of relevant records viz. Demand and Collection registers, Damage registers, Allocation and Tender Opening registers, etc.

3.4.4 Budgeted and actual receipts

(a) The budget estimates, revised estimates and actual receipts of rent/ licence fee during 1994-99 were as under:

37 *New Delhi Municipal Council*

(Rs in crore)

Years	Original estimated receipts	Revised estimated receipts	Actual receipts	(-) Short fall/ (+) Excess
1994-95	42.25	42.37	36.04	(-)6.21
1995-96	45.35	46.28	44.46	(-)0.89
1996-97	48.28	50.62	52.69	(+)4.41*
1997-98	72.70	57.73	52.73	(-)19.97
1998-99	65.90	45.00	45.75	(-)20.15*

* *Accounts were not reconciled.*

Director (Estate) did not maintain break-up of receipts on account of outstanding licence fee, damages and interest pertaining to previous years and the receipts against the current year's demand included in the actual receipts.

Un-realistic budget as these did not include the amounts recoverable from outstanding licence fee etc.

Significantly, the budget estimates do not include outstanding licence fee, damages due on account of unauthorised occupation of premises and interest as shown below:

Outstanding licence fee, etc.

(Rs in crore)

Years	Shops/ stalls	Govt. office/ premises	Hotel and restaurants	Total cumulative
1995-96	24.10	59.13	63.60	146.83
1996-97	25.48	72.59	60.44	158.51
1997-98	25.74	90.57	116.55	232.86
1998-99	27.81	126.44	123.55	277.80

The major defaulters on account of unauthorised occupation as of March 1999 are as under:

(Rs in crore)

Sl. No.	Name of hotels	Outstanding licence fee
1	M/s. C .J. International (Le Meridian hotel)	105
2	Bharat Hotel	10
3	Sun-Air Hotel	2*
4	Taj Hotel	1.55
5	Prominent Hotel	5*
	Government offices	
1	Commissioner of Income Tax	11.44
2	Ministry of External Affairs	45.96
3	Directorate of Estate	55.90

* *Sub-judice*

The accounts for 1996-97 and 1998-99 had not been finalised.

The accounts of 1996-97 were not reconciled. The accounts for 1998-99 had not been finalised and reconciled as of November 1999.

NDMC stated in July 1999 that due to litigations by a number of licensees, the revenue could not be realised as the cases were sub-judice and stay orders issued by the courts. However, scrutiny of records disclosed that the number of licensees under litigation were 26 involving recoverable licence fee of only Rs 8.63 crore up to June 1999 which is 13.1 *per cent* of original estimates for 1998-99.

(b) Deductions of Income-Tax by licensees

Income Tax was deducted at source contrary to instructions.

In terms of Ministry of Finance, Department of Revenue, CBDT's circular of 30 January 1995, the payments by way of rents to NDMC are exempt from Income Tax, the licensees are not required to deduct Income Tax at source from the licence fee payable to NDMC. Scrutiny revealed that during 1994-95 and 1995-96, major licensees deducted more than Rs 1.80 crore towards Income Tax from the licence fee payable to NDMC. NDMC stated in July 1999 that part of the amount was got refunded from Income Tax Department and that they have appointed an advocate to get the balance amount refunded.

Thus, the estimates of the NDMC for receipts from rent/licence fee were based on inaccurate budgetary assumptions as could be evident from the significantly low collection during 1997-98 and 1998-99 with reference to the budget estimates. Besides, the system of exclusion of the arrears from the estimates of receipt deprived NDMC of an important tool to monitor recovery of arrears of rent/licence fee.

(c) In one case the arrears were persisting for about 10 years

Favouring a defaulting firm through supplementary agreements resulted in accumulation of licence fee, interest etc. of Rs 115.57 crore.

A plot of land measuring 4.29 acre at Windsor place, New Delhi, was licensed to M/s C J International Hotels Limited for construction and commissioning of a five star hotel by 31 December 1984 at an annual licence fee of Rs 2.68 crore or 21 *per cent* of the gross turnover of the hotel business, whichever was more. The possession of land was given to the firm on 28 September 1981 and payment of the licence fee commenced from that date.

Even after rescheduling repeatedly arrears of licence fee the firm failed to adhere to the schedule.

The licensee was granted moratorium in the payment of annual licence fee in 1982 and 1983 in order to facilitate construction of the hotel expeditiously. Since the hotel named 'Le-Meridian' was not constructed by the stipulated date, NDMC agreed to grant moratorium in the payment of licence fee up to September 1988, with the stipulation that the firm would pay the accumulated licence fee of Rs 16.08 crore up to September 1987 in 30 half yearly instalments alongwith the regular licence fee commencing from 28 September 1988. The firm did not adhere to this revised schedule and Rs 8.97 crore was outstanding as on September 1990. The licence of the hotel was therefore, cancelled in 1990, but was revived in March 1991 and payment of accumulated licence fee was rescheduled again. The firm did not adhere to the re-revised schedule and paid only Rs 2.08 crore between January 1991 and March 1991. The supplementary agreements rescheduling the payments were entered into with the firm again in March 1991, August 1995 and March 1998. The firm continued to default and by April 1999, Rs 115.57 crore, constituting Rs 79.38 crore as licence fee and Rs 36.19 crore as interest was outstanding against them.

The NDMC stated in July 1999 that moratorium and supplementary agreements were granted/entered into with the approval of the Sub-Committee constituted by the Council. Thus, NDMC has been accommodating the request of the firm repeatedly without any success in being able to recover the dues. Yet, it has not taken any action for cancellation of the licence despite persistent default for payment of licence fee.

3.4.5 Outstanding damages and interest against ex-allottees

The recovery of Rs 25.05 crore against 291 ex-allottees becoming time barred is at stake.

Section 363 of NDMC Act 1994 provides that any sum due to NDMC on account of any charge, costs, expenses, fees, rates or rent or on any other account may be recovered from any person from whom such sum is due as arrears of tax. No such proceedings for the recovery of any sum shall be commenced after the expiry of three years from the date on which sums become due.

A scrutiny of the list of ex-allottees and the amounts outstanding against them revealed that Rs 25.05 crore consisting of Rs 11.32 crore towards defaulted amount of licence fee and Rs 13.73 crore interest thereon remained outstanding as of March 1999 against 291 licensees who had vacated the premises. NDMC has not maintained any consolidated records to indicate the dates from which these amounts became due from these allottees and the dates from which these units had vacated their premises. A major part of the outstanding amount could be time barred if the claims are not preferred within the limitation period of three years.

3.4.6 Non adherence to policy

(a) Scrutiny revealed that an increase of 100 *per cent* in licence fee of shops already allotted was to be made as per resolution of January 1993, on ensuing expiry dates falling due after 12 September 1991 instead of 200 *per cent* decided earlier in September 1991. However, no increase in the licence fee was made in respect of 13 out of 20 cases test checked, resulting in loss of revenue of Rs 2.16 lakh up to March 1999.

(b) Aberrant decisions

Loss of Rs 72.44 lakh due to aberrant decision.

In the following cases, NDMC had to suffer loss of revenue due to aberrant decisions:

In response to quotations invited in September 1997 for shops in Shaheed Bhagat Singh Place, the highest bid for shop No.48 was Rs 110 per sq. ft. As per the Tender Opening register, the Allotment Sub-Committee did not accept the offer and did not record reasons for rejection of the offer. However, shop No.13 was allotted for as low as Rs 46.20 per sq. ft. in the same market. The shop No.48 remained un-allotted as of May 1999 resulting in loss of revenue of Rs 11.75 lakh from 25 September 1997 to 31 May 1999 at Rs 110 per sq. ft.

A test check of Tender Opening registers for the years 1995-96 and 1997-98 revealed that 66 shops were vacant till March 1999. Test check of the records of 29 shops revealed that highest tenderers in all cases did not turn up and the Allotment Sub-Committee of NDMC did not explore the possibility of allotment of the shops to the second highest tenderers and cancelled all the tenders. Had Sub-Committee offered them to the second highest tenderers, it could have licensed all these 29 shops and a loss of Rs 60.69 lakh, worked out at the rates offered by the second highest tenderers from the date of opening of tenders till March 1999 could have been avoided.

3.4.7 System deficiencies

The following system deficiencies on various activities/ records noticed during audit suggest a high degree of risk in allotment, rent fixation, demand and collection of rent.

(a) Property register

A property register is required to be maintained in the proforma prescribed under Section 56 (3) of Punjab Municipal Act 1911 by NDMC to provide vital information in respect of total number of properties owned/ acquired by them, their area, estimated value of the property with date of valuation, mode of occupation and purpose for which used, name of tenant or lessee, term of lease, rental *per annum,* etc.

Property register was not maintained in the prescribed proforma.

NDMC did not maintain the property register in the prescribed proforma. The computerised register maintained by them indicate only the number of shops and name of licensees. Thus, it could not be verified if all the units were authorisedly licensed, the licence fee worked out correctly and the licence fee recovered in accordance with the terms and conditions.

(b) Demand and collection registers

Demand and collection register is the main register to watch current/ outstanding demands, monthly licence fee received and arrears against each licensee.

Demand and Collection registers were not maintained properly.

Test check of entries for 629 shops of 10 markets, representing 27 *per cent* of total shops revealed that the prescribed columns viz. authority of allotment, date of occupation, date of vacation, rate of licence fee and demand bill number and date, etc., were blank in respect of 419 shops comprising 67 *per cent* of the cases. Owing to this, the veracity of licence fee being charged, increase in licence fee as per terms of allotment, date of renewal of licence deed, the outstanding demands against licensees, etc. could not be ascertained.

(c) Damage registers

The register is maintained for the units allotted to the licensees who overstayed beyond their licensed period, or where the licence has been temporarily cancelled on account of violation of terms of allotment i.e. non payment of licence fee, non renewal of licence in time, etc.

Damage register was not maintained properly.

Test check of records for 105 shops in five markets revealed that the columns prescribed for rate of licence fee, rate of damage charges, date of cancellation/ term expiry in case of 38 shops were not filled in. In the absence of proper upkeep of the register, the correctness of licence fee recoverable in default cases could not be ascertained by Audit.

(d) Manual not maintained

NDMC have not maintained any manual for the procedures applicable for raising demand and watching recovery and ensuring accountability for demand and collection of licence fee.

(e) Deeds not signed by NDMC

The licence deeds in 16 out of 53 cases relating to six markets test-checked were not signed by the licensor viz. NDMC or its accredited representative. As a result, the deeds were not legally valid and allottees were not bound by the terms and conditions of the deeds. Two instances are indicated below:

(i) NDMC allotted shop No. M-57 in Palika Bhawan from 15 March 1995 for a period of five years to a licensee at a monthly licence fee of Rs 66,502 without executing licence deed till June 1996. The licensee deposited Rs 3.99 lakh in March 1995 equal to six months licence fee as security and advance. Thereafter, the licensee did not pay the licence fee as he was not bound by the terms and conditions of the deed. NDMC served a show cause notice in April 1996 for deposit of Rs 6.98 lakh due up to February 1996. The licensee did not respond. As a result, his electricity connection was disconnected in July 1996. The possession of the shop was taken over by NDMC on 21 November 1997. The outstanding licence fee of Rs 33.85 lakh including interest was still to be recovered as of March 1999.

Licence deed was not completed before allotment of shop.

(ii) An office space measuring 526 sq. ft. on ground floor in Chander Lok Building at Janpath was allotted in June 1990 to M/s Shah Travels (Pvt.) Ltd. for a period of five years on licence fee of Rs 18,410 per month. The licensee did not execute the lease deed before allotment due to non acceptance of some of the terms of allotment and he did not pay the licence fee from the beginning as he was not bound by the terms and conditions of the deed. However, he deposited Rs 1.29 lakh as security advance and proportionate cost of fire protection. NDMC issued eviction order only in January 1997 after a delay of six years. The licensee surrendered the premises on 15 April 1998. Rs 33.84 lakh towards licence fee and interest thereon remained unrecovered from the licensee as of March 1999.

(f) Dishonoured cheques

If a cheque is dishonoured and returned unpaid by the bank due to insufficiency of funds, etc. the payee is to make a demand for the payment of said amount of money by giving a notice in writing to the drawer of the cheque within 15 days of receipt of information by him from the bank. In case, the drawer of the cheque fails to make cash payment within 15 days of issue of such notice, action for recovery of fine equivalent to double the amount of cheque dishonoured or imprisonment for one year or both under Negotiable Instruments Law (Amendment) Act, 1988 is to be taken.

Scrutiny of the dishonoured cheque register for the periods 1996-99 revealed that 62 cheques with aggregate value of Rs 28.73 lakh as detailed below deposited into the bank, were dishonoured due to insufficient funds in the account of licensees:

Years	No. of dishonoured cheques	Amount (Rupees in lakh)
1996-97	17	7.20
1997-98	29	9.65
1998-99	16	11.88
Total	62	28.73

NDMC did not produce the registers for 1994-95 and 1995-96 for verification.

NDMC did not take requisite action on dishonoured cheques.

The payments were not received till the close of the respective financial years. Such defaulted payments are entered as minus entries with red ink in Demand and Collection register and recoveries alongwith interest are required to be watched through this register.

NDMC did not take action under Negotiable Instrument Act to recover fine equivalent to double the amount of cheque dishonoured.

Scrutiny disclosed that the cheques of three parties were dishonoured repeatedly. Yet, NDMC did not take any effective action against them :

Sl. No.	Name of allottee and Premises occupied	Cheque No.	Date	Amount	Date on which cheques sent to the bank	Date on which cheque dishonoured	Ground for dishonour
1	IN-DINON 8, Palika Place	219596	16.11.98	5,22,500	17.11.98	30.11.98	Insufficient funds
2	-do-	219596	16.11.98	5,22,500	10.2.99	13.2.99	A/c attached by government
3	-do-	219596	16.11.98	5,22,500	18.3.99	22.3.99	A/c frozen
4	Narendra Singh M-33, Palika Bhawan	012684	10.3.98	85,000	10.3.98	20.3.98	Insufficient funds
5	-do-	059007	12.6.98	50,000	22.7.98	31.7.98	-do-
6	-do-	059008	22.7.98	1,00,000	22.7.98	31.7.98	-do-
7	-do-	336344	10.8.98	36,326	27.8.98	7.9.98	-do-
8	Shrikant Singhal M-39, Palika Bhawan	213384	1.9.98	40,000	10.9.98	10.9.98	Payment stopped
9	-do-	164426	30.9.98	35,000	7.10.98	23.10.98	Insufficient funds
10	-do-	531668	9.12.98	35,000	29.12.98	9.1.99	Insufficient funds

Failure to take action against defaulters, particularly those whose cheques were dishonoured repeatedly provided unintended benefit to these defaulters.

The Estate Department of NDMC attributed these deficiencies to shortage of staff in its department. The reply is not tenable as shortage of staff in the department was not more than nine *per cent* during the period.

Paragraphs

Medical and Public Heath Department

3.5 G. B. Pant Hospital Unused 120 bed ward

Delay on the part of G. B. Pant Hospital administration in laying of medical gases pipeline and failure of the Health and Family Welfare Department Administration to create posts of medical and para-medical staff deprived the public of the facility of 120 additional beds of various specialities.

The time and cost overrun in the construction of 110 bed ward block building for G.B. Pant Hospital by PWD[38] was commented upon in paragraph 3.5.8(a) of Report No. 3 of 1993 of the Comptroller and Auditor General of India, Union Government Delhi Administration for the year ended 31 March 1992. Examination of its status during April–June 1999 disclosed that the building was completed by the PWD in May 1995 at an estimated cost of Rs 13.10 crore. On being made functional the ward block was to accommodate 120 additional beds for various specialities.

The ward block could not be made functional as of July 1999, due to (i) failure of Hospital Administration to complete medical gases pipeline which was essential for intensive care of patients and (ii) failure of Health and Family Welfare Department Administration to create posts of medical and para-medical staff.

Timely action was not initiated for laying of medical gases pipeline.

Director, G. B. Pant Hospital did not initiate timely action to ensure completion of the work of laying of medical gases pipeline simultaneously with the completion of the ward block building. Proposals for laying medical gases pipeline and compressed air system was referred to Standing Finance Committee only in April 1995 i.e. only on completion of the building, which was approved in March 1996. Director, G. B. Pant Hospital invited tenders for the award of the work in July 1996, and subsequently rejected in January 1997 on the instructions from Medical and Public Health Department of the Government of NCT of Delhi due to shortcomings in processing tenders. Director, G. B. Pant Hospital re-invited the tenders in March 1997 and awarded the work to a firm in April 1998 at a total cost of Rs 1.32 crore for completion by November 1998. The completion date was subsequently extended to August 1999 due to delayed issue of Customs Duty Exemption Certificate on import of hospital equipment in April 1999.

[38] *Public Works Department*

Out of 206 posts of medical and para-medical staff sanctioned in 1995, only 62 posts were filled as of July 1999.

The proposal for the construction of the building approved by the Standing Finance Committee of the Government of India in 1984, included the creation of 206 posts in various categories for making the ward block functional. The creation of these posts was, however, sanctioned by the Government of NCT of Delhi in December 1995. Out of 206 posts, 62 i.e. 23 of medical and 39 of para-medical staff were filled by March 1998. The posts actually filled as of July 1999 could not be ascertained by Audit in the absence of any incumbency record having been kept by the Hospital. In the meantime, due to advanced technological developments and functional requirements, a revised proposal for 843 posts, including 206 already approved, was submitted by the Hospital to the Government of NCT of Delhi in March 1993.

The Administrative Reforms Department of the Government of NCT of Delhi recommended creation of 588 posts of medical and para-medical staff in May 1998 including 206 already approved. Against the proposal for the creation of the remaining 382 posts submitted by the Hospital Administration to the Government of NCT of Delhi in June 1998, 342 posts were sanctioned in November 1999.

None of the additional 120 beds was made functional despite operating 62 additional posts.

The Hospital Administration had spent Rs 56.09 lakh up to July 1999 on the 62 additional posts filled in 1997-98 during which none of the additional 120 beds, for which these posts were filled, was made functional.

The delay in laying of medical gases pipeline and compressed air system and creation of posts, deprived the public of the facility of 120 additional beds of various specialities in the new block, while the building constructed at an estimated cost of Rs 13.10 crore remained unused for more than four years.

The matter was referred to the Government of NCT of Delhi in October 1999; their reply was awaited as of December 1999.

3.6 Non-installation of X-Ray machine

Medical Superintendent, Lal Bahadur Shastri Hospital, Khichripur, failed to ensure the required electricity load prior to purchase of 500 mA X-ray machine for Rs 14.60 lakh in January 1997 for 33 months.

The Medical Superintendent, Lal Bahadur Shastri Hospital purchased 500 mA X-ray machine at Rs 14.60 lakh in January 1997.

The Medical Superintendent Lal Bahadur Shastri Hospital, Khichripur, purchased a 500 mA X-ray machine at Rs 14.60 lakh in January 1997 from Siemen's Ltd. This machine was to assist in radio diagnosis with X-rays of the skull, spine, pelvis, hips, etc. including contrast X-rays viz. IVP[39], Barium swallow, HSG[40], Fluoroscopy, etc. which were not possible with existing 100 mA X-ray machine. The X-ray machine was purchased from the aforesaid firm on single source basis for the reason that they offered three years

[39] *Intravenous Pyelography*

[40] *Hystero Salpingo Graphy*

guarantee with replacement of defective parts and a further warranty of two years with repair of defective parts.

X-Ray machine was not operational till September 1999 for want of required electricity load.

The X-ray machine was not made operational as of September 1999, for want of release of 50 KW[41] electricity load by Delhi Vidyut Board. The X-ray machine was lying idle and the guarantee period of more than two years had expired as of September 1999.

The Medical Superintendent stated in September 1999, that the cases for which X-ray could not be done on their existing 100 mA X-ray machine were referred to other Delhi Government Hospitals.

Patients deprived of radiological investigation for over 33 months despite an investment of Rs 14.60 lakh.

Thus, purchase of the 500 mA X-ray machine in January 1997 by the Medical Superintendent, without ensuring release of the required electricity load resulted not only in unproductive investment of Rs 14.60 lakh for more than 33 months but the patients needing radiological investigation on this machine were also deprived of the facility.

3.7 Avoidable expenditure of Rs 34.01 lakh due to low power factor

Medical Superintendent, Rao Tula Ram Memorial Hospital, Jaffarpur, failed to instal shunt capacitors and consequently paid surcharge of Rs 34.01 lakh to Delhi Vidyut Board.

Delhi Vidyut Board, levies surcharge of 20 *per cent* on the basic charges plus energy charges if average power factor is below 0.85. Power factor can be maintained by installing shunt capacitors of requisite capacity.

Department paid Rs 34.01 lakh towards low power factor surcharge.

Scrutiny of electricity bills paid by Rao Tula Ram Memorial Hospital, Jaffarpur in December 1998, revealed that the MS[42] paid Rs 34.01 lakh on account of low power factor surcharge for 42 out of 50 months during October 1994 to November 1998. The surcharge for the remaining eight months could not be verified due to non-availability of relevant bills.

Failure to instal shunt capacitors resulted in recurring expenditure of Rs 0.81 lakh per month.

While the MS, on an average, paid Rs 0.81 lakh per month since October 1994 towards power factor surcharge, he did not take effective action to instal the shunt capacitors to maintain the prescribed power factor. The Executive Engineer (Electrical), Public Works Department, Government of National Capital Territory of Delhi, responsible for electrical installation and construction and maintenance of electrical sub station and electrical equipment of the Hospital, stated in September 1999 that the formal request for estimates for installation of shunt capacitor and the administrative approval of the Director of Health Services were received in May and August

[41] *Kilo-Watt*
[42] *Medical Superintendent*

1999 respectively and the work of the installation of shunt capacitors would be completed within three/ four weeks.

Thus, deficient administrative and financial control resulted in avoidable expenditure of Rs 34.01 lakh.

3.8 Unproductive expenditure of Rs 13.44 lakh on the purchase of medical equipment

Failure of Director, GNEC[43] to ensure timely installation of equipment purchased at Rs 13.44 lakh rendered the equipment unusable besides depriving patients of advanced facilities.

Non Installation of non-contact Tonometer since purchase rendered it out dated and useless.

Only 85 patients could be treated on Laser Tek Argon before its break down.

To meet the requirements of providing an alternate method of Intra Ocular pressure recording in Glaucoma Cases, and the treatment of various retinal disorders, Director, Guru Nanak Eye Centre, Government of National Capital Territory of Delhi, purchased two medical equipment, namely, 'Non-Contact Tonometer' and 'Laser Tek Argon' valuing Rs 2.23 lakh and Rs 11.21 lakh in 1992 and 1985 respectively. In the case of Non-contact Tonometer, its non-installation since purchase led to idling of machinery rendering it outdated and unusable. Installation of the Laser Tek Argon in July 1990 enabled the treatment of merely 85 patients, before it became out of order in April 1992. In both the cases the benefits of guarantee/ warrantee clause, could not be availed of by the hospital as the period of gurantee had expired before installation of the equipment. Thus, an expenditure of Rs 13.44 lakh incurred on the purchase of these equipment proved unfruitful, as the Director GNEC failed to take timely action. Besides, the patients were deprived of advanced and sophisticated testing methods and treatment that could have been provided by these equipment.

[43] *Guru Nanak Eye Centre*

Department of Education

3.9 Schools deprived of teaching aids

Director-cum-Secretary (Education) did not distribute 980 Colour Televisions and 748 Radio-cum-Cassette Players purchased at Rs 1.29 crore under Education Technology Programme, to schools for over 18 months after their purchase.

Under the New Educational Technology Programme, the Government of India, Ministry of Human Resource Development, Department of Education, provides grants to state governments for supply of colour televisions and radio-cum-cassette players to enable the students to make use of television and radio lessons.

Director-cum-Secretary (Education), Government of NCT of Delhi received grant of Rs 1.32 crore representing 75 *per cent* of the cost of 1000 CTVs[44] and 100 *per cent* of the cost of 2500 RCCPs[45] in March 1995 from the Ministry. 25 *per cent* of the cost of 1000 CTVs was to be met by the Government of NCT of Delhi out of its own budget.

The grant released by the Union Government was partly utilised in 1996, when the Deputy Director of Education (Television Branch) purchased 2800 RCCPs worth Rs 35 lakh in March 1996. 1068 CTVs worth Rs 1.30 crore were purchased in March 1998.

Equipment worth Rs 1.29 crore remained undistributed.

Deputy Director (TV) distributed only 88 CTVs and 2052 RCCPs to the Government/ Government aided schools with primary/ upper-primary sections. The remaining 980 CTVs and 748 RCCPs valued at Rs 1.29 crore were lying in stock as of September 1999.

Scrutiny of records revealed the following serious deficiencies:

Proposal sent to Ministry without identification of schools

In March 1995, Deputy Director (TV) submitted a proposal for assistance from the Government of India under the scheme in the prescribed proforma, which inter-alia required the block-wise list of the elementary schools identified for supply of CTVs and RCCP sets. Deputy Director (TV), however, did not identify the schools where the equipment were intended to be supplied specifically but gave a consolidated figure of 500 schools under the control of Government/ MCD and 500 for Government aided schools where CTVs were expected to be supplied. The corresponding figures for

[44] *Colour Televisions*
[45] *Radio-cum-Cassette Players*

RCCPs were 1250 for Government/ MCD schools and 1250 for Government aided schools.

Department sent unrealistic proposal to Ministry.

The data in respect of supplying the equipment to Government aided schools included in the proposal, however, was prima-facie baseless as the total number of Government aided schools in Delhi is only 217.

Non compliance of the conditions of the grant-in-aid

Department did not comply with the conditions qualifying for grant.

As per the conditions attached to the release of grants, Deputy Director (TV) was to furnish the following information/ certificates to the Ministry:

(i) A list of intended schools where the CTVs and RCCPs were to be supplied within three months.

(ii) A certificate that the schools selected for supply of CTVs were covered by TV signals.

(iii) A certificate that the infrastructure for maintenance of CTVs and RCCPs has been created.

(iv) A certificate that the contingency funds of the schools have been adequately supplemented to ensure timely battery replacement as well as minor repairs.

(v) A list of educational audio-visual cassettes intended to be supplied alongwith the mode of purchase and supply to schools.

Deputy Director (TV), however, did not comply with any of the above requirements, thereby rendering the proposal itself invalid.

Purchases in excess of the sanction

Deputy Director (TV) purchased 68 CTVs and 300 RCCPs in excess of sanction.

Ministry of Human Resource Development sanctioned the grant of Rs 1.32 crore for purchase of 1000 CTVs and 2500 RCCPs. Deputy Director (TV) purchased 1068 CTVs and 2800 RCCPs. The basis on which Deputy Director / Department purchased 1068 CTVs and 2800 RCCPs was questionable.

Improper working of CTVs

Test check revealed 32 per cent CTVs issued to schools were lying out of order.

To ascertain the proper working of the CTVs, 13 government / government aided schools out of 57 to whom 77 CTV sets were issued by the Department, were test checked. Out of 19 CTVs issued to these 13 schools, six CTVs constituting 32 *per cent* were lying out of order.

Though the CTVs were under the warranty period of two years, the Deputy Director (TV) failed to get these CTVs repaired from the supplier and also failed to create infrastructure for proper maintenance and repair of the CTVs.

The status of 11 CTVs & 1762 RCCPs issued to MCD/ NDMC could not be ascertained due to inadequate records.

Out of the 88 CTVs and 2052 RCCPs issued to schools, 11 CTVs and 1762 RCCPs were issued to the MCD/NDMC. The Deputy Director did not have the details of the schools to which these CTVs and RCCPs were further issued by the MCD/NDMC. The actual supply of CTVs and RCCPs to MCD/NDMC run schools was, therefore, not ensured.

Thus, Director-cum-Secretary (Education) is responsible not only for delaying the utilisation of grants but further for wasting the major part of expenditure of Rs 1.65 crore for over 18 months by unduly holding up of 980 CTVs and 748 RCCPs. More importantly, students of the schools in NCT of Delhi have been deprived of important educational aids.

Irrigation and Flood Control Department

3.10 Foreclosure of work due to defective planning

Executive Engineer, Supplementary Drainage Division-III, awarded the work without ensuring the availability of the site for disposal of earth leading to foreclosure of work after an expenditure of Rs 43.75 lakh.

The work of excavation of supplementary drain was awarded in May 1994 at a cost of Rs 64.60 lakh.

Rs 43.75 lakh spent on excavation work till its foreclosure.

The Chief Engineer (Irrigation & Flood), accorded ex-post-facto approval for foreclosure of the work of "Excavation of Supplementary Drain up to Designed Bed Level from RD 23980 m to RD 25000 m" in November 1998. The work was awarded to a contractor in May 1994 at tendered cost of Rs 64.60 lakh with the stipulated date of start and completion as 28 May 1994 and 27 November 1994 respectively. The Executive Engineer, Supplementary Drainage Division-III, foreclosed the work on 15 July 1995 after execution of three fourths of the work valuing Rs 43.75 lakh, as the Department failed to provide a site for disposal of excavated earth. The Executive Engineer has not awarded the balance work even after a lapse of more than four years.

Work was awarded despite non-availability of site for disposal of excavated earth.

Scrutiny of records revealed that even before awarding the work the availability of site for disposal of earth was uncertain. In response to an inquiry made by the Chief Engineer (Irrigation & Flood) in January 1994 regarding supply of earth to Dhirpur site, the Director (Works), DDA had clearly indicated in February 1994 that he could not make any commitment as the project estimate for Dhirpur area was not approved. In the meeting of the High Power committee monitoring the desilting of sewer and drains, held in April 1994, representative of DDA categorically stated that they were not in need of earth and advised the Division to make its own arrangement for disposal of earth. Despite this, the Executive Engineer, awarded the work in May 1994 without making any alternative arrangements for disposal of the excavated earth.

Thus, haste in award of work without the solution of dumping the excavated earth has led to a questionable expenditure of Rs 43.75 lakh.

The matter was referred to Government of NCT of Delhi in June 1999; their reply was awaited as of November 1999.

Police Department

3.11 Avoidable payment of electricity charges by Police Training College

Principal, PTC[46] Jharoda Kalan, Delhi, failed to get shunt capacitors installed and contracted demand enhanced and consequently incurred avoidable expenditure of Rs 14.69 lakh.

Delhi Vidyut Board levies load violation charges of 30 *per cent* on the demand plus energy charges of the bill when the consumption of electricity exceeds the contracted demand. In addition, Delhi Vidyut Board also levies surcharge of 20 *per cent* on the basic charges plus energy charges if average power factor is below 0.85. Power factor can be maintained by installing shunt capacitors of requisite capacity.

Department paid Rs 12.30 lakh and Rs 2.39 lakh towards load violation charges and low power factor surcharge respectively.

Scrutiny of electricity bills paid by the Police Training College, Jharoda Kalan, during the period April 1996 to December 1998 revealed that for 24 out of 33 months, the Principal of the College paid Rs 12.30 lakh to Delhi Vidyut Board towards load violation charge as the College had consumed electricity between 166 KW[47] and 238 KW against the contracted demand of 149.92 KW. During the same period, he also paid low power factor surcharge of Rs 2.39 lakh for 10 months. The load violation charge and low power factor surcharge for nine months could not be verified due to non-availability of relevant bills.

While the Principal, on an average incurred avoidable expenditure of Rs 0.61 lakh per month since April 1996 towards either load violation charge or low power factor surcharge, he did not take effective action to get the contracted load enhanced and shunt capacitors installed.

Principal failed to initiate remedial action.

Executive Engineer (Electrical), Public Works Department, Government of National Capital Territory of Delhi, responsible for the maintenance of electricity of the College, stated in September 1999 that the Principal, Police Training College, informed him about the payment of load violation charge and low power factor surcharge only in August 1999.

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[46] *Police Training College*
[47] *Kilo-Watt*

Thus, deficient administrative and financial control of the Principal, Police Training College, resulted in avoidable payment of Rs 14.69 lakh.

Public Works Department

3.12 Avoidable payment of Rs 9.69 lakh

Since Executive Engineer, PWD[48]-XI, issued tender notice before providing complete set of drawings and ensuring encroachment free site, work was seriously hindered leading to avoidable payment of Rs 9.69 lakh.

The Executive Engineer, PWD-XI, Government of NCT of Delhi, awarded works for the construction of a new Jail-Phase-I, in the farm area at Tihar, New Delhi to three contractors during January 1992 to April 1993 as detailed below:

Name of work	Tendered Amount (Rs in lakh)	Stipulated Date of Start	Due Date of completion	Actual date of completion	Delay (in months)
5 wards Block 4, 5, 6, 7 & 8	97.80	09 February 1992	08 April 1993	18 February 1995	22
Security Wall & 5 Nos. Watch Towers	94.24	03 July 1992	02 October 1993	03 June 1995	20
6 Nos. Barracks Admn. Block & Watch Towers & Chakkar	108.20	08 May 1993	07 September 1994	30 June 1995	10

Departmental rules require that no tender notice should be issued unless all tender documents including a set of complete drawings (architectural and structural) and encroachment free site are ready. The Executive Engineer, PWD-XI, Government of NCT of Delhi, however, did not ensure this and proceeded to award the work.

Delays in issuing drawings and handing over of sites resulted in extra payment of Rs 9.69 lakh as cost escalation.

As a result, it was noticed in test-check of records that the time overrun in completion of building was 10 to 22 months primarily due to delays in issuing drawings and handing over of sites to the contractors. Consequently, an extra amount of Rs 9.69 lakh was paid as cost escalation to the contractors, which was avoidable. The Chief Engineer, in his reply dated 4 October 1999 to an audit query regarding these avoidable delays routinely dismissed them as inevitable in any work of high magnitude. This, however, is unacceptable as adherence to codal requirements would have ensured that there was no occasion for extra payment of Rs 9.69 lakh.

[48] *Public Works Division*

3.13 Failure to undertake widening of road

Public Works Department failed to evict encroachment from the site considered essential for widening of Captain Gaur Marg Road for three years despite having spent over Rs 1.76 crore on acquisition of land and abandoned work.

Work of widening of road was awarded at Rs 2.50 crore without taking possession of encroachment free site.

PWD was to acquire land from Delhi Jal Board for widening of Captain Gaur Marg Road No.4 in South Delhi from the existing four lanes to six lanes to meet the increased traffic requirement on that road and to reduce the risk of road accidents. PWD estimated the total requirement of land for the project to be 8.6 acre, out of which 0.35 acre was encroached by Fish and Khoka market and 1.00 acre by slum dwellers. Despite this, PWD awarded the work of widening of road to a contractor in June 1995 at a tendered cost of Rs 2.50 crore without taking possession of encroachment free site from Delhi Jal Board.

Executive Engineer, PWD-XX paid Rs 1.56 crore to Delhi Jal Board in December 1996 and March 1997 for acquisition of land. He also paid Rs 2.84 lakh to DTC[49] in December 1996 for shifting of 12 bus queue shelters on the road.

The work was foreclosed in February 1999 after an expenditure of Rs 20.23 lakh due to encroachment on the site.

The contractor executed only 6.46 *per cent* of the work at an expenditure of Rs 17.39 lakh up to February 1999. He could not proceed due to encroachment on the site for work. The work which was scheduled to be completed in December 1996, was closed in February 1999. Thus, inability of Government to clear the encroachment on the site determined as necessary for improving the road transport on Captain Gaur Marg has deprived the road users of the facility of a wider road for three years as of December 1999.

The matter was referred to the Government of NCT of Delhi in September 1999; their reply was awaited as of December 1999.

[49] Delhi Transport Corporation

3.14 Idle equipment

Fire fighting equipment/ system installed at Rs 14.56 lakh in College of Arts, Tilak Marg was not made operational for six years due to delay in construction of pump house and water sump by the Civil Division of Public Works Department.

Fire fighting equipment/ system installed for Rs 14.56 lakh remained unoperational for over six years.

Executive Engineer (Electrical), PWD Delhi awarded the work of providing and installation of a fire fighting and fire detection system in the multi-storey block at College of Arts, Tilak Marg, New Delhi to a contractor at the tendered cost of Rs 16.09 lakh in March 1993 with stipulated date of completion as September 1993. Even after spending Rs 14.56 lakh, the fire fighting system was not made operational for more than six years due to delay in construction of pump house and water sump by the Civil Divisions of PWD.

Scrutiny disclosed that the pumps were not made operational since 1993 due to the following reasons :

Belated approval of layout plan by NDMC, frequent transfer of work from one division to another delayed the construction of pump house rendering the fire fighting equipment idle.

i) The Consultant obtained approval of NDMC for the layout plan for construction of pump house and water sump only in May 1997

ii) There was considerable delay in issue of drawings by the consultant to the civil divisions for want of approval of layout plan by NDMC;

iii) The work was transferred frequently from one division to another division.

The Chief Engineer , PWD, Zone I stated in December 1999 that the matter escaped the notice of the concerned officials due to frequent transfer of this work from one division to another. On being pointed out by Audit, the Chief Engineer, PWD , Zone I directed the Superintending Engineer, PWD Circle VIII in December 1999 to finalise the tenders for construction of pump house and water sump.

Poor planning and lack of co ordination between civil and electrical divisions of PWD not only resulted in idling of fire fighting equipment/ system installed at Rs 14.56 lakh for more than six years but also exposed the college building to the risk of fire accidents.

The matter was referred to Government of NCT of Delhi in August 1999; their reply was awaited as of December 1999.

Revenue Department

Divisional Commissioner, Delhi

3.15 Avoidable payment of electricity charges by Divisional Commissioner, Delhi

Divisional Commissioner, Delhi, failed to maintain power factor by installing shunt capacitors and get the contracted demand enhanced to avoid payment of load violation charges for about 41 months and incurred avoidable expenditure of Rs 28.60 lakh.

DVB[50] levies load violation charges of 30 *per cent* on demand plus energy charges of the bill when the consumption of electricity exceeds the contracted demand. In addition, DVB also levies surcharge of 20 *per cent* on the basic demand plus energy charges, if the average power factor is below 0.85. Power factor can be maintained by installing shunt capacitors of the requisite capacity.

Department paid Rs 6.91 lakh and Rs 21.69 lakh towards load violation charges and low power factor surcharges respectively.

Scrutiny of electricity bills paid by Divisional Commissioner, Tis Hazari, Delhi for the period April 1992 to April 1998, revealed that he paid Rs 6.91 lakh to DVB towards load violation charges for 41 out of 73 months as the office had consumed electricity between 671 KW to 880 KW against the contracted demand of only 570.04 KW. During the same period he also paid low power factor surcharge of Rs 21.69 lakh. The load violation charges and low power factor surcharge for remaining 32 months could not be verified due to non-availability of relevant bills. Further, the bills from May 1998 to August 1999 also included load violation charges and low power factor surcharge amounting to Rs 38.83 lakh. However, the same had not been paid by the office as of November 1999.

Divisional Commissioner failed to initiate remedial action.

While the Divisional Commissioner, Delhi, continued to incur avoidable expenditure every month since April 1992 towards load violation or low power factor surcharge, he did not get the contracted load enhanced and shunt capacitor installed to maintain the power factor.

Thus, ineffective control and follow up of the Divisional Commissioner resulted in avoidable payment of Rs 28.60 lakh.

The matter was referred to the Government of NCT of Delhi in June1999; their reply was awaited as of November 1999.

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[50] *Delhi Vidyut Board*

Chapter 4: Revenue Receipts

4.1 Trend of revenue receipts

The total revenue receipts of Government of National Capital Territory of Delhi for the year 1998-99 were Rs 3276.74 crore registering an increase of 5.3 *per cent* over Rs 3111.09 crore of 1997-98. Of these tax revenue was Rs 3088.78 crore and non-tax revenue Rs 187.96 crore. These, however, fell short of the budgetary estimates of Rs 3811.42 crore by Rs 534.68 crore.

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

(Rs in crore)

	1996-97	1997-98	1998-99
Tax revenue	2534.86	2941.57	3088.78
Non-tax revenue	55.74	169.52	187.96
Total	**2590.60**	**3111.09**	**3276.74**

4.2 Cost of collection of tax revenue

The gross collection in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collections during the years 1996-97, 1997-98 and 1998-99 along with the relevant all India average percentage of expenditure on collection to gross collections for 1997-98 are given below:

(Rs in crore)

Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year 1997-98
Sales tax	1996-97	1815	12.16	0.7	
	1997-98	2029	15.20	0.8	1.28
	1998-99	2113	21.02	1.0	
State excise	1996-97	447	2.01	0.4	
	1997-98	515	2.35	0.4	3.20
	1998-99	526	3.32	0.6	
Stamp duty and registration fees	1996-97	115	1.80	1.6	
	1997-98	117	1.87	1.6	3.14
	1998-99	151	3.69	2.4	
Taxes on motor vehicles	1996-97	78	5.82	7.5	
	1997-98	105	7.41	7.0	2.65
	1998-99	125	9.33	7.5	

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 1998-99 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-assessment stage	Amount collected after regular assessment	Amount refunded	Total collection	Percentage of column 2 to 5
1	2	3	4	5	6
1996-97	1795.28	18.91	-	1814.19	99.0
1997-98	1995.41	34.98	1.52	2028.87	98.4
1998-99	2070.62	43.14	0.88	2112.88	98.0

The collection of revenue at pre-assessment stage ranged between 98 and 99 *per cent* during the last three years.

4.4 Sales tax demands raised and pending

Details of demands raised during the last three years but pending at the end of each year as furnished by the Department are given below:

(Rs in crore)

	1996-97	1997-98	1998-99
Demands awaiting recovery at the beginning of the year	3432.87	3643.18	4185.97
Demands raised during the year	249.53	607.32	605.35
Tax collected during the year	18.91	34.98	43.14
Adjustment on account of reduction and remission of demands during the year	20.31	29.55	30.14
Demands pending at the end of the year	3643.18	4185.97	4718.04

It is apparent that the demands pending at the end of last three years have been showing an increasing trend and tax recoverable has increased from Rs 3643.18 crore in 1996-97 to Rs 4718.04 crore in 1998-99.

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 National Capital Territory of Delhi during the year 1998-99 revealed under assessment/short levy/ loss of revenue amounting to Rs 61.50 crore in 766 cases.

This chapter contains 16 paragraphs involving Rs 14.62 crore which illustrate some of the major points noticed by audit.

4.6 Non - recoveries of interest on loans and advances

The Government grants interest bearing loans to undertakings, authorities, boards, local bodies, etc. for various developmental works and other purposes and specifies the terms and conditions relating to their repayment and payment of interest. The loans granted carry different rates of interest, depending upon the purpose for which the loan is sanctioned. In case of default in payment, penal interest is also charged from the loanees. As per General Financial Rules, detailed accounts of loans and advances shall be maintained by the Accounts Officer who shall watch their recovery and see that the conditions attached to each loan are fulfilled. However, the primary responsibility for keeping watch over the cases of default in payments was laid on the Administrative Heads of Departments.

The budget estimates of interest receipts, actual interest receipts and total non-tax receipts of the Government during the last five years are as under:

(Rs in crore)

Year	Budget estimates of interest receipts	Actual interest receipts	Variation (+)/ (-)	Percentage	Total non-tax receipts	Percentage of interest receipts to non-tax receipts
1994-95	-	20.06	(+) 20.06	100.0	99.63	20.1
1995-96	16.00	7.13	(-)8.87	55.4	63.13	11.3
1996-97	17.20	5.42	(-)11.78	68.5	55.74	9.7
1997-98	27.03	132.83	(+)105.80	391.4	169.52	78.4
1998-99	164.00	139.01	(-)24.99	15.2	187.96	74.0

There were wide variations between estimated and actual receipts of interest which ranged from 15 to 391 *per cent*. This indicates that the budget estimates were not based on realistic assessments. The reasons thereof were called from the Finance Department in August 1999, but no reply has been received.

4.6.1 Test check of records during 1998-99 of one of the major loan sanctioning Departments of Government of National Capital Territory of Delhi viz. Urban Development alongwith offices of concerned Pay and Accounts Officers revealed that at the end of 1998-99, an amount of Rs 6748.67 crore representing loans granted by Government were outstanding against Delhi Vidyut Board (Rs 3990.21 crore), Delhi Jal Board (Rs 2002.60 crore), Municipal Corporation of Delhi (Rs 644.30 crore), Delhi Development

Authority (Rs 74.99 crore) and New Delhi Municipal Council (Rs 36.57 crore).

4.6.2 The amount of interest of Rs 3071.84 crore due for recovery on these loans for the five years up to 1998-99 was as under:

(Rs in crore)

Name of loanee	1994-95	1995-96	1996-97	1997-98	1998-99	Total
DVB	76.42	111.42	146.18	183.60	229.98	747.60
DJB	107.85	132.73	154.21	192.60	233.05	820.44
MCD	105.85	126.75	151.72	180.59	224.64	789.55
DDA	103.74	117.09	139.11	161.12	183.14	704.20
NDMC	-	0.30	1.78	3.70	4.27	10.05
Total	**393.86**	**488.29**	**593.00**	**721.61**	**875.08**	**3071.84**

These bodies had not paid any amount towards interest so far. The Administrative Department of Urban Development and Land and Buildings Department also did not pursue the cases for recovery of interest from these bodies.

4.6.3 Loans amounting to Rs 292.72 crore were sanctioned and disbursed by Transport Department to Delhi Transport Corporation between August 1996 and March 1999 without specifying any terms and conditions regarding recovery of loans and interest. The sanction orders merely mentioned that the terms and conditions of repayment of loans alongwith interest would be decided later on, but these have not yet been finalised by the Department. However, neither any demand for payment of interest has been raised against Delhi Transport Corporation nor the amount accounted for as recoverable in the records of the Department/ concerned Pay and Account Officer.

4.6.4 The other irregularities observed in Audit are ;

(a) Loan register/ ledger, waiver and remission register, demand, collection and balance register and remittances register were not maintained. However, in reply to an audit query the Urban Development Department stated in May 1999 that the loan register is now being maintained.

(b) Outstanding amounts of interest due for recovery had not been worked by the Department/ Pay and Accounts Officer.

(c) Although the loanees did not pay interest, they were released further loans without recovering the overdue amount of interest.

4.7 Short account of purchases/ sales/ stock

Exemption on sale of goods made by one registered dealer to another on the basis of statutory forms furnished by the purchasing dealer to the selling dealer is permissible under Delhi Sales Tax Act, 1975. However, if the dealer conceals particulars of his sales, he is liable to be charged penalty not exceeding two and a half times the amount of tax avoided. Interest is also payable for non-payment of tax with returns under section 27 of the Act.

4.7.1 Test check of records during 1998-99 revealed that in 19 cases as detailed in *Appendix - IX* the dealers purchased goods valued at Rs 4157.38 lakh without payment of tax during the year 1993-94 to 1994-95 from other registered dealers on the strength of statutory forms. They, however, accounted for purchases amounting to Rs 3564.14 lakh only in their books of accounts, thereby concealing purchases aggregating Rs 593.24 lakh, and these remained undetected by the assessing authority. This resulted in suppression of corresponding sales of Rs 696.62 lakh including margin of profit and short levy of tax of Rs 52.99 lakh. In addition, interest of Rs 41.40 lakh and penalty of Rs 132.51 lakh were also leviable.

52.99
41.40
132.51

On this being pointed out, the Department stated in October 1999 that in two cases additional demands of Rs 3.01 lakh have been raised. Reply in other cases has not been received.

4.7.2 Similarly in five cases as detailed in *Appendix - X* it was noticed in audit during 1998-99 that while sales of Rs 2358.65 lakh were shown in their accounts by five dealers, these were assessed only as Rs 2177.48 lakh by the assessing authority during 1992-93 to 1995-96 thereby under assessing sales amounting to Rs 181.17 lakh. This resulted in short levy of tax of Rs 10.47 lakh. In addition, interest of Rs 8.61 lakh was also leviable.

10.47
8.61

On this being pointed out, the Department stated in October 1999 that in one case on reassessment additional demand of Rs 0.75 lakh has been raised. Reply in other cases has not been received.

18.24
13.25
32.48

4.7.3 In five cases as detailed in *Appendix - XI* closing stock was shown as Rs 343.42 lakh whereas opening stock was taken as Rs 183.05 lakh by the dealers in their books of accounts thereby concealing the stock amounting to Rs 160.37 lakh. This resulted in corresponding suppression of sales of Rs 185.05 lakh after adding margin of profit and short levy of tax of Rs 18.24 lakh. In addition, interest of Rs 13.25 lakh and penalty of Rs 32.48 lakh were also leviable.

On this being pointed out, the Department stated in September 1999 that in one case additional demand of Rs 1.33 lakh has been raised after reassessment. Reply in other cases has not been received.

1.29
0.89
312.13

4.7.4 It was noticed in December 1998 that a dealer surrendered his stock valued at Rs 12.90 lakh by crediting it in the profit and loss account during the year 1994-95, which remained undetected by the assessing authority. This resulted in short levy of tax of Rs 1.29 lakh and interest of Rs 0.89 lakh.

4.8 Stock transfers

Central Sales Tax (Registration and Turnover) Rules, 1957 permit transfer of goods from a branch office situated outside Delhi for subsequent sales in Delhi without payment of tax through statutory form 'F'. Concealment of particulars of sales by a dealer makes him liable to pay penalty at the rate of one and half times the tax avoided and interest amount due.

It was noticed in four cases as detailed in *Appendix - XII* during 1997-99 that dealers received goods valued at Rs 541.25 lakh against statutory forms 'F' during 1992-93 and 1993-94 whereas they accounted for only Rs 457.06 lakh in their trading accounts. Thus, the dealers concealed the transfer of goods amounting to Rs 84.19 lakh resulting in corresponding suppression of sales of Rs 87.29 lakh after adding margin of profit, which resulted in short levy of tax of Rs 7.99 lakh. In addition, interest of Rs 7.93 lakh and penalty not exceeding Rs 11.99 lakh were also leviable.

7.99
7.93
11.99
27.91

4.9 Incorrect grant of exemption from tax under Delhi Sales Tax Act

Under the Delhi Sales Tax Act, 1975, and rules made thereunder, sales of goods made by one registered dealer to another registered dealer are to be allowed as a deduction from the turnover of the selling dealer, on his furnishing alongwith his returns, complete list of such sales duly supported by prescribed declarations in forms ST-1 or ST-35 or embassy certificates obtained from the purchasing dealers/diplomatic missions. In case a dealer conceals the particulars of his sales, tax is leviable in addition to interest for non-payment of tax with returns/ delayed payments.

It was noticed in 13 cases as detailed in *Appendix - XIV* during 1998-99, that the dealers were allowed exemption on sales of Rs 8492.97 lakh during 1993-94 and 1994-95 whereas they furnished statutory forms for Rs 8310.10 lakh. Thus, the dealers were granted excess exemption of Rs 182.87 lakh. This resulted in short realisation of tax amounting to Rs 17.11 lakh and interest of Rs 13.10 lakh.

17.11
13.10
30.21

On this being pointed out, the Department stated in October 1999 that in one case additional demand of Rs 9.14 lakh has been raised and in another one case notice has been issued to the dealer for non submission of statutory forms for Rs 30.52 lakh. Reply in other cases has not been received.

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

A registered dealer can claim exemption from sales tax on sales made to other registered dealers under section 4(2)(a) of Delhi Sales Tax Act, 1975. For this purpose, statutory forms are collected 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, tax is leviable in addition to interest and penalty not exceeding two and a half times of the tax avoided.

It was noticed in audit during 1998 that in two cases as detailed in *Appendix - XIII* the dealers claimed and were allowed exemption for Rs 46.25 lakh from their gross turnover on the ground that these sales had been made to other local registered dealers against declarations in statutory forms. As a result of cross verification with the records of purchasing dealers, it was noticed in audit that the purchasing dealers had actually given the declarations for Rs 6.22 lakh. This resulted in short levy of tax on sale of Rs 40.03 lakh. However, the assessing authority failed to notice this resulting in short levy of tax of Rs 2.19 lakh and interest of Rs 1.91 lakh. Besides, penalty not exceeding Rs 5.48 lakh was also leviable.

2.19
1.91
5.48
9.58

4.11 Non levy of penalty

As per provisions of Delhi Sales Tax Act, 1975, a registered dealer is permitted to deal in only those goods, which are covered by his certificate of registration. Any deviation to this, is treated as unauthorised transactions attracting penalty not exceeding two and a half times of tax leviable.

It was noticed in nine cases as detailed in *Appendix - XV* during 1998-99 that the dealers purchased goods for Rs 158.57 lakh during 1993-94 and 1994-95 which were not covered in the certificate of registration of the dealers and the assessing authority failed to detect the same and to impose penalty while finalising the assessment. This resulted in non-levy of penalty amounting to Rs 39.14 lakh.

4.12 Non levy of tax

Import replenishment licence, exim scrips and exim certificate which are granted by the Chief Controller of Imports and Exports in recognition of export of certain products can be transferred by way of sale without endorsement by the licensing authority. It has been judicially held that replenishment licence/ exim scrips are goods and the premium or price received by the holders by the transfer thereof to another person is liable to sales tax.

66.73
53.61
120.34

It was noticed in 16 cases as detailed in *Appendix - XVI* during 1998-99 that the dealers sold replenishment licences for Rs 953.50 lakh during 1991-92 to 1995-96. The assessing authority failed to tax the sale of replenishment licences resulting in non levy of tax amounting to Rs 66.73 lakh. Besides, interest of Rs 53.61 lakh was also leviable.

On this being pointed out, the Department stated in September 1999 that in eight cases on reassessment additional demands of Rs 71.60 lakh have been raised. Reply in other cases has not been received.

4.13 Non levy of tax on sale of assets

Supreme Court of India decided in 1994 that the sale of scrap, old motor cars etc. purchased by the dealers for their business purposes is liable to sales tax.

98.39
76.58
174.97

It was noticed in 21 cases as detailed in *Appendix - XVII* during 1997-99 that the dealers sold plant and machinery and vehicles etc. at Rs 1066.39 lakh during 1992-93 to 1994-95. As sale of these assets were to be taxed, the tax on this account worked out to Rs 98.39 lakh. Besides, interest of Rs 76.58 lakh was also leviable.

On this being pointed out, the Department stated in September – October 1999, that in eight cases, on reassessment, additional demands of Rs 65.39 lakh have been raised. Reply in other cases has not been received.

4.14 Incorrect grant of concessional rate of tax under Central Sales Tax Act

Under the provision of Central Sales Tax Act, 1956, a concessional rate of tax of four *per cent* is levied on Inter-State sales supported by forms:'C'/ 'D' to registered dealers and Central/ State Government respectively.

4.14.1 It was noticed in 10 cases as detailed in *Appendix – XVIII* during 1997-99 that the dealers were granted concessional rate of tax on sales of Rs 178.96 lakh during 1993-94 to 1996-97 against 'C'/ 'D' forms. Further scrutiny revealed that 'C' forms were not supported by purchase orders in five cases, dates of registration were after the billing dates in two cases, forms were for short amount in one case, 'C' forms pertained to previous year in one case and 'D' form was issued prior to date of bill in one case. Hence the exemption of Rs 156.79 lakh was irregular. This resulted in short levy of tax of Rs 9.46 lakh. Besides, interest of Rs 7.17 lakh and penalty of Rs 1.09 lakh were also leviable.

9.46
7.17
1.09
17.72

4.14.2 A registered dealer in Delhi engaged in the business of electrical goods was allowed concessional rate of tax of four *per cent* on Inter State sales of Rs 31.76 lakh during 1993-94 against two 'D' forms. These two 'D' forms were issued for Rs 3.83 lakh only by the purchasing Department. Fictitious entries of Rs 27.93 lakh were inserted in these 'D' forms resulting in incorrect grant of concessional rate of tax on sales of Rs 27.93 lakh to the dealer. This resulted in evasion of tax of Rs 2.23 lakh by the dealer. Besides, interest of Rs 1.95 lakh and penalty of Rs 3.35 lakh were also leviable.

2.23
1.95
3.35
7.53

4.15 Short levy of tax due to incorrect application of rate of tax

Sub-section (1) of Section 4 of Delhi Sales Tax Act, 1975, specifies the rates of sales tax payable by a dealer in respect of goods or classes of goods either specified in various schedules appended to the Act or other goods. The rates of tax in respect of goods specified in the first schedule are 5 to 12 *per cent* and interest is also payable on the amount of tax due under section 27 of the Act.

It was noticed in audit that in nine cases as detailed in *Appendix – XIX* during 1998-99 tax was charged at lower rate than the prescribed rate of tax. This resulted in short levy of tax of Rs 16.53 lakh during 1993-94 to 1994-95. Besides, interest of Rs 13.10 lakh was also leviable as detailed below:

(Rs in lakh)

Sl. No.	Taxable sale	Rate of sales tax as per DST Act. (In *per cent*)	Rate of sales tax charged (In *per cent*)	Difference (In *per cent*)	Tax	Interest	Total
1.	39.10	12	10	2	0.78	0.68	1.46
2.	51.47	12	10	2	1.03	0.90	1.93
3.	79.49	5	-	5	3.97	2.75	6.72
4.	41.51	7	2	5	2.08	1.81	3.89
5.	42.75	12	10	2	0.86	0.75	1.61
6.	67.80	12	10	2	1.36	0.94	2.30
7.	167.95	12	10	2	3.36	2.64	6.00
8.	12.21	10	7	3	0.37	0.26	0.63
9.	135.83	12	10	2	2.72	2.37	5.09
		Total			**16.53**	**13.10**	**29.63**

4.16 Irregular grant of exemption on export

Under Section 5 (1) of Central Sales Tax Act, 1956, sale or purchase of goods shall be deemed to have taken place in the course of the export of goods out of the territory of India only if the sale or purchase either occasions such export or is effected by a transfer of documents of title to the goods that have crossed the customs frontier of India.

It was noticed during 1999 that in two cases as detailed in *Appendix - XX* dealers exported goods valued at Rs 507.55 lakh during 1993-94 and 1994-95 whereas exemption on export was allowed for Rs 522.55 lakh by the assessing authority resulting in irregular grant of excess exemption on export amounting to Rs 15 lakh.

This resulted in short levy of tax amounting to Rs 1.50 lakh. Besides, interest of Rs 1.15 lakh was also leviable.

1.50
1.15
2.65

4.17 Irregular exemption on sale of pesticides

Under the provisions of Delhi Sales Tax Act, 1975, pesticides for plant protection only are exempted from payment of sales tax.

It was noticed in three cases as detailed in *Appendix - XXI* during 1998-99 that exemptions were granted by the assessing authority during 1993-94 and 1994-95 on sale of pesticides of Rs 2887.41 lakh though 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 144.37 lakh and interest of Rs 100.29 lakh.

144.37
100.29
244.66

On this being pointed out, the Department stated in August 1999 that in one case, on reassessment, additional demand of Rs 62.28 lakh has been raised. Reply in other cases has not been received.

Department Transport

4.18 Non deposit of bank drafts to government account-loss of revenue of Rs 433.38 lakh

The Transport Department of Government of National Capital Territory of Delhi receives bank drafts from other states and its offices in Delhi on account of fees, taxes etc. on motor vehicles. These bank drafts are required to be deposited into treasury/ bank and accounted for in Government account without undue delay.

However, a test check of records of the Transport Department in July 1999 revealed that 71892 bank drafts amounting to Rs 433.38 lakh had been lying un-encashed for four to seven years in the office of the Commissioner, Transport Department and had become time-barred as detailed below:

Year	No. of bank draft	(Rs in lakh)
1991	11864	48.55
1992	38104	159.06
1993	10566	78.02
1994	11358	147.75
Total	**71892**	**433.38**

The delay in deposit of these bank drafts in Government account is attributed by the Department to the shortage of staff. The Department has so far not been able to get these bank drafts revalidated, inspite of a lapse of more than four to seven years.

This has resulted in blockage of revenue amounting to Rs 433.38 lakh.

On this being pointed out, the Department stated in December 1999 that the matter is being followed up with all the concerned banks and progress made will be reported.

Luxuries Tax Department

4.19 Short levy of interest

Delhi Tax on Luxuries Act, 1996 (Section 16(2)) provides that if a hotelier does not pay luxury tax within the stipulated period, he is required by or under the provisions of this Act to pay it, or is found liable to pay tax consequent upon assessments or re-assessments of the hotelier, he shall be liable to pay simple interest at the rate of two *per cent* of the amount of such tax for each month after the last day by which he should have paid such tax.

While finalising the luxury tax assessment of the Centaur Hotel, New Delhi for the year 1996-97, the assessing authority assessed in June 1999, the taxable turnover of the hotelier at Rs 9.93 crore and tax of Rs 99.31 lakh, as against Rs 71.85 lakh deposited by the hotelier. For short deposit of tax (Rs 27.46 lakh) the hotelier was levied interest of Rs 12.63 lakh. It was noticed in Audit in July 1999 that interest on short deposit of tax works out to Rs 13.95 lakh as against Rs 12.63 lakh levied by the assessing authority. This has resulted in short levy of interest amounting to Rs 1.32 lakh on the hotelier.

1.32

On this being pointed out in August 1999, the Department stated in November 1999 that the case is being examined.

4.20 Tax on luxuries - loss of revenue

Delhi Tax on Luxuries Act, 1996 (Section 17(1) (a) read with Section 27) provides that if any person, who is not a registered hotelier and liable to pay tax in respect of luxury provided in his hotel, collects any sum by way of tax, shall be liable to pay penalty of an amount not exceeding Rs 20,000 or double the sum collected by way of tax, whichever is less, in addition to any tax collected which may be liable to penalty.

A scrutiny in September 1999 of assessment records of luxury tax revealed that eight hoteliers collected luxury tax during 1996-97 from customers without holding a valid certificate of registration. While finalising the assessments of these hoteliers during 1998-99, under section 13(7) of the Act, the assessing authority imposed penalty of Rs 0.14 lakh as against Rs 1.43 lakh leviable under section 17 read with section 27 of the Act, resulting in loss of revenue amounting to Rs 1.29 lakh.

The Department stated in November 1999 that the assessing authority enjoys the discretion in imposing the minimum penalty. The reply of the Department is not tenable as the provision of section 17 of the Act restricts the scope of discretion of the assessing authority.

State Excise Department

4.21 Non-charging of Brand Registration Fee

Government of National Capital Territory of Delhi formulates excise policy every year for the import of Indian Made Foreign Liquor and Beer, for sale in Delhi, by holders of L-I licence. The terms and conditions for grant of L-I. licence provide for charging of Brand Registration Fee of Rs 0.10 lakh per brand for whisky and rum and Rs 0.03 lakh per brand for other liquors.

It was observed in Audit in September 1999 that though the basic Licence Fee and Brand Fee were charged from the licencees, Brand Registration Fee in respect of 72 brands of whisky & rum and 94 other brands of liquor were not charged resulting in loss of revenue of Rs 10.02 lakh.

This was brought to the notice of the Department in October 1999; their reply has not been received as of November 1999.

Chapter 5 : Government Commercial and Trading Activities

General view of Government Companies and Statutory Corporations

5.1 Introduction

As on 31 March 1999 there were five Government companies and three Statutory corporations which were the same as on 31 March 1998 under the control of the Government of National Capital Territory of Delhi. The accounts of the Government companies (as defined in Section 617 of Companies Act, 1956) are audited by Statutory Auditors who are appointed by Government of India on the advice of Comptroller and Auditor General of India as per provision of Section 619(2) of Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 of the Companies Act, 1956. The audit of the Statutory corporations is conducted under the provisions of the respective Acts as detailed below:

Name of the Corporation	Authority for audit by the CAG	Audit arrangement
Delhi Vidyut Board	Section 69(2) of the Electricity (Supply) Act, 1948	Sole audit by CAG
Delhi Transport Corporation	Section 33(2) of the Road Transport Corporation Act, 1950	Sole audit by CAG
Delhi Financial Corporation	Section 37(6) of the State Financial Corporation Act,1951	Chartered Accountants and Supplementary Audit by CAG

5.2 Investment in Public Sector Undertakings

There were five Government companies and three Statutory corporations with total investment of Rs 5625.78 crore.

As on 31 March 1999, the total investment in eight PSUs[51] (five Government companies and three Statutory corporations) was Rs 5625.78 crore (equity: Rs 191.40 crore; long-term loans[52]: Rs 5431.78 crore; and share application money : Rs 2.60 crore) as against a total investment of Rs 4629.09 crore (equity: Rs 190.40 crore; long term loans: Rs 4436.14 crore; and share application money: Rs 2.55 crore) in the same PSUs as on 31 March 1998.

[51] *Public Sector Undertakings*

[52] *Long term loans mentioned in para 6.2, 6.2.1 and 6.2.2 are excluding interest accrued and due on such loans.*

The analysis of investment in PSUs is given in the following paragraphs.

5.2.1 Government companies

Total investment in five companies as on 31 March 1999 was Rs 67.97 crore (equity: Rs 61.47 crore; long term loans: Rs 6.50 crore) as given in *Appendix – XXIV*, as against the total investment of Rs 70.35 crore (equity: Rs 60.47 crore; long term loans: Rs 9.88 crore) as on 31 March 1998 in five Government companies.

The classification of the Government companies was as under:

Status of companies	**Number of companies**	**Investment (Rupees in crore)**		**Number of companies referred to BIFR**
		Paid up capital	**Long term loans**	
Working companies	5	61.47 (60.47)	6.50 (9.88)	NIL
Non working companies	NIL	NA	NA	NA
Total	**5**	**61.47 (60.47)**	**6.50 (9.88)**	**NIL**

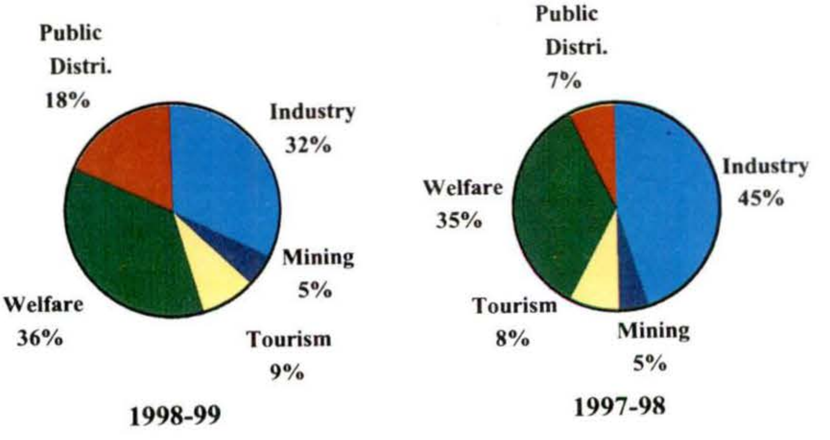
(figures in bracket are previous year figure)

The summarised financial results of Government companies are detailed in *Appendix - XXIII*. Due to decrease in long term loan, the debt equity ratio decreased from 0.16:1 in March 1998 to 0.11:1 in March 1999.

Sector-wise investment in Government companies

As on 31 March 1999, in total investment of Government companies, 90.44 *per cent* comprised equity capital and 9.56 *per cent* comprised loans compared to 85.96 *per cent* and 14.04 *per cent* respectively as on 31 March 1998.

Pie-chart indicating sector-wise investment in Government companies is given below:



5.2.2 Statutory corporations

The total investment in three Statutory corporations at the end of March 1999 and March 1998 was as follows:

(Rs in crore)

Name of corporation	1997—98		1998—99	
	Capital (including. share application money)	Loan	Capital (including share application money)	Loan
Delhi Vidyut Board	-NIL-	4265.28*	-NIL-	5124.77*
Delhi Transport Corporation	117.00	116.72	117.00	269.09
Delhi Financial Corporation	15.48	44.26	15.53	31.42
Total	**132.48**	**4426.26**	**132.53**	**5425.28**

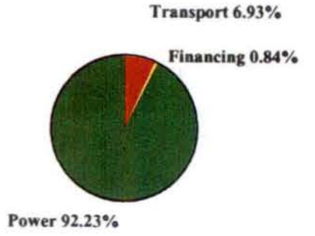
* *Figures are provisional as supplied by the Delhi Vidyut Board.*

The summarised financial results of all the Statutory corporations as per the latest finalised accounts are given in *Appendix - XXIII.* The financial position and working results of individual Statutory corporations for the last three years up to 1998-99 are given in *Appendix – XXVI & XXV.* However, the financial position and working results of one Statutory corporation viz. Delhi Vidyut Board have not been given as its accounts are in arrears from 1996-97 onwards.

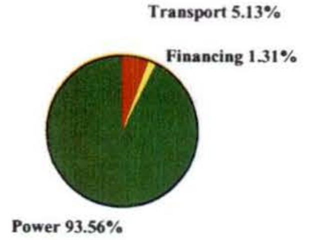
Sector-wise investment in Statutory corporations

As on 31 March 1999, in total investment of Statutory corporations, 2.38 *per cent* comprised equity capital and 97.62 *per cent* comprised loans compared to 2.91*per cent* and 97.09 *per cent* respectively as on 31 March 1998.

Pie-chart indicating sector-wise investment in Statutory corporations is given below:



1998-99



1997-98

5.3 Budgetary outgo, subsidies, guarantees, and waiver of dues

The details of budgetary outgo, subsidies, guarantees issued, waiver of dues and conversion of loans into equity by the State Government to Government companies and Statutory corporations are given in *Appendix - XXII.*

5.3.1 The budgetary outgo from the State Government to Government companies and Statutory corporations for the three years up to 31 March 1999 in the form of equity capital, loans, grants and subsidy is given below:

(Amount Rs in crore)

	1996 – 97				1997-98				1998-99			
	companies		corporations		companies		corporations		companies		corporations	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Equity capital	1	4.50	1	0.05	2	2.82	2	117.05	1	1.00	1	0.05
Loans	--	--	1	100.00	--	--	1	51.72	1	6.50	2	160.09
Grants	1	0.25	--	--	1	0.30	--	--	2	1.10	--	--
Subsidy towards												
(i)Projects/Progra-mmes/Schemes	--	--	--	--	--	--	--	--	--	--	--	--
(ii)Other Subsidy	2	10.27	--	--	2	4.45	1	24.50	1	16.96	--	--
(iii)Total Subsidy	2	10.27	--	--	2	4.45	1	24.50	1	16.96	--	--
Total outgo	**3***	**15.02**	**2***	**100.05**	**3***	**7.57**	**2***	**193.27**	**2***	**25.56**	**3***	**160.14**

* *This indicates the actual number of companies which received the budgetary support by way of equity, loans, grants and subsidy*

5.3.2 Details of waiver of dues and guarantees by the Government of NCT of Delhi in respect of PSUs for the last three years are as under:

(Amount Rs in crore)

	1996 – 97		1997-98		1998-99	
	corporations		corporations		corporations	
Waiver of dues:	No.	Amount	No.	Amount	No.	Amount
(i)Loans written off	2	9.83 (44.50)	1	0.93 (62.83)	--	--
(ii)Interest written off	2	11.61(52.56)	2	0.03 (2.03)	1	0.02 (1.30)
(iii)Moratorium on repayment of loans	1	0.65 (2.94)	1	0.52 (35.14)	1	1.52 (98.70)
Waiver of Guarantee	--	--	--	--	--	--
Total waiver	2	22.09	2	1.48	2	1.54

Note: Figures in brackets are percentages of total waiver.

No dues or guarantees were waived off to Government companies. The waiver in respect of two Statutory corporations was of Rs 1.54 crore.

During the year 1998-99 the Government of NCT, Delhi had not given guarantees against the loans obtained by any of the Government companies or Statutory corporations. Government had foregone Rs 1.54 crore by way of interest written off and by giving moratorium on loan repayment to two corporations during 1998-99. There was no case of conversion of loans into equity capital either in case of Government companies or corporations.

5.4 Finalisation of accounts by PSUs

5.4.1 The accounts of the companies for every financial year are required to be finanlised within six months from the end of relevant financial year under Section 166, 210, 230, 619 and 619-B of the Companies Act, 1956 read with Section 19 of Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971. These are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in case of Statutory corporations their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

The accounts of all the five companies were in arrears for the periods ranging from one year to eight years. Account of one Statutory corporation DVB were also in arrear since 1996-97.

However, as could be noticed from *Appendix - XXIII*, out of five Government companies, no company had finalised their accounts for the year 1998-99 and out of three Statutory corporations only two corporations had finalised their accounts for the year 1998-99, within the stipulated period. During the period from October 1998 to September 1999, five Government companies finalised accounts for previous years (eight accounts for previous years). Similarly during this period, two Statutory corporations finalised accounts for 1998-99. The accounts of five Government companies and one Statutory corporation were in arrears for periods ranging from one year to eight years as on 30 September 1999 as detailed below:

Sl. No.	Year from which accounts are in arrears	Number of years for which accounts are in arrears	No. of companies/ corporations		Reference to serial No. of *Appendix - XXVII*	
			Government companies	Statutory corporations	Government companies	Statutory corporations
1.	1991-92 to 1998-99	8	1		3	
2.	1996-97 to 1998-99	3	2	1*	4,5	6
3.	1997-98 to 1998-99	2	1		2	
4.	1998-99	1	5		1 to 5	

* *Erstwhile Delhi Electric supply undertaking (DESU) was converted into Delhi Vidyut Board vide Government Gazette notification number F.N (10)/92 /LSG/PF/(I) dated 24 Feb.1997.DESU had finalised its Accounts only up to 1994-95. The accounts up to 1995-96 will be certified by Chief Auditor (MCD).*

All Government companies, whose accounts were in arrears, are working companies (Sl. No. 1 to 5 of *Appendix - XXIII*).

The administrative departments have to oversee and ensure that the accounts are finalised and adopted by the PSUs within the prescribed period. Though the concerned administrative departments and officials of the Government were apprised quarterly by the Audit regarding arrears in finalisation of accounts, no effective measures had been taken by the Government and as a result, the investments made in these PSUs could not be assessed in audit.

5.4.2 Status of placement of Separate Audit Reports of Statutory corporations in Legislature

The following table indicates the status of placement of various SARs[53] on the accounts of Statutory corporations issued by the Comptroller and Auditor General of India in the Legislature by the Government:

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Years for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
1.	Delhi Transport Corporation	1996-97	1997-98	15-06-99	Not furnished by Government
			1998-99	Under Audit	
2.	*Delhi Financial Corporation*	1996-97	1997-98	10-05-99	Not furnished by Government
			1998-99	Under Audit	

Note: *Certification of Accounts of DVB are in arrears from 1996-97 onwards.*

[53] *Separate Audit Reports*

5.5 Working results of Public Sector Undertakings

According to latest finalised accounts of five Government companies and two Statutory corporations, one corporation had incurred loss of Rs 185.64 crore, and the remaining five companies and one corporation earned an aggregate profit of Rs 7.41 crore and Rs 4.59 crore, respectively.

The summarised financial results of Government companies and Statutory corporations as per latest financial accounts are given in *Appendix - XXIII.* Besides, working results of individual corporations for the latest three years for which accounts are finalised are given in *Appendix - XXV.*

5.5.1 Government companies

(a) Profit earning Government companies and dividend

All the five companies which finalised their accounts for previous years by September 1999, had earned an aggregate profit of Rs 7.41 crore and out of these, four companies earned profit for two or more successive years.

As per the latest finalised accounts, all the five companies were profit making companies but dividend was, however, declared/paid by only three companies aggregating to Rs 0.65 crore. Out of dividend paying companies, one company DT&TDC[54] had paid dividend consecutively for the last three years. There was no laid down dividend policy of the State Government.

(b) Loss incurring Government companies

All the five Government companies were profit making companies.

As per the latest finalised accounts there was no loss incurring company.

5.5.2 Statutory corporations

(a) Profit earning Statutory corporations and dividend

Out of three Statutory corporations only two finalised accounts for 1998-99 of which one corporation was profit earning while the other was loss incurring.

Out of three, two Statutory corporations which finalised their accounts for the year 1998-99 by September 1999, one corporation i.e. DFC[55] earned a profit of Rs 4.59 crore and declared a dividend of Rs 0.69 crore. The dividend as percentage of share capital in the corporation worked out to 4.44, which was equal to that of previous year.

(b) Loss incurring Statutory corporations

The other Statutory corporation i.e., DTC[56] which finalised its accounts for the year 1998-99 by September 1999, had accumulated losses aggregating to Rs 461.58 crore (provisional) which had far exceeded its paid up capital of Rs 117.00 crore.

[54] *Delhi Tourism and Transport Development Corporation Limited*
[55] *Delhi Financial Corporation*
[56] *Delhi Transport Corporation*

In spite of the poor performance relating to complete erosion of paid up capital, the Government of NCT, Delhi continued to provide financial support to this corporation during the last three years in the form of contribution towards equity, further grant of loan, subsidy, etc.

(c) *Operational performance of Statutory corporations*

The operational performance of the Statutory corporations is given in *Appendix - XXVII.*

Corporation-wise important observations are as under:

(i) *Delhi Vidyut Board*

a) The percentage of transmission losses as compared to power sold showed decreasing trend.

b) The own generation of electricity by DVB[57] decreased in 1998-99 as compared to 1997-98.

(ii) *Delhi Transport Corporation*

a) Though the average number of vehicles held by the Corporation increased from 2665 in March 1997 to 2881 in March 1999 and the average number of vehicles on road also increased from 1648 to 2619 over the same period, the average kilometers covered per day per vehicle decreased from 433 kilometers to 399 kilometers during the same period.

b) Operating loss per kilometer for own buses increased to 835.74 paise per kilometer in 1998-99 as compared to 815.75 paise in 1997-98.

(iii) *Delhi Financial Corporation*

a) The percentage of overdue to total loans outstanding showed an increasing trend. It rose from 3.64 *per cent* in 1996-97 to 5.24 *per cent* in 1998-99.

b) Amount involved in recovery was also on increasing trend. It increased from Rs 2449.53 crore in 1996-97 to Rs 4605.06 crore in 1998-99.

[57] *Delhi Vidyut Board*

5.6 Return on Capital Employed

Return on Capital employed decreased in companies as well as corporations during 1998-99 as compared to 1997-98.

During 1998-99 the capital employed[58] as per latest available accounts worked out to Rs 50.09 crore in five companies and total return[59] thereon amounted to Rs 7.69 crore which is 15.34 *per cent* as compared to total return of Rs 13.82 crore (27.04 *per cent*) in 1997-98. Similarly during 1998-99, the capital employed and total return thereon in case of two Statutory corporations amounted to Rs 72.36 crore and Rs (-)172.53 crore respectively against the total return of Rs (-)152.17 crore for 1997-98. The details of capital employed and total return on capital employed in case of Government companies and corporations are given in *Appendix - XXIII.*

5.7 Results of audit by Comptroller and Auditor General of India

The summarised financial results of all the five Government companies and three Statutory corporations based on the latest available accounts are given in *Appendix - XXIII.* During the period from October 1998 to September 1999, the audit of eight accounts of five Government companies and four accounts of two Statutory corporations were selected for review. The net impact of the important audit observations as a result of review of the PSUs was as follows:

Details	No. of accounts	Rs in lakh
	Government companies	Government companies
(i) Decrease in profit	3	144.68
(ii) Increases in profit	–	--
(iii) Increase in losses	1	6.49
(iv) Decrease in losses	--	2.14

Note: The impact of audit on one company and two corporations which finalised their accounts as on 30 September 1999 have not been shown above as the audit comments were under finalisation.

Some of the major errors and omissions noticed in the course of review of annual accounts of some of the above companies and corporations are mentioned below:

[58] *Capital employed represents net fixed assests (including capital works-in-progress) plus working capital except in finance companies and corporations where it represents a mean of aggregate of opening and closing balances of paid-up capital, free reserves and borrowings (including refinance)*

[59] *For calculating total return on capital employed, interest on borrowed funds is added to net profit/subtracted from the loss as disclosed in the profit and loss account.*

5.7.1 *Errors and Omissions noticed in case of Government companies*

(a) *Delhi Scheduled Castes Financial and Development Corporation Limited (1990-91)*

Balance Sheet

Other Funds – Grants-in-aid - Rs 528.41 lakh

The Company earned interest on unspent balance of Grants-in-aid which was required to be refunded to the Directorate for the Welfare of SC/ ST, Government of NCT of Delhi in terms of sanctions issued from time to time. During the year, the interest worked out to Rs 36.00 lakh and an amount of Rs 48.33 lakh was earned during the period from April 1984 to March 1990. Thus, unspent grants-in-aid was understated by Rs 84.33 lakh and profit of the company for 1990-91 has been overstated by Rs 36.00 lakh.

(b) *Delhi State Civil Supplies Corporation Limited (1993-94)*

Balance Sheet

Current Liabilities & Provisions (Schedule 8)

Liabilities – Rs 841.48 lakh

i) The above does not include Rs 2.15 lakh being the arrears of dearness allowance for the period from January 1994 to March 1994 which became due during the year but were paid in May1994. The non-accountal has resulted in overstatement of profit to the tune of Rs 2.15 lakh and corresponding understatement of liabilities to the same extent.

ii) The above also does not include an amount of Rs 3.00 lakh pertaining to 1993-94 but incurred during April-May 1994 and this has resulted in understatement of liabilities to the tune of Rs 3.00 lakh and overstatement of profit by Rs 1.75 lakh and understatement of fixed assets and inventories by Rs 1.00 lakh and Rs 0.25 lakh respectively.

(c) *Delhi State Civil Supplies Corporation Limited (1995-96)*

Balance Sheet

Current Liabilities & Provisions – Rs 1842.52 lakh

Liabilities (Schedule VIII) – Rs 1746.52 lakh

This does not include:

i) Provision for arrears of pay & allowances amounting to Rs 14.23 lakh payable to employees for the period from January 1996 to March 1996 consequent upon implementation of Fifth Pay Commission.

ii) Provision of Rs 43.78 lakh towards leave encashment due to employees as on 31 March 1996 in terms of Accounting Standards-15.

iii) Provision for leave salary and pension contribution of Rs 1.98 lakh in respect of officers on deputation.

This has resulted in understatement of current liabilities & provisions and overstatement of profit for the year by Rs 59.99 lakh.

(d) Delhi State Mineral Development Corporation Limited (1995-96)

Balance Sheet

(i) Fixed Assets (Schedule –4) Gross Block Rs 282.67 lakh

Net Block - Rs 33.37 lakh

The above includes Rs 6.49 lakh on account of roads, checkposts, hutments and pioes etc. These assets were created on land not owned by the Company and are no longer in the possession of Company. The Company had already ceased its mining operation with effect from 1991. Non writing off these assets resulted in over statement of fixed assets by Rs 6.49 lakh and understatement of loss to the same extent.

(ii) Current Assets, Loans & Advances

Inventories (Schedule – 5) – Rs 35.39 lakh

This does not include stores and spares valued at Rs 2.14 lakh resulting in understatement of inventories and overstatement of loss the extent of Rs 2.14 lakh.

(e) Delhi State Mineral Development Corporation Limited (1996-97)

Balance Sheet

(i) Fixed Assets (Schedule 4) – Gross Block Rs 282.67 lakh Net Block – Rs 33.37 lakh

The above includes Rs 6.49 lakh on account of roads, check-posts, hutments etc. created on land not owned by the Company and are no longer in its possession. Non-writing off these assets resulted in overstatement of fixed assets and understatement of loss for the year by Rs 6.49 lakh.

(ii) Current Assets, Loans and Advances

Inventories – Stores and Spare parts (Schedule 5) – Rs 34.78 lakh

The above represent stores and spares valued at cost price. Since the activities of the Company had already been ceased these should have been valued at realisable value (Rs 3.31 lakh). It has resulted in overstatement of inventories and understatement of loss to the extent of Rs 31.47 lakh.

Loans and Advances (Schedule 7) – Rs 34.63 lakh

The above include Rs 6.83 lakh recoverable from various parties appearing in accounts for the last several years and chances of recovery are negligible. The non provision of doubtful advances resulted in overstatement of loans and advances and understatement of loss to the extent of Rs 6.83 lakh

5.7.2 Errors and Omissions noticed in case of Statutory corporations

Accounts of DTC and DFC for the year 1998-99 are under Audit.

5.7.3 Persistent irregularities and system deficiencies in financial matters of PSUs

The following persistent irregularities and system deficiencies in the financial matters of PSUs had been repeatedly pointed out during the course of audit of their accounts but no corrective action was taken by these PSUs so far:

(a) Government Companies

Delhi State Mineral Development Corporation

i) In spite of repeated comments, fixed assets not in Company's possession are being shown as its assets in the accounts.

ii) Fixed assets register is not being updated.

iii) The company did not make provision for retirement benefits in terms of Accounting Standard 15.

(b) Statutory corporations

Delhi Financial Corporation

i) Outstanding loans and advances are not being reconciled with reference to individual ledgers.

ii) NPA guidelines are not being adhered to strictly.

5.8 Position of discussion of Commercial Chapter of the Civil Reports by the Public Accounts Committee

Period of Audit Report	Total reviews and paragraphs in commercial chapter		No. of reviews and paragraphs pending discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1995-96	1	1	1 (6.5)	--
1996-97	1	2	1 (6.6)	--
1997-98	-	4	--	4

5.9 Readiness of PSUs for facing Y2K problem

Out of eight companies/corporations, none of the activities have been computerised in two companies i.e. DSMDC[60] and DSCFDC[61]. Of the remaining six companies/corporations, in case of one company (DSIDC[62]) no effort is being made to make its system Y2K compliant, whereas in another company (DSCSC[63]) the system is already Y2K compliant. In the remaining 4 companies, efforts are being made to make their systems Y2K compliant either internally or externally by engaging expert agencies.

[60] *Delhi State Mineral Development Corporation.*
[61] *Delhi Scheduled Castes Financial and Development Corporation Limited*
[62] *Delhi State Industrial Development Corporation*
[63] *Delhi State Civil Supply Corporation*

Reviews

Delhi Vidyut Board

5.10 Performance of the electrostatic precipitators in Thermal Power Stations

Highlights

The Suspended Particulate Matters emission level of ESP[64] installed in Indraprastha Thermal Power Station- Unit-V was high and maximum SPM[65] during the last five years up to March 1999 ranged between 495mg/nm^3 to 811mg/nm^3 as against the norm of 150 mg/nm^3 fixed by DPCC[66].

(Paragraph 5.10.3 (b))

To reduce emission of SPM concentration and increase power generation, the installation of ESP and renovation of boiler was scheduled to be completed by December 1995. The former has not been completed till September 1999 whereas the latter was completed in March 1999 only. This resulted not only in continued excessive emission of SPM concentration causing air pollution but also in loss of potential power generation due to running of the plant at reduced load to the extent of 591.98 MUs[67] valued at the Rs 172.69 crore.

(Paragraphs 5.10.4 (b), 5.10.4 (c))

Due to excessive SPM emission in Unit-V there was fast erosion of ID[68] Fan Impellers. This resulted in replacement of 24 ID Fan Impellers during the last five years leading to shutdown of the plant for 1020 hours causing loss of generation of 61.20 MUs valued at Rs 14.76 crore.

(Paragraph 5.10.5)

[64] *Electrostatic Precipitators*
[65] *Suspended Particulate Matters*
[66] *Delhi Pollution Control Committee*
[67] *Million Units*
[68] *Induced Draft*

5.10.1 Introduction

Electrostatic Precipitator reduce the emission of suspended particulate matters in the flue gases coming out from coal fired boilers in Thermal Power Station. It is located in between Boiler and Induced Draft fan in the plant and discharges them into chimney. SPM so collected slide down into hoppers. The collected ash is then mixed with water to form ash slurry which is finally discharged to ash pond through ash handling system. Excessive SPM concentration not only increases atmospheric pollution, but also causes erosion of ID fan impellers which in turn necessitates operation of the TPS[69] at reduced load affecting Plant load factor adversely leading to loss of generation. ESP installation in TPS, thus, not only envisages the safety of plant and machinery but also functions as a pollution control tool. DPCC has prescribed the maximum limit of 150 mg/nm^3 (milligram per normal cubic metre) for emission of SPM concentration.

DVB operated 7 units in two thermal power stations (two units of 67.5 MW each at Rajghat Power House and five units of 277.5MW at Indraprastha Power Stations.

5.10.2 Scope of Audit

The review covers the performance and replacement of ESPs in two TPS of the Board at Rajghat and Indraprastha during the period 1994-95 to 1998-99.

5.10.3 Status and performance of ESPs

(a) Rajghat Thermal Power Station

ESPs at this power station were supplied, erected and commissioned during May 1989 and February 1990 along with the main plant. The performance of ESP's at this power station is indicated in the table given below:

(in mg/nm^3)

Years	DPCC norm	(Unit No.1) Actual		(Unit No.2) Actual	
		Minimum	Maximum	Minimum	Maximum
1994-95	150	64	229.5	59.5	200
1995-96	150	98	288	103.5	247.5
1996-97	150	99.5	157	97.5	150
1997-98	150	115.5	150	118.5	148
1998-99	150	133	163.2	127	175

From the above table it is seen that the maximum emission level of SPM exceeded the prescribed limit in all the years in unit No. 1 except in 1997-98 whereas it exceeded the prescribed limit in 1994-95, 1995-96 and 1998-99 in unit No. 2.

[69] *Thermal Power Station*

(b) Indraprastha Thermal Power Station

Mention was made in Para 5.2.7 in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1995, Government of NCT of Delhi, that DVB got installed five ESPs in its five units of Indraprastha Thermal Power Station during 1979 to 1988.

Performance of ESPs installed for unit No. I and V were found not satisfactory as the emission levels of SPM were in excess of the limit prescribed by DPCC. SPM emission in units II, III and IV were within statutory limit and between 1994-99 the emission levels did not exceed 147.7mg/nm^3 in these units.

Emission level of SPM in unit V was higher than norms.

While unit I was closed permanently for generation in July 1995 due to uneconomical operation, unit V continued to emit SPM far in excess of the norms stipulated. The extent of emission of SPM in Unit V during last five years is given below:

Unit V (installed capacity 60 mw)/ {SPM (mg/nm3)}			
Year	DPCC/ norms	Actual	
		Minimum	Maximum
1994-95	150	66	580
1995-96	150	140	731
1996-97	150	153	495
1997-98	150	155.1	608
1998-99	150	298.6	811

It would be seen from above table that the maximum emission level of unit V ranged from 495 mg/nm^3 to 811 mg/nm^3 during the last five years ending 1998-99 with a percentage increase of 230 to 441 over the prescribed limit of 150 mg/nm^3 fixed by DPCC.

Excessive emission of SPM affected the PLF of the Plant.

Excessive emission of SPM not only led to increased atmospheric pollution but was also one of the cause for under utilisation of plant capacity. The PLF[70] of this unit during the last five years as against the all India average of 64.2 ranged from 17.70 to 55.90 *per cent* as indicated below :

Year	Installed capacity (MW)	Installed capacity generation (MU)	Actual generation (MU)	Percentage of PLF
1994-95	60	525.6	293.85	55.9
1995-96	60	525.6	258.57	49.2
1996-97	60	525.6	93.05	17.7
1997-98	60	525.6	207.07	39.4
1998-99	60	525.6	132.81	25.3

[70] *Plant Load Factor*

5.10.4 Measures taken to reduce emission levels in unit-V

With a view to reduce the emission of SPM below the prescribed limit of 150 mg/nm^3 and to achieve the PLF up to 65 *per cent*, based on feasibility study conducted by M/s BHEL, the DVB made provision for replacement of low efficiency CZECH design ESP of unit-V by retrofit ESP of modified design and renovation of boiler of unit-V.

(a) Retrofit of ESP

The scheme for retrofit of ESP was approved by the Government of India, Ministry of Power, in March 1993 at estimated cost of Rs 483 lakh based on December 1992 price level. The project was to be completed by December 1995.

(b) Award and execution of work

ESP installation could not be completed even after a delay of 45 months.

An order was placed in December 1994 at the lowest quoted rates in favour of M/s ACC Babcock Ltd. New Delhi at the firm cost of Rs 278.27 lakh for design, manufacture, supply, delivery of material at site, unloading, storage, handling, erection, commissioning, performance testing and handing over on turn key basis a new ESP after dismantling one of the two operating ESP in Unit-V. The entire work was required to be completed within one year from the date of order i.e. by December 1995. The work of installation of ESP could not be completed even after a delay of 45 months from the date targeted and was in progress as of September 1999. The total expenditure incurred on the project was Rs 211 lakh as of December 1999.

The delay in installation of ESP was mainly due to following:

Drawings submitted by the firm in January 1995 and required to be finalised within two weeks were actually finalised by DVB only in July 1995 after lapse of six months. The delay was due to site constraints such as footing of I.D fan foundation clashed with new foundation of bye pass duct as a result of which the site had to be changed. DVB failed to anticipate the site constraint at the time of thorough study of the job.

Though the civil works relating to bye-pass duct were completed on 15 November 1995 by DVB, but the bye-pass duct to be commissioned by 15 December 1995 was actually commissioned by the firm in May 1996. General Manager, Electrical, authorised to watch the progress of the project did not take up the matter with the firm to expedite the work.

The existing ESP to be dismantled by Ist week of April 1995 was dismantled by the firm only in December 1996. No action for levy of liquidated damages as per order was taken against the firm for delayed dismantling of existing ESP.

The civil works which mainly consisted of foundation of ESP was awarded to Shri Raj Kumar Gupta, a contractor in January 1996. The work was to be completed by August 1996. Since the site clearance was given only in December 1996 approximately after one year, the contractor refused to carry out the work at his quoted rates. DVB had to retender for the work and civil work got completed in April 1998 at an extra cost of Rs 2.88 lakh.

(c) Renovation of Boiler

An order for procurement of material for renovation of boiler was placed in November 1994 on BHEL at a cost Rs 1.08 crore. The material to be supplied by February 1996 was actually supplied in July 1997. No action against BHEL for delayed supply was taken by DVB. The renovation work of the boiler was, however, completed by DVB in March 1999 i.e. after a delay of 20 months after the supply of material. DVB stated in July 1999 that the renovation was completed at the time of overhauling of boiler in March 1999. The reply is not tenable as the boiler remained closed for considerable period during 1997-98 and 1998-99.

Due to delay in completion of installation of new ESP and renovation of boiler, the 65 *per cent* PLF projected to be achieved after completion of the scheme could not be achieved. This has resulted not only in continued excessive emission of SPM causing air pollution but also in loss of potential power generation due to running the plant at reduced load to the extent of 591.98 MUs valued at Rs 172.69 crore, worked out on average sale rate, up to March 1999. The generation loss would continue till the ESP is commissioned finally.

5.10.5 Loss due to erosion of ID Fan impellers

Excessive SPM emission caused erosion of ID fan.

The ID fan installed at the tail end of ESP extracts flue gas from the boiler through ESP and discharges it into stack. High SPM load over ID fan on account of collection of ash by ESPs resulted in breakdown of ID fan impellers and outage. Due to excessive SPM emission in unit-V, there was fast erosion of ID Fan impellers, which were replaced frequently.

During last five years 24 ID Fan Impellers, 7 new and 17 rebladed, were replaced in Unit V due to which the unit remained under a shut down for 1020 hours causing loss of generation of 61.20 MUs valuing Rs 14.76 crore. Incidentally, ID fan impellers of Unit No. II, III and IV did not require any replacement during last five years up to March 1999.

The mater was reported to State Government and DVB in August 1999; their replies had not been received as of November1999.

5.10.6 Conclusion

The SPM emission level in ESP installed at Unit-V of Indra Prastha TPS was much higher than the statutory norm. The poor performance of ESP has resulted not only in frequent break down of ID fan leading to loss of potential generation but it also adversely affected the ecology and environment. Delay in replacement of ESP also resulted in loss of generation.

5.11 Construction of 400 KV ring main-line

Highlights

The proposed 400 KV Delhi Ring Main Line comprising three sections envisaged to be completed by July 1993 at a cost of Rs 81.68 crore has not been completed even after a lapse of more than six years. Of the three sections, 400 KV line completed on one section (Mandaula-Bawana) in July 1995 could be commissioned on full rated capacity in January 1998 after a delay of 29 months.

(Paragraphs 5.11.5 & 5.11.6 (b))

Of Rs one crore advanced to PGCIL[71] for procurement of material, DVB lifted material for Rs 53.31 lakh only. The refund for remaining Rs 46.69 lakh was not asked for from PGCIL.

(Paragraph 5.11.6 (b))

Due to no headway in the project, the guarantee period of material in hand costing Rs 16.21 crore had already expired. Besides, DVB has suffered interest loss of Rs 4.68 crore up to July 1999 on locked up funds.

(Paragraph 5.11.6 (d))

5.11.1 Introduction

Delhi Vidyut Board erstwhile Delhi Electric Supply Undertaking is responsible for supply of power to domestic, industrial, commercial, bulk consumers, NDMC[72], Delhi Contonment Board etc. DVB's own generation during the Seventh Five Year Plan was 356 MW only as DVB was not allowed by Government of India to add any generating capacity of its own during Fifth and Sixth Five Year Plans on the plea that growing power demands of Delhi would be taken care of by the centrally sponsored schemes namely, Dadri, BTPS, Barasuil Hydro Electric Project of NHPC[73], Singrauli and Rihand Super Thermal Project of NTPC[74] etc. The maximum demand which was about 800 MW at the beginning of the Seventh Plan i.e. 1985-86

[71] *Power Grid Corporation of India Limited*
[72] *New Delhi Municipal Council*
[73] *National Hydro Electric Power Corporation*
[74] *National Thermal Power Corporation*

increased to 1380 MW at the end of the Seventh Plan i.e. 1989-90, and further increased to 2532 MW at the end of Eighth Plan. The demand was expected to further increase to 3481 MW by the end of Ninth Plan as per Central Electricity Authority. The demand for power in Delhi during the past few years has been increasing at the rate of 12 to 15 *per cent per annum*.

Thus, it was envisaged in the Seventh Five Year Plan that in order to draw Delhi's share of power from Rihand, Singrauli and Dadri complex i.e. Northern Regional Grid of which DVB is a constituent partner to meet the long term power requirement in Delhi and to provide stability and reliability in the system, a 400 KV Double Circuit transmission line was proposed to be constructed around Delhi with 400 KV feeder bays at Mandaula and Ballabgrah sub-stations of NTPC/PGCIL which would act as feeding points for injection of power in Delhi.

The proposed 400 KV Ring main line around Delhi was to meet the power requirements of Delhi up to the year 2002.

5.11.2 Scope of work

The 400 KV Delhi Main System consisted of transmission lines from Mandaula to Bawana (23.80 kms), Bawana to Bamnauli (36.99 kms) and Bamnauli to Ballabgarh (52.79 kms) covering total length of 113.58 kms. The work involved in transmission lines consisted of pile work (foundation), assembly of tower components/accessories in the form of towers and its erection and fixing of conductors on the tower i.e. stringing work alongwith accessories and commissioning of erected lines by connecting with bays (gantry structure[75]) at each of these sub-stations. The scope of the work of the project was divided into eight packages for smooth completion of 400 KV double circuit transmission line. The pile work, supply and erection of towers, commissioning of line were awarded to a firm and supply of other related materials like conductors, disc-insulators, hardware fittings etc. were to be arranged by DVB from different firms. NTPC was appointed as a consultant at a fee of Rs 5.10 crore of which Rs 4.93 crore was paid up to July 1999 for the preparation of layout, design and engineering of the 400 KV transmission lines and sub-stations and also for the technical specification of all equipment, line material and services, bid evaluation etc.

5.11.3 Organisational set up

The 400 KV Lines department is headed by an Additional Chief Engineer (400 KV) who is assisted by a Superintending Engineer, two Executive Engineers, four Assistant Engineers and other staff under the overall charge of Chief Engineer (Construction) who reports to Member (Technical), DVB.

[75] *The columns and beam on which the conductor of the line are terminated and jumpers are dropped to connect the line with the sub-station.*

5.11.4 Scope of Audit

Records relating to establishment of 400 KV Ring Main Lines were reviewed in Audit from May 1999 to July 1999 to adjudge the work relating to the stringing, execution, monitoring and the achievement of the ultimate objective of the project i.e. of meeting the power shortage in Delhi. The proposed project with a capacity to draw 4000 MW through these lines was to meet the entire shortage of power in Delhi till the end of Ninth Plan i.e. by March 2002.

5.11.5 Clearance of the Project

The project referred for clearance in November 1989 to the Ministry of Environment and Forest was cleared in July 1990 subject to the following conditions :

- No forest land would be acquired for the purpose;
- DVB would undertake a study on the effect of high voltage frequency lines on urban environment and health hazards and submit the report to the Ministry in one year.

The Cabinet Committee on Economic Affairs also cleared the project in May 1991 for construction of transmission lines at an estimated cost of Rs 81.68 crore and construction of 2 sub-stations costing Rs 81.35 crore both at July 1990 price. The work was to commence from August 1991, to be completed by July 1993.

5.11.6 Award and execution of Work

An order was placed on M/s SAE (India) Ltd now M/s RPG Transmission Ltd. on 21 August 1991 for supply of tower components, erection and commissioning of 400 KV line from Mandaula to Ballabgarh via Bawana-Bamnauli at a total cost of Rs 26.75 crore being the first lowest firm.

The order placed for 268 number of towers based on preliminary survey conducted with route length of 99 kms approx, was increased in August 1993 to 320 towers on the basis of final survey with a route length of 113 kms approx. The supply of tower material was to be completed by July 1993. Erection work was to be completed up to October 1994. The work could not be completed by the due date due to failure of DVB in procuring other related materials such as conductors, insulators and hardware fittings etc. The contractor was given extension to complete the work, first up to May 1995 and then up to December 1996 with price variation. As a result the DVB had to make avoidable payment of Rs 8.56 crore as price variation. The delays and shortcomings in the execution of work have been discussed in the succeeding paragraphs.

(a) As against the targetted schedule for stub-setting , erection and stringing work in 5 months, 9 months and 22 months (cumulative) respectively from the date of award of work i.e. August 1991, the position of the erection work up to September 1995 is tabulated below. There was no progress afterwards as of October 1999.

Section	Total Nos of Towers	Stub-setting completed	Tower erection completed	Stringing completed
1.Mandaula -Bawana	68	68	68	Stringing completed. Line charged on 220 KV on 28-7-95.
2.Bawana-Bamnauli	103	103	98	Nil
3.Bamnauli -Ballabgarh	149	116	49	Nil
Total	320	287	215	

Line was commissioned after a delay of 29 months.

(b) From the table it would be observed that the stringing work of Mandaula-Bawana section alone was completed and the line had to be charged on 220 KV in July 1995, i.e. below its rated capacity as 400 KV gantry structure at Mandaula and Bawana were not ready at that time. The line could be commissioned on 400 KV only in January 1998 at a cost of Rs 21.46 crore. Thus, the line could not be used to its optimal capacity and remained idle for 29 months.

Material for Rs 46.69 lakh was neither lifted nor got the amount refunded.

It was further observed that during the completion of above line i.e. Mandaula-Bawana, DVB faced the problem of completing the stringing work scheduled to be completed by March 1994 due to non-supply of related material by various firms for which orders had already been placed. To complete the stringing work on the above section, DVB at the instance of its consultant i.e. NTPC decided to lift the available material with PGCIL and advanced Rs one crore in April 1994 but lifted material worth Rs 53.31 lakh alone. DVB neither lifted the balance material of Rs 46.69 lakh nor was the amount got refunded.

(c) In the second section i.e. Bawana-Bamnauli, out of 103 towers, five were yet to be erected and conductors on 36 kms route were to be strung. The work could not be completed due to failure of DVB in arranging the material to be supplied by it. As on date 200 Kms of conductor, 276 number of quad tension[76], 306 Single Suspension 'V', hardware fittings and 2015 disc-insulators had not yet been arranged by DVB for completion of this section. Detailed reasons for the same are covered under para 5.11.7.

(d) In the third section i.e. Bamnauli-Ballabgrah, only 49 towers, out of total 149 had been erected. The remaining work has come to a standstill mainly due to non-clearance of route falling on Aravali hills by Forest Department of Haryana Government. In this section 7.5 kms of transmission lines are required to pass through the hills of Aravali belonging to the Forest Department of Haryana. This violates the basic precondition for clearance imposed by the Ministry of Environment and Forest that no forest land would

[76] *This is tension fitting to hold the conductor on the tower*

be acquired for the purpose. However, DVB could not get forest land cleared from Haryana Government. DVB stated in October 1999 that the matter was under active pursuance with Haryana Government for getting the clearance and had paid Rs 30.03 lakh as afforestation charges in May 1993 (Rs 7.10 lakh) and June 1998 (Rs 22.93 lakh).

In addition to above, the other major factor which hampered the completion of the project is discussed as under :

DVB did not undertake a study on the effect of high voltage frequency.

One of the preconditions for the clearance of the project by the Ministry of Environment and Forest was that DVB would undertake a study on the effect of high voltage frequency line on urban environment and health hazards and submit the report to the Ministry within one year. DVB has not submitted any study report on the subject to the Ministry as of October 1999. It was, however, seen that one tower (already erected) of the 400 KV line would require the line to pass through the Azad Hind Gram, a tourist complex.

Interest loss of Rs 4.68 crore was suffered on locked up funds.

Thus, even after incurring an expenditure of Rs 59.71 crore as of October 1999 the DVB could execute and commission only one section of Mandaula-Bawana out of three sections of 400 KV ring around Delhi. DVB was holding inventories valued at Rs 16.21 crore already procured for the remaining two sections but the work was at a standstill due to the reasons discussed above. Further, guarantee period of most of the inventory items viz. conductor, hardware fittings, disc-insulators etc. had expired and DVB has already suffered a loss of Rs 4.68 crore as interest up to July 1999 on the locked up funds on inventory, as indicated in *Annex - I.*

5.11.7 Deficiencies in procurement of material

The related material for erection and completion of line was procured by DVB from different firms. The following irregularities/shortcomings which led to delay in supply/non-supply of material were also noticed during purchase of above material:

(a) Conductor

The orders for supply of 1500 kms and 1000 kms of conductors were placed in June 1992 on M/s IACL and M/s APAR Ltd. valued at Rs 23.44 crore. DVB also released advance payment of Rs 2.31 crore during the period from October 1992 to January 1994. The letter of credit was, however, not opened due to non-availability of funds. It was opened only in February 1994 after a delay of 14 months. This has resulted in not only delay in supply of material but also loss of interest of Rs 32.06 lakh on advance payment of Rs 2.31 crore. Further, DVB had to make payment of Rs 6.23 crore due to price variation.

(b) Hardware fittings

The DVB procured the material from M/s Modern Malleable Casting Works Limited even though their consultants NTPC recommended procuring of the hardware material from other two firms i.e. M/s Tag Corporation and M/s Star Iron Works as they had the capacity and capability to execute this contract. The firm ultimately failed to adhere to the delivery schedule and the supply was not completed as of October 1999, which led to delay in completion of the project.

(c) Insulator

DVB had advanced Rs 3.98 lakh (being five *per cent* of contract value) to M/s Jayshree Insulator Ltd. in May 1993 after the award of contract for supply of 45471 numbers of insulator in July 1992. The party had not supplied any material as of October 1999 and DVB has not initiated any action against the party for invoking their bank guarantee or levying penalty etc.

(d) Rigid Spacer and Spacer Damper (Quad)

The Letter of Intent was issued in January 1993 to M/s Modern Malleable Casting Works Ltd. whose rates were higher subject to meeting the qualifying requirement i.e. submission of Joint Deed of Undertaking with some foreign collaborator which the party failed to get. Meanwhile, M/s Star Iron Works whose rates were lowest submitted the JDU[77]. This led to dispute for placement of order. Ultimately, as per direction of High Court, Calcutta, supply order was placed in March 1996 on M/s Star Iron Works (i.e. first lowest firm). This avoidable litigation led to delay in supply of material for about three years.

(e) Earthwire accessories

The order placed in November 1992 on M/s Modern Malleable Casting Works Ltd. for supply of material was to be completed by February 1994. However, the supply was completed in June 1997 only. One of the condition of the supply order was to get the type test cleared from Government laboratories. However, the firm insisted on getting it tested at their factory. Later on, the firm as well as the DVB agreed to get it done from a private laboratory, i.e. M/s JSI Ltd. This dispute led to delay of 39 months in supply of material by the firm. The delay could have been avoided by cancelling the supply order due to non-acceptance of the terms of the order.

The mater was reported to Government of NCT of Delhi and DVB in August 1999; their replies had not been received as of November 1999.

5.11.8 Conclusion

Failure of DVB in timely procurement of material and non-fulfilling the pre-requisite conditions of the project resulted in non-completion of these lines even after a lapse of six years beyond the stipulated date of completion. Only

[77] *Joint deed of undertaking*

23.80 kms of lines between Mandaula and Bawana were completed out of the total 113 kms.

The Delhi 400 KV Ring Main was to cater to the expected power demand of 3481 MW of Delhi up to the end of Ninth Plan. In order to transmit and distribute power, two 400 KV D/C lines between Bawana - Bamnauli and Bamnauli - Ballabgarh were to be constructed by DVB. But as the completion of these lines still remain uncertain an expenditure of Rs 59.71 crore incurred so far on this prestigious project have not ensured reliability of power and relief from load-shedding and low voltage to the residents of Delhi.

ANNEX - I
(Referred to in paragraph 5.11.6 (d))
Position of material lying unused as on 31.7.99

(Rs In lakh)

Sl. No.	Name of the Suppliers	Material	Purchase order	Qty. Ordered	Qty. Supplied	Material lying unused	Period	Cost of Material in stock	Loss of interest
1	M/s SAE (I) Ltd. RPG Transmisison Ltd.	Towers	XEN (400 KV) TL-II 424 dt. 21.8.91	320 Nos``````	222 Nos	9 Nos.	1.1.95 to 31.7.99	82.85	47.48
2	Supply of ASCR Bersimes Conductor M/s IACL M/s Apar Ltd.	Conductors	NO XEN (400 KV) L-1/224/614 dt. 30.6.92 No. XEN (400 KV) L-1 TL 1224/615 dt. 30.6.92	1500 Kms 1000 Kms	836.562 Kms 498.510 Kms	697.162 Kms	1.8.96 to 31.7.99	1247.26	350.67
3	Supply of Hardware Fittings M/s MML	Hard ware fitting	SSI Order No. XEN (400 KV) SSV L-1/684 dt. 2.9.92 QT	SSI 101 Nos SSV 1273 Nos QVC 31 Nos QT 821 Nos QVC 111 Nos	50 Nos 724 Nos +350 Nos 98 Nos	53 Nos 535 Nos 14 Nos	1.4.95 to 31.7.99	40.25	6.61
4	M/s ALIND KERLA	G.S. Earthwire	No. XEN (400 KV) L-I/525 dt. 10.12.91	210 Kms QVC 42 Kms	211.616 Kms	154.29 Kms	1.5.93 to 31.7.99	23.73	18.29
5	(a) BHEL (b) WSI (c) JSI	160 KN Disc Insuletor	Order No. XEN (400 KV) L-1 1645 dt. 27.7.92 XEN (400 KV) L-1/72 221/669 dt. 11.8.92 XEN (400 KV) L-1/TL/ 647 dt. 27.7.92	45471 Nos 9095 Nos 45471 Nos 9095 Nos 45471 Nos	45346 Nos 44769 Nos Nil	1674 Nos. 44769 Nos. Nil	1.3.96 to 31.7.99	122.92	26.80
6.	M/s Star Iron Works	Rigid Spacer and Viberation Damper Spacer Damper and Rigid Spacer	Order No. XEN (400 KV) L-1 /758 dt. 31.12.92 Order No. SE (400 KV) TL/346 dt.3.9.96	735 Nos QVC 147 Nos 13025 Nos QVC 2605 Nos 6336 Nos 441 Nos	882 Nos 15627 Nos 6331 Nos 441 Nos	266 Nos 10585 Nos 6331 Nos 441 Nos	1.1.96 to 31.7.99 1.7.98 to 31.7.99	25.88 67.32	8.51 6.49
7	M/s MML	Conductor and Earthwire Accessories	Order No. XEN (400 KV) L-1/719 dt. 30.11.92	MSCJ Cond 1256 Nos Repair Sleev 377 Nos MSJIEW 105 Nos Copper Bond 698 Nos VD 1395 Nos SC for EW 425 Nos TC for EW 274 Nos	1254 Nos 368 Nos 104 Nos 600 Nos 1394 Nos 424 Nos 269 Nos	1428 Nos 404 Nos 125 *Nos 602 Nos 1378 Nos 425 Nos 260 Nos	1.5.97 to 31.7.99	10.75	3.02
								1620.96	467.87

Includes material received from PGCIL and in used items are still in stock.
QVC=Quantity Variation Clause (i.e. placement of order for additional quantity).

Paragraphs

Government Companies: Delhi State Mineral Development Corporation Limited

5.12 Delay in disposal of Machinery avoidable loss of Rs 22.90 lakh

Inordinate delay in disposal of machinery due to non-fixation of reserve prices resulted in loss of Rs 8.17 lakh and loss of interest amounting to Rs 14.73 lakh.

Consequent upon declaration of mine as "Forest Reserve" the machinery became surplus.

Heavy earth moving machinery purchased during December 1983 to June 1986 at a cost of Rs 233.41 lakh for mining activities was rendered surplus due to closure of the Bhati mine in April 1991 and subsequently Gujriwala mine in May 1994 as the entire area was declared as "Forest Reserve".

The Company decided in March 1994 to dispose of these nine machines and sought the formal approval of the State Government in June 1994. Thereafter, the case was not pursued with the State Government. Meanwhile in August 1994 MSTC[78], an expert agency of the Central Government dealing with scrap had agreed to undertake the disposal but this could not be done as Government approval was awaited.

Company decided to dispose of machinery in March 1994 but approval of Government was received in February 1996.

The Government approval was received in February 1996 and the Company invited in April 1996 open tenders against which only one machine out of nine was sold, as the others did not fetch the reserve price. Pending re-fixation of the reserve price by a Committee, tenders were re-invited in February 1997. The highest offer for seven machines was Rs 61.37 lakh, which was more than the offer received in April 1996 by Rs 23.37 lakh. But the offer, too, was not evaluated in view of non-fixation of reserve price.

Tenders were invited without fixation of reserve prices.

The Company re-invited open tenders in September 1998 through the MSTC and finally sold these seven machines for Rs 53.20 lakh, against the re-fixed

[78] *Metal Scrap Trading Corporation*

reserve price of Rs 90.55 lakh. A commission of Rs 1.06 lakh was paid to MSTC.

A better offer received had to be forgone in the absence of reserve prices.

The inordinate delay in fixation of reserve price and ignoring better offer received in February 1997 as compared to previous one, resulted in loss of Rs 8.17 lakh (Rs 61.37-Rs 53.20) besides loss of interest of Rs 14.73 lakh (16 *per cent* for 18 months on Rs 61.37 lakh).

Department of Industries, Government of NCT of Delhi while accepting the facts in the para did not come forward with any reasons for inordinate delay in fixation of reserve price.

Statutory Corporation – Delhi Transport Corporation

5.13 Extra expenditure of Rs 118.15 lakh on Computerisation

The Computer Hardware was procured at higher rate from a particular supplier by ignoring the lowest rates which was lying unutilised.

The assessment of level of computerisation needed was not done.

The Corporation decided in May 1998 to computerise its units such as Depots, Store, Accounts, Administration etc. at an estimated cost of Rs 159.73 lakh without any assessment of level of computerisation needed.

The tenders were floated in June 1998, for which 34 firms sent their offers. Following discussions on 17 and 18 August 1998 with 29 firms/ suppliers, the specifications of original tenders were changed in view of technology upgradation. After receipt of revised offers in August 1998, 15 firms quoted for all the items in the tender and they were called on 21 August 1998 through fax for negotiation.

Purchase orders were placed by ignoring the lower rates.

Although the lowest offer in respect of all items was Rs 182.15 lakh, the Board of Directors decided on 31 August 1998 to hold negotiation with M/s Tata Elexi (India) Ltd. on the plea that it had quoted for Compaq make server although the requirement of Compaq make server was not specified in the tender invited. The quotation of M/s ET&T, a Government undertaking was rejected on the plea that it was not a manufacturer whereas M/s Tata Elexi (India) Ltd. was also not a manufacturer. The purchase order for supply of Hardware at a total cost of Rs 300.30 lakh was placed with M/s Tata Elexi (India) Ltd. in October 1998.

The Corporation paid Rs 2.04 crore in December 1998 to M/s Tata Elexi (India) Ltd. after receipt of hardware without verifying the configurations of Hardware supplied. The specifications were yet to be verified as of June 1999. As analysed in Audit the difference in market rate of four items out of six worked out to Rs 70 lakh.

Thus, the Corporation would suffer a total loss of Rs 118.15 lakh by ignoring/ rejecting lowest offers (Rs 300.30 lakh - Rs 182.15 lakh).

Hardware was lying unutilised.

The Hardware also remained unutilised since December 1998 in the absence of skilled manpower and required software.

The Corporation stated in July 1999 that the action for computerisation was taken as per orders of Hon'ble Minister of Transport.

The matter was reported to the Government of NCT of Delhi and Corporation in October 1999; their replies had not been received as of November 1992.

5.14 Avoidable expenditure of Rs 12.92 lakh in procurement of flaps

Flaps were procured by ignoring lowest offer.

Specifications and quality for flaps required not mentioned in Tender.

The Corporation procured Flaps from firms on ASRTU[79] Rate Contract up to 1997-98. In 1998-99, the Corporation decided to purchase the same from tyre manufacturing firms. Open tenders for procurement of flaps were invited and opened in February 1998. The specifications and quality for flaps were not mentioned in Notice Inviting Tender. Four firms offered rates. M/s Comet Impex (P) Ltd. who quoted the lowest rate of Rs 84.37 per flap in accordance with the terms and conditions and Rs 77.34 per flap if 100 *per cent* payment is made against delivery was not considered as the firm was not a tyre manufacturing company.

Without processing the remaining tenders, open tenders were again invited in February 1998 without specifications and quality from the suppliers of flaps to tyre manufacturing firms. 16 firms quoted their rates against this tender also, the rate of M/s Comet Impex (P) Ltd was lowest i.e. Rs 78.75 per flap. The offer was not accepted as the firm had demanded 100 *per cent* payment against delivery

[79] *Association of State Road Transport Undertaking*

Purchase orders were placed without processing the offers.

The quotations received against the above tenders were also not processed and the ASRTU rates prevalent at that time i.e. Rs 112.75 up to 15 July 1998 and Rs 103.13 per flap from 16 July 1998 were also ignored and the Corporation placed purchase orders with three different firms who quoted their rates against above tenders for 25018 flaps at the rate ranging from Rs 108.86 to Rs 164.45 per flap on adhoc basis at the total cost of Rs 32.62 lakh during April 1998 to May 1999.

Payment Terms were relaxed in favour of M/s Apollo Tyres.

M/s Apollo Tyres Ltd. on which orders for purchase of 9675 flaps at Rs 151.88 and Rs 164.45 were placed also demanded 100 *per cent* payment against delivery and was agreed to by the Corporation although earlier the lowest offer of M/s Comet Impex (P) Ltd. was rejected for demanding 100 *per cent* payment against delivery.

No negotiations were held with M/s Comet Impex (P) Ltd. as regards terms of supply of material. The firm had offered for complete supply of flaps and was a tried source as it had supplied the flaps in 1993 to the Corporation.

Thus, the Corporation incurred an additional avoidable expenditure of Rs 12.92 lakh by rejecting the lowest tenders.

The matter was reported to the Government of NCT of Delhi and Corporation in October 1999; their replies had not been received.

5.15 Locking up of funds Rs 20.65 lakh due to delay in the implementation of In-house payroll package

Delay in preparation of payroll in-house resulted in locking up of Rs 20.65 lakh.

The Corporation did not develop its in-house computerisation for pay roll.

The Corporation was getting its pay roll work done through M/s. Escorts at a cost of Rs 0.73 lakh per month. In order to save this expenditure, the Corporation decided in September 1994 to get this work done at the Computer Centre of the Administrative Ministry (MOST[80]). The MOST furnished the pay slips for February 1995 for the staff posted at Headquarter for testing the accuracy of their programme. In spite of the facility extended by MOST and the decision taken to discontinue the payroll work at Escorts, the Corporation made no effort to develop in-house computerisation and continued the work of payrolls by Escorts.

[80] *Ministry of Surface Transport*

Expenditure of Rs 20.65 lakh incurred on purchase of equipment rendered infructuous.

In November 1997, the Corporation purchased hardware and software at a cost of Rs 20.65 lakh to develop in-house computerisation for preparation of payroll. However, the Corporation failed to develop their own programme for computerisation of payroll and continued with the payroll being prepared by Escorts. This resulted in the blockage of Rs 20.65 lakh as well as monthly payment of Rs 0.73 lakh to Escorts. Besides, computers purchased in November 1997, were rapidly approaching obsolescence.

The matter was reported to the Government of NCT of Delhi and Corporation in October 1999; their replies had not been received as of November 1999.

5.16 Implementation of New Design and Specification in construction of buses-Unfruitful expenditure

Fabrication of buses without technical evaluation and cost benefit analysis of new design and specifications resulted in potential loss of Rs 159.13 lakh.

Purchase orders were placed for fabrication of buses without inviting open Tenders.

The Corporation finalised (June and July 1997) specifications for Ashok Leyland and Tata Chasis and bus body design for Inter-City buses. The Corporation without inviting open tenders through two bids systems i.e. technical bid and financial bid, placed letters of intent in September/ October 1997 on seven body builders for 18 proto-type inter city buses of ordinary, semi-delux and delux. The rates and specification of the buses were to be as offered by the body-builders.

Corporation failed to utilise buses purchased.

12 number prototype buses were received from the bus body builders. A sub-committee formed by the Board of Directors in August 1997, on the basis of these buses, standardised the specification of buses in February 1998 for procurement of ordinary and semi-deluxe buses. These 12 buses remained unutilised for about three month for want of necessary approval of State Transport Authority, Delhi as the Corporation failed to obtain a certificate from Automobile Research Association of India, Pune. The delay resulted in loss of revenue of Rs 42.13 lakh at Rs 3901 per bus per day.

The offer of lowest party was rejected to favour other parties.

Purchase orders were placed even though the firm did not accept the terms and conditions.

Based on standardisation of buses, the Corporation invited tenders in February 1998. Out of 22 quotations received, 12 body builders were short listed and work orders were placed on nine tendrers for fabrication of 488 buses (345 ordinary and 143 semi delux buses). The deficiencies noticed in placement of work orders were (i) work order for fabrication of 242 bus bodies were placed in April 1998 with five tendrers well before the decision in May 1998 to award the work. (ii) ACGL Company of Goa whose offer was received late was given fabrication of 176 buses even though it did not accept the terms and conditions with respect to design and specification and rate of fabrication, etc.

The following shortcomings were noticed in the newly fabricated buses :

- Excessive breakage and difficulties in handling laminated curved type front wind screened glass led the Corporation to incur more than Rs 15 lakh in modifying a few buses to plain laminated glass. Swing type front single gate had to be modified to conventional gate type in a few buses as these were found not to be users friendly. While deciding about swing type single gate, safety aspect appeared to have been completely ignored as in a recent accident case four passengers died due to complete burns as the passengers (48 numbers) could not move out of the bus quickly. The Corporation decided to use two gates and plain laminated front glass in future.

- The fuel efficiency had reduced from 4.30/ 4.12 Kms to 4.08/ 3.98 Kms per liter.

- The material used in the fabrication of bus bodies was stated to be fire retardant. However, two buses burnt while in parking in less than five minutes though its fuel tank was intact and another bus involved in an accident burnt completely. It was observed in the accident report that these buses caught fire very rapidly.

Costing of the buses was done on higher side.

Even though the consumption of aluminium was reduced considerably but the cost of bus bodies increased abnormally from Rs 8.30 lakh to Rs 10.40 lakh. Higher cost was mainly due to taking rate applicable/ paid to the employees of Corporation instead of contractual rate for labour in fabrication which resulted in increase of labour cost considerably from Rs 17,100 to Rs 66,960. Earlier, overhead was part of the profit margin of 10 *per cent* whereas, now an amount of about Rs 7,000 had been taken additionally. The management while admitting the above discrepancy, amended the cost while processing the award of work orders for fabrication of bus bodies in future

Infructuous expenditure incurred due to replacement of standard chassis with new specification.

Front show with driver cab, headlight assembly without bulb, front bumper, B.C. switch and T.I. hose received as standard fitment with 252 Telco chassis costing Rs 39,772 each were replaced with new specification. The Corporation incurred infructuous expenditure of Rs 1.02 crore which could have been saved either by not replacing or asking the Telco to supply chassis without above items. Loose material of Rs 70 lakh was not obtained from ACGL though other body builders returned the loose material to the Corporation.

Thus, investment of large sum of money in fancy buses without any technical evaluation and cost benefit analysis was ill conceived especially at a time when the Corporation was in a financial squeeze. The impact of potential loss based on audit observations alone worked out to Rs 159.13 lakh.

The Management stated that procurement of different type of buses was in line with the Corporate plan of the Corporation as accepted by the Government of NCT of Delhi, to enhance the product-mix of the Corporation and in keeping with the Government policy to upgrade the level of safety and comforts in public transport. The reply is not convincing as no such Corporate Plan had been approved by the Government of NCT of Delhi. Further, the Corporation could not improve seat utilisation with new version of buses.

The matter was reported to the Government of NCT of Delhi and Corporation in October 1999; their replies had not been received as of November 1999.

5.17 Award of consultancy contract-Infructuous expenditure of Rs 12 lakh

Consultancy contract awarded without getting approval of Corporate Plan, techno-economic feasibility report.

The consultants were appointed without preparing technical and economic feasibility Report for urban buses.

The Corporation prepared a corporate plan 1997-2002 wherein a provision was made for purchase of 1500 urban buses. Without preparing technical and economic feasibility report of the urban buses, the Corporation engaged (May 1997) the Rail India Technical and Economic Services Limited as consultant for preparation and piloting of the urban buses, tender for design, manufacture, supply, testing and commissioning of 1500 urban buses at a fee of Rs 16 lakh.

After completing the codal formalities, the Corporation sought approval of the Government of NCT of Delhi in July 1998 for purchase of buses. The Government returned the same in August 1998 with the instruction to send a technical and economic feasibility report in view of price of Rs 29.75 lakh of the urban buses, operating conditions etc. The Corporation thereafter kept the proposal in abeyance and discontinued the services of RITES[81] for remaining items of work.

Payment of Rs 12 lakh to consultants rendered infructuous.

Even-so, the Corporation paid Rs 12 lakh to RITES up to August 1998 for processing of offers by them which was infructuous and could have been avoided had the Corporation got the corporate plan approved and prepared the techno-economic feasibility report before initiating purchase of urban buses.

The matter was reported to the Government of NCT of Delhi and Corporation in October 1999; their replies had not been received as of November 1999.

5.18 Computer training –Extra expenditure of Rs 14.32 lakh

The Corporation incurred an extra expenditure of Rs 14.32 lakh on computer training by ignoring the lowest offer.

The training was given without assessing the requirement and scope of training.

Purchase order was placed by ignoring the lowest offer.

A committee constituted by the Chairman-cum-Managing Director decided in its meeting held on 29 June 1998 to impart training to 550 officers/ staff of the Corporation without assessing the requirement and nature of training to be given. The Corporation had also not made any cost/ benefit analysis for in-house training and outside training. The advice of the Chief General Manager (Tech) for assessing the exact requirement /scope of training and quality of training, and level of knowledge required by the employee and inviting limited tenders from Government/ Public Sector Organisations like Department of Electronics, TCIL, ET&T, CMC, UPTRON, Tool Room-cum-Training Centre of Government of Delhi in order to optimise the cost and best utilisation of the manpower according to need of Corporation was also ignored. The expert member on committee (Sh. J. K. Ghosh) even after knowing about free training imparted to Government departments by National Informatics Centre failed to inform other members about this. The Corporation invited short term tender in September 1998 against which seven parties quoted their rates. Although the lowest quoted rate was Rs 12.79 lakh yet the orders for imparting computer training were given on 8 December 1998 to two firms i.e. M/s NIIT and M/s Tata Infotech in equal ratio, at

[81] *Rail India Technical and Economic Services Limited*

Rs 26.03 lakh. The order on latter firm was, however, cancelled to favour M/s NIIT and complete order was placed on NIIT for Rs 27.11 lakh.

This resulted in extra expenditure of Rs 14.32 lakh. The Corporation also could not utilise the services of officers/ staff who were already trained four years back in 1994-95. Incurring such a heavy expenditure without finalisation of software and non-installation of computers purchased in December 1998 needs justification. The Corporation had also not obtained the approval of Board of Directors for the above training.

The matter was reported to the Government of NCT of Delhi and Corporation in October 1999; their replies had not been received as of November 1999.

5.19 Non-recovery/adjustment of advances given to suppliers-loss of Rs 56.78 lakh

Due to non availability of details of Rs 56.78 lakh advanced to suppliers, the chances of recovery are remote.

The corporation does not have details of Rs 56.78 lakh advanced to suppliers.

The Corporation makes advances to suppliers for procurement of spare parts etc. of buses. These advances are adjusted after receipt of satisfactory supply of materials. During examination of accounts maintained by the Corporation it was noticed that a sum of Rs 56.78 lakh was given as advances to suppliers of various materials during 1966-67 to 1988-89. No details viz. the suppliers to whom the advances made and the material against which such advances were available with the Corporation. The point was first raised in 1995-96 in Accounts Audit but the management neither adjusted the above advances nor was able to locate the records containing the details of such advances till date.

Sincere efforts were not made to locate the concerned records.

Even after giving assurances year after year by the Corporation for tracing out the records, no sincere efforts were made to locate the records as the same amount is being shown recoverable from the suppliers. In the absence of availability of details of advances which are very old, the chances of their recovery/ adjustment are remote and thus, a loss to the Corporation. The Corporation has also not initiated any action against the officials responsible for such lapses.

The management stated in September 1999 that efforts were made to trace out record but cases being old and the record of Accounts Stores being in shabby and dirty condition, nothing has so far been traced out.

The matter was reported to the Government of NCT of Delhi and the Corporation in October 1999; their replies had not been received as of November 1999.

New Delhi
Dated: 4 APR 2000

(MEENAKSHI MISHRA)
Accountant General (Audit), Delhi

Countersigned

V. K. Shunglu.

New Delhi
Dated: 4 APR 2000

(V. K. SHUNGLU)
Comptroller and Auditor General of India

GLOSSARY

Bathing standard parameters	Dissolved Oxygen-not less than 5mg/ litre Bio-chemical Oxygen Demand-not more than 3mg/litre Total Coliform Count-not more than 10000 per 100 ml.
Capital and Revenue Section	Capital Section contains the provisions for expenditure which generally met from receipt of a capital, debt, deposit, or banking character as distinguished from the Revenue Section, Expenditure under which derived from taxes, duties, fees, fines and similar items of current income including extra ordinary receipts. It is open to Government to meet Capital expenditure from ordinary revenues provided there are sufficient revenue resources to cover this liability.
Charged Appropriation	Sums required to meet expenditure 'Charged' on Consolidated Fund under Article 203(3) of the Constitution is called Charged Appropriation.
Voted Grants	Sums required to meet other expenditure for which vote of Parliament is required under Article 202(2) of the Constitution is called Voted Grant.
Fiscal deficit	Excess of capital and revenue expenditure over revenue receipt and recoveries of loans and advances.
Power factor	Ratio of true power (reading of wattmeter) to the apparent power (reading of voltmeter multiplied by the reading of ammeter).

APPENDIX - I
(Referred to in paragraph 1.12.2)

List of INDICES/ RATIOS

Sustainability	- Balance from the current revenues - Primary Deficit - Interest ratio - Capital outlay vs. Capital receipt - Total tax receipt vs. Gross State Domestic Product (GSDP) - State tax receipt vs. GSDP
Flexibility	- Balance from current revenues - Capital repayments vs. capital borrowings - Incomplete projects - Total tax receipt vs. GSDP - State tax receipt vs. GSDP
Vulnerability	- Revenue Deficit - Fiscal Deficit - Primary Deficit vs. Fiscal Deficit - Total outstanding guarantees, including letters of comfort vs. Total revenue receipt of the Government - Assets vs. Liabilities

APPENDIX – II
(Referred to in paragraph 1.13)
Outstanding ATNs

Sl. No.	Year of Report	Chapter of the Report	Para No.	Pertains to	Brief subject
	Ended 31	IV		**Revenue Department**	
1.	March 1994		4.5	Sales tax	Sales tax demands in process of recovery
2.			4.7	-do-	Loss of revenue due to time barring
3.			4.9	-do-	Misuse of forms ST-35.
4.			4.10	-do-	Short levy due to suppression of sales.
5.			4.11	-do-	Irregular grant of exemption from tax.
6.			4.12	-do-	Irregular exemption of sales of pesticides to other registered dealers.
7.			4.13	-do-	Mistake in best judgement assessment.
8.			4.14	-do-	Short levy of tax
		V		**Municipal Corporations**	
				(Municipal Corporation of Delhi)	
9.			5.3	Delhi Water Supply and Sewage Disposal Undertaking	Sewage treatment plant at okhla
	Ended 31	III		**Civil Departments**	
10.	March 1995		3.1	Urban Development Department	Urban Basic Services Programme
11.			3.2	Public works Department	Construction of District Courts and Lawyers Chambers at Shahdara.
12.			3.3	-do-	Cost and time overrun.
13.			3.5	Irrigation & flood control Department	Construction of supplementary drain to Najafgarh drain (Phase-I).
14.			3.6	Education Department	Additional schooling facilities in the age group of 11-14 & 14-17.
15.			3.7	Cooperative Societies	Defective Planning.
		IV		**Revenue Department**	
16.			4.6	Sales tax	Sales tax demands in process of recovery.
17.			4.9	-do-	Suppression of sales.
18.			4.10	-do-	Irregular exemptions on sales under Delhi Sales Tax Act.
19.			4.11	-do-	Irregular grant of exemption from tax under Central Sales Tax Act.
20.			4.12	-do-	Mistake in ex-parte assessments.
21.			4.13	-do-	Short levy of tax detected in cross-verification of statutory forms.
22.			4.14	-do-	Non-levy of penalty.
23.			4.15	-do-	Non-levy of purchase tax.
24.			4.16	-do-	Short levy of tax.
25.			4.17	-do-	Inadequate disposal of seizure cases
	Ended 31	III		**Civil Departments**	
26.	March 1996		3.4	Directorate of Health Services	Idle investment.
27.			3.6	Maulana Azad Medical College	Avoidable expenditure.
28.			3.7	-do-	Suspected embezzlement of funds.
29.			3.9	Jails	Central Jail, Tihar Jail, New Delhi.
30.			3.12	Delhi Police	Implementation of plan schemes by Delhi Traffic Police.
31.			3.13	Public Works Department	Construction of Police Training School at Jharoda Kalan.
32.			3.14	-do-	Avoidable increase in cost of maintenance charges due to delay in handing over.
		IV		**Revenue Department**	
33.			4.6	Sales tax	Suppression of sales.
34.			4.7	-do-	Irregular exemptions on sales under Delhi Sales Tax Act.

Sl. No.	Year of Report	Chapter of the Report	Para No.	Pertains to	Brief subject
35.			4.8	-do-	Mistake in ex-parte assessments.
36.			4.9	-do-	Short levy of tax detected in cross-verification of statutory forms.
37.			4.10	-do-	Non levy of penalty.
38.			4.11	-do-	Improper follow up action on surveys by Sales Tax Department.
39.			4.12	-do-	Loss of revenue due to non-recovery of entertainment tax.
		V		**Municipal Corporations**	
40.			5.2	Municipal Corporation of Delhi (General wing)	Construction of multi level underground car parkings.
41.			5.3	-do-	Remunerative Project Cell of Municipal Corporation of Delhi.
42.			5.4	-do-	Health care through indigenous system of medicine.
43.			5.5	-do-	Non installation of equipment.
44.			5.6	-do-	Malfunctioning of incinerator.
45.			5.7	-do-	Non commissioning of project.
		VI		**Government Companies and Statutory Corporations**	
46.			6.6	DTC	Miscellaneous topics of interest.
	Ended 31 March 1997	III		**Civil Departments**	
47.			3.3	Land & Building Department	Allotment of residential accommodation and renting of shops and leasing of sites for petrol pumps.
48.			3.4	Home Department	Delhi Fire Service.
49.			3.5	-do-	Wasteful expenditure due to hired vehicles remaining idle.
50.			3.6	Police Department	Departmental inquiries in Delhi Police.
51.			3.7	-do-	Poor quality lane-dividers.
52.			3.8	Central Jail	Procurement and utilisation of medicines in Central Jail Hospital, Tihar.
53.			3.9	Medical & Public Health Department	Inefficient functioning of Food Adulteration Department.
54.			3.10	-do-	Avoidable expenditure.
55.			3.12	Revenue Department	Delayed appeals resulted in dismissal of cases.
56.			3.13	Public Works Department	Blocking of funds on procurement of Diesel Generating Sets.
57.			3.14	-do-	Award of work without ensuring encroachment free site.
		IV		**Revenue Department**	
58.			4.6	Sales tax	Suppression of sales.
59.			4.7	-do-	Irregular exemption on sales under Delhi Sales Tax Act.
60.			4.8	-do-	Mistake in ex-parte assessments.
61.			4.9	-do-	Short levy of tax detected in cross verification of statutory forms.
62.			4.10	-do-	Non levy of penalty.
63.			4.11	-do-	Non levy of tax.
64.			4.12	-do-	Irregular grant of exemption from tax.
65.			4.13	-do-	Short levy of tax.
66.			4.14	-do-	Non-assessment and non-raising of demands.
		V		**Municipal Corporations**	
67.			5.2	Municipal Corporation of Delhi (Delhi Vidyut Board)	Working of Transformers in Delhi Vidyut Board (Erstwhile DESU).
68.			5.3	Municipal Corporation of Delhi	Water Supply System in Municipal Corporation of Delhi.

Sl. No.	Year of Report	Chapter of the Report	Para No.	Pertains to	Brief subject
		VI		**Government Commercial and Trading Activities**	
69.			6.7.1	Delhi State Civil Supplies Corporation Ltd. (DSCSC)	Extra expenditure on printing and purchase of Cash Memo Books
70.			6.7.2	Delhi Transport Corporation	Overpayment under Voluntary Retirement Scheme
	Ended 31 March 1998	III		**Civil Departments**	
71.			3.1	Land and Building Department	Implementation of Urban Land (Ceiling and Regulation) Act, 1976
72.			3.5	Directorate of Health Services	Mobile Health Scheme
73.			3.9	Department of Education	Purchase of dual Desks
74.			3.10	-do-	Avoidable payment of electricity charges
75.			3.12	Public Works Department	Non- recovery of risks and cost amount from a contractor
		IV		**Revenue Department**	
76.			4.6	Sales Tax	Outstanding recoveries of Sales Tax
77.			4.7	-do-	Short Accounting of purchases
78.			4.8	-do-	Stock transfers
79.			4.9	-do-	Incorrect grant of exemption from tax under Delhi Sales Tax Act
80.			4.10	-do-	Mistake in ex-parte assessment
81.			4.11	-do-	Non-levy of penalty
82.			4.12	-do-	Non-levy of tax
83.			4.13	-do-	Incorrect grant of concessional rate of tax
84.			4.14	-do-	Short levy of tax due to application of incorrect rate of tax
85.			4.15	-do-	Incorrect grant of exemption on exports
		VI		**Government Commercial and Trading Activities**	
86.			6.4	Delhi Financial Corporation	Delhi Financial Corporation
87.			6.5	Delhi Transport Corporation	Delhi Transport Corporation
88.			6.6	Delhi Vidyut Board	Delhi Vidyut Board
89.			6.7.1	-do-	Avoidable expenditure of Rs 2.32 crore in t he purchase of cables
90.			6.7.2	-do	Blocking of funds amounting to Rs 1.07 crore due to non-commissioning of project
91.			6.7.3	Delhi Financial Corporation	Excess drawal of loan funds with reference to requirements and idle surplus funds – loss of Rs 53.13 lakh.
92.			6.7.4	-do-	Release of loans without complying with pre-disbursement conditions – loss of Rs 20.95 lakh

Note: *Statistical paras have not been included.*

APPENDIX - III

(Referred to in Paragraph 2.5.1)

Grant/ Appropriation wise unspent provisions

(Rs in crore)

Grant No.	Number and title of grant/appropriation		Total provision	Actual Expenditure	Unspent Provision
	Voted grants				
1.	Legislative Assembly	R. C.	3.43 -	2.27 -	1.16 -
2.	General Administration	R. C.	22.03 -	20.10 -	1.93 -
3.	Administration of Justice	R. C.	72.40 -	48.62 -	23.78 -
4.	Finance	R. C.	53.71 -	43.42 -	10.29 -
5.	Police	R. C.	56.30 15.00	44.36 0.12	11.94 14.88
6.	Education	R. C.	956.08 70.40	914.34 43.39	41.74 27.01
7.	Medical and Public Health	R. C.	356.55 -	289.69 -	66. 86 -
8.	Social Welfare	R. C.	134.70 527.33	95.56 288.07	39.14 239.26
9.	Industries	R. C.	48.40 14.92	45.82 11.68	2.58 3.24
10.	Development Department	R. C.	138.26 105.97	96.51 59.22	41.75 46.75
11.	Urban Development and Public Works Departments	R. C.	1025.09 2282.71	852.78 1918.51	172.31 364.20
12.	Loans to Govt. Servants	R. C.	- 10.00	- 9.35	- 0.65
13.	Pensions	R. C.	30.00 -	- -	30.00 -
	Total - 1	R. C.	2896.95 3026.33	2453.47 2330.34	443.48 695.99
	Charged Appropriations				
1.	Legislative Assembly	R. C.	0.18 -	0.18 -	- -
2.	General Administration	R. C.	1.89 -	1.06 -	0.83 -
3.	Administration of Justice	R. C.	18.14 -	18.09 -	0.05 -
4.	Finance	R. C.	- -	- -	- -
5.	Police	R. C.	0.06 -	- -	0.06 -
6.	Education	R. C.	0.22 -	- -	0.22 -
7.	Medical and Public Health	R. C.	0.03 -	- -	0.03 -
8.	Social Welfare	R. C.	0.08 -	0.08 -	- -
9.	Industries	R. C.	0.20 -	- -	0.20 -

Grant No.	Number and title of grant/appropriation	Total provision		Actual Expenditure	Unspent Provision
10.	Development Department	R. C.	0.27 0.81	0.16 0.70	0.11 0.11
11.	Urban Development and Public Works Department	R. C.	- 75.00	- 23.58	- 51.42
12.	Loans to Govt. Servants	R. C.	- -	- -	- -
13.	Pensions	R. C.	- -	- -	- -
Public Debt.	Public Debt.	R. C.	432.34 268.32	432.34 268.32	- -
	Total – 2	R. C.	453.41 344.13	451.91 292.60	1.50 51.53
	Total –1&2	R. C.	3350.36 3370.46	2905.38 2622.94	444.98 747.52
	Grand Total		**6720.82**	**5528.32**	**1192.50**

R = Revenue : C = Capital

APPENDIX – IV

(Referred to in Paragraph - 2.5.2)

Details of unspent provisions due to non-implementation of schemes

(Rs in crore)

Sl. No.	Grant No.	Major Head / Sub Head	Total Grant	Unspent Provisions
1.	6	2202-General Education A-1 (2)(9)(33)-Introduction of Computer Course in Government model School	1.75	1.75
2.	7	2210-Medical & Public Health A-1 (4)(1)(7)-Provisions of Medical Insurance to low socio group of People O : 1.50 R : (-) 0.10	1.40	1.40
3.	7	2211-Family Welfare K-2 (10)(1)-External Aided Project (CSS) O : 6.48 R : (-) 4.48	2.00	2.00
4.	8	2225-Welfare of SC/ST & Backward Classes C-1 (1) (2) (4)-Grant-in-aid to Delhi Scheduled Caste Financial Development Corporation for Setting up a Computerised Footwear design Center O : 1.00 S : 0.01 R : 0.17	1.18	1.18
5.	8	4225-Capital outlay on Welfare of Scheduled Tribe and other Backward classes CC-1 (1)(1)(1) Delhi Scheduled caste Financial Development Corporation Limited (SCP) O : 5.50 R : (-) 3.18	2.32	2.32
6.	8	CC-1 (1) (2) (1)-Improvement of SC/ST Basties (SCP) O : 2.00	2.00	2.00
7.	8	CC.1 (1) (2) (2)-Conversion of Dry latrines into water borne for liberation of Scanvengers O : 5.00	5.00	5.00
8.	8	CC-1 (1) (3) (1)-Constructions of Hostel for SC/ST Students studying in Middle Secondary College / University Stages of Education O : 2.00 R : (-) 0.39	1.61	1.61
9.	8	6225-Loan for Welfare of Schedule Caste & Other Backward Classes CC-2 (1)(1)(2)-Liberalisation and Rehabilitation of Scanvengers (SCP) O : 1.30 R : (-)0.30	1.00	1.00
10.	8	5055-Capital outlay on Road Transport DD-1 (2)(2)-Equity Contribution to DTC O : 125.00 R : (-) 94.64	30.36	30.36

Sl. No.	Grant No.	Major Head / Sub Head	Total Grant	Unspent Provisions
11.	10	5425-Capital outlay on other Scientific and Environmental Research BB-8 (1)(2)-Setting up of pollution disaster & Hazardous Management R : 6.66	6.66	6.66
12.	11	2217-Urban Development A-9 (2)(1)(22)-MCD for Study and preparation of prespective plan of Sub-standard areas O :1.50	1.50	1.50
13.	11	6215-Loan for Water Supply & Sanitation AA-3 (1)(1)(8)-DJB for Water Supply under EAP Funding O :0.01 R : 1.49	1.50	1.50
14.	11	AA-3 (2)(1)(5)-State's Share for setting up of sewerage Treatment Plants O : 2.80	2.80	2.80
15.	11	AA-3 (2)(1)(6)-DJB for sewerage Scheme under EAP Funding S : 0.01 R : 3.49	3.50	3.50
16.	11	6801-Loan for Power Project AA-7 (3)(1)-Prabati Hydro electric Project O : 1.40	1.40	1.40
17.	11	4202-Capital Outlay on Education, Sport Art & Culture BB-2 (1)(4)(1)-Construction of Hostel for college going girls students O : 2.00	2.00	2.00
18.	11	BB-2 (1)(4)(2)-Construction of Delhi Govt. Sponsored College Buildings R : 2.00	2.00	2.00

O *original provision*
S *supplementary provision*
R *re-appropriation*

APPENDIX - V

(Referred to in paragraph 2.5.2)

Cases where the entire provision was with drawn by re –appropriation to other heads

(Rs in crore)

Sl. No	Grant No	Major Head /Subhead	Original provision	Re-appropriation
1.	5	4070-Capital outlay on Other Administrative Services DD-1(1)(1)-Strengthening of Delhi Fire Services	8.00	8.00
2	6	2202-General Education A-1 (1) (5) (7)-INSAT Cell and Assistance and specialised Institution Programmes (CSS)	1.21	1.21
3	6	2202-University & Higher Education J-1 (1) (3)-Establishment of affiliating university	60.30	60.30
4	6	J-1 (2) (1)-Free DTC passes for all college going students.	1.50	1.50
5	7	2210-Medical & Public Health A-1 (1) (4) (23)-Colony Hospital	5.00	5.00
6	7	A-1 (1) (4) (24)-Peripheral Hospital (EAP).	5.00	5.00
7	7	A-1 (1) (5) (4)-CATS (EAP)	10.00	10..00
8	7	A-1 (3) (3) (5)-Medical facilities for Government Employees and pensioners	1.00	1.00
10	11	2204-Sports & Youth Services: A-5 (2) (1)-Grant-in-aid to D.D.A for construction of sports complex in Trans Yamuna Area.	1.00	1.00
11	11	2215-Water Supply & Sanitation : A-7 (1) (1) (6)-Grant in aid to DWS & SDU for Water Supply Scheme under EAP funding .	20.00	20.00
12	11	A-7 (2) (1) (4)-Grant in aid to DWS & SDU for Sewage scheme under EAP funding.	20.00	20.00
13	11	2217-Urban Development A-9 (2) (1) (28)-MCD for Construction of Modern Toilets for ladies in market places and near Bus Stops.	1.00	1.00
14	11	2403-Animal Husbandry: A-12 (1) (4)-Relocation of existing Slaughter House.	2.25	2.25
15	11	3604-Compensation and Assignment to local Bodies and Panchayti Raj Institutions A-19 (1) (1)-Payment of net Proceeds of Entertainment Tax to MCD.	29.58	29.58
16	11	A-19 (1) (2)-Payment of net Proceeds of Entertainment Tax to NDMC	3.95	3.95
17	11	A-19 (2) (1)-Payment of Share of Betting Tax to NDMC	2.38	2.38
18	11	A-19 (3) (1)-Payment of net Proceeds of Taxes on Vehicles.	35.10	35.10
19	11	A-19 (3) (2)-Payment of net Proceeds of Taxes on Vehicles to NDMC	6.13	6.13
20	11	A-19 (4) (1)-Payment to MCD in lieu of Abolition of Terminal Tax	67.24	67.24
21	11	A-19 (4) (2)-Payment to NDMC in lieu of Abolition of Terminal Tax	2.20	2.20
22	11	6801-Loans for Power Project: AA-7 (4)(5)-Small Capacity Station at Various different location.	5.00	5.00
23	13	2071-Pension and other Retirement Benefits A-1 (1)(1)-Ordinary pensions.	7.00	7.00
24	13	A-1 (2)(1)-ordinary pensions	9.00	9.00
25	13	A-1 (3)-Gratuities.	11.95	11.95
	13	A-1 (4)(1)-Family Pensions	2.00	2.00

APPENDIX - VI

(Referred to in paragraph 2.5.3)

Statement of amount not surrendered

(Rs in crore)

Grant No	Description	Charged/Voted	Unspent Provisions	Amount surrendered	Amount not surrendered
1	Legislative Assembly	Revenue Voted	1.16	1.11	0.05
2	General Administration	Revenue Charged	0.83	0.56	0.27
		Revenue Voted	1.93	0.32	1.61
3	Administration of Justice	Revenue Charged	0.05	-	0.05
		Revenue Voted	23.78	8.44	15.34
4	Finance	Revenue Voted	10.29	6.74	3.55
5	Police	Revenue Charged	0.06	-	0.06
		Revenue Voted	11.94	8.54	3.40
		Capital Voted	14.88	14.88	--
6	Education	Revenue Charged	0.22	-	0.22
		Revenue Voted	41.74	0.03	41.71
		Capital Voted	27.01	-	27.01
7	Medical and Public Health	Revenue Charged	0.03	-	0.03
		Revenue Voted	66.86	37.09	29.77
8	Social Welfare	Revenue Voted	39.14	15.96	23.18
		Capital Voted	239.26	153.60	85.66
9	Industries	Revenue Charged	0.20	-	0.20
		Revenue Voted	2.58	-	2.58
		Capital Voted	3.24	2.63	0.61
10	Development	Revenue Charged	0.11	-	0.11
		Revenue Voted	41.75	24.77	16.98
		Capital Charged	0.11	-	0.11
		Capital Voted	46.75	4.22	42.53
11	Urban Development and Public Works Departments	Revenue Voted	172.31	-	172.31
		Capital Charged	51.42	34.97	16.45
		Capital Voted	364.20	189.25	174.95
12	Loans to Government Servants	Capital Voted	0.65	-	0.65
13	Pension	Revenue Voted	30.00	30.00	--
	Grand Total		**1192.50**	**533.11**	**659.39**

APPENDIX - VII

(Referred to in paragraph 2.6)

Cases of injudicious re-appropriation

(Rs in crore)

Sl. No.	Grant No.	Head of Accounts	Original Provision	Supplementary Provision	Re-appropriation	Actual expenditure	Excess (+) /Unspent provision (-)
1.	6	2202-General Education A.1 (2)(9)(33)-Introduction of Computer Courses in Government Model Schools	1.44	-	0.31	-	(-) 1.75
2.		2202 –University and Higher Education J.1 (1)(1)-Grant –in-aid to Degree College	16.92	0.01	1.35	14.29	(-) 3.99
3.	6	4202-Capital outlay on Education Sport , Art, Culture JJ.1 (1)(1)(2)-Allotment of land and Construction of building of Indraprastha Vishwa Vidyalaya	-	69.05	0.25	42.37	(-) 26.93
4.	6	2202-General Education A.1(2)(9)(7) Provision/ improvement of Science teaching in schools	0.63	-	(-) 0.05	0.63	(+) 0.05
5	7	2210-Medical & Public Health A.1 (1) (4) (16)-Colony Hospital transferred M.C.D	8.00	-	0.04	4.97	(-)3.07
6	7	2211-Family Welfare K.2 (3) (1)-Urban Family Welfare Centre CSS	2.62	-	1.20	2.58	(-)1.24
7	8	2235-Social Security & Welfare A.2 (3)(1)-National old age Pension Scheme (CSS)	0.74	-	0.76	0.3	(-)1.47
8	8	2225-Welfare of SC/ST & Backward classes C.1 (1)(2)(4)-Grant-in-aid to Delhi Scheduled Caste Financial Development Corporation for setting up a computerised footwear design's Centre	1.00	0.01	0. 17	-	(-)1.18
9	8	3075-Other Transport Services D.4 (1)(1)(2)-Mass Rapid Transport Systems studies Consultancy Services	2.25		3.94	0.58	(-) 5.61
10	8	6225-Loans for Welfare of SC/ST & Backwerd classes CC.2 (1)(1)(1)-Margin Money Loan to DSFDC for self employment for purchase of three Wheelers and Buses (SCP)	1.05		0.10	0.01	(-) 1.14

Sl. No.	Grant No.	Head of Accounts	Original Provision	Supplementary Provision	Re-appropriation	Actual expenditure	Excess (+) /Unspent provision (-)
11	10	5425-Capital outlay on other Scientific and Environmental Research BB.8 (1) (2)-Setting up of pollution's Disaster and Hazardous Management	-		6.66	-	(-) 6.66
12	10	2702-Minor Irrigation D.2(1)(3)(1) Maintenance and Repair of Minor Works	5.23	-	(-) 0.07	5.38	(+) 0.22
13	11	2217-Urban Development A.9 (2)(1)(27)-Digital Mapping Project in Collaboration with N.I.C.	0.10		1.20	0.10	(-) 1.20
14	11	2059-Public Works B.1(1)(3) Machinery and Equipment	4.00	-	(-) 0.20	4.09	(+) 0.28
15	11	6215-Loans for water Supply and Sanitation AA.3 (1)(1)(8)-DJB for water Supply under EAP Funding (S)	-	0.01	1.49	-	(-) 1.50
16	11	AA.3 (2)(1)(6)-DJB for Sewerage Scheme under EAP Funding.	-	0.01	3.49	-	(-) 3.50
17	11	6801-Loan for Power Project AA.7 (2)(4)-Delhi Vidyut Board for Housing for T&D staff (SCP)	0.04	0.01	0.99	0.04	(-) 1.00
18	11	4202-Capital outlay on Education Sport, Art & Culture BB.2 (1)(1)(1)-Construction of Building for Middle Schools	11.25		3.75	9.80	(-) 5.20
19	11	BB.2 (1)(1)(2)-Construction of Building for Middle School (SCP)	4.25		0.75	1.58	(-) 3.42
20	11	BB.2 (1)(2)(2)-Construction of Building for School & (SCP)	6.66		3.34	4.35	(-) 5.65
21	11	BB.2 (1) (4) (2)-Construction of Delhi Govt. Sponsored College Buildings	-		2.00	-	(-) 2.00
22	11	5054 Capital outlay on Road and Bridges BB.13 (1)(1)(1)-Construction of Road and Bridges	88.00		0.39	81.39	(-) 7.00
23	11	5075-Capital Outlay on other transport services BB.15(1)(1)(2) Setting up of driving school	0.55	-	(-) 0.32	0.76	(+) 0.53
24	11	4070- Capital outlay on Other Administrative Services BB. 18 (1)(1)-Strengthening of Delhi Fire Service	--		5.50	0.68	(-) 4.82

APPENDIX - VIII

(Referred to in paragraph 2.11)

Rush of expenditure in the month of March 1999

(Rs in crore)

Grant No.	Description of the Grant	Total Provision			Total Expenditure			Expenditure incurred during March 1999			Percentage of Expenditure incurred in March 1999 to total expenditure
	Voted	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	**Revenue**	**Capital**	**Total**	
2	General Administration	22.03	-	22.03	20.10	-	20.10	3.13	-	3.13	16
3	Administration in Justice	72.40	-	72.40	48.62	-	48.62	4.91	-	4.91	10
4	Finance	53.71	-	53.71	43.42	-	43.42	6.92	-	6.92	16
5	Police	56.30	15.00	71.30	44.36	0.12	44.48	8.31	-	8.31	19
6	Education	956.08	70.40	1026.48	914.34	43.39	957.73	111.16	0.22	111.38	12
7	Medical and Public Health	356.55	-	356.55	289.69	-	289.69	51.39	-	51.39	18
9	Industries	48.40	14.92	63.32	45.82	11.68	57.50	7.60	3.19	10.79	19
10	Development Department	138.26	105.97	244.23	96.51	59.22	155.73	17.00	33.88	50.88	33
11	Urban Development and Public Works Departments	1025.09	2282.71	3307.80	852.78	1918.51	2771.29	283.17	226.05	509.22	18
12	Loan to Government Servants	-	10.00	10.00	-	9.35	9.35	-	2.45	2.45	26

APPENDIX - IX

(Refer to in paragraph 4.7.1)

Short accountal of purchases

(Rs in lakh)

Sl.No.	Ward No.	Assessment Year	Amount as per ST-II A/c	Amount as per trading A/c	Concealment of purchase	Suppression of Sale including G.P. margin	Tax	Interest	Penalty	Total
1.	30	1993-94	22.36	13.79	8.57	8.96	0.63	0.44	1.58	2.65
2.	73	1993-94	38.85	24.97	13.88	17.77	1.78	1.55	4.45	7.78
3.	89	1994-95	946.34	882.36	63.98	71.46	8.64	5.98	21.60	36.22
4.	7	1993-94	30.16	27.33	2.83	4.02	0.28	0.24	0.70	1.22
5.	32	1993-94	58.64	53.99	4.65	4.77	0.33	0.29	0.83	1.45
6.	95	1993-94	71.82	68.19	3.63	3.95	0.28	0.24	0.70	1.22
7.	99	1993-94	123.31	108.58	14.73	15.30	1.07	0.93	2.68	4.68
8.	105	1994-95	300.19	292.64	7.55	7.55	0.38	0.26	0.95	1.59
9.	104	1994-95	71.94	68.31	3.63	3.99	0.48	0.33	1.20	2.01
10.	103	1994-95	553.34	529.58	23.76	24.81	0.99	0.69	2.48	4.16
11.	103	1994-95	474.58	230.00	244.58	317.95	0.29	0.19	0.73	1.21
12.	91	1993-94	124.75	93.78	30.97	34.19	22.26	19.42	55.65	97.33
13.	104	1994-95	36.92	30.62	6.30	7.94	2.39	1.66	5.98	10.03
14.	93	1994-95	76.37	74.19	2.18	2.32	0.56	0.39	1.40	2.35
15.	106	1993-94	519.69	447.95	71.74	74.85	0.28	0.24	0.70	1.22
16.	53	1994-95	314.76	300.28	14.48	17.11	5.24	3.63	13.10	21.97
17.	106	1994-95	47.64	43.35	4.29	5.47	2.05	1.42	5.13	8.60
18.	106	1994-95	154.43	90.10	64.33	66.89	0.38	0.26	0.95	1.59
19.	64	1994-95	191.29	184.13	7.16	7.32	4.68	3.24	11.70	19.62
		Total					**52.99**	**41.40**	**132.51**	**226.90**

APPENDIX - X

(Referred to in paragraph 4.7.2)

Short accountal of Sales

(Rs in lakh)

Sl. No.	Ward No.	Assessment Year	Sale as per Account	Sale assessed by Assessing Authority	Short Assessment	Tax	Interest	Totals
1	82	1993-94	87.32	81.32	6.00	0.42	0.37	0.79
2	62	1993-94	407.67	401.94	5.73	0.40	0.35	0.75
3	101	1993-94	923.10	777.28	145.82	7.29	6.36	13.65
4	101	1995-96	917.00	899.38	17.62	1.76	0.90	2.66
5	100	1992-93	23.56	17.56	6.00	0.60	0.63	1.23
	Total					10.47	8.61	19.08

APPENDIX - XI

(Referred to in paragraph 4.7 3)

Short accountal of Stock

(Rs in lakh)

Sl.No.	Ward No.	Assessment Year	Closing Stock of Previous Year	Opening Stock shown in Tr. A/c in Current Year	Concealment of Stock	Suppression of sale	Tax	Interest	Penalty	Total
1	95	1995-96	3.76	1.14	2.62	2.89	0.35	0.18	0.87	1.40
2	94	1994-95	27.91	5.62	22.29	25.63	1.79	1.24	4.48	7.51
3	106	1994-95	41.22	-	41.22	43.73	5.25	3.63	-	8.88
4	106	1994-95	213.38	166.24	47.14	59.05	7.09	4.91	17.73	29.73
5	46	1992-95	57.15	10.05	47.10	53.75	3.76	3.29	9.40	16.45
		Total					18.24	13.25	32.48	63.97

APPENDIX - XII

(Referred to in paragraph 4.8)

Stock transfers

(Rs in lakh)

Sl. No.	Ward No.	Assessment Year	Stock transfer against "F" form	Stock accounted for	Concealment of Stock	Suppression of sale	Tax	Interest	Penalty	Total
1	26	1993-94	111.24	82.96	28.28	28.92	2.02	1.77	3.03	6.82
2	99	1993-94	26.45	22.42	4.03	6.49	0.78	0.70	1.17	2.65
3	43	1992-93	359.10	351.68	7.42	7.42	0.74	0.78	1.11	2.63
4	88	1992-93	44.46	-	44.46	44.46	4.45	4.68	6.68	15.81
		Total					**7.99**	**7.93**	**11.99**	**27.91**

APPENDIX - XIII

(Referred to in paragraph 4.10)

Short levy of tax deducted in cross-verification of statutory forms.

(Rs in lakh)

Sl. No.	Ward No.	Assessment Year	Exemption allowed	Forms verified	Forms not verified	Tax	Interest	Penalty	Total
1.	30	1993-94	24.71	-	24.71	1.73	1.51	4.33	7.57
2.	32	1993-94	21.54	6.22	15.32	0.46	0.40	1.15	2.01
		Total				**2.19**	**1.91**	**5.48**	**9.58**

APPENDIX - XIV
(Referred to in paragraph 4.9)

Incorrect grant of exemption from tax under Delhi Sales Tax Act

(Rs in lakh)

Sl.No.	Ward No.	Assessment Year	Exemption allowed	Exemption was to be allowed	Excess Exemption allowed	Tax	Interest	Total
1.	26	1993-94	100.10	93.24	6.86	0.55	0.48	1.03
2.	7	1994-95	836.91	807.39	29.52	2.07	1.43	3.50
3.	30	1994-95	38.34	31.71	6.63	0.26	0.18	0.44
4.	88	1994-95	5730.94	5680.97	49.97	5.00	3.46	8.46
5.	45	1993-94	159.62	149.28	10.34	0.72	0.63	1.35
6.	104	1994-95	14.15	6.96	7.19	0.72	0.50	1.22
7.	91	1993-94	3.48	-	3.48	0.42	0.37	0.79
8.	106	1994-95	227.74	222.66	5.08	0.51	0.35	0.86
9.	64	1994-95	9.79	5.07	4.72	0.47	0.33	0.80
10.	64	1994-95	110.59	100.22	10.37	0.73	0.51	1.24
11.	63	1993-94	161.86	157.20	4.66	0.33	0.29	0.62
12.	93	1993-94	1096.08	1055.40	40.68	4.88	4.26	9.14
13.	101	1994-95	3.37	-	3.37	0.45	0.31	0.76
		Total				**17.11**	**13.10**	**30.21**

APPENDIX - XV
(Referred to in paragraph 4.11)

Non-levy of Penalty.

(Rs in lakh)

Sl.No.	Ward No.	Assessment Year	Unauthorised Purchase	Penalty
1.	30	1994-95	24.80	4.34
2.	85	1993-94	37.73	13.25
3.	86	1993-94	3.68	0.92
4.	88	1994-95	24.90	4.36
5.	38	1993-94	5.89	0.74
6.	54	1993-95	27.73	6.93
7.	54	1993-95	14.65	4.40
8.	54	1993-94	7.98	1.40
9.	101	1993-94	11.21	2.80
		Total		**39.14**

APPENDIX - XVI
(Referred to in paragraph 4.12)
Non-levy of taxes

(Rs in lakh)

Sl.No.	Ward No.	Assessment Year	REP Sold	Tax	Interest	Total
1.	95	1992-93	4.84	0.34	0.36	0.70
2.	95	1992-95	239.19	16.74	12.26	29.00
3.	95	1993-94	19.17	1.34	1.17	2.51
4.	95	1992-94	37.49	2.62	2.36	4.98
5.	95	1991-92	20.19	1.41	1.74	3.15
6.	95	1993-95	457.00	31.99	24.04	56.03
7.	95	1992-93	19.17	1.34	1.41	2.75
8.	95	1991-92	14.18	0.99	1.22	2.21
9.	95	1992-94	14.09	0.99	0.90	1.89
10.	95	1992-93	3.68	0.26	0.27	0.53
11.	99	1992-93	18.96	1.33	1.33	2.66
12	46	1992-93	49.48	3.46	3.64	7.10
13.	101	1992-93	16.16	1.13	1.19	2.32
14.	101	1993-96	6.48	0.45	0.32	0.77
15.	101	1995-96	28.95	2.03	1..04	3.07
16.	96	1991-93	4.47	0.31	0.36	0.67
		Total		**66.73**	**53.61**	**120.34**

APPENDIX - XVII

(Referred to in paragraph 4.13)

Non-levy of taxes on sale of assets

(Rs in lakh)

Sl.No.	Ward No.	Assessment Year	Assets Sold	Tax	Interest	Total
1.	12	1992-95	14.44	1.44	1.12	2.56
2.	95	1994-95	16.17	1.62	1.12	2.74
3.	95	1993-94	46.19	4.62	4.03	8.65
4.	95	1994-95	8.28	0.83	0.57	1.40
5.	95	1993-95	22.88	2.29	1.71	4.00
6.	99	1994-95	456.95	45.70	31.65	77.35
7.	95	1993-94	5.48	0.55	0.48	1.03
8.	95	1992-94	263.34	19.02	18.37	37.39
9.	95	1992-94	34.98	2.74	2.56	5.30
10.	82	1993-95	15.13	1.51	1.26	2.77
11.	75	1994-95	4.49	0.27	0.19	0.46
12	106	1994-95	13.51	1.35	0.93	2.28
13.	106	1992-93	4.32	0.43	0.45	0.88
14.	70	1993-94	7.80	0.78	0.68	1.46
15.	70	1994-97	5.44	0.54	0.30	0.84
16.	70	1993-95	7.56	0.76	0.53	1.29
17.	101	1992-94	6.82	0.68	0.64	1.32
18.	101	1994-95	63.37	6.34	4.39	10.73
19.	101	1993-95	56.04	5.60	4.69	10.29
20.	101	1994-95	7.11	0.71	0.49	1.20
21.	92	1994-95	6.09	0.61	0.42	1.03
		Total	**1066.39**	**98.39**	**76.58**	**174.97**

APPENDIX - XVIII

(Referred to in paragraph 4.14.1)

Incorrect grant of concessional rate of tax under C.S.T. Act

(Rs in lakh)

Sl.No	Ward No.	Assessment Year	Exemption on concessional rate allowed	Exemption on concessional rate which was to be allowed	Excess exemption allowed	Tax	Interest	Penalty	Total
1.	92	1996-97	9.08	-	9.08	0.72	0.24	1.09	2.05
2.	43	1993-94	58.83	-	58.83	3.53	3.08	-	6.61
3.	66	1993-94	6.32	-	6.32	0.25	0.22	-	0.47
4.	106	1993-95	10.51	-	10.51	0.63	0.44	-	1.07
5.	68	1994-95	8.65	-	8.65	0.52	0.36	-	0.88
6.	106	1994-95	40.56	20.81	19.75	1.19	0.82	-	2.01
7.	101	1992-93	7.89	1.36	6.53	0.39	0.41	-	0.80
8.	101	1994-95	21.91	-	21.91	1.31	0.91	-	2.22
9.	101	1994-95	7.62	-	7.62	0.46	0.32	-	0.78
10.	101	1993-95	7.59	-	7.59	0.46	0.37	-	0.83
		Total	**178.96**	**22.17**	**156.79**	**9.46**	**7.17**	**1.09**	**17.72**

APPENDIX - XIX

(Referred to in paragraph 4.15)

Short levy of tax due to incorrect application of rate

(Rs in lakh)

Sl. No.	Ward No.	Assessment Year	Taxable Sale	Rate of Sales tax as per DST Act (in per cent)	Rate of Sales tax charged (in per cent)	Difference (in per cent)	Tax	Interest	Total
1.	95	1993-94	39.10	12	10	2	0.78	0.68	1.46
2.	15	1993-94	51.47	12	10	2	1.03	0.90	1.93
3.	8	1994-95	79.49	5	-	5	3.97	2.75	6.72
4.	45	1993-94	41.51	7	2	5	2.08	1.81	3.89
5.	91	1993-94	42.75	12	10	2	0.86	0.75	1.61
6.	106	1994-95	67.80	12	10	2	1.36	0.94	2.30
7.	101	1993-95	167.95	12	10	2	3.36	2.64	6.00
8.	101	1994-95	12.21	10	7	3	0.37	0.26	0.63
9.	93	1993-94	135.83	12	10	2	2.72	2.37	5.09
		Total					**16.53**	**13.10**	**29.63**

APPENDIX - XX

(Referred to in paragraph 4.16)

Irregular grant of exemption on export

(Rs in lakh)

Sl. No.	Ward No.	Assessment Year	Exemption granted	Exemption was to be granted	Excess exemption	Tax	Interest	Total
1.	46	1993-95	497.65	488.04	9.61	0.96	0.78	0.91
2.	88	1994-95	24.90	19.51	5.39	0.54	0.37	1.74
					15.00	**1.50**	**1.15**	**2.65**

APPENDIX - XXI

(Referred to in paragraph 4.17)

Irregular exemption on sale of Pesticides

(Rs in lakh)

Sl. No.	Ward No.	Assessment Year	Irregular Exemption granted	Tax	Interest	Total
1	103	1994-95	2141.29	107.06	74.14	181.20
2	8	1994-95	678.20	33.91	23.48	57.39
3	93	1993-95	67.92	3.40	2.67	6.07
	Total		**2887.41**	**144.37**	**100.29**	**244.66**

APPENDIX - XXII

(Referred to in paragraph 5.3)

Statement showing subsidy received, guarantees received, waiver of dues, loans on which moratorium allowed and loans converted in to equity during the year and subsidy receivable and guarantees outstanding at the end of March 1999

(Figures in columns 3(a) to 7 are in Rs in lakh)

Sl. No.	Name of the Public Sector Undertaking	Subsidy received during the year				Gaurantees received during the year and outstanding at the end of the year					Waiver of dues during the year				Loans on which moratorium allowed	Loans converted into equity during the year
		Central Govern-ment	State Govern-ment	Others	Total	Cash Credit from banks	Loans from other sources	Letters of credit opened by banks in respect of imports	Payment obligation under agreement with foreign consultants or contracts	Total	Loans repayment written off	Interest waived	Penal interest waived	Total		
(1)	(2)	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	(6)	(7)
A.	**Government companies:**															
	Delhi State Civil Supply Corporation Limited	165.20	1695.59	--	1860.79	--	--	--	--	--	--	--	--	--	--	--
	Delhi Scheduled Caste Financial Development Corporation Limited	164.46	--	--	164.46	--	--	--	--	--	--	--	--	--	--	--
	Total-A	**329.66**	**1695.59**	**--**	**2025.25**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
B.	**Statutory Corporations**															
	Delhi Transport Corporation	--	--	--	--	--	--	--	--	--	--	--	--	--	152.00	--
	Delhi Financial Corporation	--	--	-	--	--	--	--	--	--	--	2.00	--	--	--	--
	Total-B	**--**	**--**	**-**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**2.00**	**--**	**--**	**152.00**	**--**
	Grand Total (A+B)	**329.66**	**1695.59**	**--**	**2025.25**	**--**	**--**	**--**	**--**	**--**	**--**	**2.00**	**--**	**--**	**152.00**	**--**

APPENDIX- XXIII

(Referred to in paragraphs 5.2.1, 5.2.2, 5.4.1, 5.5, 5.6 & 5.7)

Summarised financial results of Government companies and Statutory Corporations for the latest year for which accounts were finalised

Figures in columns 7 to 12 are Rs in lakh

Sl No.	Sector and name of company	Name of Department	Date of Incorpo-ration	Period of accounts	Year in which accounts finalised	Net Profit(+)/ Loss(-)	Net impact of Audit comments	Paid-up capital	Accumulatted profit(+)/ loss(-)	Capital employed *	Total Return on capital employed *	Percentage of total return on capital employed	Arrears of accounts in terms of years	Status of the Company /Corporation
A.	**Government Companies**													
1.	INDUSTRY Delhi State Industrial Development Corporation Ltd.	Industry	15-2-71	97-98	98-99	(+)78.90	Nil	2186.23	(+)990.64	3663.58	106.13	2.90	1	Working
	Sector wise total					**78.90**	**Nil**	**2186.23**	**990.64**	**3663.58**	**106.13**	**2.90**		
2.	MINING Delhi State Mineral Development Corporation Ltd.	Industry	27-5-85	95-96	98-99	(-)81.75	Increase in loss by Rs.6.49 lakh Decrease in loss by Rs.2.14 lakh	318.00	(-) 341.52	(-)5.96	(-)81.75	-		
				96-97	99-2000	(+)33.91	Decrease in profit by Rs.44.79 lakh	318.00	(-) 310.22	28.93	33.91	117.21	2	Working
	Sector wise total					**33.91**	**Rs.44.79**	**318.00**	**(-) 310.22**	**28.93**	**33.91**	**117.21**		

* *Capital Employed and return on capital employed has been calculated on the basis of latest accounts*

Sl No.	Sector and name of company	Name of Department	Date of Incorpo-ration	Period of accounts	Year in which accounts finalised	Net Profit(+)/ Loss(-)	Net impact of Audit comments	Paid-up capital	Accumulatted profit(+)/ loss(-)	Capital employed (A)	Total Return on capital employed	Percentage of total return on capital employed	Arrears of accounts in terms of years	Status of the Company /Corporation
3.	DEVELOP-MENT OF ECONOMICALLY WEAKER SECTION Delhi Scheduled Caste Financial Development Corporation Ltd.	Welfare	29-1-83	90-91	98-99	(+)66.95	Decrease in profit by Rs.36.00 lakh	496.10	226.51	626.06	66.95	10.69	8	working
	Sector wise total					**66.95**	**Rs.36.00**	**496.10**	**226.51**	**626.06**	**66.95**	**10.69**		
4.	PUBLIC DISTRIBUTION			1993-94	1998-99	(+) 2.14	Decrease in profit by 3.90 lakh	499.92	189.35	739.27	2.14	0.29		
	Delhi State Civil Supplies Corporation Ltd.	Public Distribution	14-11-80	1994-95	1998-99	(+) 1.55	Nil	499.92	148.24	698.16	1.55	0.22	-	-
				95-96	99-2000	35.26	Decrease in profit by Rs.59.99 lakh	499.92	163.05	662.97	35.26	5.32	3	Working
	Sector wise total					**35.26**	**Rs.59.99**	**499.92**	**163.05**	**662.97**	**35.26**	**5.32**		
5.	TOURISM Delhi Tourism & Transport Development Corporation Ltd.	Tourism	12-12-75	95-96	99-2000	(+) 526.26	**	528.25	1839.39	27.89	526.26	1886.91	3	Working
	Sector wise total					**526.26**	**	**528.25**	**1839.39**	**27.89**	**526.26**	**1886.91**		
	Total (A) Government companies					**741.28**	**154.56**	**4028.50**	**2909.37**	**5009.43**	**768.51**	**15.35**		

Sl No.	Sector and name of company	Name of Department	Date of Incorporation	Period of accounts	Year in which accounts finalised	Net Profit(+)/ Loss(-)	Net impact of Audit comments	Paid-up capital	Accumulatted profit(+)/ loss(-)	Capital employed (A)	Total Return on capital employed	Percentage of total return on capital employed	Arrears of accounts in terms of years	Status of the Company /Corporation
B.	**Statutory Corporations**													
6.	POWER [1]Delhi Vidyut Board	Power	24/2/97	--	--	--	--	--	--	--	--	--	--	--
	Sector wise total		--	--	--	--	--	--	--	--	--	--	--	--
7.	TRANSPORT Delhi Transport Corporation	Ministry of Transport, Govt. of NCT,Delhi	3-11-71	98-99	99-2000	(-)18564.38	**	11700.00	(-)46157.68	(-)444.75	(-)18120.39		--	Working
	Sector wise total					**(-) 18564.38**		**11700.00**	**(-) 46157.68**	**(-)444.75**	**(-)18120.39**			
8.	FINANCING Delhi Financial Corporation	Ministry of Finance Govt. of NCT, Delhi	1-4-67	98-99	99-2000	458.79	**	1553.22	3700.63	7680.39	867.28	11.29	--	Working
	Sector wise total					458.79		1553.22	3700.63	7680.39	867.28	11.29		
	Total (B) Statutory Corporations					(-) 18105.60		13253.22	(-) 42457.05	7235.64	(-)17253.11			
	Grand Total (A+B)					(-) 17364.31	154.56	17281.72	(-) 39547.68	12245.07	(-)16484.60			

****Audit completed but replies of the Management are awaited.*

(A) - Capital employed represents net fixed assets (including capital work-in-progress) plus working capital except in case of finance companies/corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including refinance)

1 Accounts of Delhi Vidyut Board not furnished since its formation in Feb. 1997 there fore the details of DVB have not been incorporated.

APPENDIX - XXIV

(Referred to in paragraph 5.2.1)

Statement showing particulars of capital, loans/ equity received out of budget, other loans and loans outstanding as on 31 March 1999 in respect of Government companies and Statutory Corporations.

Figures in column 3(a) to 4(f) are Rs in lakh

Serial number	Sector and name of the Company	Paid-up capital as at the end of the current year					Equity/loans received out of Budget during the year		Other loans received during the year*	Loans** Outstanding at the close of 1998-99			Debt equity ratio for 1998-99 (Previous year) 4(f)/3(e)
		State Government	Central Government	Holding Companies	Others	Total	Equity	Loans		Govt.	Others	Total	
(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
A.	**Government Companies**												
	INDUSTRY												
1.	DELHI STATE INDUSTRIAL DEVELOPMENT CORPORATION LTD.	2186.23	--	--	--	2186.23	--	--	--	--	--	--	-- (0.44:1)
	Sector wise total	2186.23	--	--	--	2186.23	--	--	--	--	--	--	--
	MINING												
2.	DELHI STATE MINERAL DEVELOPMENT CORPORATION LTD.	318.00	--	--	--	318.00	--	--	--	--	--	--	-- (0.05:1)
	Sector wise total	318.00	--	--	--	318.00	--	--	--	--	--	--	--
	DEVELOPMENT OF ECONOMICALLY WEAKER SECTION			--	--		--	--	--	--	--	--	
3.	DELHI SCHEDULED CASTE FINANCIAL DEVELOPMENT CORPORATION LTD	1277.19	1187.70			2464.89							--
	Sector wise total	1277.19	1187.70	--	--	2464.89	--	--	--	--	--	--	--

* *Includes bonds, debentures, inter corporate deposits, etc.*

** Loans outstanding at the close of 1998-99 represents long-term only.

Serial number	Sector and name of the Company	Paid-up capital as at the end of the current year: State Government	Central Government	Holding Companies	Others	Total	Equity/loans received out of Budget during the year: Equity	Loans	Other loans received during the year*	Loans** Outstanding at the close of 1998-99: Govt.	Others	Total	Debt equity ratio for 1998-99 (Previous year) 4(f)/3(e)
(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
4.	PUBLIC DISTRIBUTION DELHI STATE CIVIL SUPPLY CORPORATION LTD.	599.92	--	--	--	599.92	100	650.00	--	650.00	--	650.00	1.08:1 (--)
	Sector wise total	599.92	--	--	--	599.92	100	650.00	--	650.00	--	650.00	--
5.	TOURISM DELHI TOURISM AND TRANSPORT DEVELOPMENT CORPORATION LTD.	578.25	--	--	--	578.25	--	--	--	--	--	--	-- (0.002:1)
	Sector wise total	578.25	--	--	--	578.25	--	--	--	--	--	--	--
	Total – A (All sector wise Government companies)	**4959.59**	**1187.70**	**--**	**--**	**6147.29**	**100.00**	**650.00**	**--**	**650.00**	**--**	**650.00**	**0.11:1** **(0.16:1)**
B.	**Statutory Corporations:**												
6.	POWER DELHI VIDYUT BOARD	--	--	--	--	--	--	85949.15	--	12575.72	499901.68	512477.40	--[2]
	Sector wise total	--	--	--	--	--	--	85949.15	--	12575.72	499901.68	512477.40	--
7.	TRANSPORT DELHI TRANSPORT CORPORATION	11700.00	--	--	--	11700.00	--	15150.00	--	26822.00	87.00	26909.00	2.29:1 (1.42:1)
	Sector wise total	11700.00	--	--	--	11700.00	--	15150.00	--	26822.00	87.00	26909.00	--
8.	FINANCING DELIHI FINANCIAL CORPORATION	902.75	--	--	650.47	1553.22	5.00	--	117.72	--	3141.57	3141.57	2.02:1 (2.86:1)
	Sector wise total	902.75	--	--	650.47	1553.22	5.00	--	117.72	--	3141.57	3141.57	--
	Total-B (All sector wise Statutory Corporations)	**12602.75**	**--**	**--**	**650.47**	**13253.22**	**5.00**	**101099.15**	**117.72**	**39397.72**	**503130.25**	**542527.97**	
	Grand Total (A+B)	**17562.34**	**1187.70**	**--**	**650.47**	**19400.51**	**105.00**	**101749.15**	**117.72**	**40047.72**	**503130.25**	**543177.97**	**--**

[2] *Note: Except in respect of Statutory Corporations which finalised their accounts for 1998-99 (Serial No 7 & 8) figures are provisional and as given by the companies.*

APPENDIX - XXV

(Referred to in paragraphs 5.2.2, 5.5)

Statement showing working results of Statutory corporations

(Rs in crore)

1.	**Delhi Transport Corporation**			
	Particulars	**1996-97**	**1997-98**	**1998-99**
	Operating (a) Revenue (b) Expenditure (c) Deficit(-)	 145.30 277.13 131.83	 239.84 353.59 113.75	 376.22 516.79 140.57
	Non-operating (a) Revenue (b) Expenditure (c) Deficit(-)	 4.56 156.46 151.90	 12.54 72.96 60.62	 20.49 87.21 66.72
	Total (a) Revenue (b) Expenditure (c) Loss(-)	 149.86 433.59 283.73	 252.38 426.55 174.17	 396.71 604.00 207.29
	Prior period adjustment	(-)2.04	7.39	21.65
	Net Loss	285.77	166.78	185.64
	Interest on capital and loans	--	--	--
	Total return on Capital employed	--	--	--
3.	**Delhi Financial Corporation**			
	Particulars	**1996-97**	**1997-98**	**1998-99**
	1 Income (a) Interest on Loans (b) Other income	 13.26 3.42	 15.53 4.05	 10.10 3.25
	Total-1	**16.68**	**19.58**	**13.35**
	2. Expenses (a) Interest on long-term and short-term loans (b) Provision for non performing assets (c) Other expenses	 4.50 -- 5.02	 8.13 – 4.95	 4.08 – 4.68
	Total-2	**9.52**	**13.08**	**8.76**
	3. Profit before tax (1-2)	7.16	6.50	4.59
	4. Prior period adjustments	--	--	--
	5. Provision for tax	2.18	1.38	1.08
	6. Profit (+)/Loss (-) after tax	4.98	5.12	3.51
	7. Other appropriations	4.29	4.43	2.82
	8. Amount available for dividend #	0.69	0.69	0.69
	9. Dividend paid/payable	0.69	0.69	0.69
	10. Total return on Capital employed	11.65	14.62	8.67
	11. Percentage of return on Capital employed	12.8	15.5	11.29

APPENDIX - XXVI

(Referred to in paragraph 5.2.2)

Statement showing financial position of Statutory corporations

(Rs in crore)

1. Delhi Transport Corporation			
Particulars	1996-97	1997-98	1998-99
A.. Liabilities			
Capital (including capital loan & equity capital)	--	117.00	117.00
Borrowings (Central Govt.:) (Others: Government of NCT, Delhi)	8.73 65.00	1.08 141.22	0.87 292.72
Funds (Reserves and Surplus)*	25.59	39.92	46.54
Trade dues and other current liabilities (including provisions)	202.65	192.53	211.35
Total – A	301.97	491.75	668.48
B. Assets			
Gross Block	182.60	192.18	249.33
Less: Depreciation	107.36	119.66	132.32
Net fixed assets	75.24	72.52	117.01
Capital works-in-progress (including cost of chassis)	0.79	0.56	0.95
Investments	0.64	0.73	0.82
Current assets, loans and advances	23.28	142.01	88.12
Deferred Cost			
Accumulated losses	202.02	275.93	461.58
Total – B	301.97	491.75	668.48
C. Capital employed*	(-)102.69	23.29	(-)4.45
2. Delhi Financial Corporation			
Particulars	1996-97	1997-98	1998-99
A. Liabilities			
Paid-up capital	12.93	12.93	12.93
Share application money	2.50	2.55	2.60
Reserve fund and other reserves and surplus	28.19	34.24	37.00
Borrowings:			
(i) Bonds and debentures	14.03	13.48	11.00
(ii) Fixed Deposits			
(iii) Industrial Development Bank of India & Small Industrie Development Bank of India	36.74	30.77	20.42
(iv) Reserve Bank of India			
(v) Loan in lieu of share capital: (a) State Government (b) Industrial Development Bank of India			
(vi) Others (including State Government)			
Other Liabilities and provisions	12.83	13.14	10.73
Total-A	107.22	107.11	94.68
B. Assets			
Cash and Bank balances	6.14	11.08	2.54
Investments			
Loans and Advances	84.16	79.01	76.00
Net fixed assets	8.06	9.76	8.56
Other assets	8.86	7.26	7.58
Miscellaneous expenditure			
Total-B	107.22	107.11	94.68
C. Capital employed°	90.34	84.50	76.80

** Excluding depreciation funds.*

** Capital employed represents net fixed assets(including works-in-progress) plus working capital.*

° Capital employed represents the mean of the aggregate of opening and closing balances of paid-up capital, loans in lieu of capital, seed money, debentures, reserves (other than those which have been funded specifically and backed by investments outside), bonds, deposits and borrowings (including refinance).

APPENDIX - XXVII

(Referred to in paragraph 5.5.2(c))

Statement showing operational performance of Statutory corporations

1. Delhi Vidyut Board

Particulars	1996-97	1997-98	1998-99
Installed capacity		----(MW)----	
(a) Thermal	419.10	419.10	419.10
(b) Hydro	–	–	–
(c) Gas	282.00	282.00	282.00
(d) Other	–	–	–
Total	**701.10**	**701.10**	**701.10**
Normal maximum demand	-N.A-	-N.A-	-N.A-
Power generated :		--(MKWH)-	
(a) Thermal	1273.815	1386.681	1170.999
(b) Hydro	–	–	–
(c) Gas	752.055	801.534	722.968
(d) Other	--	--	--
Total	**2025.870**	**2188.215**	**1893.967**
Less : Auxiliary consumption			
(a) Thermal	151.363	155.900	146.881
(percentage)	11.80	11.24	12.54
(b) Hydro			
(percentage)	--	--	--
(c) Gas	--	--	--
(percentage)			
(d) Other	23.847	8.436	16.253
(percentage)	3.17	3.55	2.25
Total	--	--	--
(percentage)	--	--	--
	175.210	**184.336**	**163.134**
	8.65	**8.42**	**8.61**
Net power generated	1850.660	2003.879	1730.833
Power purchased:	11678.108	13328.090	13731.000
(a) With in the State			
-Government:	-N.A-	-N.A-	-N.A-
-Private :	-N.A-	-N.A-	-N.A-
(b) Other States	-N.A-	-N.A-	-N.A-
(c) Central Grid	-N.A-	-N.A-	-N.A-
Total power available for sale	**13528.768**	**15331.969**	**15461.833**
Power sold:	**6871.935**	**8382.920**	**9477.000**
(a) With in the State	-N.A-	-N.A-	-N.A-
(b) Outside the State	-N.A-	-N.A-	-N.A-
Transmission and distribution losses	6656.833	6949.049	5984.833
Load factor (Percentage)	-N.A-	-N.A-	-N.A-
Percentage of transmission and distribution losses	49.20	45.32	38.72
to total power available for sale	13528.768	15331.969	15461.833
Number of villages/towns electrified	-N.A-	-N.A-	-N.A-
Number of pump sets/wells energised	-N.A-	-N.A-	-N.A-
Number of sub-stations	-N.A-	-N.A-	-N.A-
Transmission/distribution lines (in kms)	-N.A-	-N.A-	-N.A-
(a) High/medium voltage	-N.A-	-N.A-	-N.A-
(b) Low voltage	-N.A-	-N.A-	-N.A-

Connected load (in MW)	-N.A-	-N.A-	-N.A-
Particulars	**1996-97**	**1997-98**	**1998-99**
Number of consumers	-N.A-	-N.A-	-N.A-
Number of employees	25084	24535	24569
Consumer/employees Ratio	-N.A-	-N.A-	-N.A-
Total expenditure on staff during the year Rs in crore	-N.A-	-N.A-	-N.A-
Percentage of expenditure on staff to total revenue expenditure	-N.A-	-N.A-	-N.A-
Units sold		--(MKWH)-	
(a) Agriculture	-N.A-	-N.A-	-N.A-
(Percentage share to total units sold)	-N.A-	-N.A-	-N.A-
(b) Industrial	-N.A-	-N.A-	-N.A-
(Percentage share to total units sold)	-N.A-	-N.A-	-N.A-
(c) Commercial	-N.A-	-N.A-	-N.A-
(Percentage share to total units sold)	-N.A-	-N.A-	-N.A-
(d) Domestic	-N.A-	-N.A-	-N.A-
(Percentage share to total units sold)	-N.A-	-N.A-	-N.A-
(e) Others	-N.A-	-N.A-	-N.A-
(Percentage share to total units sold)	-N.A-	-N.A-	-N.A-
Total	-N.A-	-N.A-	-N.A-
		(Paise per KWH)	
(a) Revenue	1849.34	2495.82	2973.49
(excluding subsidy from Government)			
(b) Expenditure°	2297.78	3065.39	3636.89
(c) Profit (+)/Loss (-)	448.44	569.57	663.40
(d) Average subsidy claimed from Government (in Rupees)			
(e) Average interest charges (in Rupees)			

2. Delhi Transport Corporation

(Rs in crore)

Particulars	1996-97	1997-98	1998-99
Average number of vehicles held	2665	2668	2881
Average number of vehicles on road	1648	2282	2619
Percentage of utilisation of vehicles	6184	8553	9091
Number of employees	30460	30032	31843
Employee vehicle ratio	11.07	9.39	7.72
Number of routes operated at the end of the year	887	879	894
Route kilometres	51061.6	49450.1	49836.7
Kilometres operated (in lakh)			
(a) Gross	1707.71	2041.10	2100.67
(b) Effective	1610.32	1943.34	2002.08
(c) Dead	97.39	97.76	98.59
Percentage of dead kilometres to gross kilometres	5.70	4.79	4.69
Average kilometres covered per bus per day	433	433	399
Operating revenue per kilometre (Paise)			
DTC	930.64	1030.92	1136.83
PVT.OP.	931.56	916.73	1056.30
Average expenditure per kilometer (paise)			
DTC	2692.55	1846.67	1972.59
PVT.OP.	646.18	1192.41	1305.99
Loss per kilometre (Paise)			
DTC	1761.91	815.75	835.74
PVT.OP	285.38	275.68	249.69

° *Revenue expenditure includes depreciation but excludes interest on long term loans*

Number of operating depots	33	31	33
Average number of break-down per lakh kilometres	5.7	3.9	2.6
Average number of accidents per lakh kilometres	0.39	0.33	0.31
Passenger kilometre operated (in crore)	88474.14	102727.37	113653.44
Occupancy ratio	137.35	124.07	140.39
Kilometres obtained per litre of: (a) Diesel Oil (b) Engine Oil			

3. Delhi Financial Corporation

(Rs in crore)

Particulars	**1996-97**		**1997-98**		**1998-99**	
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**
Applications pending at the beginning of the year	49	459.52	10	157.94	3	11.04
Applications received	993	7081.57	298	2728.14	2016	4320.14
Total	**1042**	**7541.09**	**308**	**2886.08**	**2019**	**4331.18**
Applications sanctioned	906	6025.77	275	2021.05	1982	3644.09
Applications cancelled/with-drawn/rejected/reduced	126	897.86	34	860.44	29	314.06
Applications pending at the close of the year	10	157.94	3	11.04	8	373.03
Loans disbursed	410	2820.14	451	1596.25	1314	1646.33
Loan outstanding at the close of the year	2574	8415.90	2560	7757.03	3176	7599.61
Amount overdue for recovery at the close of the year (a) Principal (b) Interest **Total**	595	196.26 110.81 **307.07**	479	202.24 139.64 **341.88**	735	267.30 131.07 **398.37**
Amount involved in recovery certificate cases*		2449.53		3565.63		4605.06
Total		**2449.53**		**3565.63**		**4605.06**
Percentage of overdue to the total loans outstanding		3.64		4.40		5.24

* *Total amount due from borrowers against whom legal action has been taken for recovery of dues*