

## **Chapter VI: Functioning of Directorate of Income Tax (Infrastructure)**

### **6.1 Introduction**

The availability and expansion of infrastructure in the Income Tax department (ITD) did not keep pace with the exponential growth in the number of assesseees, revenue collection and the consequent growth in the volume of work of ITD. This led to serious infrastructure bottlenecks in smooth functioning of ITD over a period of time.

The Central Board of Direct Taxes (CBDT), Department of Revenue, Ministry of Finance constituted a three member Task Force on Infrastructure (TFI) in November 2002 to assess the situation and recommend ways and means to improve it. The TFI in its report, presented to CBDT in June 2003, noted that the requirement of ITD had greatly increased. Manifold increase in the number of tax payers was putting pressure on physical resources as well as on expenditure budget. Further, greater use of modern technology necessitated re-engineering of business processes, re-deployment of man-power, up-gradation of skills of the work-force and their intensive training. The layout of offices which was geared to functioning in a manual environment was not found suitable in the present context. While the demand on the existing infrastructure had greatly increased, augmentation of the infrastructure had lagged behind. The TFI suggested several measures to make good the gap in infrastructure.

Against this backdrop, the Directorate of Infrastructure (Directorate) under the CBDT, Department of Revenue, Ministry of Finance was created vide Gazette Notification dated 21<sup>st</sup> November 2005. The Directorate is responsible for drawing up of construction programmes for ITD and their implementation on all India basis, which includes examination of individual proposals including drawing up a schedule of accommodation, scrutiny of plans and estimates and securing requisite approvals from the competent authority. The Directorate is also responsible for the scrutiny of proposals regarding acquisition of land for construction of building, finalization of budget proposals in respect of construction, purchase of buildings. Examination of proposals regarding repair of departmental buildings and minor works, hiring of office/office cum residential accommodation, purchase and hiring of vehicles for ITD including replacement are also being dealt with by the Directorate.

The Directorate is divided into three wings headed by ADG (Infra)-I, ADG (infra)-II and ADG (infra)-III. ADG (Infra)-I is responsible for all India infrastructure projects including hiring of office buildings. ADG (Infra)-II is responsible for all India budget including allocation of capital and revenue

budget. ADG (Infra)-III is responsible for conducting of various studies and preparation of result framework document.

## **6.2 Audit Objectives**

This audit was conducted with a view to ascertaining whether:

- a) the instructions contained in the Manual on Infrastructure of the ITD and CPWD Manual were followed while planning and executing works relating to development of infrastructure in the ITD;
- b) the provisions of the General Financial Rules, 2005 and instructions of the ITD were followed while spending public money.

## **6.3 Audit Criteria**

The following sources of criteria were relied upon for evaluating the activities of the Directorate:

- a) Manual on Infrastructure issued by the Directorate of Infrastructure.
- b) General Financial Rules, 2005.
- c) Circulars/instructions issued by the Ministry/CBDT from time to time.
- d) CPWD Manual.

## **6.4 Audit Scope and Methodology**

This audit covered the period from the financial year 2012-13 to 2015-16. All projects sanctioned, completed as well as those in progress during the audit period were examined. The audit methodology consisted of scrutiny of records/documents of the Directorate and offices of Principal CCsIT/CCsIT, where works projects were under implementation. Out of 838 files/records requisitioned, the ITD produced 712 records, which were examined in the audit. The ITD did not produce the remaining 126 files/records (15 per cent).

## **6.5 Planning and execution of projects**

### **6.5.1 Non furnishing of complete information along with proposals for acquisition of land**

A proposal mooted for purchase of land by Pr. CCIT/CCIT should reach finality within a reasonable time. Para 2.4 of 'Manual on Infrastructure' (Manual) prescribes that space requirement may be computed as per prescribed norms, full justification may be given for purchase of land and required certificates/checklists may be submitted by Pr. CCsIT/CCsIT along with the proposal. The Manual<sup>97</sup> provides that the proposal for acquisition of land should inter alia accompany a certificate from CPWD about the suitability of

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97 Annexure XVI(b) of Manual on Infrastructure of ITD

land which includes topography, shape, accessibility, availability of necessary civic infrastructure viz. water, electricity, sewerage, etc. having a bearing on the suitability of the plot. As per the prescribed checklist, the proposal should also accompany a non-encumbrance's certificate from the district/local authority. The Manual also required that SFC/CNE<sup>98</sup> Memorandum (for proposal above ₹ 20 crore) may also be sent with the proposal.

The Audit observed in 21 proposals for acquiring land pertaining to 17 commissionerates in 11 states<sup>99</sup> that the Pr. CCsIT/CCsIT did not send proposals complete in all respects (*Appendix 6.1*). Required information/documents including certificates, checklist, certified layout plan, period of validity of offer, etc. were not sent by the CCsIT with the proposals. As a result, these proposals could not be cleared and were pending with the Directorate.

Audit noticed that out of these 21 proposals, 13 proposals were pending for a period ranging from one year to nine years of which eight proposals were two to five years old and two proposals were more than seven years old.

There were delays in according Administrative Approval & Expenditure Sanction (AA & ES) due to non-observance of the due procedure at the very initial stage of acquiring of land itself.

### **6.5.2 Poor scrutiny of land acquisition proposals**

Audit noticed 54 cases (*Appendix 6.2*) pertaining to 25 Commissionerates in 16 states<sup>100</sup> where the ITD acquired land during the period 1973 to 2014 without following the guidelines prescribed in the Manual, as a result these were lying unutilized. Scrutiny revealed that despite shortcomings in the proposals sent by the Pr.CCsIT/CCsIT, the Directorate accorded AA&ES for acquisition of land. This led to non-utilization of land which defeated the intended purpose of acquisition of land.

Three cases are illustrated below:

#### **6.5.2.1 Land at Finance City, Bengaluru – Acquisition of land not having basic civil infrastructure and resultant non-utilization**

Proposal of the Pr. CCIT, Bengaluru for purchase of two acres of land at newly developed Finance City Project, Devanahalli, near Bengaluru Rural District, developed by M/s IFCI Infrastructure Development Ltd. (IIDL) on lease cum sale basis, for construction of office building at a cost of ₹ 7.50 crore was approved (January 2013) by DIT(I). Possession certificates was obtained after

98 SFC- Standing Finance Committee, CNE – Committee for Non-plan Expenditure

99 Chandigarh-1, Chhattisgarh-1, Gujarat-1, Haryana-2, Jharkhand-3, Maharashtra-3, MP-3, Rajasthan-2, Tamil Nadu-2, UP-2, Uttarakhand-1

100 Andhra Pradesh & Telengana-3, Assam-2, Bihar-3, Delhi-1, Goa-3, Gujarat-6, Haryana-5, Jharkhand-2, Karnataka- 2, Maharashtra-4, MP-1, Odisha-5, Rajasthan-4, UP-4, Uttarakhand-1 and West Bengal-8

paying the amount to M/s IIDL and getting registered the lease cum sale agreement in October 2013 after paying a stamp duty of ₹ 18.83 lakh. The Department subsequently decided (May 2014) not to go ahead with the construction owing to non-availability of basic infrastructure like water, electricity, etc.

Thus the Pr. CCIT/Directorate overlooked the land acquisition guidelines given in the Manual and proceeded for acquisition of land in a newly developed area where basic civil infrastructure facilities were yet to be provided. This resulted in non utilization of land which led to non fulfillment of the purpose viz. to meet the acute shortage of office space.

In addition, the Pr. CCIT, Bengaluru paid ₹ 18.83 lakh towards stamp duty for execution of lease cum sale agreement deed though it was exempt under Article 285(1) of the Constitution of India which exempts the Union Government from payment of taxes.

The Department replied (March 2016) that it was not a case of idle investment as the investment on land would appreciate in future and further the land was in the vicinity of Bangalore International Airport. The reply is a poor attempt to rationalize the decision to acquire the land without taking into account the infrastructural facilities. Meanwhile, the Departmental offices continued to operate from hired building.

#### **6.5.2.2 Land at Saket, New Delhi – acquisition of land with encumbrance and resultant non utilization**

The Pr. CCIT, Delhi purchased (February 1997) a piece of land measuring 2100 sq. metres located at Saket, New Delhi at a cost of ₹ 15.30 crore from Delhi Development Authority (DDA) which was reduced to 1320 sq meters due to encumbrance. This land was purchased without checking that there was no encumbrance on the land which was a basic requirement, as per Manual, for the proposal for acquiring of land. DDA allowed ITD to increase the height of the building to compensate the encumbrance.

Pr. CCIT approached CPWD for construction of office building on the land but CPWD did not show any interest in taking up the work due to reduced size of the land. Thereafter, Pr. CCIT approached NBCC to give estimate for construction of the office building on the land. NBCC submitted its comprehensive proposal in May 2008 for construction of office building including furniture and fixtures at a total cost of ₹ 54.70 crore. No decision has been taken by the Directorate on the proposal. Thus even after a lapse of more than 18 years the Directorate was yet to work out the modalities for construction of office space leading to non-utilization of land and incurring of rent on hiring of office space and running offices in places which has been

declared unsafe e.g. Mayur Bhawan. The preliminary cost of construction which was ₹ 54.70 crore (May 2008) has been escalated to ₹ 71.31 crore (February 2015) which may further increase by the time construction is started.

The Department stated (May 2016) that the main reason for delay was on account of CPWD which did not show any interest in the project and raised so many objections such as (i) reduction of plot size leading to insufficient basement parking, (ii) building a centrally air conditioned building not possible, (iii) need to resort to costlier cantilever construction, etc. This led to revision of proposal. Subsequently, it was decided to get the work done through NBCC. Later on, it was decided that the matter may be kept in abeyance till a final decision on RSRI (Revenue Services Research Institute) was taken by the Finance Minister. The Department also attributed procedural formalities as the reason for delays in concluding the construction activity and that such procedural delays are a regular feature in government projects.

The reply of the Department is very general and vague and did not give any reasonable justification for not doing due diligence at the time of acquiring the land and for prolonging the matter for more than 18 years thereafter. It clearly indicates the casual approach of the Department in resolving the issues.

#### **6.5.2.3 Purchase of landlocked property without ensuring approach road**

The CCIT Panaji, Goa was allotted land measuring 3130 sq. metre by the Government of Goa possession of which was taken in April 2000. The CCIT sent (November 2000) a proposal for construction of office building. The Directorate after a lapse of nearly six years approved (August 2006) the proposal for construction of office building in 961 sq. metre. While preparing the lay out plan CPWD noticed the land did not have any approach road. The land for approach road was yet to be acquired as of March 2016.

Audit observed that while acquiring the land from the State Government and getting the proposal of the building approved, the CCIT, Panaji and the Directorate failed to notice that the land in question did not have any approach road, resulting in non utilization of land even after 16 years of the acquisition. Further, the offices of Department continued to operate from rented premises which were avoidable.

The Department replied (March 2016) that it was resolving the issue with the Government of Goa which does not take away the fact that there was poor scrutiny of proposal at the acquisition stage.

**6.5.2.4** Failure on the part of the Directorate in exercising due diligence at the planning and designing stage of the projects led to acquisition of land that was incapable of being used for construction of much needed office accommodation.

### **6.5.3 Deficiencies in construction of office and residential buildings**

Para 3.1 of the Manual requires the freezing of specifications/features proposed at the time of preparation of estimates to avoid time/cost overrun before sending for consideration by competent authority, keeping close liaison with CPWD at the stage of preparation of comprehensive estimates, drawings/ designs.

Audit noticed 54 cases under 27 CCsIT in 21 states<sup>101</sup> of various deficiencies in execution of works viz. delay in completion of works due to non compliance of the above and consequent cost escalation, avoidable payments and non-maintenance/improper maintenance of records, etc. These cases had a financial implication of ₹ 287.07 crore. Two cases are illustrated below:

#### **6.5.3.1 Failure to follow guidelines with regard to specifications and lack of monitoring resulted in cost escalation**

##### **Charge: Pr. CCIT West Bengal & Sikkim**

The work for the construction of office building and RTI/car park in Aayakar Bhavan, Poorva at Shanti Pally, Kolkata, West Bengal was approved (November 1998) at a preliminary estimate of ₹ 35.12 crore. The work, stipulated to be completed by March 2005 (administrative block) and March 2006 (RTI/car parking), was completed in October 2012 and August 2015 respectively. The cost of the project was revised to ₹ 60.15 crore in December 2012 (actual expenditure incurred on the project could not be ascertained in audit as the same was not available with the Department). There was time overrun of more than seven years and cost escalation of ₹ 25.03 crore.

The delay in completion was mainly due to failure of the CCIT, Kolkata to get the approval for the structural drawings for taking up of the pile foundation work from CDO, CPWD till 2000, failure to get approval of Building Plan from Kolkata Municipal Corporation (KMC) and late clearance of height of multi-storied buildings from KMC, late submission of fees for drainage system by CCIT, changes in drawings/specifications, inadequate monitoring of the progress of work which were mostly controllable. Failure of the CCIT, Kolkata

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<sup>101</sup> Andhra Pradesh & Telengana-2, Assam-2, Chandigarh-1, Chattisgarh-1, Delhi-2, Goa-1, Gujarat-3, Haryana-1, Himachal Pradesh-3, Jammu & Kashmir-2, Karnataka-3, Kerala-2, Maharashtra-7, Madhya Pradesh-3, Odisha-2, Punjab-2, Rajasthan-4, Tamil Nadu-1, Tripura-1, Uttarakhand-1 & West Bengal-10

and the Directorate to monitor the progress and freezing of design specifications resulted in delay in completion of the project.

The Department stated (February 2016) that the delay in completion of the project was beyond its control and was wholly attributable to the executing agency. It was also stated that the decision taken for the changes of the specifications was justified and that its pre-planned and organized approach has resulted in construction of one of the finest, modern and aesthetically beautiful buildings of any Government Department.

The reply is not tenable as requirements and specifications of the building should have been finalized by the Pr. CCIT before taking up construction of the office building. Thus, failure to freezing the specifications and proper monitoring led to cost and time overrun.

#### **6.5.3.2 Lack of monitoring resulted in delay in the construction of the building**

The CCIT Chandigarh purchased 3008.33 Sq.Yds. of land for construction of residential quarters for CIT rank officers in Sector 39-B, Chandigarh in March 2006. The construction was to be completed in three years i.e. by March 2009.

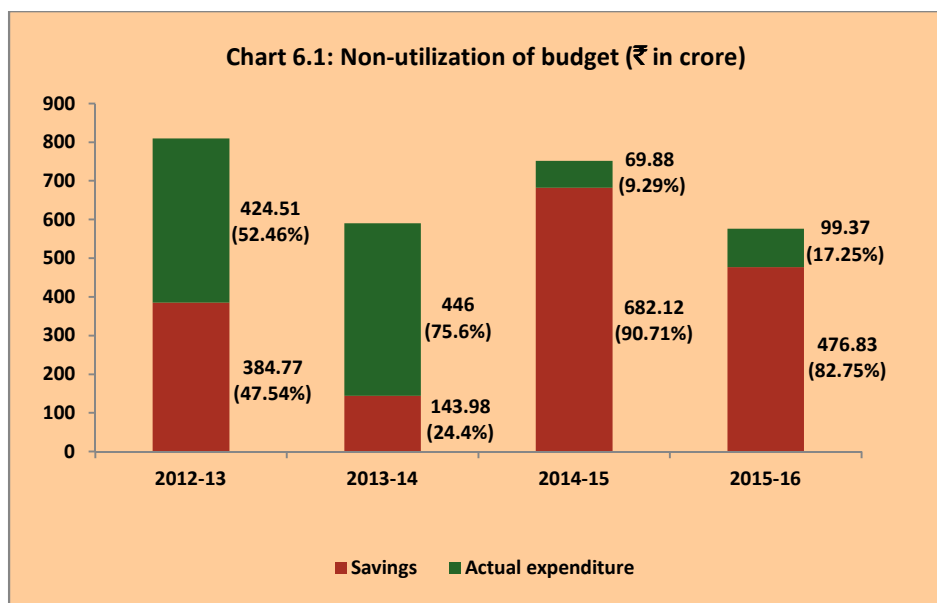
The administrative approval and expenditure sanction for construction was received in March 2009 and building plans were got approved from PAC, UT, Chandigarh in March 2011 and as such, the construction did not even commence till the time by which it was supposed to be completed. Work for construction of residential quarters was awarded in July 2015.

Lack of monitoring and follow up by the Directorate/CCIT concerned resulted in delay in construction of the residential quarters and non utilization of land for the intended purpose. Further, due to delay in construction within the stipulated period, the Estate Officer, UT, Chandigarh imposed extension fee of ₹ 1.67 crore.

### **6.6 Financial Management**

#### **6.6.1 Poor budgeting and non utilization of available budget**

The year-wise budget and actual expenditure incurred by ITD under capital outlay M.H. 4059 – Acquisition of office accommodation, M.H. 4075 – Acquisition of property and M.H. 4216 – Acquisition of Residential accommodation during the period from 2012-13 to 2015-16 are given in Chart 6.1 below:



The Directorate failed to utilize the entire budget in each of the years under review despite the fact that there were several proposals where AA&ES were already given and several were waiting for AA&ES. Though the shortage of space increased from 32 *per cent* in 2012-13 to 45 *per cent* in 2015-16, percentage of utilization of budgeted allocation decreased from 76 *per cent* in 2013-14 to 17 *per cent* in 2015-16.

### 6.6.2 Poor financial management

General Financial Rule 21 provides that every officer incurring or authorizing expenditure from public money should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by the subordinate.

Audit noticed 51 cases pertaining to 25 CCsIT in 17 states<sup>102</sup> of non utilization of funds, sanctions not obtained from the competent authority, inordinate delay in purchase of land, non-deduction of tax on purchase of land, avoidable payment on account of interest on delayed payment, stamp duty, etc. involving an amount of ₹ 246.81 crore.

### 6.6.3 Not obtaining approval of the competent authority

As per General Financial Rule 220, no authority may incur any expenditure or enter into any liability involving expenditure or transfer of moneys for investment or deposit from Government account unless the same has been sanctioned by a competent authority. Further as per Rule 23, the financial

<sup>102</sup> Andhra Pradesh & Telengana-1, Bihar-6, Chattisgarh-1, Delhi-3, Gujarat-6, Haryana-4, Jharkhand-2, Karnataka-3, Kerala-2, Maharashtra-3, Odisha-2, Punjab-1, Rajasthan-2, Tamil Nadu-8, Uttarakhand-1, Uttar Pradesh-4 & West Bengal-2



powers of the Government have been delegated to various subordinate authorities vide Delegation of Financial Powers Rules, 1978 as amended from time to time.

As per para 1.2 of Manual on Infrastructure, proposals requiring sanction of expenditure beyond the delegated power of Chairman, CBDT are to be submitted for approval of Competent Authority as specified vide O.M. No. 1(9)/E.II(A)/07 dated 6th April 2010. Test check of records of the Directorate relating to sanctions revealed that in three cases expenditure amounting to ₹ 190.33 crore were not sanctioned by the competent authority, as given in Table 6.1 below:

<b>Table 6.1: Details of sanctions not sanctioned by the competent authority</b>						
<b>Sl. No.</b>	<b>Subject</b>	<b>CCIT Charge</b>	<b>Amount (₹ in crore)</b>	<b>Date of sanction</b>	<b>Competent authority for sanction</b>	<b>Sanctioned by</b>
1	Hiring of office space on lease/ rental basis, Nariman Point, Mumbai	Mumbai	107.47 (₹ 2.98 crore p.m. for initial period of three years)	20.3.2015	Minister in -Charge/ finance Minister	Revenue Secretary
2.	Extension of contract to M/s BVG, Civic Centre, Delhi	Delhi	49.21	24.6.2015	Minister in charge	Revenue Secretary
3.	Hiring of additional operational vehicles	All Principal CCITs/ DGITs	33.65	16.01.2015	Minister in -Charge	Revenue Secretary

The Department replied (May 2016) that in case of sanction amounting to ₹ 33.65 crore relating to hiring of additional operational vehicles, the Revenue Secretary (RS) had presumed that he was the competent authority to approve this subject. Reply is not acceptable as the hierarchy below RS was fully aware of the provisions of the Manual and should have informed RS about the appropriate competent authority for sanction in question.

#### **6.6.4 Irregularities in hiring of accommodation on lease/rental basis**

As per the Department of Revenue OM dated 15.9.2011 the Head of the Departments under the control of CBDT can hire/revise the rent of office accommodation up to ₹ 3,00,000/- per month in A-1 and A class cities and ₹ 1,50,000/- per month in respect of other cities. As per Manual on Infrastructure, the rent revision proposals should be submitted to the CBDT for sanction through the Directorate in respect of the cases where the proposed rent after revision exceeds the financial limits of the HOD.

During the course of audit, irregularities of ₹ 59.57 crore in 32 rent revision cases pertaining to 11 CCsIT in nine states<sup>103</sup> relating to unauthorised payment of rent, non fixation of rent in accordance with Standard Lease Agreement, delay in rent revision/lease agreement, excess payment of rent were noticed.

#### **6.6.5 Continuation of accommodation on lease without renewal of lease agreement**

Chapter 6 of the Manual on Infrastructure provides that the procedure for continuation of hiring of leased premises at the same rate or at altered rates should be initiated at least six months before the expiry date of original/current hiring agreement/deed.

A test check of records of the Directorate revealed that there were 136 cases where sanctions of revision of rent were pending from one to 23 years. Forty lease cases were pending for revision for more than 10 years, of which seven cases are more than 20 years old. Two cases are illustrated below:

##### **6.6.5.1 Irregular expenditure on lease rent**

In Delhi under the Pr. CCIT, Delhi charge, the Department hired premises at Mayur Bhawan and Jhandewalan on lease. The Audit observed that the lease agreements in respect of Mayur Bhawan and Jhandewalan Building since 30.03.2009 and 07.08.2013 respectively were pending for approval of the competent authority. The rental outgo at the existing rate in the case of Mayur Bhawan was ₹ 21.31 crore (April 2009 to March 2016) and of Jhandewalan was ₹ 17.95 crore (September 2013 to March 2016). Further, any increase in the existing rate of rent for the lease period under renewal will have further outgo due to retrospective impact.

In response to the audit observation the Department replied (May 2016) that the process of renewal of lease agreement was a lengthy process as this involved securing 'Non Availability Certificate' and 'Rent Reasonability Certificate', etc. The certificates had been submitted to DIT (Infra) for obtaining 'Administrative Approval and Expenditure Sanction' which was yet to be received. It was further stated that clause 14 of Standard Lease Agreement (SLA) as given in the Infrastructure Manual provided that rent at old rate shall continue to be paid on provisional basis till the date of final decision on renewal or the date of eviction, as the case may be and in case of renewal at different rate, suitable adjustment by extra payment or deduction shall be permitted, to the lessee.

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103 Andhra Pradesh & Telengana-1, Bihar-3, Delhi-1, Gujarat-3, Jharkhand-7, Kerala-2, Maharashtra-3, Tamil Nadu-7, West Bengal-5

Accordingly the Department had continued paying the monthly rent of the premises hired at the last approved rates until the approval from CBDT is obtained.

The reply is not tenable as clause 14 of SLA also states that “provided the lessee shall take action so far practicable to take a new lease of the said premises within a period of six months after expiry of the term hereby granted”. The Department was unable to conclude the required formalities despite passage of three to six years period. Thus the amount spent on above said lease was irregular in the absence of approval by the competent authority.

#### **6.6.5.2 Non renewal of lease agreement and delay in shifting of offices led to avoidable payment of rent**

In West Bengal under the Pr. CCIT, West Bengal and Sikkim charge, the Department hired office premises (134664 sq. ft.) in 1971 spreading over third to fifth floor and eighth floor of Poddar Court Building, Kolkata. Lease agreement after August 2002 was pending for renewal.

The Department completed (October 2012) the construction of an administrative building at Shanti Pally, Kolkata. The CCIT (CCA), Kolkata after completion of new building in October 2012 asked concerned CsIT to make all arrangements for shifting in new building within a week. Audit observed that CsIT did not comply with the direction of CCIT(CCA). Failure of the concerned CsIT to shift and de-hire the entire leased space in Poddar Court building immediately resulted in avoidable expenditure of ₹ 5.46 crore towards idle rent as shown in Table 6.2 below:

<b>Table 6.2: Details of avoidable payment of rent</b>						
<b>Shifting from Poddar Court building to new building</b>	<b>Date of completion of ABP at Shanti pally</b>	<b>Date of shifting</b>	<b>Date of surrender</b>	<b>Delay in shifting</b>	<b>Delay in surrender</b>	<b>Payment of avoidable rent (₹ in lakh)</b>
				<b>from completion of new building (No. of months)</b>		
Third and fifth floor	October 2012	October 2012	June 2013	Nil	7	113.41
Fourth and eighth floor		July 2015	July/August 2015	33	Nil	432.35
<b>Total</b>						<b>545.76</b>

The Department replied (February 2016) that the reasons for delay were non completion of scrutiny assessment proceedings till 31 March 2013, limited man power specialized in shifting huge volume of old records, to avoid grievance of the assesseees in receipt of returns and regular correspondences and installation and operation of Nodes in the new building which were essential for completion of proceedings was not appropriate at the fag-end of the year.

The reply of the Department is not tenable as the Department has not been complying with the provisions of Chapter 6 of Manual of Infrastructure and further, could have planned for its requirements in advance.

#### **6.6.6 Delay in repair and maintenance works**

Construction activities in CCsIT had resulted in creation of large number of capital assets viz. office and residential buildings, guest houses, etc. After taking over of buildings, maintenance of the same is essential for its proper up-keep and extended life span. Inadequate maintenance in the building leads to deterioration of building prematurely and can even pose safety challenges. Timely completion of works needs to be ensured in a coordinated manner to gainfully utilize the scarce resources. Chapter 7 of the Manual lays down procedure for repair and maintenance works, which state that proposals for repair and maintenance should be complete in all respect and after following the prescribed checklists.

Audit noticed that the Department did not comply with the provisions of the Manual which resulted in irregularities of ₹ 5.92 crore in 25 cases pertaining to eight<sup>104</sup> states. The delay in completion of repair work ranged from one year to 22 years. In nine cases, delays were more than three years. In one case, delay of more than 22 years was noticed. One case is illustrated below:

##### **6.6.6.1 Pending repair work of Residential Towers**

Para 5.2.1 of Manual on Policies and Procedure for procurement of works states that a system of project monitoring for each work procurement shall be prepared before start of the work and same shall be available at site of work. The work shall be monitored quarterly/monthly basis by the Works committee and a status report should be submitted to the Secretary in charge of the concerned Ministry/Department.

In Delhi under the Pr. CCIT, Delhi charge, the Department proposed (December 2010) for comprehensive special repair/upgradation of Ghagra, Saraswati and Sharda Towers in Vaishali, Ghaziabad. These residential towers were in poor condition. An estimate of ₹ 12.78 crore was given by CPWD for repair work of these towers. The CBDT accorded approval in May 2011 for ₹ 14.18 crore (including ₹ 1.40 crore for electrical work). The work was to be completed within 18 months i.e. by October 2012.

The Audit observed that CPWD did not complete the above mentioned work in time as the work was not completed by April 2014. Current status of the project was not available with the Pr. CCIT, Delhi. This indicates that there

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104 Andhra Pradesh & Telengana-1, Assam-1, Bihar-1, Delhi-9, Gujarat-1, Karnataka-4, Tamil Nadu-1 and West Bengal-7

was lack of effective monitoring mechanism for ongoing works projects in the Pr. CCIT, Delhi/Directorate.

#### **6.6.7 Irregularities in maintenance of Guest House, non maintenance of stock register, etc.**

Audit found irregularities like improper maintenance of guest house, non maintenance of stock register, non-conducting of inspection etc. in 15 cases pertaining to six states<sup>105</sup>.

#### **6.6.8 Non maintenance of fixed assets register, central database of immovable assets, etc.**

**6.6.8.1** Rule 190(2)(i) of General Financial Rules requires that separate accounts shall be kept for fixed assets such as plant, machinery, equipment, furniture, fixtures etc. in the Form GFR - 40.

Audit noticed that Register of Fixed Assets was not being maintained as required in GFR 190(2)(i) in four<sup>106</sup> commissionerates. Other commissionerates did not produce the fixed assets register.

**6.6.8.2** In May 2000, the ITD decided to create a central database of all immovable assets of the Department. For this purpose ITD directed all CCsIT/DGsIT vide its letter no. F. no. 208/2/2000-Ad-VIII(DT) dated 08.05.2000 to send an annual report on the availability and shortage of immovable assets of the department as on 31 March of each year by each charge. As per the information provided by the Directorate in February 2016, there were 75 pieces of land in possession of the Department. However, the current status of these plots of land was not available with the Directorate (April 2016). During the examination of records, the Audit noticed that 22 more pieces of land (*Appendix 6.3*) were in the possession of ITD which were not recorded in the information provided by the Directorate to the Audit. This indicates that the instructions dated 08.05.2000 were not complied with and no centralized database of assets was created by the Directorate.

**6.6.8.3** The list of pending and ongoing infrastructure projects were not made available to the Audit in absence of which, the Audit was unable to check the details of actual fixed assets with the ITD.

### **6.7 Conclusion**

Audit noticed weakness in planning and implementation of infrastructural works by the Directorate/Pr. CCsIT. We noticed cases where CCsIT did not send proposals for acquisition of land complete in all respect resulting in

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105 Gujarat-5, Himachal Pradesh-1, Jharkhand-4, Kerala-1, Tamil Nadu-3, West Bengal-1,

106 Delhi, Ludhiana, Mumbai and Ranchi

delays in according approvals. Cases were noticed where construction of office/residential buildings did not take place as acquired land was incapable of being used for construction. Unsuitability of land indicates poor due diligence before acquiring the land. There were delays in according administrative approval for construction leading to projects not taking off. There is a need to improve planning and approval process to complete the projects in a time bound manner. Audit also noticed weakness in financial management in implementing the works project by the Directorate. The Directorate was not able to utilize the budgeted allocation fully although there was shortage of office space. We came across cases where approval by the competent authority was not given for spending money and lease rent was being paid without renewing the lease deed.

We referred this to the Ministry of Finance in October 2016 for its comments. Response of the Ministry was awaited (December 2016).