

OVERVIEW

This Report comprises of two chapters containing audit findings pertaining to Revenue Sector and Social & Economic Sector (PSUs). Chapter I relating to Revenue Sector contains three paragraphs involving ₹ 98.39 crore, relating to underassessment, short payment/loss of revenue, interest and penalty etc. and Chapter II relating to PSUs-contains one Performance Audit and two paragraphs involving ₹ 81.50 crore. Thus, the total money value of this Report containing one Performance Audit and five audit paragraphs is ₹ 179.89 crore. Some of the major findings are mentioned below:

Chapter-I: Revenue Sector

The total revenue receipts of the Government for the year 2013-14 were ₹ 27980.69 crore as compared to ₹ 25560.97 crore in the year 2012-13. Out of this, 95 *per cent* was raised through tax revenue (₹ 25918.69 crore) and non-tax revenue (₹ 659.14 crore). The balance five *per cent* was received from the Government of India as grants-in-aid (₹ 1402.86 crore). The increase in tax revenue and non-tax revenue was 10.61 *per cent* and 5.14 *per cent* respectively over the previous year.

(Paragraph 1.1.1)

Test check of records of 80 units of the Department of Trade and Taxes, State Excise, Transport and Revenue conducted during the year 2013-14 showed underassessment/short levy/loss of revenue aggregating ₹ 905.66 crore in 2001 cases. During the course of the year, concerned departments accepted under assessment and other deficiencies of ₹ 20.83 crore involved in 16 cases which were pointed out in audit during 2013-14.

(Paragraph 1.1.8)

Sales Tax/Value Added Tax

Failure of the Department of Trade and Taxes to institute a system of inter-departmental cross-verification for detection of cases of un-registered works contractors, suppression of turnover, non-filing of returns, non-deduction of TDS and underassessment of turnover in 55 cases led to short levy of tax of ₹ 98.26 crore including interest and penalty.

(Paragraph 1.2)

Motor Vehicle Tax

Poor contract management and not taking timely action by the Department resulted in extra burden of ₹ 3.19 crore on vehicle owners. Only 170581 out of 1017764 vehicles were affixed with High Security Registration Plates (HSRPs). The Department has no mechanism to trace out vehicles plying without valid Certificate of Fitness.

(Paragraph 1.4)

Chapter-II: Public Sector Undertakings (PSUs)

Status of State Public Sector Undertakings

As on 31 March 2014, there were 17 PSUs (all working), which included 15 Government Companies and two Statutory Corporations. The investment in these 17 PSUs as on 31 March 2014 was ₹ 28518.73 crore. It grew by 48 *per cent* from ₹ 19327.44 crore in 2009-10. The Government contributed ₹ 5094.53 crore towards Equity, Loans and Grants/Subsidies to State PSUs during 2013-14.

(Paragraphs 2.1.2 and 2.1.3)

Out of 17 working PSUs for which the accounts were received up to 30 September 2014, eleven PSUs earned profit of ₹ 1315.42 crore, five PSUs incurred loss of ₹ 2950.45 crore and one PSU was at breakeven.

(Paragraph 2.1.5)

Four PSUs had arrears of 14 accounts as of September 2014. The delay in finalisation of accounts resulted in violation of the provisions of the Companies Act, 1956.

(Paragraph 2.1.6)

Six out of 15 accounts finalised during October 2013 to September 2014 received qualified certificates and one account received not true and fair view certificate. There were six instances of non-compliance with Accounting Standards (AS) in accounts of three Companies and two Corporations.

(Paragraph 2.1.7)

A performance audit on the **Working of Delhi Tourism and Transportation Development Corporation Limited** was conducted. Some of the major findings are mentioned below:

- Company did not formulate a perspective plan for tourism promotion in the city despite 39 years of its formation (1975).

(Paragraph 2.2.3.1)

- Tourist inflow in Delhi as a whole, registered an increase of 108 *per cent*, whereas it increased only by 30 *per cent* in the tourist spots owned by the Company during 2009-14. Vacant craft and food stalls and non-holding of cultural events on regular basis at the Dilli Haats, led to declining footfall and consequent inadequate exposition of Indian Art and Crafts, Culture and Cuisine.

(Paragraphs 2.2.3.3, 2.2.4.2 (ii), 2.2.4.3 and 2.2.4.4)

- The net profit dipped from ₹ 18.47 crore in 2012-13 to ₹ 5.32 crore in 2013-14. Company's tourist spots viz. Delhi Haat-Pitampura and Garden of Five Senses (GFS) incurred losses of ₹5.58 crore and ₹1.60 crore respectively, during 2009-14, due to low income and high fixed costs. Tourism and Travel Division incurred loss of ₹28.30 crore and

₹ 2.63 crore respectively, during 2009-14, as earnings were not sufficient to set off expenses.

(Paragraphs 2.2.2.1, 2.2.4.1(ii) & (iii), 2.2.4.5 and 2.2.4.6)

- The profit of ₹ 4.59 crore earned by the five outsourced Coffee Homes was eroded by loss incurred in Canteen in Vidhan Sabha and departmentally run Coffee Homes, which resulted in loss of ₹ 1.37 crore to Catering Division.

(Paragraph 2.2.4.7)

- Contribution from liquor sale to total turnover, was above 91 *per cent*, but its share in profit ranged between 13 and 42 *per cent* only. Despite availability of stock, order was placed for purchase of liquor by applying higher growth factor without rationale. The Company did not have a system either to rebrand or renovate its liquor outlets.

(Paragraphs 2.2.2.1(i) and 2.2.5.2)

- Shifting of Electric Services before getting necessary approvals for the Mayur Vihar Dilli Haat project resulted in infructuous expenditure of ₹ 6.95 crore. Irregular incorporation of escalation clause in contracts by Engineering Division resulted in extra payment of ₹ 117.06 crore in three works.

(Paragraphs 2.2.4.9(iii) and 2.2.6.3)

Transaction audit

Delhi Transport Infrastructure Development Corporation Limited

Absence of efficient fund management and tax planning in Delhi Transport Infrastructure Development Corporation Limited, resulted in loss of interest of ₹ 2.46 crore, avoidable payment of penal interest of ₹ 1.71 crore, non-availing of tax benefit of ₹ 2.28 crore and undue benefit of ₹ 1.57 crore to Delhi Integrated Multi Modal Transit System Ltd. (DIMTS) in rent. Besides, the company created an avoidable liability of ₹ 3.72 crore as penal interest on interest due on loans, it secured from the Transport Department.

(Paragraph 2.2.10)

Department of Information Technology

The Delhi State Spatial Data Infrastructure Project has not achieved its objective despite release of ₹ 116.86 crore towards the cost of the project. Subsequent performance showed slackness in the implementation of the project and uncertainty about the usability of the data resulting in unfruitful expenditure of ₹ 50.29 crore. Out of 38 line departments, the Geo Spatial Delhi Limited (GSDL) signed MoUs with only four line departments. Certain essential components amounting to ₹ 7.23 crore were not included in the estimate. Funds amounting to ₹ 3.00 crore, released for setting up of data centers remained unutilized.

(Paragraph 2.2.11)