

CHAPTER – V: NON-TAX RECEIPTS

5.1 Results of audit

Test check of the records relating to Development/Urban Development, Public Works, Medical and Health, Land & Building, Industry and Home departments conducted during the year 2006-07 revealed non-realisation of interest receipts and licence fee involving Rs. 162.06¹ crore in two cases which fall under the following categories:

(Rupees in crore)

Sl. No.	Categories	No. of cases	Amount
Interest receipts			
1.	Non-realisation of interest	2	162.06
Total		2	162.06

During the year 2006-07, the concerned departments accepted all the audit observations.

Two cases involving Rs. 162.06 crore are mentioned in the succeeding paragraph.

¹ Recovered figure from concerned departments is nil.

Department of Urban Development

5.2 Non-realisation of interest

Interest receipts from loans sanctioned to various bodies constitute the primary source of non-tax revenue of the NCT of Delhi. The NCT of Delhi sanctioned loans aggregating Rs. 552.63 crore from CPSUs² to the Delhi Power Company Limited (DPCL) and Rs. 137.22 crore to Indraprastha Power Generation Company Limited (IPGCL) during 2002-03 to 2005-06. The loans were repayable within a period of 15 years with varying rates of interest. In the event of default in repayment of either the principal or interest, penal interest at the rate of 2.75 per cent was to be charged over and above the normal rate of interest from the due date of their payment to the date preceding the date of actual payment.

Test check of the records of the Department of Urban Development relating to the recovery of loans and interest thereon revealed that the DPCL and IPGCL had neither repaid any instalment of the principal amount of Rs. 98.20 crore nor interest aggregating Rs. 155.47 crore during the years 2003-04 to 2006-07. The penal interest of Rs. 6.59 crore leviable for late/non-payment of the instalments of both principal and interest was also not levied as mentioned below:

(Rupees in crore)										
Sl. No.	Name of the organisation	Year of the sanction	Amount of loans sanctioned/ adjusted	Year of recovery	Rate of interest (in per cent)	Principal repayable	Principal repaid	Interest due but not paid	Penal interest recoverable	
1.	DPCL	2003-04	504.71 ³	2003-04	11.5	NIL	NIL	6.20	NIL	
		2004-05	262.71	2004-05	11.5	9.99	NIL	14.49	0.67	
		2005-06	(-) 364.79	2005-06	150.00	11.5	27.50	NIL	46.35	2.03
				2006-07	-	11.5	37.50	NIL	63.55	2.78
2.	IPGCL	2002-03	40.37	2002-03	13.0	NIL	NIL	NIL	NIL	
		2003-04	31.25	2003-04	11.5	2.69	2.69	NIL	NIL	
		2004-05	27.60	2004-05	11.5	4.77	4.77	NIL	NIL	
		2005-06	38.00	2005-06	11.5	6.61	0.90	10.26	0.44	
		2006-07	-	11.5	9.14	NIL	14.62	0.66		
Total			689.85			98.20	8.36	155.47	6.59	

Thus, failure to take action to recover the interest due and impose penal interest resulted in non-realisation of interest of Rs. 162.06 crore including

² Central public sector undertakings.

³ Rs. 364.79 crore was adjusted in April 2004 against the principal of Rs. 504.71 crore. Accordingly, the outstanding principal amount worked out to Rs. 139.92 crore and recovery of yearly instalment amounting to Rs. 9.99 crore per annum was calculated on that basis.

penal interest. The loan registers for effective monitoring of recovery and ascertaining the position of dues at any point of time were not properly maintained by the administrative departments.

The Management of DPCL stated (November 2007) that the repayment of loan and interest thereon were not paid as the decision of the Government of NCT of Delhi on conversion of loans into grant was pending. DPCL further stated that the Government has confirmed that these loans have to be paid by the company along with interest and penal interest. The Management of IPGCL also confirmed the above facts and figures and stated (November 2007) that the company has not paid the instalments of principal and interest that have become due after April 2005.

The cases were reported to the department and the Government in May 2007, their reply has not been received (December 2007).

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Dated:

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Countersigned

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Dated:

(VINOD RAI)
Comptroller and Auditor General of India