

CHAPTER IX : OTHER OBSERVATIONS

9.1 Losses and irrecoverable dues written off/waived

Statement of losses and irrecoverable dues, duties advances written off/waived during 1998-99, is given in Appendix-XVI to this Report.

It will be seen from the Appendix that in 337 cases Rs 99.60 lakh representing losses mainly due to failure of system (Rs 1 lakh), neglect, fraud etc. on the part of individual Government officials (Rs 1.80 lakh) and for other reasons (Rs 96.80 lakh) were written off during 1998-99. No recovery was waived during the year.

9.2 Departmentally managed Government Undertakings-position of proforma accounts

As per provisions of the General Financial Rules, departmentally managed government undertakings of commercial or quasi-commercial nature are required to maintain such subsidiary accounts and proforma accounts as may be prescribed by Government in consultation with the Comptroller and Auditor General of India.

There were 37 departmentally managed Government Undertakings of commercial or quasi-commercial nature as of March 1999. The financial results of these undertakings are ascertained annually by preparing proforma accounts generally consisting of Trading, Profit and Loss Accounts and Balance Sheet. Department of Publications, Delhi and Government of India Presses prepare only stores accounts.

It is necessary for each ministry and department to ensure that the audited accounts are prepared by the undertakings with their control within nine months of the close of the financial year. The position of the summarised financial results of the departmentally managed government undertakings on the basis of their latest available accounts is given in the Appendix - XVII.

From the Appendix, it will be seen that the proforma accounts had not been prepared for periods ranging from one to 25 years as shown below:

Period for which lying in arrears		
No. of years	Period	No. of Undertakings
1-5	1993-94 to 1997-98	13
6-10	1988-89 to 1992-93	9
11-15	1983-84 to 1987-88	8
16-20	1978-79 to 1982-83	2
21-25	1973-74 to 1977-78	3
		35

The undertakings where proforma accounts were in arrears included All India Radio (15 years), Doordarshan (15 years), Medical Stores Depots (13 years), Delhi Milk Scheme (5 years).

The Public Accounts Committee, in their 57th Report (Tenth Lok Sabha) had observed that the proforma accounts of Doordarshan had not been finalised since 1977-78. While criticising the inordinate delay of more than 15 years in the finalisation of the accounts, the Committee recommended that Ministry in consultation with the Comptroller and Auditor General of India find out ways and means of maintenance of the up to date proforma accounts. In their Action Taken Report on the subject i.e. 106th Report (Tenth Lok Sabha), the Committee had observed that no substantial headway had been made in the finalisation process and expressed serious concern over this state of affairs. The Committee recommended that the pending proforma accounts be finalised within a period of two years. But proforma accounts of Doordarshan were still in arrears since 1983-84.

In the absence of proforma accounts, the cost of services provided by these organisations, which are intended to be managed on commercial basis, could not be ascertained. It was also not possible to work out normal performance indicators like, return on investment, profitability etc. for their activities.

The delay in compilation of accounts in respect of departmentally managed undertaking was brought to the notice of Finance Secretary and Secretaries of the Ministries (i) Health and Family Welfare, (ii) Surface Transport, (iii) Defence, (iv) Agriculture, (v) Information and Broadcasting, (vi) Urban Affairs & Employment, (vii) Environment and Forests (viii) Power in December, 1999; for their replies/comments. Except Ministry of Urban Affairs & Employment and Ministry of Surface Transport, no other Ministry sent their replies/comments as of January 2000.

Director of Printing under Ministry of Urban Affairs and Employment only intimated the position of proforma accounts of Government of India Presses but did not explain the reasons for non-submission of financial results. Ministry of Surface Transport stated in January 2000 that facts mentioned in the draft para were being examined and reply would be sent shortly.