

OVERVIEW

Ministry of Health and Family Welfare

Department of Health

All India Institute of Medical Sciences

The All India Institute of Medical Sciences was established as a teaching hospital for developing excellence in medical education and research in 1956. Over the years it has developed into a large hospital without adequate emphasis on teaching or research. While teaching has suffered due to shortage of teaching staff, very little resource has been allocated for research. A large complement of teaching staff is employed on adhoc basis. Out of 339 research projects during the decade 1991-2000, final reports have been received only in respect of 153 projects. There is no evidence of utilisation of research findings. The hospital infrastructure is deficient. The specialised centres for treatment of cancer and trauma have not developed. The drug addiction centre is not fully functional. A substantial part of resources received from the National Illness Assistance Fund for providing treatment to the poor has remained unutilised. Large shortages in the cadre of doctors and nurses have resulted in depriving the patients of diagnosis, treatment and medical care. The doctor patient ratio is very high and the waiting time of surgery is very long. Various instances of losses and mismanagement have been noticed in the administration of the Institute. Large investments in providing subsidised medical education for providing excellence and sufficiency have gone substantially unreturned as at least 49 *per cent* of doctors trained at the Institute have found their vocations abroad.

(Paragraph 1)

Ministry of Human Resource Development

Department of Education

Indian Institute of Technology, Kharagpur

The Institute failed to increase its intake of students as envisaged by the Ministry. Indian Institute of Technology created an Endowment Fund from its income in addition to the matching grants received from the Ministry. However, the Institute had not prepared any perspective plan and did not take any action for utilisation of income of Endowment Fund. The Institute also received specific purpose grants amounting to Rs 13.80 crore between 1995-99 for increasing infrastructure facilities. Its utilisation was also very poor.

(Paragraph 2.1)

Regional Engineering College, Srinagar

Regional Engineering College, Srinagar failed to utilise plan funds received from Government for development of infrastructure. Unspent balance rose from Rs 74 lakh at the end of March 1995 to Rs 5.27 crore by the end of March 2000.

The college did not have any investment policy due to which GPF/CPF receipts ranging between Rs 0.42 crore and Rs 1.61 crore had not been invested in long term deposits during 1995-2000. Injudicious financial management resulted in loss of Rs 53.99 lakh.

The college lacked proper manpower management policy. The ratio of teaching to non-teaching staff, teaching staff and students and total staff to students was much higher than the ratio in other Regional Engineering Colleges indicating excess staffing and poor manpower management.

(Paragraph 2.2)

Ministry of Small Scale Industries and Agro and Rural Industries

Khadi and Village Industries Commission (KVIC)

KVIC spent an amount of Rs 1806.07 crore received as grant from the Government during 1994-2000 under its plan and non-plan budget.

Achievement of employment of 58.29 lakh and production valuing Rs 5112.37 crore as indicated in the Annual Report of the Commission did not depict the correct picture as the figures were arrived at on an estimated basis. Targets for employment under Consortium Bank Credit scheme (CBC), District Special Employment Programme & Block Development Programme were not achieved.

The administrative expenditure during 1999-2000 was Rs 232.17 crore which exceeded the budget allocation by 118 *per cent* and this was met by unauthorised diversion of funds of Rs 135.21 crore from plan to non plan fund.

Due to weak financial and administrative control KVIC could recover only (Rs 77.11 crore) 10 *per cent* of the total loan of Rs 718 crore disbursed to its beneficiaries under CBC scheme and KVIC had to divert its own budgetary resources to repay Rs 345.65 crore to the banks.

Out of total of Rs 2260.86 crore loans disbursed up to March 1999 by KVIC, the recovery as on March 2000 was Rs 508.91 crore leaving a balance of Rs 1752 crore pending for recovery. The updated position of yearwise, loanee wise details of outstanding dues were not available with the Commission.

Loan amounting to Rs 11.91 crore remained blocked with 381 directly aided institution and Rs 217.24 crore with 41714 defunct institutions financed by the State Boards.

Loan released to the tune of Rs 9.76 crore between 1972 and 1997 remained blocked with 284 institutions due to non-implementation of programme.

An amount of Rs 49 crore released to 34 institutions between 1992 and 1997 was misutilised/diverted for other purposes.

118 Marketing units with investment of 89.57 crore were running in losses and the closing stock kept piling up year after year. The recommendations of the expert committee to strengthen the marketing strategy of KVIC were not acted upon.

(Paragraph 3)

Ministry of Human Resource Development

Department of Culture

National Council of Science Museums, Calcutta

The Director General, National Council of Science Museums failed to finalise the architectural plan for the proposed pavilion at Pragati Maidan as per norms. The construction of the pavilion, which was to be completed within 1991-92, was abandoned in June 2000. This led to wasteful expenditure of Rs 1.24 crore on account of salary, ground rent and construction of the pavilion. NCSM further incurred liability of Rs 1.73 crore towards payment of ground rent to Indian Trade Promotion Organisation.

(Paragraph 6.1)

Victoria Memorial Hall

The Secretary and Curator, Victoria Memorial Hall paid Rs 1.00 crore to Calcutta Municipal Corporation in March 1997 for acquiring space for use as office and staff quarters without finalising specific time schedule for completion of the work. After two and half years in September 1999 he approached Standing Finance Committee for approval. For want of Committee's approval, no agreement could be entered into with Calcutta Municipal Corporation as of December 2000. The advance has been lying idle for more than three and half year resulting in loss of interest of Rs 61.57 lakh.

(Paragraph 6.2)

Ministry of Labour

Employees' Provident Fund Organisation (EPFO)

EPFO acquired large chunks of lands in different regions of their operation, over a period of time, for the purpose of constructing accommodation for its employees and offices. An audit review of the utilisation of land, management of holdings and progress of construction brought out instances of accumulated liabilities on account of delay in acquisition, delay in construction, encroachments, idle investments and cost escalations due to administrative

negligence. In the Assam region, Regional Provident Fund Commissioner (RPFC) Guwahati, had to purchase a plot of land costing Rs 46.79 lakh while a piece of land acquired earlier at a cost of Rs 6.18 lakh remained unutilised for a long period and was eventually lost due to encroachment. In the Gujarat region, the EPFO acquired land on lease at Ahmedabad at a cost of Rs 36.92 lakh without executing any agreement and the process of construction was delayed by 12 years. Similarly, in Vadodara, a plot of land acquired at a cost of Rs 28.71 lakh could not be utilised for eight years. In Rajkot, Rs 52 lakh remained deposited with Central Public Works Department (CPWD) for more than 10 years without commencement of work. In Karnataka region, the RPFC acquired land without verifying the ownership rights. In Madhya Pradesh region, two plots of land were acquired at a total cost of Rs 156.91 lakh which remains to be utilised even now (June 2001). In Maharashtra region, land acquired at a cost of Rs 38.25 lakh could not be used until now (June 2001) leading to avoidable payment of rent on building amounting to Rs 38.34 lakh. Similarly, in Nasik, the construction work was delayed for so long that Rs 44.23 lakh had to be paid towards rent on hired buildings. In Orissa region works were allotted to Bhubaneswar Development Authority (BDA) and CPWD without observing the procedure of issuing proper work orders and no compensation charges were levied for delay in completion of work by BDA, as a consequence, there was cost over-run by Rs 70.13 lakh and loss of around Rs 11 lakh was incurred due to non levy of compensation charges. Further, huge advances to the extent of Rs 300.80 lakh and Rs 220.97 lakh were outstanding against CPWD and BDA respectively.

No monitoring arrangements or mechanism for review exist in the EPFO to keep watch over the property acquired and its eventual use.

(Paragraph 7.1)

Employees' State Insurance Corporation (ESIC)

- (i) Due to non-execution of agreement deed which was mandatory under the Employees' State Insurance Act, 1948, ESIC failed to realise Rs 93.87 crore from the Delhi Government which could have been spent on medical care of insured persons.

(Paragraph 7.3)

- (ii) ESIC continued to keep its fresh savings in the Special Deposit Account (SDA) with Reserve Bank of India even after Government permitted it to keep its fresh savings with nationalised banks from 1992-93 and subsequently allowed ESIC in April 1994 to also withdraw interest accrued to SDA every year. Non-withdrawal of interest from SDA for investment at higher rate available with other nationalised banks resulted in avoidable loss of Rs 6.77 crore to ESIC.

(Paragraph 7.4)

Ministry of Surface Transport

Calcutta Port Trust (CPT)

- (i) Due to planning failure, required width of the channel to accommodate Suezmax tankers could not be achieved despite dredging of estimated quantity and expenditure of Rs 29.90 crore incurred for the purpose became unfruitful.

(Paragraph 9.1)

- (ii) Inordinate delay in condemnation of an outlived vessel led to avoidable expenditure of Rs 1.29 crore on bunker oil and maintenance and idle expenditure of Rs 2.54 crore on salaries and wages of crew members.

(Paragraph 9.2)

Chennai Port Trust (ChPT)

Under the work of “rock quarrying and transportation for the new Satellite Port at Ennore”, wagon charges for the haulage of wagons, paid by ChPT to Railways but recovered from the contractor only at fixed rate of Rs 5500 per wagon, were not excluded from the total value of work done while computing the escalation charges payable to the contractor. This resulted in excess payment of Rs 10.09 crore.

(Paragraph 9.5)

Jawaharlal Nehru Port Trust (JNPT)

- (i) JNPT accepted a defective dust control system from the contractor and further did not pursue the matter to get the defect rectified, this action of JNPT resulted in infructuous expenditure of Rs 5.25 crore.

(Paragraph 9.9)

- (ii) Unrealistic assessment by the Port in construction of residential quarters in excess of actual requirements resulted in blocking up of capital of Rs 2.73 crore and additional expenditure of Rs 1.52 crore on repairs and electrification.

(Paragraph 9.10)

Mumbai Port Trust (MbPT)

- (i) Non initiation of precautionary measures to prevent thefts in the MbPT Railway Yard resulted in loss of revenue of Rs 1.36 crore.

(Paragraph 9.12)

- (ii) Non execution of agreement while letting out premises, equipment and deploying staff resulted in revenue loss of Rs 6.08 crore.

(Paragraph 9.13)

- (iii) Delay in implementation of revised demurrage charges for a period of five years resulted in loss of revenue of Rs 3.53 crore and avoidable payment of Rs 32.49 lakh.

(Paragraph 9.14)

New Mangalore Port Trust (NMPT)

NMPT, Panambur, Mangalore paid Rs 1.34 crore towards escalation charges to Dredging Corporation of India contrary to the standard norms and Ministry's guidelines.

(Paragraph 9.17)

Ministry of Textiles

Indian Jute Industries Research Association, Calcutta

Inadequate planning and ineffective management by Indian Jute Industries Research Association delayed a jute diversification project by 12 years despite an expenditure of Rs 1.34 crore on the project.

(Paragraph 10)

Ministry of Urban Affairs and Employment

Department of Urban Affairs

- (i) Delay by Delhi Development Authority in rescission of contract and non completion of balance work led to loss of Rs 1.31 crore.

(Paragraph 11.1)

- (ii) Delay in approval of revised lay out plan, structural foundation and finalisation of drawings caused an extra expenditure of Rs 71.67 lakh on a housing scheme.

(Paragraph 11.3 and 11.5)

General

Annual accounts of autonomous bodies

In 1999-2000 there were 218 central autonomous bodies whose accounts were to be certified under section 19(2) and 20(1) of the CAG's (DPC) Act, 1971. Accounts of only 203 of these were received for certification. Government of India released Rs 3962.02 crore towards grants and Rs 448.18 crore towards

loan to these bodies during 1999-2000. The annual accounts for the year 1999-2000 of the balance 15 bodies were not finalised and therefore the amount of Government grants received by them was not available.

The annual accounts of 94 out of 126 central autonomous bodies (other than those under Scientific Department) whose accounts were to be certified by chartered accountants but required transactions audit under section 14(1) and 14(2) of the CAG's (DPC) Act, 1971 were also not finalised by concerned bodies. The remaining 32 bodies had received grants amounting to Rs. 66.51 crore from the Union Government.

Audited accounts for 1998-99 of 218 central bodies were to be placed before Parliament by 31st December 1999. Of these, audited accounts of 73 bodies were submitted for audit within the stipulated time. The accounts of 11 bodies were not submitted for audit by the concerned organisations.

(Paragraph 13.1)

Results of certification audit

Separate audit reports for each of the autonomous bodies audited under section 19(2) and 20(1) of the CAG's (DPC) Act, 1971 are appended to the certified final accounts required to be tabled by Ministries in Parliament. Some of the glaring cases in which major comments were issued to the Organisations/Ministries concerned are mentioned below :

Defaults in Repayment of Loans by Port Trusts

Jawaharlal Nehru Port Trust (JNPT)

Capital debit of Rs 840.78 crore was understated by Rs 368.42 crore by JNPT by not providing for the default payment of Rs 43.32 crore towards principal and Rs 325.10 crore towards interest to the World Bank.

(Paragraph 13.2.1)

Cochin Port Trust (CoPT)

During 1999-2000 CoPT had defaulted repayment of loans from Government of India to the extent of Rs 8.95 crore. The total amount of repayment defaulted upto March 2000 was Rs 63.28 crore and interest on this amounted to Rs 165.07 crore. Penal interest amounting to Rs 176.89 crore on defaulted repayment had not been disclosed in accounts.

(Paragraph 13.2.1)

Khadi and Village Industries Commission, Mumbai

As against ceiling of Rs 1.65 crore fixed by Government for retention to meet expenditure for the succeeding year, Khadi and Village Industries Commission retained Rs 8.70 crore as on March 2000 without obtaining permission from Government.

(Paragraph 13.2.2)

Calcutta Port Trust (CPT)

CPT had shown subsidy amounting to Rs 12.98 crore in excess of the amount received from the Government for river dredging and maintenance, thereby overstating sundry debtors to this extent.

(Paragraph 13.2.4)

Betwa River Board (BRB)

Accounts of the BRB for 1999-2000 did not include an expenditure of Rs 61.35 crore pertaining to Electro Mechanical works.

(Paragraph 13.2.5)

Utilisation certificates

As many as 34122 utilisation certificates for sanctions to Rs 6856.91 crore during 1976-77 to March 1998 were outstanding at the end of March 2000 in respect of grants released to statutory bodies. This indicated that the system by which Government satisfies itself that grants are used for the purposes for which they are given was not functioning effectively.

Out of Rs 5.92 crore as grants released to various autonomous bodies by National Co-operative Development Corporation, Gurgaon for promotion/development of oilseeds and vegetable oils during the year 1999-2000, utilisation certificates worth Rs 2.78 crore only were received.

JNPT had not issued utilisation certificates in respect of loans amounting to Rs 946.97 crore as on 31st March, 2000 received from Government of India/World Bank and other bodies.

(Paragraph 13.3)