

OVERVIEW

General

Annual accounts of Autonomous bodies

In 2003-04 there were 241 central autonomous bodies whose accounts were to be certified under section 19 (2) and 20 (1) of the CAG's (DPC) Act, 1971. Government of India released Rs. 8164.03 crore towards grants and Rs. 95.85 crore towards loan to 218 bodies during 2003-04. Information on the amount of government grants released to the remaining 23 bodies was not available.

Grants amounting to Rs. 4737.59 crore (58.03 *per cent* of total grants) were disbursed by the Ministry of Human Resource Development to 81 educational institutions, Rs. 630.49 crore (7.72 *per cent* of total grants) were disbursed by the Ministry of Health and Family Welfare to 21 health and research institutions and Rs. 314 crore (3.85 *per cent* of total grants) were disbursed by the Ministry of Commerce to 14 autonomous bodies.

Audited accounts for 2002-2003 of 232 central bodies were to be placed before the Parliament by 31 December 2003. Of these, audited accounts of 69 bodies were submitted for audit within the stipulated time. The accounts of 14 bodies were not submitted for audit by the concerned organisations as on December 2004.

(Paragraph 1.1)

Utilisation certificates

As many as 41038 utilisation certificates for sanctions amounting to Rs. 10572.56 crore during 1976-77 to March 2003 were outstanding at the end of March 2003-04 in respect of grants released to statutory bodies. This indicated that the system by which Government satisfies itself that grants are used for the purpose for which they are given was not functioning effectively.

(Paragraph 1.2)

Ministry of Coal and Mines

Coal Mines Provident Fund Organisation

In the performance review of the Organisation for the period 1999 to 2004, it was noted that the statutory social welfare schemes were not extended to all eligible employees, especially workers engaged by contractors. Such coverage remained particularly poor. Surveys for identifying eligible workers were not

conducted and targets for inspection by P.F. inspectors for this purpose were also not fixed.

Dues of coal companies were not determined promptly and powers to realize outstanding dues were not exercised. Damages of Rs. 207.60 crore from defaulting coal companies were not recovered. The Organisation's accounting for fund and pension contributions had major shortcomings. The amounts in Suspense General Account increased from Rs.1903.02 crore during 1999-2000 to Rs. 4300.20 crore during 2002-03. Similarly, balances under Interest Suspense Account rose from Rs. 4805.06 crore in March 1999 to Rs. 9233.53 crore in March 2003. As a result, the posting of individual ledger accounts of members was insignificant. The returns on fresh investments made by the fund manager on behalf of CMPFO were declining year to year.

Proceeds of administrative charges were misused. Rs. 1.68 crore was spent on computerisation of PF Accounts. However, the Organisation was unable to provide error free input data, as a result, the project for computerisation could not be implemented and the expenditure remained unfruitful. The grievance redressal mechanism was unsatisfactory. Internal Control was weak.

(Paragraph 2.1)

Ministry of Culture

The Indian Museum, Victoria Memorial and The Asiatic Society, Kolkata

The Indian Museum, Victoria Memorial and The Asiatic Society, Kolkata are Institutions of National importance having a wide ranging collection of art objects. No standards or norms for acquiring, preserving and collecting art objects were adopted. No perspective plan was prepared by the Institutions for acquiring art objects. There was no policy for valuing objects received as gifts. A large number of objects were yet to be accessioned by the Institutions. The digitization of art objects was not taken up. Physical verification of the art objects was not taken up in the preceding five years. No systematic approach existed for identifying damages and conserving art objects. The security system in the Institutions were very inadequate. As a result, an antiquated statute was stolen from the art gallery of the Indian Museum in December 2004.

(Paragraph 3.1)

Ministry of Urban Development

Delhi Development Authority

Delhi Development Authority failed to enforce the terms of allotment of land to educational institutions, during 1990-91 to 2003-04. The primary objective of these concessional allotments was to provide 25 *per cent* reservation for the children from weaker sections of the society. This was not achieved. DDA also failed to ensure that the societies possessed the financial capacity to meet the cost of land and construction before allotting the land. This resulted in allotment of land to ineligible societies who did not possess the necessary resources. Tuition fees were also increased by the schools in violation of the rules. Rs. 1.88 crore was outstanding against 89 societies on account of ground rent and licence fee as well as interest thereon for the period 1997-98 to 2003-04. No action had been initiated by the DDA to recover these dues.

(Paragraph 4.1)

Ministry of Finance

Insurance Regulatory and Development Authority

Insurance Regularity and Development Authority established the Institute of Insurance and Risk Management without appropriate approval. The Authority irregularly contributed Rs. 11.00 crore to this institute.

(Paragraph 9.1)

Injudicious decision of Insurance Regularity and Development Authority to reduce rates of renewal fee retrospectively resulted in irregular refund of Rs. 8.94 crore to insurance companies.

(Paragraph 9.2)

Ministry of Health and Family Welfare

Department of Health

All India Institute of Medical Science (AIIMS)

All India Institute of Medical Sciences irregularly paid Rs. 68.59 lakh as conveyance allowance during 2002-04 to ineligible staff despite clear orders to the contrary from the Ministry.

(Paragraph 10.1)

AIIMS's failure to adhere to the guidelines framed for the grant of financial assistance to attend conferences resulted in irregular payment of Rs. 42.97 lakh to ineligible staff members.

(Paragraph 10.2)

Ministry of Human Resource Development

Department of Secondary and Higher Education

Indian Institute of Technology, Delhi, Guwahati, Kanpur, Kharagpur, Madras, Bombay and Roorkee.

The Indian Institutes of Technology, Delhi, Guwahati, Kanpur, Kharagpur, Madras and Bombay misinterpreted Government orders on pay fixation and overpaid Rs. 2.44 crore to 479 Assistant Professors as of March 2004. They have not recovered this amount despite Ministry's orders.

(Paragraph 11.5)

The Indian Institute of Technology at Delhi, Kanpur, Kharagpur, Bombay and Roorkee made irregular payment of bonus amounting to Rs. 84.24 lakh to ineligible employees in the pay scale of Rs. 6500-10500 and Rs. 7500-12000 during 1999-2003, against the orders of the Ministry.

(Paragraph 11.6)

The Indian Institute of Technology, Kharagpur did not accept the offer of the lower pre-qualified tenderer and awarded the work of construction of a Lecture Hall Complex to a contractor in violation of the instructions of the Central Vigilance Commission and the CPWD Manual. This resulted in avoidable expenditure of Rs. 51.08 lakh. Moreover, the work was also not completed in time.

(Paragraph 11.8)

Indira Gandhi National Open University

Indira Gandhi National Open University printed study material, in 1997, far in excess of its actual needs for a course that was discontinued in January 2000. This resulted in avoidable surplus stock leading ultimately to wasteful expenditure of Rs. 58.20 lakh.

(Paragraph 11.9)

Ministry of Information & Broadcasting

Prasar Bharati

Doordarshan failed to deduct income tax at source which led to levy of penalty and interest amounting to Rs. 4.43 crore by the Income Tax Department.

(Paragraph 12.1)

Prasar Bharati did not adhere to the schedule of payment of instalments of telecast right fees to Board of Control for Cricket in India, during the period 1990-2003, which resulted in avoidable payment of interest of Rs 1.42 crore.

(Paragraph 12.2)

Prasar Bharati irregularly allowed agency commission at the rate of 15 percent to National Film Development Corporation for the telecast of 210 films between June 2001 and September 2003 which resulted in irregular expenditure of Rs. 22.68 lakh.

(Paragraph 12.4)

Ministry of Shipping

Chennai Port Trust

Irregular adoption of reduced gross tonnage for levy of vessel related charges by the Chennai Port Trust resulted in short collection of Rs. 4.58 crore. An amount of Rs. 3.25 crore was recovered at the instance of Audit.

(Paragraph 13.1)

Kolkata Port Trust

The Kolkata Port Trust decided to repair the survey vessel RSV Tribeni, which had outlived its economic life. But the vessel could be utilised for only 14 days after its repair. This ill-considered decision led to infructuous expenditure of Rs. 5.83 crore on manning and maintenance of the idle vessel which included Rs. 97.28 lakh spent on repair work of the vessel.

(Paragraph 13.2)

Mormugao Port Trust

Crane drivers attached to five wharf cranes, disposed of in October 1997, were not redeployed upto March 2004, which resulted in infructuous expenditure of Rs. 99.83 lakh.

(Paragraph 13.3)

Paradip Port Trust

Paradip Port Trust failed to adhere to the provisions of Rules 28 and 29 of the Paradip Port Trust Rules and Regulations of 1966 which resulted in avoidable expenditure Rs. 86.49 lakh on dredging cargo spillage of 34596 metric tonne.

(Paragraph 13.5)

**Ministry of Small Scale Industries and Rural Agro Industries
Khadi and Village Industries Commission (KVIC)**

KVIC had borne excess liability of interest subsidy amounting to Rs. 1.03 crore on account of bank finance provided to one institution due to the failure of the Commission to modify the Interest Subsidy Scheme in line with the deregulated interest rate regime.

(Paragraph 14.1)

**Ministry of Urban Development
Delhi Development Authority**

DDA failed to route its advertisement through the Directorate of Advertisement and Visual Publicity in accordance with the Ministry's instructions which resulted in avoidable expenditure of Rs. 6.07 crore.

(Paragraph 16.1)

Defective fixation of reserve price and formulation of an unrealistic parking fee structure resulted in parking sites remaining unauctioned leading to revenue loss of Rs. 2.57 crore.

(Paragraph 16.2)

Incorrect fixation of reserve price of commercial plots resulted in loss of Rs. 1.79 crore to DDA.

(Paragraph 16.3)

DDA failed to comply with the land use norms stipulated in the Master Plan 2001 for Delhi and non availability of clear site for construction of residential colonies of work resulted in blockage of Rs. 1.49 crore.

(Paragraph 16.4)