

CHAPTER XV : MINISTRY OF YOUTH AFFAIRS AND SPORTS

Sports Authority of India

15.1 Penalty due to low power factor

Sports Authority of India paid penalty of Rs. 1.95 crore for the period August 1997 to January 2001 for not maintaining the power factor at the prescribed level.

Delhi Vidyut Boards (DVB)¹ tariff for power supply effective during the period 1997-2001 was based on the power factor of 0.85. Consumers were required to install and maintain shunt capacitors of adequate ratings in proper working condition to ensure that the average power factor of supply taken did not fall below 0.85. In case the average power fact fell below 0.85, then DVB levied surcharge at specified rates.

Sports Authority of India (SAI) had been drawing power supply from HT lines of DVB for the Indira Gandhi Stadium in which the power factor ranged from 0.48 to 0.79, that was below the prescribed power factor of 0.85. Consequently, DVB levied low power factor surcharge amounting to Rs. 1.95 crore for the period August 1997 to January 2001. The situation arose due to its defective shunt capacitors. The expenditure could have been avoided, had SAI taken timely action to acquire and maintain the shunt capacitors and regulate the power supply at the prescribed power factor of 0.85.

SAI stated (March 2002) that reasons for low power factor varying from 0.4 to 0.7 at the point of HT supply had been investigated by BHEL, which had submitted an estimate for Rs. 56 lakh in 1993 for providing Power Factor Improvement Panel. But they could not implement the recommendation due to the high cost involved. SAI stated that the existing manual control panels have been reactivated and these have succeeded in maintaining the desired power factor. The reply did not constitute adequate justification as SAI had already paid a penalty more than three times the estimated cost of the panel.

The matter was referred to the Ministry in August 2005; their reply was awaited as of February 2006.

¹The functions have been transferred to BSES Ltd. after privatisation of power distribution.

15.2 Idling of equipment

Sports Authority of India (SAI) failed to utilise the equipment worth Rs. 1.10 crore purchased (1988-2004).

Audit scrutiny of the records of SAI's equipment revealed that in the following cases, equipment purchased between 1988-2004 had not been utilised.

(a) SAI imported (November 1988) a machine costing Rs. 20.76 lakh which had the capacity of manufacturing 14400 clay pigeons per day. The machine was procured for Dr. Karni Singh Shooting Range without assessing the actual requirement of the range and the financial viability of manufacturing vis-à-vis import of clay pigeons. Only 3.13 lakh clay pigeons were manufactured between 1991 and 1995 and the machine was kept idle thereafter. No action has been taken to dispose it of. In response to Audit observation, SAI stated (December 2005) that manufacturing of clay pigeons through this machine was not found economical in comparison with the imported clay pigeons. Apparently, this aspect was not considered at the time of purchase of the equipment.

(b) The existing manually operated target system was replaced by the electrically operated Conventional Target Box System in October 2001 at a cost of Rs. 40.79 lakh for the Afro-Asian Games. However, due to non-availability of target paper rolls, which were required to be imported, these machines could not be used by the shooters for practice during coaching camps. On the matter being pointed out in audit, SAI stated in December 2005 that a source for manufacturing indigenous target paper roll has since been developed. However, Audit noted that the equipment remained unutilised since the date of procurement i.e. from October 2001 to November 2005.

(c) Examination of the stock register revealed that sports equipment costing Rs. 23.82 lakh procured between April 1993 and August 2003 were lying idle (July 2004) at sub-centre Guwahati for periods ranging from 10 months to 10 years. SAI stated (June 2004) that these were being used for conducting national level tournaments etc. as and when allotted to the Centre. However, Audit noted that no national level tournament was organised at Guwahati during this period. Thus, there was total idling of equipment.

(d) Netaji Subhas Southern Centre, Bangalore purchased sports equipment costing Rs. 25.02 lakh during 2001-02 to 2003-04 and distributed them to various sub-centres even though there were either no coaches for the relevant disciplines or absence of such disciplines in the centres. Thus, expenditure of Rs. 25.02 lakh was incurred on these items, which remained unutilised. The Centre stated (August 2004) that the items would be utilised at the earliest.

The matter was referred to the Ministry in September 2005; their reply was awaited as of February 2006.

15.3 Inadmissible expenditure

Sports Authority of India incurred irregular expenditure of Rs. 72.03 lakh on vehicles and mobile phones provided to its chairperson/vice-chairperson and their personal staff etc.

SAI was established by the Government of India in 1984 as a registered society. The Governing Body of SAI has the Union Minister for Youth Affairs and Sports as its Chairperson (ex-officio), the Union Minister of State for Youth Affairs and Sports as its Vice-Chairperson (ex-officio) and 24 other members. According to the Memorandum of Association (MoA) of SAI, the non-official members and ex-officio members of the Governing Body are to be given only TA/DA as per rules of the Government of India.

Audit ascertained that the SAI spent Rs. 22.49 lakh during 2000-2004 on the use of hired vehicles provided to the Union and the State Ministers of Youth Affairs and Sports in their capacity as the chairperson and the vice chairperson of the Governing Body respectively as well as to their personal staff. It also incurred an expenditure of Rs. 7.44 lakh during 1997-98 to 2002-03 on mobile phones given to the chairperson, the vice chairperson, their personal assistants and officers on special duties attached to them. This was also admitted (November 2005) by the Ministry. In addition, the SAI incurred an expenditure of Rs. 42.10 lakh during 2000-2005 on the maintenance and petrol of staff cars provided to the above-mentioned Ministers. The total expenditure of Rs. 72.03 lakh was not admissible under the provisions of MoA and was irregular.

15.4 Avoidable interest payment

Failure of Sports Authority of India to pursue a case properly in a court of law resulted in avoidable interest payment of Rs. 12.75 lakh.

Delhi Centre of Society for Physical Education and Sports (Society), Patiala, was merged with SAI in May 1987. Before merger, it floated a national sports raffle-lottery. The draw was held on 29 September 1984 and a claimant holding the winning ticket of Rs. 5.70 lakh was denied the prize by the Society on the ground that genuineness of the ticket produced by her was doubtful. The claimant filed a suit against the Society on 8 July 1985 in the High Court of Delhi. Consequent on merger of the Society, SAI had been pursuing the case since May 1989.

Audit ascertained that in 1989, the High Court of Delhi made an ex-parte decision due to non-appearance by defence counsel and subsequently passed a decree in April 2002 directing SAI to make payment of prize money of Rs. 5.70 lakh alongwith interest at the rate of 12 *per cent* per annum from 8 July 1985 till the date of disbursement to the claimant. The cost of the suit amounting to Rs. 0.10 lakh was also awarded to the claimant. Audit noticed that the legal cell of the SAI came to know about this judgment only in July 2003. By that time the case had become time-barred for appeal. SAI ultimately paid Rs. 12.75 lakh as interest and Rs. 0.10 lakh as the cost of the suit in addition to prize money of Rs. 5.70 lakh on 27 February 2004.

Thus, failure of the SAI to pursue the case properly resulted in avoidable interest payment of Rs. 12.75 lakh besides losing the opportunity to appeal.

The matter was referred to the Ministry in June 2005; their reply was awaited as of February 2006.