

CHAPTER I: GENERAL

1.1 Annual accounts of autonomous bodies

1.1.1 Grants and loans released to central autonomous bodies

Bodies established by or under law made by the Parliament and containing specific provisions for audit by the Comptroller and Auditor General of India are statutorily taken up for audit under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971 (the Act). Audit of other organisations (Corporations or Societies) is entrusted to the Comptroller and Auditor General of India in public interest under section 20(1) of the Act. The nature of audit conducted under these provisions is certification of annual accounts as well as value for money audit. Besides, central autonomous bodies, which are substantially financed by grants/loans from the Consolidated Funds of India, are audited by the Comptroller and Auditor General of India under the provisions of Section 14(1) of the Act. Comptroller and Auditor General of India may with the previous approval of the President, audit central autonomous bodies whose annual grants or loans from the Consolidated Fund of India is not less than ₹ one crore, under section 14 (2) of the Act. Audit under these provisions is in the nature of value for money audit.

The Comptroller and Auditor General of India was the sole auditor in respect of 354 Central autonomous bodies (u/s 19(2)/20(1) of the Act). Grants/loans aggregating ₹ 36247.97 crore were released to 222 central autonomous bodies during 2011-12. The information in respect of remaining 132 bodies was not furnished by the concerned Ministries (**Appendix – I**).

The compliance and performance audits of 329 other central autonomous bodies (u/s 14(1)/ 14(2) of the Act), whose financial/certification audit was entrusted to private auditors, is the responsibility of the Comptroller and Auditor General of India. As per the information furnished by various Ministries, grants/loans aggregating ₹ 9572.32 crore were released to 236 bodies during 2011-12. The information in respect of remaining 93 bodies was not furnished by the concerned Ministries (**Appendix – II**).

The share of total central assistance released to all central autonomous bodies in the form of the grant-in-aid out of the gross budgetary support made to the civil ministries /departments ranged from 0.82 *per cent* to 0.93 *per cent* during the last five years ending 31 March 2012 as shown in the table below:

Year	Amount of total Central grant to CAB during the year (₹ in crore)	Gross Budgetary Support ¹ (₹ in crore)	Percentage of Central grant to CABs with reference to gross budgetary support
2007-08	20057.54	2445865.08	0.82
2008-09	28397.88	3220867.31	0.88
2009-10	40495.41	4356312.43	0.93
2010-11	44857.68	4683838.77	0.96
2011-12	45805.03	4935556.56	0.93

It may be seen from the above table that the amount of central assistance in the form of grant to central autonomous bodies as a percentage of the total gross budgetary support recorded an increasing trend in the years 2007-08 to 2010-11 when it increased from 0.82 *per cent* in the year 2007-08 to 0.96 *per cent* in the year 2010-11. However, for the year 2011-12 this decreased marginally to 0.93 *per cent*.

Further analysis of the central assistance released to the central autonomous bodies as grants-in-aid during the last five years revealed that five central autonomous bodies received maximum grant.

Year	Total Central grant to all Central Autonomous Bodies (₹ in crore)	Amount of Central grant to the Central Autonomous Body (₹ in crore)									
		ICAR		UGC		PB		CSIR		NVS	
		Annual Grant	Per cent*	Annual Grant	Per cent*	Annual Grant	Per cent*	Annual Grant	Per cent*	Annual Grant	Per cent*
2007-08	20057.54	2230.43	11.12	1836.34	9.16	1093.27	5.45	1863.70	9.29	1104.80	5.51
2008-09	28397.88	2870.47	10.11	2514.00	8.85	1218.94	4.29	2356.20	8.30	1549.87	5.46
2009-10	40495.41	3242.32	8.00	3195.91	7.89	1440.71	3.56	2666.44	6.58	1676.20	4.14
2010-11	44857.68	5296.70	11.81	3573.54	7.97	1586.23	3.54	2929.34	6.53	1655.40	3.69
2011-12	45805.03	4878.83	10.65	10136.00	22.13	1923.68	4.20	3139.30	6.85	1621.90	3.54
Total	179612.54	18518.75		21255.79		7262.83		12954.98		7608.17	

*Percentage of grant to the Body with reference to the total Central assistance to all Central Autonomous Bodies

It may be seen from the table that the aforesaid five Central autonomous bodies alone had availed 37.64 *per cent* of the total central assistance as grant

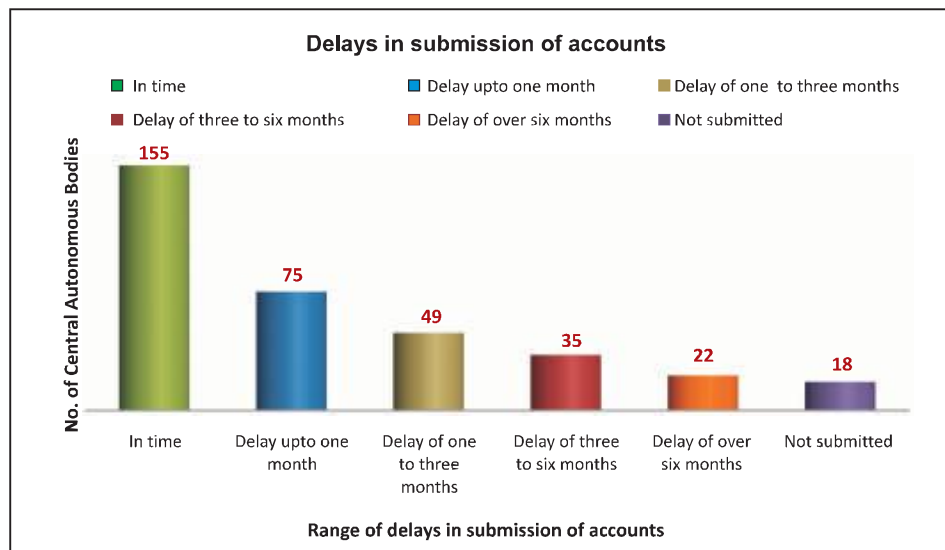
¹ Source: Appropriation accounts – Union Government (Civil) for the respective years
 ICAR – Indian Council of Agricultural Research,
 UGC – University Grant Commission,
 PB – Prasar Bharati,
 CSIR – Council of Scientific and Industrial Research,
 NVS – Navodaya Vidyalaya Samiti.

to all the central autonomous bodies during the last five years ending 31 March 2012.

1.1.2 Delays in submission of accounts by central autonomous bodies

The Committee on Papers Laid on the Table of the House recommended in its First Report (5th Lok Sabha) 1975-76 that after the close of the accounting year, every autonomous body should complete its accounts within a period of three months and make them available for audit. The audit reports and the audited accounts should be laid before the Parliament within nine months of the close of the accounting year.

For the year 2010-11, audit of accounts of 354 central autonomous bodies was to be conducted by the Comptroller and Auditor General of India. Out of these, the accounts of only 155 autonomous bodies were made available for audit within the prescribed time after the close of the financial year. While the accounts of 181 autonomous bodies were furnished after the due date, the accounts of 18 autonomous bodies were not submitted as of December 2012 as indicated in the following chart:



The details of autonomous bodies whose accounts were delayed beyond three months and those in respect of which accounts were not received as of December 2012 are given in **Appendix –III**.

1.1.3 Arrears in submission of accounts

18 autonomous bodies have not submitted their accounts for the years ranging between two and six years **Appendix-IV**.

Due to non-submission of accounts for audit, it would not be possible to provide reasonable assurance as to whether:

- grants were utilised in accordance with the prescribed rules for the intended purpose;
- receipts were correctly assessed, received and accounted for;
- a proper system was in place for investment of surplus funds and unspent balances;
- creation of liabilities was legitimate and provisions were made for all known liabilities and losses;
- assets and other resources were in existence; and
- accounting records were accurate and complete.

This would indicate lack of financial reporting system and lack of effective control over these autonomous bodies.

Thus, non-submission of accounts by the autonomous bodies not only contravened the directions of the Committee on Papers Laid on the Table, but was also fraught with the possibility of fraud and mismanagement.

1.2 Delay in presentation of audited accounts of central autonomous bodies before both the Houses of Parliament

The Committee on Papers Laid on the table of the House, in its First Report (1975-76), had recommended that the audited accounts of the autonomous bodies be laid before Parliament within nine months of the close of the accounting year i.e. by 31 December of the following financial year.

Status of laying of the audited accounts before the Parliament as on 31 May 2013 was as under:

Year of account	Total number of bodies for which audited accounts were issued but not presented to Parliament in time	Total number of audited accounts presented after due date
2010-11	18*	323**
2011-12	148	-

* Includes – 5 Cases of 2009-10, ** Includes 175 cases of 2009-10

It would, thus, be seen that a large number of audited accounts had not been placed before the Parliament within the prescribed time.

Statements containing the names of autonomous bodies, whose audited accounts had not been laid or laid after due dates before Parliament are included in **Appendix –V** and **Appendix –VI**.

1.3 Utilisation Certificates

As per General Financial Rules, certificates of utilisation in respect of grants released to statutory bodies/organisations are required to be furnished within 12 months from the closure of the financial year by the bodies/organisations concerned. Ministry/Department – wise details indicating the position of the total number of 44713 outstanding utilisation certificates involving an amount of ₹ 20086.00 crore in respect of grants released up to March 2011 due by March 2012 (after 12 months of the financial year in which the grants were released) are given in **Appendix–VII**. Seventeen Ministries² did not furnish the information of outstanding utilisation certificates.

The position of outstanding utilisation certificates relating to 10 major Ministries/Department as on March 2012 is given below:-

Utilisation Certificates outstanding as on 31 March 2012

(₹ in crore)

Sl. No.	Ministry/Department	For the period ending March 2011	
		Number	Amount
1.	School Education & Literacy	1369	5285.35
2.	Agriculture	1085	3607.80
3.	Rural Development	1439	2795.33
4.	Higher Education	2328	1131.75
5.	Social Justice & Empowerment	9792	996.50
6.	Panchayati Raj	248	775.32
7.	Sports	2183	623.10
8.	Housing & Urban Poverty Alleviation	246	578.81
9.	Food Processing Industries	2950	499.39
10.	Urban Development	204	437.95
Total		21844	16731.30

1.4 Results of certification of audit

Separate Audit Reports for each of the autonomous bodies audited under Sections 19(2) and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are appended to the certified final accounts required to be tabled by concerned Ministries in Parliament. Some of the important comments which were issued to the central autonomous bodies/Ministries concerned are stated below:

² Ministry of Civil Aviation, Ministry of Development of North Eastern Region, Ministry of Health & Family Welfare, Ministry of Information & Broadcasting, Ministry of Parliamentary Affairs, Ministry of Planning, Ministry of Law & Justice, Ministry of Home Affairs, Ministry of Textiles, Ministry of Water Resources, Ministry of New & Renewable Energy, Ministry of Science & Technology, Ministry of Earth Science, Ministry of Coal, Ministry of Drinking Water & Sanitation, Ministry of Environment & Forests and Ministry of Tourism.

1.4.1 General Comments:

- (a) Internal audit of 94 autonomous bodies was not conducted for the year 2011-12 (**Annex-I**).
- (b) Physical verification of fixed assets of 100 autonomous bodies was not conducted during 2011-12 (**Annex-II**).
- (c) Physical verification of inventories of 90 autonomous bodies was not conducted during 2011-12 (**Annex-III**).
- (d) 27 autonomous bodies have not made investment of provident fund balances as per the pattern of investment prescribed by the Ministry of Finance (**Annex-IV**).
- (e) 51 autonomous bodies are accounting for the grants on realisation/cash basis which is inconsistent with the common format of accounts prescribed by the Ministry of Finance (**Annex-V**).
- (f) 102 autonomous bodies have not accounted for gratuity and other retirement benefits on actuarial valuation basis (**Annex-VI**).
- (g) No depreciation on fixed Assets has been provided by 23 autonomous bodies (**Annex-VII**).
- (h) 18 autonomous bodies have revised their accounts as a result of audit (**Annex-VIII**).

1.4.2 Significant observations on the accounts of individual central autonomous bodies

(1) Jawaharlal Nehru Port Trust

i) Application of Funds

Capital Work in Progress – ₹ 86.95 crore

a) This includes an amount of ₹ 25.53 crore outstanding towards the final bill in respect of RMQC cranes procured at cost of ₹ 102.85 crore. As the cranes were put to use in September 2011, non-capitalisation of the above amount resulted in overstatement of Capital Work in progress and understatement of Fixed Assets by ₹ 25.53 crore. Further, the depreciation was also understated to the tune of ₹ 1.28 crore resulting in overstatement of profit to the same extent.

b) This includes ₹ 7.02 crore (₹ 1.93 crore towards expenditure of revenue nature and ₹ 5.09 crore towards advance to a supplier pertaining to acquisition of one RMQC), which should have been charged to revenue/transferred to Current Assets, Loans & Advances. Thus, Capital Work in

progress was overstated by ₹ 7.02 crore. Correspondingly, profit was overstated by ₹ 1.93 crore and Current Assets, Loans & Advances were understated by ₹ 5.09 crore.

ii) Current Liabilities- Sundry Creditors

Creditors for Retirement Benefits ₹ 27.44 crore

As per actuarial valuation, the total liability in respect of Pension Fund, Gratuity Fund and Leave Encashment Fund was at ₹ 473.18 crore as on 31.03.2012. Unfunded liability to the extent of ₹ 162.20 crore as per the actuarial valuation was not provided during the year in non-compliance to Accounting Standard 15 which resulted in understatement of provision for Employees Retirements benefits and overstatement of the profit by ₹ 162.20 crore.

(2) Kandla Port Trust

Current Liabilities & Provisions

Pension Fund

As per actuarial valuation of Pension Fund carried out by Life Insurance Corporation of India, the Pension Fund requirement was ₹ 551.00 crore, whereas the fund available was ₹ 396.57 crore resulting in a short fall of ₹ 154.43 crore. During the year Kandla Port Trust made a contribution of ₹ 54.39 crore to the fund and interest earned was ₹ 38.08 crore. However, no provision for balance amount of ₹ 61.96 crore was made, which was not in compliance with the Accounting Standard 15. Consequently, Current Liabilities - Pension Fund was understated and profit before tax was overstated ₹ 61.96 crore.

(3) Mormugao Port Trust

Profit & Loss Account

Finance and Miscellaneous Expenses

(a) Contribution to Pension Trust Fund - ₹ 26.50 crore

As per the actuarial valuation, the liability towards contribution to Pension Fund as on 31 March 2012 was ₹ 680.98 crore against which the balance available in the Pension Fund as on that date was ₹ 365.67 crore resulting in short provision of ₹ 315.31 crore. Thus there is overstatement of surplus for the year by ₹ 315.31 crore.

(b) Contribution to Gratuity Trust Fund - ₹ 10 crore

As per the actuarial valuation, the liability towards contribution to Gratuity Fund as on 31 March 2012 was ₹ 89.37 crore against which the balance available in the Gratuity Fund as on that date was ₹ 51.70 crore resulting in short provision of ₹ 37.67 crore. Thus there is overstatement of surplus for the year by ₹ 37.67 crore.

(c) Earned Leave Provisions - ₹ 4 crore

As per the actuarial valuation, the liability towards contribution to Leave Encashment Fund as on 31 March 2012 was ₹ 22.92 crore against which the balance available in the Leave Encashment Fund as on that date was ₹ 19.30 crore resulting in short provision of ₹ 3.62 crore. Thus there is overstatement of surplus for the year by ₹ 3.62 crore.

(4) Mumbai Port Trust

Operating Income ₹ 1023.05 crore

Mumbai Port Trust (MbPT) received upfront premium of ₹ 16.64 crore (₹ 0.56 crore in May 2010 and ₹ 16.08 crore in January 2012) from the Department of Customs towards lease of a plot of land for a period of 30 years from 08.02.2012 to 07.02.2012. MbPT has accounted the entire amount of ₹ 16.64 crore as operating income. As the benefit of the up front premium accrues over a period of 30 years, one premium attributable to the period from 08.02.2012 to 31.03.2012 (₹ 0.8 crore) should alone have been accounted as income. As the entire upfront premium has been accounted as operating income, operating income has been overstated by ₹ 16.56 crore and Current Liabilities have been understated by the same amount.

(5) Khadi & Village Industries Commission

Earmarked/Endowment Funds- ₹ 307.55 crore

Endowment Fund balance stands understated to the extent of ₹ 30.64 crore due to:

- (a) Treating of interest income of ₹ 29.91 crore earned during 2011-12 on unspent/temporarily parked Endowment fund balances held in banks as income of the Commission instead of crediting the same to Endowment fund.
- (b) Non-accounting of interest income of ₹ 0.73 crore earned during 2011-12 on unspent/temporarily parked Endowment fund balances held in banks.

(6) Securities and Exchange Board of India

Fixed Assets

Vehicle (Gross Block) – ₹ 3.01 crore

SEBI did not capitalise seven vehicles valuing ₹ 0.81 crore which were purchased and put to use during the year. This resulted in understatement of Fixed Assets – Vehicles and overstatement of Loans and Advances by ₹ 0.81 crore. Consequently, depreciation for the year was also understated by ₹ 0.02 crore and surplus for the year was overstated to the same extent.

(7) National Capital Region Planning Board, New Delhi

Other Current Liabilities – ₹ 0.39 crore

The above does not include an amount of ₹ 3.66 crore towards invoices raised by M/s Delhi Integrated Multi-Model Transit System Ltd. during February/March 2012 for payment of consultancy fee for preparation of a Feasibility Report. Despite recommendation for the above payment by Consultancy Review Committee (CRC) / Sub-Committee to Task Force, in its meetings held in February/March 2012, the liability of ₹ 3.66 crore has not been provided in the accounts. This has resulted in understatement of ‘Other Current Liabilities’ by ₹ 3.66 crore, understatement of ‘Grant Receivable for RRTS’ by ₹ 2.70 crore and overstatement of ‘Earmarked / Endowment Fund’ by ₹ 0.96 crore.

(8) Export Inspection Council of India, New Delhi

Fixed Assets - ₹ 0.13 crore

The above does not include value of land, amounting to ₹ 7.08 crore, allotted by HUDA to EIC and permission for which was specifically obtained from Ministry of Commerce. Non inclusion of same has led to understatement of gross block and capital reserve by ₹ 7.08 crore.

(9) Agricultural and Processed Food Products Export Development Authority, New Delhi

Fixed Assets - ₹ 11.29 crore

The above includes ₹ 2.51 crore towards amount paid for acquisition of Guwahati Office building. As the agreement for handing over of possession and sale of building floor was signed on 27 April 2012, i.e. in the financial year 2012-13, the amount paid for the above office building should have been shown in the accounts as Advance. This has resulted in overstatement of Fixed Assets (Net Block) by ₹ 2.26 crore and understatement of advance by

₹ 2.51 crore. Consequently, depreciation for the year was overstated by ₹ 0.25 crore and 'Excess of Income over Expenditure' understated to the same extent.

(10) National Automotive Testing and R&D Infrastructure Project Implementation Society, New Delhi

Current Liabilities and Provision - ₹ 83.49 crore

The above is understated by ₹ 1.65 crore due to non-provision of liability on account of electricity charges, repair & maintenance, Project Management Services and other amount payable with consequent overstatement of Excess of Income over Expenditure to the same extent.

(11) National Institute of Fashion Technology, New Delhi

Fixed Assets – ₹ 166.09 crore

The above does not include land at Thiruvannamipur (not yet valued, though allotted in April 1999) and land admeasuring three acres in Guindy Taluk (valued at ₹ 17.47 crore) allotted to NIFT by the Tamil Nadu State Government. As per the Management, these lands were provided free of cost to NIFT by the State Government. The land should have been included in the Fixed Assets Schedule, valued appropriately as per Accounting Standard 12 and factual position in this regard along with NIFT's accounting policy on the subject should have been suitably disclosed in the accounts.

(12) Petroleum and Natural Gas Regulatory Board, New Delhi

Current Liabilities and Provisions

Other Payable – Rent: ₹ 4.83 crore

The above does not includes ₹ 5.36 crore (including ₹ 1.05 crore for the year 2011-12) being the differential amount of the rent claimed by IOCL (as per the MoU dated 14.07.2008 with PNGRB) and the rent proposed to be paid by PNGRB (at the same rates as paid by another tenant M/s. Petronet LNG Limited) to IOCL for the period October 2008 to March 2012. This has resulted in the understatement of current liabilities with consequent overstatement of surplus by ₹ 5.36 crore.

(13) Textiles Committee, Mumbai

i) Provision for salary and wages - ₹ 1.76 crore

The above does not include ₹ 1.32 crore being the liability towards Modified Assured Career Progression Scheme for the employees of Textiles Committee duly approved by Ministry of Textiles in January 2011 effective from 1 September 2008. Non-provision of MACP expenditure has resulted in

understatement of current liabilities & provision and over statement of surplus by ₹ 1.32 crore.

ii) Current Assets, Loans and Advances – ₹ 65.71 crore

Assessment and grading of Ginning & Pressing units – ₹ 1.22 lakh

The above does not include ₹ 22.57 lakh being interest accrued but not due on Fixed Deposit of ₹ 3 crore made out of fund relating to assessment and grading of cotton ginning and processing factories. This has resulted in understatement of Current Assets, Loans and Advances by ₹ 22.57 lakh and understatement of Earmarked Fund to the same extent.

(14) Kolkata Port Trust, Kolkata

i) Fixed/ Capital Assets – ₹ 992.61 crore

(a) Assets valuing ₹ 20.43 crore, put to use during the period 2006-07 to 2010-11, were, however, capitalised during 2011-12 and depreciation was provided accordingly. Depreciation on the above assets should have been provided retrospectively from their respective date of put to use. This has resulted in understatement of provision for depreciation for prior years by ₹ 1.99 crore and overstatement of profit by the same amount.

(b) Expenditure incurred amounting to ₹ 3.10 crore towards minor repair and replacement work has been capitalised during the year instead of charging off the same as repair and maintenance expenditure. This has resulted in overstatement of gross block by ₹ 3.10 crore, provision for depreciation by ₹ 0.12 crore and profit by ₹ 2.98 crore.

ii) Current Liabilities and Provisions – ₹ 2163.04 crore

(a) It was decided (June 2004) by Kolkata Port Trust (KoPT) Board that KoPT Superannuation Fund would be continued till maturity of its investments and thereafter transferred to the trustees of the Superannuation and Gratuity Fund with LIC along with interest. The total investment against the above internally maintained fund was ₹ 278.82 crore as on 31.03.2012. During 2011-12 investments amounting to ₹ 219.11 crore had matured, out of which ₹ 212.86 crore was again reinvested and the balance amount of ₹ 6.25 crore was transferred to profit and loss account instead of retaining the same in fund. Further, interest income of ₹ 3.12 crore on such investments was also recognised as profit of KoPT instead of transferring the same to the above fund. This has resulted in understatement of internally

maintained fund (KoPT Superannuation Fund) by ₹ 9.37 crore (₹ 6.25 crore + ₹ 3.12 crore) and overstatement of profit by the same amount.

(b) The payment for commutation and gratuity/death gratuity to the employees retiring on or after 01.04.2004 is directly made by KoPT and the same is being reimbursed from LIC on regular basis. It was, however, observed that an amount of ₹ 1.26 crore was deducted from the internally maintained superannuation fund during 2011-12 on account of short recovery of commutation and gratuity/death gratuity from LIC instead of showing the same under current asset as recoverable from LIC. This has resulted in understatement of both internally maintained fund (KoPT Superannuation Fund) and current assets by ₹ 1.26 crore.

(c) As per GOI (Ministry of Shipping – Ports Wing) directives dated 2.12.2011, profit making Major Port Trusts have to create a fund towards Corporate Social Responsibility (CSR). Accordingly, the ports making profits less than ₹ 100 crore, have to create a fund of three to five *per cent* of previous year's net profit. The net profit of Kolkata Port Trust for the year 2010-11 was ₹ 70 crore. However, it was observed that no such fund was created for CSR activities by KoPT. Thus, the profit for the year was overstated by ₹ 2.10 crore (3 *per cent* of ₹ 70 crore) with corresponding understatement of provision by same amount.

(15) Calcutta Dock Labour Board, Kolkata

Calcutta Dock Labour Board (CDLB) has not been able to pay arrear pension and other liabilities amounting to ₹ 262.06 crore³ (as on 31.03.2012) to its retired employees. 58 retired employees of CDLB filed suit in the Calcutta High Court claiming their respective retirement dues. Hon'ble Calcutta High Court ordered the CDLB to pay their arrear retirement dues including interest and legal cost. During 2011-12, CDLB provided an amount of ₹ 1.71 crore for pension and other liabilities for such 58 retired employees although the same was already included in the original provision of ₹ 262.06 crore. However, no provision has been made for the interest and legal charges amounting to ₹ 0.20 crore payable to such 58 retired employees. Thus, there was an excess provision of ₹ 1.51 crore (₹ 1.71 crore – ₹ 0.20 crore) towards the dues of retired employees. The above has also resulted in overstatement of 'Excess of expenditure over income' by ₹ 1.51 crore.

³ Arrear liabilities towards retired employees as on 31.03.2012 include Arrear pension benefit (₹ 240.13 crore), Leave encashment (₹ 8.53 crore) and Medical allowance (₹ 13.40 crore).

(16) Paradip Port Trust

i) Current Assets, Loans and Advances (Schedule-5) – ₹ 1879.27 crore

The Fishery Harbour Project at Paradip was constructed in 1998-99 at a cost of ₹ 41.18 crore against which a capital grant of ₹ 38.02 crore was received from Ministry of Agriculture, Government of India (GoI). The balance cost of ₹ 3.16 crore was funded by Paradip Port Trust (PPT). GoI stipulated that Fishery Harbour was to be managed by PPT and the expenditure incurred for the same would be met from the income generated from operation of such Harbour. Finally, the Fishery Harbour was handed over to Government of Odisha in September 2011 on lease basis. From commencement of operations in 2000-01 to 2011-12 the revenue expenditure incurred by PPT exceeded the income generated by ₹ 4.70 crore and the same was shown as receivable from the GoI. PPT approached (June 2008) GoI for reimbursement of both the capital and revenue expenditure of ₹ 7.90 crore. However, even after a lapse of four years no assistance/ assurance was received from GoI for the same. PPT has, therefore, charged off the capital expenditure (₹ 3.16 crore) to the revenue. However, no provision has been made towards the revenue expenditure (₹ 4.70 crore) in the books of accounts. This has resulted in overstatement of receivables as well as net surplus by ₹ 4.70 crore.

ii) Current Liabilities & Provisions (Schedule 6) - ₹ 1318.57 crore

Paradip Port Trust had availed interest bearing loans for executing capital projects from Government of India (GoI) during 1967 to 2002. As there were delays in repayment of loans, the GoI, claimed penal interest amounting to ₹ 672.41 crore against which PPT has provided only ₹ 229.97 crore in its books of accounts. Request of the PPT for waiver of the entire amount of penal interest has not been accepted (February 2012) by the GoI. Thus, there is understatement of provision for interest on GoI loan by ₹ 442.44 crore and overstatement of net surplus by the same amount.

iii) Estate Rentals (Schedule 10) - ₹ 23.92 crore

PPT received an amount of ₹ 3.14 crore from Indian Oil Corporation Limited as deposit towards license fee for permitting Right of Way for laying of pipelines on port land and the same was recorded as income towards Estate Rental. As per the decision of the land allotment committee of PPT, the license fee was applicable from the date of stacking of materials at site. However, the site was not allotted and the materials were not stacked at site till March 2012 and therefore, the license fee did not accrue for the year 2011-12. This has resulted in overstatement of income (estate rental) by

₹ 3.14 crore and understatement of Deposit from others (Current Liabilities) by the same amount.

iv) Port & Dock facilities for Shipping (including Pilotage) (Schedule 12) - ₹ 89.97 crore

Depreciation – ₹ 7.55 crore

The depreciation on floating craft was provided @ 25 per cent per annum (p.a.) instead of 5 per cent p.a in disregard of the norms of Ministry of Shipping, Government of India. This has resulted in overstatement of depreciation by ₹ 3.51 crore (including ₹ 1.85 crore for prior year) and understatement of Net Surplus by ₹ 3.51 crore.

v) Finance & Miscellaneous Income (Schedule 16) - ₹ 170.46 crore

Interest income amounting to ₹ 0.80 crore earned on investment of provident fund account was accounted for as own income of the PPT instead of showing it as liability towards Provident Fund Account. This has resulted in overstatement of Net surplus (Finance and Misc. income) by ₹ 0.80 crore and understatement of Current Liabilities by the same amount.

vi) Finance & Miscellaneous Expenses (Schedule 17) - ₹ 59.13 crore

As per GOI (Ministry of Shipping – Ports Wing) directives dated 2.12.2011, profit making Major Port Trusts have to create a fund towards Corporate Social Responsibility (CSR). Accordingly, the ports which make profits in the range of ₹ 100 crore to ₹ 500 crore, have to create a fund of 2 to 3 per cent of previous year's net profit subject to a minimum of ₹ 3 crore. The net profit of Paradip Port Trust for the year 2010-11 was ₹ 272.03 crore and hence, provision for CSR fund to the extent of ₹ 5.44 crore (2 per cent of ₹ 272.03 crore) was to be made during 2011-12. However, PPT has provided an amount of ₹ 4.50 crore only towards such fund. This has resulted in understatement of provision for CSR fund as well as overstatement of Net Surplus by ₹ 0.94 crore.

vii) Pension Contribution ₹ 40 crore read with item no. 19(f) of Notes on Accounts (Schedule 19)

According to Actuarial valuation done by Life Insurance Corporation of India (LIC), the recommended liability towards pension fund of the employees as on 01.04.2012 was ₹ 451 crore. PPT maintains a separate pension fund, wherein the fund balance was ₹ 373.77 crore as on 31.03.2012. No provision, however, has been made in the books of accounts to make good the deficit of ₹ 77.23 crore in the Pension Fund. This is in contravention of the accounting

policy No. 19 (f) declared by Paradip Port Trust and has resulted in understatement of Provision for Pension Contribution by ₹ 77.23 crore and over statement of Net Surplus by the same amount.

viii) Group Gratuity Scheme

As per actuarial valuation done by LIC, the liability towards group gratuity scheme of PPT was ₹ 100.06 crore as on 31.03.2012. The balance of the gratuity fund, lying with LIC, as on that date was ₹ 75.58 crore. However, neither any payment has been made to LIC nor any provision made in the annual accounts for ₹ 24.48 crore towards deficit in gratuity fund payable to LIC. This has resulted in understatement of provision for gratuity contribution by ₹ 24.48 crore as well as overstatement of Net Surplus by the same amount.

(17) National Jute Board

Liabilities

National Jute Board (NJB) receives funds from Government of India against various projects of Jute Technology Missions (JTM) and the same are accounted for under JTM Plan Fund. NJB earned interest of ₹ 1.77 crore on deposits of JTM Plan Fund during the period 2010-11 to 2011-12 and the same has been considered as income of NJB (Jute Board Fund) instead of treating it as part of JTM Plan Fund in the respective year. This has resulted in overstatement of Excess of Income over Expenditure of National Jute Board by ₹ 1.02 crore and Jute Board Fund by ₹ 0.75 crore. JTM Plan Fund was also understated by ₹ 1.77 crore

(18) Tea Board, Kolkata

i) Assets

(a) The total expenditure incurred by Tea Board (to develop E-Auction application system) on account of hardware and software stood at ₹ 1317.35 lakh (₹ 682.02 lakh + ₹ 635.33 lakh) as on 31 March 2012. Out of this, ₹ 211.78 lakh was paid during 2011-12 and charged to Income & Expenditure Account of the financial year 2011-12, treating the same as revenue expenditure. The balance portion which was paid earlier to 2011-12 was charged to Income & Expenditure Account of previous year. This has resulted in understatement of gross block of Assets by ₹ 1317.35 lakh (including ₹ 211.78 lakh for the current financial year 2011-12) as at 31 March 2012 with corresponding understatement of excess of Income over Expenditure by the same amount.

(b) An amount of ₹ 131.75 lakh was paid to CPWD for construction of staff quarters. Though the payment was of non-recurring expenditure, the same was not treated as capital expenditure and was charged to the Income and Expenditure Account. This has resulted understatement of gross block of Assets with corresponding overstatement of excess of Expenditure over Income by ₹ 131.75 lakh in the R&D Account as at 31 March, 2012.

(c) An amount of ₹ 88.59 lakh being the interest accrued on Loan Corpus Fund was not accounted for due to computation of interest on simple interest method instead of quarterly compounding method. Thus non accounting of the accrued income has resulted in the understatement of Current Assets with corresponding understatement of excess of Income over Expenditure by ₹ 88.59 lakh.

(d) Tea Board incurred expenditure of ₹ 16.50 lakh on revenue item like mattress, coir, small electric parts like switches, calling bell, and utensils, plastic baskets during the year 2011-12. The expenditure should have been charged in the Income & Expenditure Account instead of capitalising the same. Thus, non-charging of revenue expenditure for those small items in the Income & Expenditure Account has resulted in overstatement of Fixed Assets with corresponding understatement of Excess of Expenditure over Income by ₹ 16.50 lakh.

ii) Expenditure

Under Revolving Corpus Fund Loan Scheme, tea gardens are required to repay the principal and interest as per the terms and conditions of the loan agreement. Tea Board exhibited an amount of ₹ 204 lakh as provision for bad and doubtful debts on outstanding loan of ₹ 2038 lakh in the Balance Sheet without giving any accounting impact in the Income and Expenditure Account for 2011-12. As such proper provision was not made for the bad and doubtful debts and no liability had been created in the Balance Sheet of Revolving Corpus Fund as at 31 March 2012. Non adherence to proper accounting for making necessary provision for bad and doubtful debts in respect of loan extended to the tea gardens has resulted in understatement of Expenditure & Liability as well as overstatement of Assets by ₹ 204 lakh with corresponding overstatement of excess of Income over Expenditure by the same amount.

(19) Coir Board

Current Liabilities & Provisions – ₹ 392.69lakh

This is understated by ₹ 94.01 crore due to non – provision of liability towards Pension – ₹ 79.72 crore, Leave Encashment – ₹ 7.11 Crore and Death cum Retirement Gratuity – ₹ 7.18 crore

(20) Rubber Board

Current Liabilities & Provisions

Actuarial valuation of retirement benefits stood at ₹ 448.81 crore as on 31.03.2012. However, the Board has made provision for ₹ 55.16 crore only. Short Provision of retirement benefits has resulted in understatement of current liabilities and provisions by ₹ 393.65 crore.

(21) Spice Board

i) Fixed Assets (Schedule 8) – ₹ 144.28 crore

Fixed assets are overstated by ₹ 2.20 crore due to charging of depreciation at lower rates and not as per its own Significant Accounting Policy.

ii) Current Liabilities & Provisions

Actuarial valuation of retirement benefits (Gratuity, Superannuation and Leave Encashment) by LIC of India stood at ₹ 75.19 crore. As on 31.03.2012 the Board has made liability provision for ₹ 46.16 crore only.

(22) Chennai Port Trust

Current Liabilities and Provisions

i) As per actuarial valuation, the liability for Pension Fund and Gratuity Fund should be ₹ 2013.52 crore and ₹ 212.65 crore respectively against which the Port Trust had provided an amount of ₹ 1683.30 crore and ₹ 177.65 crore respectively. This short-provision of liability has resulted in overstatement of Surplus and understatement of Current Liabilities and Provisions to an extent of ₹ 365.22 crore.

ii) System of Physical verification of Fixed Assets.

The Physical verification of Fixed Assets was carried out during 2011-12. 73 items of Fixed Assets (Net Block) valued ₹ 6.60 crore and 129 items valued nil, though physically not available are still included in the Fixed Assets.

(23) Cochin Port Trust

Current Liabilities and Provisions – ₹ 322.72 crore

This is understated by ₹ 1264.01 crore due to non provision for the shortfall in contribution towards pension and gratuity liability as per actuarial valuation. Consequently, accumulated loss is also understated by ₹ 1264.01 crore.

(24) Delhi Development Authority

i) Current Liabilities & Provisions

The above did not include liability amounting to ₹ 50.94 crore towards certain completed projects pertaining to the Commonwealth Games. This resulted in understatement of Current Liabilities & Provisions as well as CWG project expenditure to the extent of ₹ 50.94 crore and understatement of Net deficit to the same extent.

ii) Advances recoverable in cash or in kind

The above included an advance of ₹ 4.12 crore recoverable from Slum Department. The advance was outstanding for more than 20 years; therefore, recovery was doubtful and a provision needs to be made.

iii) Finished Stock – Houses Built Up

The above included 109 built up houses valuing ₹ 11.78 crore which were already sold and occupied by respective allottees. However, the authority did not remove these houses from finished stock inventory. The non-reduction of sold flats from finished stock of built up houses resulted in overstatement of closing stock & works (Finished stock houses built up) and understatement of deficit of the Authority to the extent of ₹ 11.78 crore

(25) National Institute of Technology, Kurukshetra

Liabilities - Earmarked/Endowment Fund (Schedule-3)

Institute Development Fund (Consultancy): ₹ 528.36 lakh

Above represents the Consultancy Income of the Institute generated by way of providing consultancy services, testing of samples and construction materials, which should have been accounted for as income. This has resulted into overstatement of liability (Institute Development Fund Consultancy) by ₹ 528.36 lakh as well as understatement of income to the same extent.

(26) Post Graduate Institute of Medical Education Research, Chandigarh

i) Patient Grant: ₹ 927.36 lakh

Above includes ₹ 77.15 lakh being amount received for package charges (Cardiology Department ₹ 9.72 lakh, Gyane Department ₹ 4.78 lakh and Ophthalmology Department ₹ 62.65 lakh) that should have been treated as income of the Institute. This has resulted in overstatement of liability (Patient Grant) by ₹ 77.15 lakh as well as understatement of income and Corpus/Capital Funds to the same extent.

**ii) Deposit for work - Deposit with Chandigarh Housing Board:
₹ 990.76 lakh**

It includes ₹ 487.22 lakh deposited with the Chandigarh Housing Board (CHB) for construction of 32 Type IV and 64 Type III houses. These houses were taken over by PGI authorities from CHB on 05.07.2005 and 11.07.2009 respectively, complete in all respects. Accordingly, these amounts should have been capitalised. Non capitalisation of the amount has resulted in overstatement of deposit with CHB and understatement of fixed assets by ₹ 487.22 lakh.

(27) Rashtriya Sanskrit Vidyapeeth, Tirupati

i) Current Assets, Loans & Advances- ₹ 29.65 crore -(Schedule-5)

This include deposits for works of ₹ 12.97 crore reported as completed and handed over by CPWD not capitalised, which resulted in understatement of Fixed Assets and overstatement of Advances under Current Assets by ₹ 12.97 crore.

ii) Income – ₹ 26.18 crore

Accrued interest of ₹ 33.52 lakh on Investments value of ₹ 9 crore in respect of Grant-in-Aid accounts was not accounted for, which resulted in understatement of Income/Surplus and Current Assets by ₹ 33.52 lakh.

iii) Current Liabilities and Provisions- ₹ 5.06 lakh (Schedule-2A)

This does not include provision for liability towards payment of ₹ 14.56 lakh as matching Employer's contribution towards New Pension Scheme, which resulted in understatement of Current liabilities and overstatement of Surplus by ₹ 14.56 lakh.

(28) National Institute of Technology, Rourkela

i) Earmarked/Endowment funds ₹ 7712.97 lakh -(Schedule-3)

This includes incorrect provision towards liability of ₹ 82.53 lakh as amount payable for the stock of computers received in 2012-13 and also capitalised during the year, which resulted in overstatement of current liabilities and Fixed Assets by ₹ 82.53 lakh.

ii) Expenditure ₹ 77.29 crore.

This includes depreciation of ₹ 24.76 lakh provided on computers valuing ₹ 82.53 lakh received during the year 2012-13 incorrectly capitalised, resulting in overstatement of expenditure/deficit and understatement of Corpus/Capital fund by ₹ 24.76 lakh.

(29) National Institute of Technology, Warangal

Fixed Assets- ₹ 206.24 crore (Schedule-8)

This does not include value of Laptops and Computer peripherals of ₹ 1,45,57,108/- purchased as part of Professional Development Allowance sanctioned to the teaching faculty, incorrectly treated as revenue expenditure, which resulted in understatement of Fixed Assets and Surplus & Corpus/Capital Fund by ₹ 1.45 crore.

(30) Narmada Control Authority, Indore

Current Assets, Loans, Advances etc.- ₹ 12.37 crore (Schedule-11)

This does not include ₹ 63.35 lakh being the share of expenditure to be recovered from Narmada Valley Development Authority (NVDA) on account of common facilities of Narmada Colony, Indore up to March 2012.

This has resulted in understatement of Current Assets Loans, Advances and Other Assets and overstatement of Excess of Expenditure over Income in the Income & Expenditure account by ₹ 63,35 lakh.

(31) Dr. Hari Singh Gaur Vishwavidyalaya, Sagar

Current Assets, Loans & Advances- (Schedule-11) - ₹ 148.39 crore

This does not include ₹ 2.61 crore being amount of interest accrued on term deposits. This resulted in understatement of Current Assets by ₹ 2.61 crore.

**(32) National Institute of Technical Teachers Training & Research,
Chennai,**

Fixed Assets

Capital expenditure incurred towards acquiring new assets/expansion of existing facilities amounting to ₹ 24.37 lakh was charged as Revenue expenditure. This resulted in overstatement of Revenue Expenditure and understatement of Fixed Assets to the extent of ₹ 24.37 lakh.

(33) Central Institute of Classical Training, Chennai,

Fixed Assets- ₹ 44.88 crore

For Computers and UPS purchased during 2011-12, full depreciation was provided instead of 60 *per cent* of depreciation, as disclosed in the Accounting Policy, which worked out to ₹ 29.04 lakh. This resulted in understatement of Fixed Assets and overstatement of depreciation to the extent of ₹ 29.04 lakh.

(34) Visvesvaraya National Institute of Technology, Nagpur

Fixed Assets (Schedule 8) - ₹ 121.99 crore

This is understated by ₹ 30.47 lakh due to double provision of depreciation for Library building provided in 2010-11.

(35) Employees' State Insurance Corporation (ESIC)

Medical Benefit (Schedule- 'A') - ₹ 2689.62 crore

The expenditure of ₹ 89 crore incurred on the procurement of machinery and medical equipment during the year 2011-12 for the various dispensaries and hospitals located in Delhi and other states had not been capitalised. This resulted in understatement of Fixed Assets and overstatement of revenue expenditure by ₹ 89 crore.

(36) Employees' Provident Fund Organisation

Interest Suspense Account (Schedule VI)

EPFO had updated 16.62 crore pending accounts of EPF subscribers during 2011-12. Against available balance of ₹ 22461.14 crore in Interest Suspense Account (ISA) as on 1.4.2011, the EPFO had made payments of ₹ 23797.26 crore including credit of interest of ₹ 23145.81 crore during 2011-12 which had resulted in negative balance of ₹ 1336.12 crore in ISA.

Exhibition of negative balance of ₹ 1336.12 crore in Balance Sheet resulted in understatement of total liabilities and assets.

In the absence of details/break up of interest of ₹ 23145.81 crore credited to EPF member's account, we are not able to form an opinion on the correctness of this amount.

Further, as on 31st March 2012, 38.74 lakh of EPF subscribers' accounts were pending for updation. The updation of these accounts will further increase the negative balance as on 31st March 2012 and consequential decrease in amount of interest to be credited in the next year. The number of accounts which were not updated, principal amount and interest thereon has not been calculated and disclosed in accounts.

(37) Indian Council of Agricultural Research

i) Accounts of GPF/CPF of ICAR

An amount of ₹ 51.20 crore has been shown as outstanding GPF Advances on Assets side of the Balance Sheet. Further, Schedule 1- GPF Subscription and interest thereupon was arrived at after netting off the GPF advance granted to subscribers. This has led to over-statement of assets.

(ii) Reserves

ICAR has deducted an amount of ₹ 117.84 crore from the reserves of GPF on account of adjustment of differences of previous accounts. No explanation has been offered in the Notes on Accounts.

(38) Rail Land and Development Authority (RLDA)

Balance Sheet/Liabilities

Capital/Corpus Fund - ₹ 52.97 crore

As per Rule 16(3) of the RLDA (constitution) Rule 2007, the Authority shall maintain a separate account to which all earnings, including royalties, concession fees, licence fees and profits out of Authority's projects, shall be credited and thereafter they shall be passed in full, to the Central Government.

An amount of ₹ 44.29 crore was retained by RLDA being forfeited sums and interest thereon received on behalf of Ministry of Railways and not transferred to Ministry of Railways as required under rule quoted above. Out of the above amount ₹ 40.51 crore pertains to the previous years. The amount was actually payable to Ministry of Railways and was required to be shown under head Funds Transferable to Railways on Liabilities Side of Balance Sheet but the same was booked by Authority under head Capital/Corpus Fund. This has resulted in understatement of Fund transferable to Railways and overstatement of Corpus Fund ₹ 44.29 crore each.