

CHAPTER XV : GENERAL

15.1 Annual accounts of autonomous bodies

As on 31 March 2001 there were 226 central autonomous bodies (other than those under Scientific Departments) including 17 universities, whose annual accounts were to be audited by the Comptroller and Auditor General of India as the sole auditor under Section 19(2) and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971. During 2000-01 grants and loans amounting to Rs 6686.62 crore and Rs 300.57 crore respectively were paid by the Union Government to 203 autonomous bodies (**Appendix-XIV**). Of these, grants to the extent of Rs 539.22 crore were received by 12 universities from University Grants Commission/Central Government as detailed in (**Appendix-XV**). The annual accounts/information for 2000-01 in respect of the balance 23 bodies were not furnished by the concerned bodies and thus, the amount of Government grants received by them was not available as of December 2001 (**Appendix-XVI**).

- (i) As on 31 March 2001, there were 139 central autonomous bodies whose annual accounts were initially audited by Chartered Accountants and supplementary audit was to be conducted by the Comptroller and Auditor General of India under Section 14(1) and 14(2) of the Act. As per information available up to December 2001, 40 of these bodies received grants amounting to Rs 193.16 crore from the Union Government during 2000-01 (**Appendix-XVII**). The annual accounts/information in respect of 99 bodies were not furnished by the concerned bodies (**Appendix-XVIII**).
- (ii) The position in regard to number of autonomous bodies whose accounts were to be audited by CAG under section 19(2) & 20(1) and 14(1) & 14(2) of the CAG Act and the position of grants/loans received by these bodies during 1999-2000 and 2000-01 is given below:

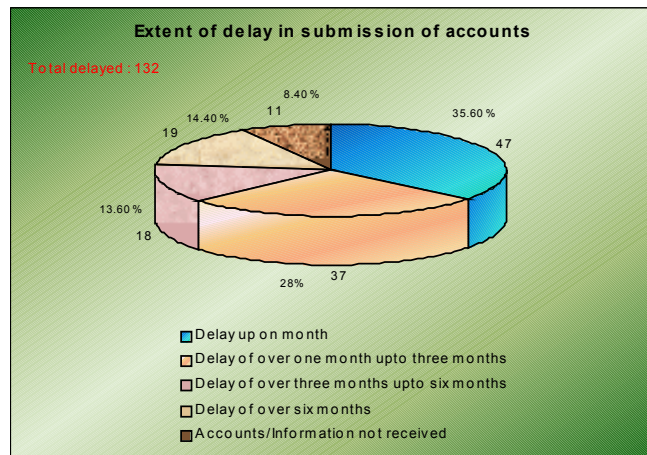
**Abstract of grants/loans received by central autonomous bodies during
1999-2000 and 2000-01**

Year	Total No. of Central Autonomous Bodies	Grants	Loans	Remarks	CAG's DPC Act, 1971, Section under which audited
		(Rs in lakh)			
1999-2000	218	396201.88	44818.23	The amount relates to 203 bodies only. Annual accounts/information of remaining 15 bodies had not been furnished	19 (2) and 20 (1)
1999-2000	126	6651.33	Nil	The amount relates to 32 bodies only. Annual accounts/information of remaining 94 bodies had not been furnished	14 (1) and 14 (2)
2000-2001	226	668661.94	30057.36	The amount relates to 203 bodies only. Annual accounts/information of remaining 23 bodies had not been furnished	19 (2) and 20 (1)
2000-2001	139	19315.53	Nil	The amount relates to 40 bodies only. Annual accounts/information of remaining 99 bodies had not been furnished	14 (1) and 14 (2)

(iii) Delay in submission of accounts by 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 and that the reports and the audited accounts should be laid before Parliament within nine months of the close of the accounting year.

Out of 223 Central Autonomous Bodies whose audit of accounts for 1999-2000 was to be conducted under Section 19(2) and 20(1) of the Comptroller and Auditor General's (Duties, Powers



and Conditions of Service) Act, 1971 and these audited accounts were to be placed before the Parliament by 31 December 2000, the accounts of 91 autonomous bodies only, were made available for audit within the prescribed time limit of three months after the close of the accounting year. Submission of accounts of 132 autonomous bodies was delayed as indicated in the chart.

In **Appendix-XIX**, the position of Autonomous Bodies whose accounts were delayed between three to six months and for over six months is given. The list of bodies whose accounts were not received is given in **Appendix-XX**.

15.2 Results of certification 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 Ministries in Parliament. Some of the important cases in which major comments were issued to the Organisations/Ministries concerned are mentioned below :

15.2.1 Defaults in repayment of loans by Port Trusts

(a) Jawaharlal Nehru Port Trust

Capital debt of the Port were understated by Rs 43545.96 lakh by not providing for the defaulted payment of Rs 5361.42 lakh towards principal and Rs 38184.54 lakh towards interest on the World Bank loan (Separate Audit Report for 2000-01).

(b) Visakhapatnam Port Trust

Rs 167.92 lakh being interest payable on Government of India loans was not provided for in the accounts. The omission has resulted in overstatement of net surplus for the year and understatement of accrued expenses by Rs 167.92 lakh (Separate Audit Report for 2000-01).

(c) Cochin Port Trust

During 2000-01 CoPT had defaulted in repayment of loan from Government of India to the extent of Rs 872.24 lakh. The total amount of repayment defaulted upto 31 March 2001 was Rs 7239.88 lakh and interest Rs 17554.06 lakh. Penal interest amounting to Rs 20609.15 lakh on defaulted repayment as on 31 March 2001 had not been disclosed in the accounts (Separate Audit Report for 2000-01).

15.2.2 Accounts not certifiable as true and fair

(a) Lal Bahadur Shastri Sanskrit Vidyapeetha, New Delhi

Scrutiny of Annual accounts of the Lal Bahadur Shastri Sanskrit Vidyapeetha, New Delhi for the year 1999-2000 revealed that Annual Accounts had glaring deficiencies and the accounts of 1999-2000 could not be certified by Audit as true and fair as the publications amounting to Rs 52.52 lakh received from Ministry of Education and Culture had not been taken into account, receipts of admission fee were short accounted for by Rs 4.98 lakh and hostel fees of Rs 0.88 lakh were not accounted for. The Vidyapeetha did not also produce to Audit admission fee register and assets registers of the assets amounting to Rs 2.49 crore.

(b) Indira Gandhi National Centre for Arts, New Delhi

In November 1984, the Government of India decided to set up the Indira Gandhi National Centre for Arts (IGNCA) as a National Institution. IGNCA Trust came into existence in March 1987 under the Chairmanship of the then Prime Minister. A corpus fund of Rs 50 crore was to be sanctioned, the interest from which would meet the expenditure requirements of the Trust. The aims and objectives of IGNCA are to serve as a major resource centre for the arts, undertake research and publication programmes of reference works, glossaries, dictionaries, encyclopaedias etc.

It was noticed in audit that:

Vital records viz. Measurement Books, Site Order Books and Hindrance Registers required for execution, supervision and payment of works were not maintained.

Assets and equipment worth Rs 408.90 lakh procured from the UNDP have not disclosed in the annual accounts.

Current liabilities of Rs 29.67 lakh for payment to suppliers were not provided for in the annual accounts. IGNCA did not provide for the liability of Rs 31.68 lakh in the annual accounts on account of outstanding demand of NDMC.

Capital commitment amounting to Rs 45.69 crore was not disclosed in the annual accounts.

Liability of Rs 608.54 lakh on account of escalation and other claims has neither been provided for nor disclosed in the accounts.

In view of the above and other serious observations as commented in the Separate Audit Report, the accounts of the IGNCAs for the years 1995-96 to 1998-99 could not be certified by Audit as true and fair.

15.3 Utilisation certificates

Consequent to the departmentalisation of accounts in 1976, certificates of utilisation of grants were required to be furnished by the Ministries/Departments concerned to the Controllers of Accounts in respect of grants released to statutory bodies, non-government organisations etc to ensure that grants had been properly utilised for the purpose for which they were sanctioned. The Ministry/Department-wise details indicating the position of total number of 53041 outstanding utilisation certificates involving amount of Rs 6692.75 crore in respect of grants released upto March 1999 due by September 2001 (after 18 months of financial year in which grant was released) at the end of March 2001 are given in **Appendix-XXI**.

Out of a total number of 52201 utilisation certificates amounting to Rs 6495.85 crore awaited from 10 major Ministries/Departments at the end of March 2001, 44558 certificates amounting to Rs 4769.71 crore related to grants released upto 1997-98 are as shown below:

Utilisation certificates outstanding as on 31 March 2001

(Rs in crore)

Sl. No.	Ministry/Department	For the period ending March 1999		For the period ending March 1998	
		Number	Amount	Number	Amount
1.	Social Justice and Empowerment				
	(i) Social Justice and Empowerment	19163	746.67	16658	567.80
	(ii) Tribal Affairs	853	40.02	475	17.55
2.	Environment and Forest				
	(i) Environment and Forest	3804	451.51	3371	446.72
	(ii) Ocean Development	696	60.97	577	28.48
3.	Food Processing Industries	425	54.95	244	29.84
4.	Health and Family Welfare				
	(i) Health	1484	652.51	1154	384.44
	(ii) Family Welfare	1567	342.98	1227	164.74
5.	Human Resource Development				
	(i) Women and Child Development	7730	530.76	6853	383.34
	(ii) Youth Affairs and Sports	4065	414.80	3198	224.30
	(iii) Education				
	A. Secondary and Higher Education	3601	683.34	3300	590.61
	B. Elementary Education and Literacy	2007	1852.93	1684	1491.17
	(iv) Culture	5094	301.04	4449	231.19
6.	Labour	467	10.28	419	8.83
7.	Non-Conventional Energy Sources	243	18.15	181	11.09
8.	Space	263	6.59	166	1.77
9.	(i) Textiles	10	19.32	Nil	Nil
	(ii) Development Commissioner of Handicrafts, Delhi	449	18.51	371	12.86
10	Urban Affairs and Employment	280	290.52	231	174.98
	Total	52201	6495.85	44558	4769.71

Thus, authorities in Government of India before releasing grants to statutory bodies and non-government organisations did not satisfy themselves about utilisation of grants in 85.36 *per cent* cases involving 73.43 *per cent* of the total grants released.

Even as huge number of utilisation certificates were pending receipts, the following Ministries/Departments released fresh grants to the defaulting statutory bodies/non-government organisations etc. during 2000-01 without insisting for the utilisation certificates in respect of grants released in the previous years:

Fresh grants released during 2000-01

(Rs in crore)

Sl. No.	Ministry/Department	No. of utilisation certificates outstanding by Sep. 2000 at the end of March 2001	Amount	Amount of fresh grants released without obtaining utilisation certificates of previous year
1.	Agriculture and Cooperation	105	41.51	34.75
2.	Space	263	6.59	1.98
3.	Planning	59	6.30	0.05
4.	Tourism	13	10.51	11.79
5.	Non-Conventional Energy Sources	243	18.15	0.07
6.	Andaman and Nicobar Administration	23	12.86	11.30
7.	Small Scale Industries and Agro Rural Industries	21	8.48	0.85
8.	Finance	4	6.34	2.43
	(i) Economic Affairs			
	(ii) Revenue	3	0.88	1.62
Total		734	111.62	64.84

This indicated that the authorities releasing grants to statutory bodies, non-government organisations etc. who released the fresh grants without ensuring that the previous grants were utilised for the purpose for which they were sanctioned, violated one of their own essential conditions for release of further instalments.

The Ministries/Departments of Health and Family Welfare, Human Resource Development, Social Justice and Empowerment, did not furnish the information about fresh grants released during 2000-01 without obtaining utilisation certificates for the previous years.

New Delhi
Dated: 1 March 2002

(H.P. DAS)
Director General of Audit
Central Revenues

Countersigned

New Delhi
Dated: 4 March 2002

(V.K. SHUNGLU)
Comptroller and Auditor General of India