

Overview

This Report comprises of two chapters containing audit findings pertaining to Revenue and Social & Economic Sectors (PSUs). Chapter I relating to Revenue Sector contains one Performance audit involving ₹ 1.36 crore, relating to underassessment, short payment/loss of revenue, interest and penalty etc. and Chapter II relating to Social and Economic Sectors (PSUs) contains one Performance Audit and six paragraphs involving ₹ 229.90 crore. The total money value of this Report is ₹ 231.26 crore. Some of the major findings are mentioned below:

Chapter-I: Revenue Sector

The total revenue receipts of the Government for the year 2014-15 were ₹ 29,584.59 crore as compared to ₹ 27,980.69 crore in the year 2013-14. Out of this, 92 *per cent* was raised through tax revenue (₹ 26,603.90 crore) and non-tax revenue (₹ 632.55 crore). The balance eight *per cent* was received from the Government of India as grants-in-aid (₹ 2,348.14 crore). The increase in tax revenue was 2.64 *per cent* and decrease in non-tax revenue was 4.03 *per cent* over the previous year.

(Paragraph 1.1.1)

Test check of the records of 74 units of the Department of Trade and Taxes, State Excise, Transport and Revenue conducted during the year 2014-15 revealed under assessment/short levy/loss of revenue and other irregularities involving ₹ 159.57 crore in 506 cases. During the course of the year, the concerned Departments accepted under assessment and other deficiencies of ₹ 1.45 crore and recovered an amount of ₹ 4.68 lakh which were pointed out in audit during 2014-15.

(Paragraph 1.1.10)

Trade and Taxes Department

Performance Audit on System of Assessment under Value Added Tax (VAT)

Performance audit on “System of Assessment under VAT” brought out *inter-alia*, the following;

One hundred and eighty one cases, each with annual Gross Turnover of ₹ 5 crore and above, (aggregated turnover ₹ 5,546.61 crore) for the years 2009-10 and 2010-11, were not scrutinised and assessed, and had become time-barred.

(Paragraph 1.2.2.1)

Ineffective monitoring of demand cases led to non-realisation of government dues worth ₹ 512.05 crore, including ₹ 214.98 crore due from dealers whose registrations had been cancelled.

(Paragraph 1.2.2.2 (i)&(iv))

Absence of validation checks in the system led to excess issue of statutory forms worth ₹ 14.49 crore to dealers whose registrations were cancelled. Statutory forms amounting to ₹ 56.96 crore were issued to the dealers though demands of ₹ 1.16 crore were outstanding against them.

(Paragraph 1.2.3.1 (i & iii))

System checks were not integrated to prevent issue of refunds to the dealers whose registrations have been cancelled and assessments were done subsequently.

(Paragraph 1.2.3.1(vi))

Chapter-II: Public Sector Undertakings (PSUs)

As on 31 March 2015, there were 17 PSUs which included 15 Government Companies and two Statutory Corporations. The investment in these 17 PSUs as on 31 March 2015 was ₹ 27,670.57 crore. This total investment consisted of 34.76 *per cent* towards capital and 65.24 *per cent* in long-term loans. The total investment increased by 21.34 *per cent* from ₹ 22,803.34 crore in 2010-11 to ₹ 27,670.57 crore in 2014-15. The Government contributed ₹ 1,803.35 crore towards Equity, Loans and Grants/Subsidies to State PSUs during 2014-15.

(Paragraphs 2.1.6 and 2.1.7)

The number of accounts in arrears increased from 11 (2010-11) to 22 (2014-15). One PSU namely Delhi SC/ST/OBC/Minorities & Handicapped Financial and Development Corporation Limited had a backlog of 11 years of accounts while the backlog in the other PSUs ranged from one to two years as on 30 September 2015.

(Paragraph 2.1.9)

Out of 17 working PSUs, 10 PSUs earned profit of ₹ 988.70 crore and six PSUs incurred loss of ₹ 1,599.73 crore. One working PSU prepared its accounts on a 'no profit no loss' basis.

(Paragraph 2.1.11)

In respect of the 13 accounts received during the period October 2014 to September 2015, the Statutory Auditors gave unqualified certificates for five accounts, qualified certificates for seven accounts and adverse certificate (which means that accounts do not reflect a true and fair position) for one account. During the supplementary audit of eight accounts selected, CAG gave unqualified certificate and qualified certificate for one account each upto 30 September 2015 (the remaining six accounts were under finalization). There were instances of non-compliance with the Accounting Standards in two accounts during the year.

(Paragraph 2.1.12)

Department of Transport

A performance audit on the “**Working of Delhi Transport Corporation**” brought out *inter-alia*, the following:

The fleet utilisation and vehicle productivity was less than all India averages. Route planning was deficient. The number of routes not recovering the variable cost increased from 15.24 *per cent* to 63.80 *per cent during* 2010-15. Scheduled kms of 14.14 to 21.29 *per cent* were missed. Breakdowns increased from 1.77 to 5.35 per 10,000 kms of operations.

(Paragraphs 2.2.3.1 to 2.2.3.7)

The Corporation could not procure new buses despite availability of funds. It also lost the opportunity of availing central assistance of ₹ 204.57 crore.

(Paragraphs 2.2.4.1 to 2.2.4.3)

Deployment of staff in other departments of GNCTD without any recorded reasons resulted in non-reimbursement of salaries and allowances of ₹ 57.40 crore.

(Paragraph 2.2.4.5)

Corpus fund of ₹ 40.65 crore was utilized for payment of salaries, purchase of furniture, auxiliary vehicles, computers in violation of guidelines. Due to systemic lapses, improper maintenance, injudicious/delayed decisions and inaction in awarding contracts for display of advertisements, the Corporation lost the opportunity of earning revenue of ₹ 79.84 crore.

(Paragraphs 2.2.5.2 and 2.2.5.3)

Transfer of space to other departments without executing written agreements resulted in non-recovery of ₹ 53.06 crore. The Corporation suffered a loss of ₹ 46.11 crore in operation of school buses during 2010-15.

(Paragraph 2.2.5.4)

Department of Power

Indraprastha Power Generation Company Limited deposited excess income tax due to not availing Minimum Alternate Tax credit while self-assessing the tax resulting in blockade of funds of ₹ 8.10 crore and consequent interest burden of ₹ 0.95 crore.

(Paragraph 2.3)

Delhi Power Company Limited incurred an additional liability of ₹ 0.46 crore on account of interest due to late deposit of Minimum Alternate Tax of ₹ 3.54 crore.

(Paragraph 2.4)

Delhi Transco Limited

Delay in payment of licence fee resulted in creation of avoidable liability of ₹ 3.20 crore on account of interest.

(Paragraph 2.5)

Failure in assessing and discharging advance tax liability resulted in avoidable expenditure of ₹ 8.62 crore on account of interest.

(Paragraph 2.6)

Urban Development Department

Shahjahanabad Redevelopment Corporation had not prepared any plan for implementing its mandate of redeveloping Shahjahanabad even after seven years of its formation. It failed to conceptualize and plan even a single project and the aim of revitalising Shahjahanabad is still in its infancy. Expenditure of ₹ 4.36 crore since inception was mainly on establishment.

(Paragraph 2.8)