



GOVERNMENT OF INDIA

MINISTRY OF FINANCE

ANNUAL REVIEW OF INTERNAL AUDIT WING

2011 – 12



**GOVERNMENT OF INDIA
OFFICE OF THE CHIEF CONTROLLER OF ACCOUNTS
MINISTRY OF FINANCE
NEW DELHI**

PREFACE

The Internal Audit Function has been viewed as an integral part of Government Financial Management and is increasingly an instrument for improving the performance of the Government. It covers a broad range of activities, which have different objectives. The focus of Internal Audit, till now, has been mainly on compliance audit, i.e. to ensure proper maintenance of Records, proper application of Rules, Regulations and Instructions issued by the Government of India from time to time and also to ensure accuracy in Accounts and efficiency in operations. Keeping this aspect, the Annual Review highlights issues which need immediate attention of the Heads of Department. Other matters pointed out in the Audit Reports which are routine in nature, have been excluded from this Report.

Internal Audit in Central Government is a nebulous area which in today's economic scenario requires greater attention. Increasing awareness by an empowered public along with legislative focus on outputs and outcomes has precipitated the need for a paradigm shift in the functioning of Internal Audit in the Government. Internal Audit needs a convergence of financial propriety, accounting techniques, administrative mandate and refinement of personal skills to make it an effective tool in the hands of the executive that will encompass the entire domain of governance to achieve the stated outcomes. Therefore, in years to come, we hope to make Internal Audit, an even more participative effort taking into account risks and priorities in Government functioning.

I would like to place on record our deep appreciation for the co-operation extended by various units of the Ministry of Finance during the course of Audit. I also wish to acknowledge and appreciate the hard work of officers and staff of the Internal Audit Wing.

The contents of the Review are based on the information elicited from various units audited during the year 2011 - 12. Suggestions for improvement will be gratefully appreciated and the same may be communicated to the Headquarters of Internal Audit Wing, 4th Floor, Room No. 413, A.G.C.R. Building, I.P. Estate, New Delhi or may be conveyed through e-mail to cca-finance@nic.in.

(DR. D.N. PATHAK)
Chief Controller of Accounts

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PREVIEW

Internal Audit Inspection is conducted by way of “on-the-spot” verification with a view to ensure that the initial records are maintained by the Executive Officers properly, Rules, Regulations and Instructions issued by the Govt. of India from time to time are complied with, uniform procedures are adopted in the matter of payment and accounting, corrective measures, wherever necessary, are initiated promptly and qualitative improvement is brought out. The Internal Audit also investigates the area of economy for appropriate action and also provides feedback on the accounting formation of the Ministry as an aid to management function. The Principal Accounts Office, PAOs, DDOs, as well as Attached and Subordinate Offices of Department of Economic Affairs, Department of Financial Services, Department of Revenue (except accounting formation of Departments of CBDT and CBEC), Department of Expenditure and Department of Disinvestment come within the jurisdiction of Internal Audit.

In the last few years, there has been globalization of economy and international business as well as co-operation has increased resulting in shift in the area of governance. The emphasis is more on efficient and effective management of the Government functions, explicit standards and measures of performance of Government Officials and enhanced services rendered to the citizens of the country. These new dimensions require that sources are discharged efficiently and effectively. Thus, a systematic feedback mechanism needs to be installed to have an assurance that functions of Government are being discharged efficiently and effectively. Internal Audit is an effective tool for providing objective assurance and advice that adds value, influences change that enhances governance, assist the management, performance of units, control process and improve accountability of the result.

The Ministry of Finance has five Departments viz :-

- (A) Department of Economic Affairs;**
- (A) Department of Financial Services;**
- (B) Department of Expenditure;**
- (C) Department of Revenue; and**
- (D) Department of Disinvestment.**

The Principal Accounts Office, PAOs, DDOs as well as attached and subordinate offices of Department of Economic Affairs, Department of Financial Services, Department of Expenditure, Department of Revenue (except accounting formations of CBDT and CBEC) and Department of Disinvestment come within the jurisdiction of Internal Audit.

The periodicity and jurisdiction of audit has been proposed based on the identified parameters like the budget being handled by the units, the nature of duties including presence of procurement functions and activities related thereto, number of officials serviced by the unit and strength of the audit parties coupled with the need to cover as many units as possible at desired intervals.

During the financial year i.e. 2011-12, **79 units** of various Departments of Ministry of Finance were planned for audits. Out of which **52 units** could be covered. The targets could not be achieved because the available staff was deployed in some important training programmes.

The Department-wise units details and their periodicity are appended below:-

(A) DEPARTMENT OF ECONOMIC AFFAIRS :

A.1 National Saving Institutions (NSI)

The National Savings Organization re-structured as National Savings Institute (NSI) is under the Administrative control of Ministry of Finance, Department of Economic Affairs (Budget Division), New Delhi. Its Headquarter is at Nagpur (periodicity – Annual) and 10 Regional Offices (periodicity – Biennial) are located at various places in India.

The re-structured NSI collects and collates data in respect of Small Savings, generates studies and policy inputs related to Small Saving Instruments, their tenures, interest rate structure, rules governing withdrawals etc. Apart from these, NSI deals with the matters relating to training, product design, market research, international co-operation and litigation etc.

A.2. Pay & Accounts Officers (PAOs) / Drawing & Disbursement Officers (DDOs)

Under the provisions contained in Central Treasury Rules / Receipt and Payment Rules, the drawl of money from the Government accounts and disbursements are being handled by an officer called the “Drawing and Disbursing Officer” (DDO), whose main function is to draw funds within the prescribed budget allocation, for incurring expenditure and realize receipts for credit to Government Accounts on behalf of the Head of Office.

The under mentioned Offices of the Department of Economic Affairs are attached with the Pay and Accounts Office (Secretariat.), Department of Economic Affairs, New Delhi :

1. **PAO (Secretariat), New Delhi :-**

- (i) Under Secretary / DDO (Cash), DEA, New Delhi.
- (ii) Under Secretary / DDO (IES), DEA, New Delhi.
- (iii) DDO, Securities Appellate Tribunal, Mumbai.

List of other PAO's under the Department of Economic Affairs :-

- 2. PAO (Establishment.), New Delhi
- 3. PAO (Banking) New Delhi
- 4. PAO (NSO) Nagpur
- 5. PAO (Internal Debt Accounting), New Delhi

(B) DEPARTMENT OF FINANCIAL SERVICES :

The Department of Financial Services was created on 28th June, 2007 by merging the erstwhile Banking and Insurance Divisions. Broadly, the functions of the Department are related to banking, insurance and pension reforms. Policy support is provided to the Public Sectors Banks (PSBs), Public Sector Insurance Companies and Development Financial Institutions (DFIs) i.e. NABARAD, SIDBI, IIFCL, EXIM Bank, IDFC, NHB and IWRFC, IIBI through policy Public Sectors Insurance Companies and DFIs. Policy formulation in respect of Non-Banking Financial Companies, private banks and foreign banks is also done by the Department of Financial services which also provides support to regulatory authorities i.e. RBI, IRDA, PFRDA, NHB and NABARD.

The Department of Financial Services is divided into following Categories :-

B.1. Debt Recovery Appellate Tribunals (DRATs) & Debt Recovery Tribunals (DRTs)

The Parliament of India, enacted an Act called the "Recovery of Debts due to Banks and Financial Institutions Act, 1993" for establishment of Tribunals and Appellate Tribunals for expeditious adjudications and recovery of debts due to Banks and Financial Institutions and matters connected therewith or incidental thereto. The act was notified on 27.08.1993 allowing creation of several Tribunals to be known as Debts Recovery Tribunals / Appellate Tribunals in various States of India excluding state of Jammu and Kashmir with defined jurisdiction. The units of DRATs / DRTs were established under administrative control of Department of Economic Affairs. Consequent upon creation of Department of Financial Services all these units were transferred to the Department. At present there are 5 Debts Recovery Appellate Tribunals and 33 Debts Recovery Tribunals, all over India. These Tribunals entertain cases of Debts above Rs. Ten Lakh.

B.2. Drawing & Disbursing Officers (DDOs)

Under the provisions of Central Treasury Rules / Receipt and Payments Rules, the drawl of money from the Government accounts and disbursements are being handled by the Drawing and Disbursing Officer (DDOs), whose main function is to draw funds within the prescribed budget allocation, for incurring expenditure and realize receipts for credit to Govt. Accounts on behalf of the Head of Office. The under mentioned offices of the Department of Financial Services are attached with the Pay and Accounts Office (Banking) New Delhi, Pay and Accounts Office (NSO) Nagpur and Pay and Accounts Office (Secretariat), New Delhi and are declared as Non-cheque Drawing and Disbursing Offices :

1. DDO (Cash), DFS, New Delhi
2. DDO (AAIFR), New Delhi
3. DDO (BIFR), New Delhi
4. DDO (Custodian), New Delhi
5. DDO (Spl. Court), Mumbai and
6. Asstt. Court Liquidator, Kolkata

Periodicity of Audit of all Offices is biennial except DDO (Cash), Department of Financial Services, which is Audited every year.

(C) DEPARTMENT OF REVENUE :

C.1. Enforcement Directorate

There are 18 Zonal / Sub Zonal offices under Enforcement Directorate with Head Quarter at New Delhi executing enforcement functions under FEMA / FERA. The Directorate is mainly concerned with the enforcement of the provisions of Foreign Exchange Management Act and Foreign Exchange Regulation Act. In pursuance of this objective the function of the Directorate include, interalia, realization of penalty imposed by Departmental adjudication orders. Apart from auditing the DDO / Establishment, the Internal Audit Wing also checks the records connected with seizure and realization of penalty money.

C.2. Central Bureau of Narcotics.

There are four Zonal offices at Gwalior, Lucknow, Kota and Neemuch under Central Bureau of Narcotics (CBN) with Headquarter at Gwalior. There are three Govt. Opium and Alkaloid Work Factories at Gwalior, Neemuch and Ghazipur under administrative control of Chief Controller of Govt. Opium and Alkaloid Factories, New Delhi. There are 17 Distt. Opium Offices under administrative control of Commissioner, CBN, Gwalior.

C.3. Pay & Accounts Officers (PAOs) / Drawing & Disbursing Officers (DDOs) in Department of Revenue

Apart from Enforcement Directorate and Central Bureau of Narcotics there exist some other establishments under Department of Revenue. Payments for these establishments are being made, receipts being realized and their accounts are being maintained by the Drawing and Disbursing Officers of these offices :-

- (i) DDO (Cash), Department of Revenue.
- (ii) DDO, Appellate Tribunal for Forfeited Properties (ATFP), New Delhi.
- (iii) DDO, Central Excise & Services Tax Appellate Tribunals at New Delhi, Kolkata, Mumbai, Chennai & Bangalore.
- (iv) DDO, Central Economic Intelligence Bureau (CEIB), New Delhi.

The periodicity of Audit of the Offices of Directorate of Enforcement and DDO (Cash), Revenue is annual. Periodicity of Audit of the Offices of Narcotics and PAOs are biennial and periodicity of other Offices is triennial.

(D) DEPARTMENT OF EXPENDITURE :

Functions of the Department.

The Department of Expenditure is the nodal Department for overseeing the public financial management system in the Central Government and matters connected with State finances. The principal activities of the Department include pre-sanction appraisal of major schemes/projects (both Plan and non-Plan expenditure), handling the bulk of the Central budgetary resources transferred to States, implementation of the recommendations of the Finance and Central Pay Commissions, overseeing the expenditure management in the Central Ministries/Departments through the interface with the Financial Advisors and the administration of the Financial Rules / Regulations / Orders through monitoring of Audit comments/observations, preparation of Central Government Accounts, managing the financial aspects of personnel management in the Central Government, assisting Central Ministries/Departments in controlling the costs and prices of public services, assisting organizational re-engineering through review of staffing patterns and O&M studies and reviewing systems and procedures to optimize outputs and outcomes of public expenditure. The Department has under its administrative control the National Institute of Financial Management (NIFM), Faridabad.

The business allocated to the Department of Expenditure is carried out through its Establishment Division, Plan Finance- I and II Divisions, Finance Commission Division, Staff Inspection Unit, Cost Accounts Branch, Controller General of Accounts and the Central Pension Accounting office.

1. **Pay & Accounts Officers (PAOs) / Drawing & Disbursing Officers (DDOs) in Department of Expenditure**

There are nine Offices (PAOs / DDOs) including three RTCs in the Department of Expenditure under the Internal Audit jurisdiction of the O/o Chief Controller of Accounts, Ministry of Finance.

- (i) P.A.O. Expenditure, New Delhi.
- (ii) P.A.O. C.G.A. New Delhi.
- (iii) D.D.O. (Cash), Department of Expenditure New Delhi.
- (iv) D.D.O. Cost Accounts Branch, New Delhi.
- (v) D.D.O. Finance Commission Division, New Delhi.
- (vi) D.D.O. INGAF, New Delhi
- (vii) D.D.O. R.T.C. INGAF, Mumbai.
- (viii) D.D.O. R.T.C. INGAF, Kolkata.
- (ix) D.D.O. R.T.C. INGAF, Chennai.

The periodicity of Audit of above Offices is biennial except the DDO (Cash), Department of Expenditure, New Delhi which is covered by annual audit programme.

(E) **DEPARTMENT OF DISINVESTMENT :**

There is only one unit i.e. DDO (Cash) Department of Disinvestment. The unit has been transferred from Ministry of Industry and Internal Audit Wing has conducted first time internal audit inspection of the unit during 2009-10. The periodicity of audit of Cash Branch, Deptt. of Disinvestment is Annual similarly on the pattern of DDO (Cash) of other 4 Departments of Ministry of Finance. The unit is Non-cheque Drawing DDO submitting its bills to PAO (Expenditure/Disinvestment) New Delhi.

(F) **PUBLIC SECTOR BANKS & GRANTEE INSTITUTIONS**

1. **Public Sector Banks :**

The Internal Audit of Public Sector Banks, handling various Deposit Schemes of Ministry of Finance, is being conducted by the Banking & Financial Institutions Wing of this Office. At present, Internal Audit is undertaken at the Focal Point Branch of State Bank of India, its Associate Banks and Branches of other Nationalized Banks. The Bank Audit, at present is limited to scrutiny of records relating to Government transactions in respect of **Public Provident Fund Scheme – 1968** and **Senior Citizens Saving Schemes – 2004** etc.. The primary focus of such Audit is to ensure that the Codal Provisions of the schemes are adhered to by the Banks. Audit also examines the transactional efficiencies of various Banks in dealing with Government transactions and to monitor the collection and remittance of Government money into Government Accounts. In case, where the receipts are not reported by the Focal Point Branches within the prescribed time limit, Banks are liable to pay penal interest as per extant instructions on the subject.

2. Grantee Institutions :

In exercise of the powers conferred under Rule 20 of the Delegation of Financial Power Rules, 1978 the Department of Revenue and the Department of Economic Affairs in the Ministry of Finance have been sanctioning Grants-in-aid to various Institutions for different purposes and objectives, in accordance with the provisions contained in Rule 206 of GFRs. Rule 210 **enjoins** upon a Grantee Institution to have their Accounts audited / inspected by the grant sanctioning authority.

The various Grantee Institutions, under Finance Ministry such as **National Institute of Public Finance and Policies, Delhi** and **National Institute of Financial Management (NIFM), Faridabad** are being regularly audited by the Internal Audit Wing as required vide Para 12.2.1 of the Civil Accounts Manual.

EXECUTIVE SUMMARY

Against the target of auditing *79 Auditee units under various departments of Ministry of Finance for the financial year 2011-12*, of various departments of Ministry of Finance only *52 units* could be covered. The targets could not be achieved because the available staff was deployed to some important training programmes, other administrative works and transferred to other Ministries.

A gist of audit para related to various departments under Ministry of Finance is given as follows:

A. DEPARTMENT OF ECONOMIC AFFAIRS

(1) NATIONAL SAVINGS INSTITUTE

The National Savings Organization re-structured as National Savings Institute (NSI) is under the administrative control of Ministry of Finance, Department of Economic Affairs (Budget Division) New Delhi. It collects and collates data in regard to small savings; generate studies and policy inputs in regard to Small Saving Instruments, their tenures, interest rate structure, rules governing withdrawals etc.. Apart from these, NSI deals with the matters relating to training, product design, market research, international co-operation and litigation.

In the year 2011 - 12, the Unit of NSI – Nagpur, Bangalore, Guwhati, Mumbai, New Delhi & NSC – Nagpur were audited and some of the important observations are as under:-

S. NO.	NAME OF UNIT	BRIEF DETAILS OF PARAS	REMARKS
01	NSI – Mumbai (IR – 20)	Para 16. Colossal waste of Pay & Allowances on A/C of re-deployment of surplus Staff. Para 17. Un-avoidable payment of interest amounting to Rs. 1.68 Lakh.	Details as per Para A. (1) (i) Details as per Para A. (1) (ii)
02	NSI – New Delhi (IR – 04)	Para 01. Payment of rent of Office Building Rs. 6,05,640/- w.e.f. 14.12.2010. Para 05. Irregular payment of cash handling allowance Rs. 300/- Smt. Meenu Aggarwal, Cashier	Details as per Para A. (1) (iii) Details as per Para A. (1) (iv)
03	NSC – Nagpur (IR – 05)	Para 09. Bogus commission claims for Rs. 16762.60 by MPKBY Agents Smt. Chandra Devi Srivastva of Joura (Dist. Murena). Para 21. Review of LTC Register.	Details as per Para A. (1) (v) Details as per Para A. (1) (vi)

(2) DDOs

Prior to conversion as an Autonomous Body, one Pay & Accounts Office each was attached with all the nine Units of SPMCIL, all over India. Consequent upon its conversion, all these nine Units have been transferred to that Autonomous Body w.e.f. 10/02/2006 and all the payments of Pay and Allowances and Office Expenses etc. of these Units are being born by Autonomous Body itself. The work of finalization of Pro-rata Pension cases in respect of the absorbed Employees of these Unit is now over. There were approximately 11000 Pro-rata Pension Cases and subsequent issuance of PPOs in all cases was targeted for authorization by 30/09/2010 which has also been achieved. The accounts of these Units have already been inspected by Internal Audit Wing. At present DDO (Cash), DEA, DDO (IES), S.A.T Mumbai, PAO (Estt.) DEA, PAO(NSO) Nagpur, PAO(Sectt.) DEA, and nine PAOs attached in past with SPMCIL are Auditee Units in the Department of Economic Affairs. Periodicity of the DDO (Cash), DEA is annual and periodicity of other Units is biennial.

During the year 2011 - 12, **02 Units** were Audited and some of the important observations are summarized hereunder:-

S. NO.	NAME OF UNIT	BRIEF DETAILS OF PARAS	REMARKS
01	DDO (Cash) DEA (IR-19)	Para 21. Non-adjustment of Contingent Advances to the tune of Rs. 1.88 Crore	Details as per Para A. (2) (i)
02	DDO (IES) New Delhi (IR-35)	Para 03. Shortcomings/Omissions Detected in maintenance of the Records of Grants-in – Aids	Details as per Para A. (2) (ii)

3 GRANTEE INSTITUTE

Institute of Economic Growth, New Delhi is the only Grantee Institute in Department of Economic Affairs which organizes the training to I.E.S. Probationers/Officers. The Institute manages all its expenditures from the Grants released by the DDO, Indian Economic Services, Department of Economic Affairs, New Delhi.

B. DEPARTMENT OF FINANCIAL SERVICES

There are 45 units in the Department of Financial Services, Ministry of Finance. These offices include 01 Pay and Accounts Office, 38 Units of DRTs/DRATs and 6 other DDOs. The periodicity of DDO (Cash), DFS is annual and periodicity of other Units is biennial.

(1) DRATs / DRTs

The DRATs / DRTs were created to impart speedy adjudication of cases on recovery of debts due to Banks and Financial Institutions. After an order is pronounced by the Tribunal and Recovery Certificate is issued by the Presiding Officer, the Recovery Officer has to follow procedural instructions to recover loans even by attaching property of the defaulters or by auction of the property of defaulter. The Recovery Officer does not have any power to drop the proceedings and close the recovery at his level.

During the period 2011 - 12 , 01 DRATs, 09 DRTs were audited and some of the major irregularities, pointed-out by the Audit are summarized hereunder:-

S. NO.	NAME OF DRAT's / DRT's (DFS)	BRIEF DETAILS OF PARAS	REMARKS
01	DRT – Hyderabad (IR – 24)	Para 9. Long Pendency cases for recovery before Recovery Officer (R.O.)	Details as per Para B. (1) (i)
02	DRT – Patna (IR – 12)	Para 26. Pending Recovery Certificates. Para 30. Status in respect of disposal of (Original Applications) OAs.	Details as per Para B. (1) (ii) Details as per Para B. (1) (iii)
03	DRT – Pune (IR – 17)	Para 3. Long Pendency of Recovery Certificates before R.O.s.	Details as per Para B. (1) (iv)
04	DRT– I, Chandigarh (IR – 16)	Para 3. Compromising decision after the judgment issued by the presiding officer Para 05. Non-execution of Recovery certificates by Recovery Officer (Rs.947.49 Crore)	Details as per Para B. (1) (v) Details as per Para B. (1) (vi)
05	DRT–II, Chandigarh (IR – 02)	Para–8: Pending recovery certificates Para–9: Status in r/o disposal of OAs (Original Applications)	Details as per Para B. (1) (vii) Details as per Para B. (1) (viii)

(2) **OTHER DDOs**

During the period 2011 - 12 , five units amongst DDOs under Department of Financial Services were audited and some of the major irregularities, noticed / pointed-out by the Audit are as under :-

S. NO.	NAME OF UNIT (DFS) OTHER DDOs	BRIEF DETAILS OF PARAS	REMARKS
01	DDO (BIFR), New Delhi (IR – 25)	Para 19. Engagement of Security Guards.	Details as per Para B. (2) (i)
02	DDO (Custodian), New Delhi (IR – 18)	Para 01. Non-Finalization of the lease deed of office accommodation/Irregular payment of rent of Rs. 68, 57,986/-.	Details as per Para B. (2) (ii)
03	DDO (Spl. Court), Mumbai (IR – 27)	Para 06. Non-Maintenance of stock Register of Cheque Books. Para 10. Irregular direct appointment of staff. Para 18. Irregular promotion during deputation. Para 20. Improper maintenance of Receipt Books	Details as per Para B. (2) (iii) Details as per Para B. (2) (iv) Details as per Para B. (2) (v) Details as per Para B. (2) (vi)

C. **DEPARTMENT OF REVENUE**

There are 52 Offices under the Department of Revenue containing 18 Units of Directorate of Enforcement, 01 Unit pertaining to Chief Controller of Factories, 17 Units pertaining to Opium and Alkaloid, 03 DNC Offices, 03 Units of GOAW, 06 Units of other DDOs and 04 Units of PAOs. Internal Audit of all the Units of Directorate of Enforcement are conducted on annual basis and the Units of Opium and Alkaloid are conducted on biennial basis. Out of 08 other DDOs, DDO (Cash) Revenue Audit is conducted on annual basis and remaining Units of other DDOs on triennial basis and all PAOs on biennial basis. During the year 2011 - 12, **25 Units** were audited in all.

(1) **CENTRAL BUREAU OF NARCOTICS**

Central Bureau of Narcotics is responsible for authorization to Farmers for cultivation of Opium, collection of raw Opium crop from Farmers, making payments of raw Opium to Farmers including advance payments to Farmers against raw Opium Crop but pending for test approval and processing of raw Opium at its Factories at Ghazipur and Neemuch. During the course of Internal Audit on the accounts of various District Opium Officers (under CBN) the following observations were made:-

S. NO.	NAME OF UNIT (REVENUE) DOO/DNC/GM	BRIEF DETAILS OF PARAS	REMARKS
01	DOO – Chittorgarh (IR – 48)	Para 8 Irregular expenditure on Salary to canteen staff for three posts against the sanctioned strength of two posts. Para-9. Non-Recovery of amount of over payment of cost of opium paid to cultivators to the tune of Rs. 19,13,986/- (as on 31.12.2011) including Rs 36543/- for the financial year 2010-2011.	Details as per Para C(I)(i) Details as per Para C(I)(ii)

(2) **DIRECTORATE OF ENFORCEMENT (FEMA/FERA)**

The Directorate of Enforcement is responsible for prosecuting offenders under Foreign Exchange Regulation Act, 1973 and Foreign Exchange Management Act, 1999 to adjudicate cases of violations, levying penalties and to realize the same. During the period 2011 - 12 , **10** Regional Units of Directorate of Enforcement were inspected and some of the important observations made are appended below :-

S. NO.	NAME OF UNIT (REVENUE) ED FEMA	BRIEF DETAILS OF PARAS	REMARKS
01	ED – FEMA, Lucknow (IR – 26)	Para 5. Pay fixation under the 6 TH CPC. Para 9. Irregular grant of 3 rd MACP to the Grade pay of Rs. 6.600 to Shri V.P. Gogia, Assistant Director and Shri A.K. Mathur, AD-II..	Details as per Para C. (2) (i) Details as per Para C. (2) (ii)
02	ED – FEMA, Ahmedabad (IR – 36)	Para 06. Non-Realization of Penalties amounting to Rs. 7122.95 Lakhs under FERA. Para 07. Non-Realization of Penalties amounting to Rs. 459.39 Lakhs under FEMA	Details as per Para C. (2) (iii) Details as per Para C. (2) (iv)
03	ED – FEMA, Bangalore (IR – 32)	Para 11. Irregular Accountal of Income Tax Recovered from the owner of the Building hired by ED. Para 13. Excess payment of TA claims for Rs. 4809/-	Details as per Para C. (2) (v) Details as per Para C. (2) (vi)
04	ED – FEMA, Chandigarh (IR – 15)	Para 01. Non-recovery of penalty Rs. 72.21 Crore Para 02. Non-disposal of seized Indian currency and foreign currency Rs. 1047.97 Lakh.	Details as per Para C. (2) (vii) Details as per Para C. (2) (viii)
05	ED – FEMA, Jaipur (IR – 23)	Para 05 Review of Penalties, seizure and confiscation (Recovery of Rs. 44, 56,435/-) Para 08. Irregular /over payment of Rs. 25,440/- on account of CCA.	Details as per Para C. (2) (ix) Details as per Para C. (2) (x)

06	ED – FEMA, Mumbai (IR – 34)	Para 03. Fixed Deposits (Rs. 7.85 Crore) Para 04. Non-disposal of seized Indian Currency and foreign Currency Rs. 7.29 Crore. Para 05. Irregular payment of Rent of Office Building Rs. 7, 21, 66,539/-	Details as per Para C. (2) (xi) Details as per Para C. (2) (xii) Details as per Para C. (2) (xiii)
07	ED – FEMA, Varanasi (IR – 01)	Para 3. Irregular deduction allowed while computing of Income Tax. Para 4. Review of Penalties, confiscation, seizure off Indian and Foreign currency and valuables etc.-non realization of penalties amounting to Rs. 77, 57, 30,332	Details as per Para C. (2) (xiv) Details as per Para C. (2) (xv)

(3) **OTHER DDOs**

During the period 2011 - 12 , 03 DDO Units, under Department of Revenue were inspected and some of the important observations made by the Audit are summarized as under :-

S. NO.	NAME OF UNIT (REVENUE) ED FEMA	BRIEF DETAILS OF PARAS	REMARKS
01	DDO (Cash) Revenue {IR – 07}	Para 8. Short Recovery of income Tax and surcharge amounting to Rs. 138307 during the Financial Year 2000-01 as shown as FORM-16 Para 21. (A) Non-Adjustment of LTC. Advance / Claims.	Details as per Para C. (3) (i) Details as per Para C. (3) (ii)
01	DDO (CESTAT) {IR – 30}	Para 5. Wasteful Expenditure of Rs. 5.48 lakh on account of pay and allowances of idle driver. Para 6. Irregular payments of Rs. 66,312 on account of LTC Claims in violation of LTC Rules. Para 10. Non-adjustment of contingent advance amounting to Rs. 10.35 Lakhs.	Details as per Para C. (3) (iii) Details as per Para C. (3) (iv) Details as per Para C. (3) (v)

D. DEPARTMENT OF EXPENDITURE

There are 05 Pay & Accounts Offices and 07 Drawing and Disbursing Officers under the Department of Expenditure. All these Offices are covered in biennial audit programmes, except the Office of the D.D.O. (Cash) in the Department of Expenditure, which is covered on annual basis.

During the period 2011 - 12 , **04 Units** were inspected and some of the important observations made by the Audit Party are as under :-

S. NO.	NAME OF UNIT (EXPENDITURE) DDOs	BRIEF DETAILS OF PARAS	REMARKS
01	DDO (Cash), Expenditure, ND (IR - 03)	Para 43. Irregular payment of Rs. 672,741/- to M/s New Delhi Car Clinic, New Delhi towards servicing/repair/maintenance of staff car/three wheelers.	Details as per Para D(1)(i)
02	DDO (SIU), New Delhi (IR - 44)	Para 03. Deployment of staff in excess of sanctioned strength.	Details as per Para D(1)(ii)
03	DDO (RTC), Chennai (IR - 45)	Para 06. Purchase of Stationery –Excess over the limit of Rs. 4,000/- per annum Delegated to Head of Office vide item No. 21(B) . Para 07. Less Recovery of Income Tax amounting to Rs. 4300/- + SC+ Cess.	Details as per Para D(1)(iii) Details as per Para D(1)(iv)

E. DEPARTMENT OF DISINVESTMENT

Only one unit is under the Department of Disinvestment and in the year 2011 – 12, the unit was not audited.

F. PUBLIC SECTOR BANKS & GRANTEE INSTITUTIONS

Internal Audit (B&FI) : Achievements during 2011-12

22 Units out of the 28 Units of Public Sector Banks / Grantee Institutions approved for audit during 2011-12 were audited, thus achieving 79% target. The audit of left six (6) units were postponed due to the special emergent reconciliation of PPF deposits during 2011-12. Further, an amount of Rs.4.87 crore as penal interest were levied on different banks on account of delayed remittances of collection under various Deposit Scheme of Ministry of Finance and due to persistent efforts, penal interest of Rs.14.61 crores was recovered during 2011-12.

1. Penal Interest of Rs. 4.87 crores (approximately) was calculated for recovery from State Bank of India and other Nationalised Banks on account of delayed remittances of collections under various Deposit Schemes of Ministry of Finance.

As per instructions contained in Reserve Bank of India circular number 13/4272/85-86 dated 7.4.1986, S.S. 381/99/9091 94-95 dated 9.5.1995 it was decided in consultation with the, Ministry of Finance, and the Controller General of Accounts that Banks handling transaction relating to Miscellaneous Govt. Schemes should report the consolidated figures to GAD Mumbai for onward reporting to Reserve Bank of India, Central Accounts Section, Nagpur for accountal in Government Accounts on a day to day basis. Further, as per Reserve Bank of India, Central Office Mumbai Circular No.: CODT 15-01-2001/1047/97-98 Dated 16-09-1997, 3 days grace period (excluding holidays) is admissible for remittance of collections. Accordingly, penal interest is payable by banks in all cases wherein the prescribed grace period of 3 clear working days has been exceeded. Penal Interest on this account is recoverable for the entire period of delay starting from date of receipt of the subscriptions at the receiving branches till final credit of the amount to the Government Account.

During the inspection of various focal point branches of State Bank of India and other Nationalised Banks, delay in remittance of amounts collected under various Deposit Schemes of Govt. of India were noticed and penal interest amounting to Rs. 4.87 crores (approximately) payable to Government of India was reported as detailed in first two paras.

The concerned branches of Bank have been advised to pay the amount of Penal Interest mentioned against each immediately.

TARGET AND ACHIEVEMENTS
DURING THE FINANCIAL YEAR 2011 - 12

All the Offices of Department of Economic Affairs, Department of Financial Services, Department of Revenue, Department of Expenditure and Department of Disinvestment of Ministry of Finance are audited on Annual, Biennial or Triennial basis, depending on the Budget Allotment, Sanctioned Strength and volume of work with the Unit.

Targets fixed for number of Units to be audited and Units actually audited during 2011 - 12 are as under :-

A. DEPARTMENT OF ECONOMIC AFFAIRS

S. No.	Name of Units (sector wise)	Total Nos. of Units	Nos. of Units Approved	Nos. of Units Audited
01	Drawing & Disbursing Offices (NSI)	11	08	06
02	Other DDO's	03	03	01
03	PAOs	06	05	02
	Total	20	16	09

B. DEPARTMENT OF FINANCIAL SERVICES

S. No.	Name of Units (sector wise)	Total Nos. of Units	Nos. of Units Approved	Nos. of Units Audited
01	DRATs & DRTs	38	16	10
02	Other DDO's	06	07	05
	Total	44	23	15

C. DEPARTMENT OF REVENUE

S. No.	Name of Units (sector wise)	Total Nos. of Units	Nos. of Units Approved	Nos. of Units Audited
01	E.D. (FEMA)	18	17	10
02	Central Bureau of Narcotics/ D.O.O.	23	13	11
03	Other DDOs / PAO (GOAW)	12	04	03
	Total	53	34	24

D. DEPARTMENT OF EXPENDITURE

S. No.	Name of Units (sector wise)	Total Nos. of Units	Nos. of Units Approved	Nos. of Units Audited
01	PAOs / DDOs	12	06	04
	Total	12	06	04

E. DEPARTMENT OF DISINVESTMENT

S. No.	Name of Units (sector wise)	Total Nos. of Units	Nos. of Units Approved	Nos. of Units Audited
01	PAO / DDO	01	Nil	Nil
	Total	01	Nil	Nil

F. PUBLIC SECTOR BANKS / GRANTEE INSTITUTIONS

S. No	Name of the Units	No. of Units selected/ approved for audit	No. of units audited
1.	SBI	12	11
2.	Associates of SBI	04	04
3.	Other PSBs	10	05
4.	Grantee Institutions	02	02
5	Pvt. Bank	Nil	Nil
	Total	28	22

DETAILS OF AUDIT PARA FOUND DURING 2011 - 12

(A) DEPARTMENT OF ECONOMIC AFFAIRS

1. NATIONAL SAVING INSTITUTES

NATIONAL SAVING INSTITUE, MUMBAI

PARA (A) (1) (i):- Colossal waste of Pay & Allowances on A/C of re-deployment of surplus Staff.

The Ministry of Finance, DEA vide Order No. F2/1-2001-NSI(1) dated. 18.04.2002 ordered the restructuring of National Saving Organization and a new organization named National Saving Institute (NSI) with Headquarter at Nagpur and 10 Regional Centers including Mumbai were created. The entire staff of erstwhile NSO declared deemed surplus with a view to enable the Staff to opt for VRS or declared surplus and seek redeployment. Staff opted for VRS were retired and who did not opt for VRS were transferred to Retraining & Redeployment Division DOPT w.e.f. 1.2.2003 for redeployment.

Out of staff who did not opt for VRS and sought redeployment in Mumbai office, three (3) persons named given below are yet to be re-deployed even after lapse of more than 2 years.

- | | | |
|----|------------------------------|------------|
| 1. | Shri S.S. Nagarboone, Driver | Aurangabad |
| 2. | Shri D.K. Kolhe, Driver | Solapur |
| 3. | Shri R.J. Harijan, Peon | Goa |

These three employees are staying idle at their homes since 1.2.2003 and are getting full salary through Demand Draft at their respective residences, from the O/o the R.D. NSI, Mumbai as designated since 1.2.2003, without attending any office. The office has become the O/o the sinecure for them i.e. salary without duties.

As per GOI instructions on disposition of staff while awaiting redeployment as per Swami's Establishment and Administration *G.I. Dept of Per & Trg. O.M. No.1/8/88 C.S.III, dated the 23rd Oct, 1989 MA-43 and para 6-4-1, every surplus employee will, while borne on the surplus staff establishment, keep attending office and report to the officer (s) designated for the purpose by the Ministry/HOD, regularly, except when he has been granted leave of kind due and admissible to him.

PARA (A) (1) (ii) Avoidable payment of interest amounting to Rs. 1.68 Lakh.

During the Scrutiny of file No. A-I/Legal (PBS)/09/2004, it has been revealed that Shrimati Parvatibai (Ex-Watchman) retired from service on 1.2.2003 and payment towards her retirement benefits were made from 21.1.2004 to 21.6.2007. Due to delay in payment she knock the door of CAT and consequently CAT vides order (Court judgment in O.A. No 2100/2008) 17.09.2009. Ordered the Deptt to pay interest on delayed payment of her retirement benefits and Deptt had to pay interest amounting to Rs. 1.68 Lakh.

As per letter dated 3.12.2009 issued by the Under Secretary MOF, DEA (NSI Section) the Deptt was also asked to fix the responsibility for delayed payment in the light of Rule 68 of CCS (Pension) Rule 1972, Delay in payment of retirement benefit has resulted in avoidable payment of interest amounting to Rs. 1.68 Lakh.

The Deptt. neither challenged the verdict of the C.A.T. in the higher court of law nor fix the responsibility on the official/officials who did not acquit oneself well, as desired by the Under Secretary vide letter dated 3.12.2009, till date. The reason for delayed payment of retrial benefits may be evinced/elucidated to audit.

NATIONAL SAVING INSTITUE, NEW DELHI

PARA (A) (1) (iii):- Irregular payment of rent of Office Building Rs. 6,05,640/- w.e.f. 14.12.2010.

The O/o NSI Delhi is presently located in a rented building belonging to ICCW Trust at 4, Deendayal Updhayay Marg, New Delhi. The building was initially occupied as per the lease agreement dated 31.8.1990, and the present lease deed has been renewed up to 12.12.2010 vide lease agreement dated 19.05.2010. As per item No. 16 of annexure to schedule of delegation of Financial Power Rules 1978, the lease deed is required to be renewed on expiry of every five years, but in the present case, this has been renewed up to 12.12.2010. The period of about six months had been lapsed on the date of conducting the audit. The payment of rent is being made without and valid/lease deed/rent agreement between ICCW & Govt. of India. No yearly sanction of payment of rent is being accorded by the Competent Authority.

The Lease agreement w.e.f 14.12.2010 be got regularized along with the payment of electricity & water charges.

The clause regarding payment of service tax is silent in the agreement. The RS/ NSI has paid Rs. 1,92,548/- during the year 2010-11.

PARA(A)(1)(iv) Irregular payment of cash handling allowance Rs. 300/- Smt. Meenu Aggarwal, Cashier.

A cash handling allowance is admissible to LDC/UDC/Asstt. handling the cash as per prescribed rates. The amount should be revised every financial year and sanctioned on the basis of average amount of disbursement during the pervious financial year. Every official appointed to work as cashier, unless he is exempted by the competent authority should furnish security of the required amount. The security bond of Smt. Meenu Aggarwal, cashier had already been expired on the midnight of 4/4/2011.

NATIONAL SAVING INSTITUE, NAGPUR

PARA (A) (1) (v):- Bogus commission claims for Rs. 16762.60 by MPKBY Agents Smt. Chandra Devi Srivastva of Joura (District Murena).

It was pointed out vide para 12.3.1. and 4 of the Inspection Report for the period 7/84 to 7/86 to 11/88 to 11/90 and 12/90 to 9/92 and 10/92 to 3/95 respectively that Smt. Chandra Devi Srivastava, MPKBY Agent C.A. No. National Savings Commissioner 1977/Joura fraudulently received a sum of Rs. 16762.60 by submitting bogus claims for the month of March 1981 to January 1983 as detailed below.

S. No.	Month	Amount	No. of Schedule enclosed
1	Mar-81	179.2	23
2	Apr-81	80.2	24
3	May-81	274.6	11
4	Jun-81	194	9
5	Jul-81	164.6	11
6	Aug-81	450	6
7	Sep-91	650	6
8	Oct-91	545.8	5
9	Nov-81	537.2	6
10	Dec-81	902.4	6
11	Jan-81	584.1	5
12	Feb-82	1058.1	6
13	Mar-82	1141.6	6
14	Apr-82	1160.8	6
15	Sep-82	600	3
16	Oct-92	2000	10
17	Nov-82	1872	10
18	Jan-82	200	12
19	Jan-83	2368	12
	TOTAL	16762.60	

PARA (A) (1) (vi):- Review of LTC Register.

During the course of Audit a LTC Register maintained by The National Saving Institute, Office of the Director National Saving Institute, Nagpur has been verified and found the following lapses.

1. As per the LTC Register, it is seen that for the Years of 2008-09 advance taken by Sh. P.D. Sakharwade and Sh. M.B. Kumbhare for the Rs. 2250/- and Rs. 12000/- vide bill No.288 Dt. 16.12.2008 are still pending.
2. It is seen that in 2009-10, Sh. Mir Azmat Ali has drawn the advance of Rs. 12900/- vide bill No. 205 dated 26.10.2009 and his total claim was Rs. 11554/- and amount Rs. 1346/- was required to be recovered from him along with penal interest but it is seen that Rs. 1306/- was recover from him. Thus, Rs. 40/- short recovered.
3. It is seen that Smt. S.R. Bagde drawn the advance of Rs. 11500/- vide Bill No.390 dated 3.10.2010 and her total claim was Rs. 14546/- the amount of Rs. 3046/- was required to be paid to the official but less amount of Rs. 2786/- was paid.
4. It is seen that some of the Officers have refunded the LTC advance, it is required that at the time of refund of LTC advance ,10 days leave encashment are also to be refunded.

DDO (CASH) DEA, NEW DELHI

PARA (A) (2) (i):- Non-adjustment of Contingent Advances to the tune of Rs. 1.88 Crore.

RULE POSITION

As per the provisions contained in Rule 292 (1) of GFRs, 2005, the Head of Office may sanction Advances to a Government Servant for purchase of Goods or Services or any other special purpose needed for the management of the Office, subject to the following conditions:-

- (i) The amount of expenditure being higher than the permanent advance available, cannot be met out of it.
- (ii) The purchase or other purpose can not be managed under the normal procedures, envisaging post-procurement payment system.
- (iii) The amount of Advance should not be more than the power delegated to the Head of the Office for the purpose.

- (iv) The Head of Office shall be responsible for timely recovery or adjustment of the Advance.

The Rule 292 (2) of GFRs, 2005 further says that the adjustment bill along-with the balance, if any, shall be submitted by the government Servant within fifteen days of the drawal of Advance, failing which, the advance or balance shall be recovered from his next Salary / Salaries.

STATUS

During the test check of contingent advance register for the period 2010-11, maintained by the D.D.O. (Cash), Department of Economic Affairs, it has been observed by the Audit that a sum of Rs. 1.88 Crore is pending in the register to be adjusted since the year 2006-07. as per details below:-

S. NO.	FIANCIAL YEAR	AMOUNT
01	2006-07	1279557.00
02	2007-08	814597.00
03	2008-09	2650649.00
04	2009-10	420300.00
05	2010-11	13678177.00
	TOTAL	18843280.00

IMPACT

- (i) Violation of Rules & regulations framed by Government of India in this regard.
- (ii) Chances of misuse of Advance since the Audit could not ascertain as to whether the Advances drawn by the above officers/officials were actually used for the official purposes or not.

RECOMMENDATIONS

Since the non adjustment of Contingent and Miscellaneous Advances is a serious irregularity under Rules, it is, therefore, suggested that the Register may immediately be reviewed and the above Contingent and Miscellaneous Advances may immediately be adjusted with Penal Interest (wherever applicable),

DDO (IES), DEA, NEW DELHI

PARA (A) (2) (ii):- Shortcomings/Omissions detected in maintenance of the records of Grants-in-Aids.

The following shortcomings were noticed while inspecting the records in respect of Grant-in-aid to the Institute of Economic Growth, New Delhi for the Financial 2009 -10 & 2010 -11.

- (i) Date on which utilization certificate is requested to be furnished by the sanctioning authority to the Audit Officer and /or Accounts Officer was not found to have been mentioned in column 10 of the register in respect of Final instalment of the grant as well as second instalment.
- (ii) Grants-in-Aids bills the aforesaid 1st and 2nd instalment were not found to have been prepared in prescribed Performa GAR 34 in pursuance of the provision contained vide rule 147 of the Receipt and Payment Rules. Instead of the same were prepared in Form T.R.30.
- (iii) The assets created by the Institute of Economic Growth out of this Grant should be maintained in the register in form GFR 19 showing the assets of permanent value & Machinery Equipment having a life span of not less than 5 years and costing Rs. 10000 above. A copy of the same may be made available to the Department. An agreement should be separately entered into between IEG & the Department. Utilization certificate of assets created out of this grant was not being furnished by the institution.
- (iv) The Institution of Economic Growth is required to maintain subsidiary account of Govt. Grant and furnish statement of account. This is not being received.
- (v) On review of records of Grants-in-aids, it has come to notice that a debit closing balance of Rs. 14804/- pertaining to 2006-07 of Institute of Economic Growth (IEG) was carried forward. IEG is only one grantee Institute in the unit (IES,DEA) arranging training for probationers/trainees of Institute of Economic Services and dependent on Grant-in-aid provided to the unit for its day to day expenditure. It is not known how the closing balance carried forward had been worked out.
- (vi) In future grant-in-aid may be released to institute on fulfilment of conditions for sanction of grant-in-aid laid down in GFR. It is also mentioned that above irregularities are of persistent nature and compliance report has been submitted in this regard.

(B) DEPARTMENT OF FINANCIAL SERVICES

DRT HYDERABAD

PARA (B) (1) (i) Long Pendency of cases for recovery before Recovery Officer

In terms of section 25 of the Recovery Debts to Banks and Financial Institutions Act, 1993, Recovery Officer on receipt of copy of certificate shall proceed for the recovery of amount of Debt specified in certificate. R.O. has to expedite the recovery as early as possible but it was observed in DRT, Hyderabad that there were many long outstanding cases where recovery was not made till date of audit .Some of the cases are more than 5 years old. Brief details are as under:-

Year-wise break-up of Recovery pending as on 30.9.2011

Period of Pendency	No. of cases	Amount in Crore
More than 3years	1507	6758.75
Between 2-3 years	854	138.50
Between 1-2 years	716	136.23
Less than one year	393	213.76

Necessary steps for early recovery in all the above cases may be taken. In case the recovery of full amount as per certificate not made, the purpose of issuance of Recovery Certificate is defeated.

DRT PATNA

PARA (B) (1) (ii) Pending Recovery Certificates.

A report was obtained from Recovery Officer-I & Recovery Officer-II of the DRT, Patna in r/o status of pending RCs as on 27.07.2011. The RCs pending as on 27.07.2011 were as follows:

Recovery Officer	Amount of RCs	No. of RCs	Amount more than 3 Years
RO-I	672.78 Crore	609	149.99 Crore
RO-II	81.30 Crore	409	44.97 Crore
TOTAL	754.08 Crore	1009	194.96 Crore

It was pertinent to mention that Rs. 194.96 Crore of pending RCs were more than 3 Years old. As such efforts are required for settlement of the O/S RCs.

PARA (B) (1) (iii) Status in r/o disposal of OAs (Original Applications)

A report was obtained from the DRT, Patna regarding the status of disposal of Original Applications (OAs) and it was noticed that 611 OAs (involving) Rs.642.64 were pending as on 31.03.2011.

All the said OAs were pending for more than one years. Whereas under the DRT, Act 1993 the cases should have been settled/decided with in Six months.

Efforts needed to be taken to settle the OAs as early as possible.

DRT PUNE

PARA (B) (1) (iv) Long Pendency of Recovery Certificates before R.O.s.

Chapter V of the Recovery of Debts due to Banks and Financial Institution Act 1993 speaks about the Recovery of Debt determined by Tribunal. The Recovery officer shall on receipt of the copy of the certificate proceed to recover the amount of debt specified in the certificate. This recovery of debt should be as early as possible. Scrutiny of records pertaining to DRT Pune reveals that large numbers of Recovery Certificates are pending before Recovery Officer in which debt was not recovered. Details of such cases as on 31-12-2011 was under:-

Statement Showing the Information of Pending Recovery Proceeding and Decretal Amount as on 31-12-2010.

Sl. No.	YEAR	No. of RP Cases	Decretal Amount
1.	2001	29	14.00
2.	2002	88	132.95
3.	2003	98	136.65
4.	2004	218	515.95
5.	2005	84	126.50
6.	2006	49	59.55
7.	2007	114	80.42
8.	2008	105	80.42
9.	2009	178	380.12
10.	2010	244	324.32
11	2011	30	77.70
		Total	19.28 Crores

From the above details it is clear that some cases are pending more than five years. In such circumstances, when recovery could not be made even after expiry of such long period, purpose of Recovery Certificates has been failed.

DRT-I CHANDIGARH

PARA (B) (1) (v) Compromising decision after the judgment issued by the Presiding Officer.

During the last audit of DRT Chandigarh, it was observed that 443 number of Recovery Certificates were issued in which the recovery of Rs. 804.18 Crore was involved. These cases were settled at a compromising amount of Rs. 74.57 Crore. Similarly during the instant spell (2008-2011) of audit 184 no. of recovery certificates were issued in which the recovery of Rs. 97.85 Crore was involved. These cases were also settled at a compromised amount of Rs. 34.08 Crore. This is not in conformity of DRT Act. In terms of Rule 26 of the Recovery of debts due to Banks and Financial Management Act, 1993.

Rule: 26- validity of certificates and amendment thereof:

1. It shall not be open to the defendant to dispute before the Recovery Officer the correctness of the amount specified in the certificate, and no objection to the certificate on any other ground shall also be entertained by the Recovery Officer.
2. Not with standing the issue of a certificate to a Recovery Officer, the Presiding Officer shall have power to withdraw the certificate or correct and clerical or arithmetic mistake in the certificate by sending and intimation to the Recovery Officer.
3. The Presiding Officer shall intimate to the Recovery Officer any order withdrawing or cancelling or any correction made by him under sub-section (2).

Apart from the rule positions mentioned above. Recovery Officers have no power to amend the recovery certificate, as it was done by compromising the huge amount of Recovery. This action of Recovery Officers is not in conformity of DRT Act is against the provisions of the Act.

Hon'ble Presiding Officer is competent to make any correction in the recovery amount. Any bank who wants to compromise and settle the recovery amount below the recovery amount has to first deposit the recovery amount and also to move an application before Hon'ble Presiding Officer regarding the compromise between the bank and debtor, if any, Hon'ble Presiding Officer after going through the merits decides/reject the compromise between bank and debtor. In case compromise is approved by the Presiding Officer, an order in this regard is communicated to Recovery Officer and the case file consigned to the records. The observations were also highlighted in the annual Review of internal audit 2006-07.

PARA (B) (1) (vi) Non-execution of Recovery certificates by Recovery Officer (Rs. 947.49 Crore).

As per rule 25 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 the Recovery Officer shall on receipt of the copy of the Recovery Certificate under sub-section 7 of section 19 proceed to recover the amount of Debts specified in the certificate by one or more of the following modes viz.

1. Attachment and sale of the movable property of the defendant.
2. Arrest of the defendant and his detention in prisons
3. Appointing a receiver for the management of the movable or immovable properties of the defendant.

Recovery Officers are required to execute the Recovery Certificates and recovery of the certificate amount at the earliest. During the course of audit in DRT Chandigarh. It was observed that there were 506 cases pending on 30.6.2011 the detail of pending cases is as under:-

Sr. No.	YEAR	No of Cases pending as on 30.6.2011
1	2000	11
2	2001	92
3	2002	46
4	2003	63
5	2004	33
6	2005	43
7	2006	13
8	2007	44
9	2008	62
10	2009	37
11	2010	35
12	2011	47
	TOTAL	506

An amount of Rs. 947.49 crores was recoverable from these 506 cases.

DRT-II CHANDIGARH

PARA (B) (1) (vii) Pending recovery certificates

A report was obtained from Recovery Officer-I & Recovery Officer-II of the DRT-II, Chandigarh in r/o status of pending RCs as on 31/03/2011. The RCs pending as on 31/03/2011 were as follows:

	Amount of RCs	No. of RCs	O/s more than 3 years
RO-I	416.42 Crore	516	375
RO-II	626.67 Crore	483	369
TOTAL	1043.09 Crore	999	744

It was pertinent to mention that more than 74% of pending RCs were more than 3 years old. As such efforts were required to look into it for settlement of the o/s RCs.

PARA (B) (1) (viii) Status in r/o disposal of OAs (Original Applications)

A report was obtained from the DRT-II, Chandigarh regarding the status of disposal (as on 31/03/2011) of Original Applications (OAs) and it was noticed that 1113 OAs (involving Rs.1620.84 Crore) were pending as on 31/03/2011:

Total No. of OAs	:	1113
Amount	:	1620.84 Crore
Pending for more than 1 year to 3 year	:	684
Pending for more than 3 year	:	429

All the OAs were pending for more than one years. Under the DRT, Act, 1993 the cases should have been settled/decided with in six months.

Efforts needed to be taken to settle the OAs as early as possible.

OTHER DDOs

DDO (BIFR), NEW DELHI

PARA(B)(2)(i) **Engagement of Security Guards.**

During the checking of File No. 01(01)/BIFR/GAS/02 O/o the BIFR, New Delhi, regarding engagement of Security Guards, it was observed that the office of the BIFR, New Delhi has been obtaining the services of M/s Manpower Security Services for providing 12 Hrs. securities since year 2008. The contract with M/s Manpower Security Services has the following flaws:-

The Firm's offer for providing for 8 Hrs duty for one Security Guard @ Rs. 4299/-/P.M. as per comparative Statement dated 21-10-2008, was accepted by the Office of BIFR, New Delhi, but the firm is charging for 12 Hrs. showing 8+4=12 Hrs taking duty from the one security Guard, means a Security Guard has to perform continuous duty for 12 Hrs but salary paid to him is of 8 Hrs, which is in contravention of the Factory's Act and the other Laws of the State which prohibit the working hours to be beyond 8 Hrs in a day for watch and ward duty. Besides this the firm is also exploiting the (4) four security guards engaged for the Security of the office of the BIFR, for which they have forwarded the compliant against the contractor to the Deptt.

As per comparative statement dated 21-10-2008 the firm has not quoted the rate of service charge due to which the firm become first lowest whereas at the time of billing the firm is changing the Service Charges@10% which is irregular and recovery may be made from the firm for payment made on account of service charge which is the contractor's liability as the rate for the same was not quoted by the firm.

Non deposit of Bid Security & Performance Security: As per Rule 157 & 158 Bid Security and Performance Security to be got deposited from the bidder before opening the tender.

DDO (CUSTODIAN), NEW DELHI

PARA (B) (2) (ii):- **Non-Finalization of the lease deed of office irregular payment of rent of Rs.68, 57,986/-.**

The Custodian has occupied the portion of 3rd floor of the Bank of Baroda Building, Parliament Street, New Delhi on rent for their office@ Rs. 27/- per square feet per month and service charge@5/- per square feet per month.. The office has paid rent upto 31.07.2011 provisionally pending finalization of the lease deed. On review of file No. CUS/ADMN./BOB/506/VOL.III revealed that the office has sent the draft format of the lease deed to the Zonal office of Bank of Baroda vide letter no. 695/CUS/ADMN./MHA/PAS/06(5270) dated 09.08.2011 the following are the observations of audit.

- (i) The payment of rent amounting to Rs. 102358x67 months= 6,857,986/- is irregular due to non-renewal of agreement w.e.f. 01.01.2006 to till date. The payment of rent of the building occupied by the office without proper lease deed is irregular.
- (ii) The Bank of Baroda vide their letter dated 19.4.2011 had demanded Rs. 39130/- June,07 to March 08 and April 08 to March 09 alongwith the penal interest @13% amounting to Rs. 14,434/-. The un-timely payment of dues attracting penal interest be avoided in future.

DDO (Spl. Court) Mumbai

PARA(B)(2)(iii). Non-Maintenance of stock Register of Cheque Books.

The DDO with Cheque drawing powers will requisition their requirement of cheque books from the concerned Pay and Accounts Office. The latter will supply to the DDO the minimum number of cheque books, sufficient for his requirement for three months. Issue of such cheque books will also be entered in the stock Register of cheque books.

To keep an account of the receipts, issues and balance of cheque books/forms shall maintain (FORM CAM 1). Each morning, the Cashier should take such cheque books from the Officer-in-charge, as likely to be used during the course of the day and should remain responsible for their use and return of the balance at the close of the day. Another register should be maintained by the cashier for showing the cheque forms received by him each day and those returned by him. The entry should be made by the Cashier with his dated initials in this register.

PARA(B)(2)(iv) Irregular direct appointment of staff.

On review of records, it was observed that OSD, Spl. Court, Mumbai has made following temporary appointments:

S. No.	Name of the Staff Member	Designation	Date of Appointment	Old pay scale	Revised pay scale
1	Smt. V.A.Tikam	Court Steno	10/6/2008	8000-13500	15600-39100 Gr. Pay 5400
2.	Mr. P.H. Padelkar	Clerk	10/10/1995	3050-75-3950-80-4590	5200-20200 Gr. Pay 1900
3.	Smt.U.U. Kambli	Clerk	06/04/2005	3050-75-3950-80-4500	5200-20200 Gr. Pay 1900
4.	Mr. N.P. Kadam	Clerk	02/02/2006	3050-75-3950-80-4590	5200-20200 Gr. Pay 1900
5	Mr. J.M. Deshmukh	Driver	16/10/2009	13000	16000
6.	Mr. P.D. Tawade	Peon	09/01/2006	3050-75-3950-80-4590	5200-20200 Gr. Pay 1900
7.	Mr. K.Y. Deshmukh	Peon	06/02/2006	2500-55-2660-60-3200	5200-20200 Gr. Pay 1800

8.	Mr. K.D. Pawar	Peon	20/03/2007	2500-55-2660-60-3200	5200-20200 Gr. Pay 1800
9.	Mr. R.R. Pardeshi	Peon	06/03/2007	2500-55-2660-60-3200	5200-20200 Gr. Pay 1300
10.	Mr. H.N. Sarang	Peon	02/03/2009	2500-55-2660-60-3200	5200-20200 Gr. Pay 1800

As per GFR Rule 253

1. Proposal for additional to Establishment: All proposal for additions to establishment shall be submitted to sanctioning authority in accordance with the instructions contained in Rule 11 of the Delegation of Financial Powers rules and other such instructions which may be prescribed in this regard.
 - a) All proposals for creation of new establishment or a revision in an existing establishment, whether temporary or permanent in excess of delegated power should contain, inter-alia: - The present costs of the establishment in existence.
 - b) Cost implication of the charge proposed giving details of pay and allowances of posts(s) proposed
 - c) Expenditure in respect of claim to pension or gratuity or other retirement benefits that may arise in consequence of he proposals;
 - d) Details on how the expenditure is proposed to be met including proposed re-appropriations.
2. A full review of the justifications for continuation or conversions of temporary posts on consultations with Intergraded finance or Ministry of Finance where necessary should precede any order for continuation of temporary posts or conversion into permanent posts.
3. All proposals for increase in emoluments for an existing posts(s) shall be referred to the Ministry of Finance for approval.

The following observations are made in respect of the above.

Authority of Govt. of India under which the above appointments were made have not been referred in the above orders, nor could the same be produced to audit for review. On personal discussion with the OSD, it was apprised to audit that the above appointments have been made with concurrences of the Hon'able Lordship of High Court.

It was irregular, as the Hon'able Lordship of High Court have no jurisdiction to make such appointment in Govt. of India. Therefore, services of above incumbents may, therefore, immediately be terminated and such appointments may please be made from staff selection commission/surplus cell to avoid any subsequent legal complications toward their claiming regular appointments in future.

Medical examination at the time of 1st entry in Govt Service is a statutory requirement.

2. **Medical exam had not been conducted** as per G.I.MF OM No. 45(1)-E-V/54, dated 24th March ,1954. No.5/6/54-RPS dt. 28th Sepetember,1956 and DP & AR OM No. 15015/1/79-Estt(d) dt. 26th June 1971, included in Chapter 13 of DDO Manual (pt.II) whereas in the cases referred above no medical examination have been conducted which is irregular and may immediately be complied with.
3. **Police Verification:** It has been noticed that no police verification was conducted by the office of the Spl. Court Mumbai which is also irregular.

PARA(B)(2)(v) Irregular promotion during deputation.

During the scrutiny of the records of the Special Court, Mumbai it has been noticed that employee appointed on deputation were promoted to Higher Scales, details given in Annexure-‘A’ which is irregular as per Para 7.1 of Chapter 19 of Swamy’s Complete Manual on Establishment and Administration and Appendix-5 of Swamy’s Compilation of F.R.S.R. Part-I. This list is illustrative and not exhaustive, so these cases alongwith such similar may be reviewed.

PARA(B)(2)(vi) Improper maintenance of Receipt Books:

As per Rule 22(1) (2) and (3) of Swamy’s Compilation of Receipt and Payments Rules, Receipt Book in machine numbers in form GAR 6 has been prescribed for receiving Government money. The Receipts Books must be kept in the personal custody of the officer to authorize to sign the receipt on behalf of the Government. Before a receipt book is brought into use, the number of forms contained therein shall be counted and the result recorded in a conspicuous place in the book over the signature of Govt. Officer, in-charge of the book. Counter foils of every receipt books shall be kept in his personal custody. No Govt. Officer may issue duplicate or copies of receipts granted for money received on the allegation that the original has been lost.

During the scrutiny of Receipt Book No. 3101 to 3200, which is being used in the audit period i.e. 1/4/2007 to 31/03/2011. it has been seen that receipt books is not being maintained properly. Certificate of number of pages has not been given by the officer in charge of the book. Counter foils of receipt 3167 is missing in the book, which has been tear off in between the pages and the officials maintaining the receipts books cannot give any satisfactory reply. No money has been taken in cash book nor demand draft has been sent to PAO, (Banking), New Delhi, received through, receipt no. 3167. Loss of receipt like this is a serious lapse and it can leads to fraud/embezzlement. Investigations may be done as to how the receipt has been lost and responsibility may be fixed accordingly.

(C) DEPARTMENT OF REVENUE

DOO - CHITORGARH

PARA (C)(1)(i) Irregular expenditure on Pay and Allowances of canteen staff for three posts against the sanctioned strength of two posts.

It has been observed that the pay and allowances for the canteen staff is being drawn for 3 persons since 2006-07 to 2010-11 against the sanctioned strength of 02 persons. This has also been observed during the audit for the period of 04/07 to 03/09. The said pay and allowances of one extra employee are being drawn against the sanctioned post of the office of DOO Kota whereas the salary is being drawn under the budget head of DOO Div-.I, Chittorgarh which is irregular.

PARA (C)(1)(ii) Non-Recovery of amount of over payment of cost of opium paid to cultivators to the tune of Rs. 19,13,986/- (as on 31.12.2011) including Rs. 36543/- for the financial year 2010-2011.

During the course of Inspection of Register of Recoveries maintained for the period from 1999-2000 to 2011-12, it has been observed that an amount of Rs. 19,13,986/- (as on 31.12.2011) including Rs. 36543/- for the financial year 2010-2011 is pending for recovery from the opium cultivators against the over-payment of opium cost during the past years.

It is therefore, suggested that the outstanding amount shown above should be recovered from the concerned cultivators.

ED –FEMA LUCKNOW

PARA (C)(2)(i) Pay fixation under the 6TH CPC

As Shri Umesh Chandra, Chowkidar / Peon does not possess the required minimum qualification, the official shall be re trained along with other 'D' officials for allowing PB-1.

(A) Sh. Rajeshwar Singh, AD-II/AD-I.

- (i) The officer joined the office as AD-II on 05.12.2007 (A/N) on deputation basis from "UP Police". The officer was paid "40% arrears of 6th CPC" for the period from 01-01-2006 to 31-07-2008 (including the period pertaining to "UP Police"). Therefore, action may be taken to raise the debit (for arrears

pertaining to 01.01.2006 to 05.12.2007) against the “Govt. of UP Police” asking the latter to pay the amount of arrears pertaining to them.

- (ii) It has also been noticed that the special pay (Rs. 450/-) was added to the pay in the pay band and the salary was paid accordingly. This addition of special pay was not in order. The pay should be as follows and special pay of Rs. 450/- (or any revised amount under the 6th CPC to be verified from “UP Police”) shall be payable separately as fixed amount per month.

01-01-2006	18470+5400=23870
01-07-2006	19190+5400=24590
01-07-2007	19930+5400=25330
01-07-2008	20690+5400=26090
AD-1 22-10-2008	21480+6600=28080

The pay & allowance/amount of arrears may be revised accordingly. The debit balance payable by the Govt. of U.P. (UP Police) may be worked out accordingly.

Imp. The intimation of the recovery of arrears paid/recovery made for the period w.e.f. 1.1.2006 to 5.12.2007 from Govt. of U.P. Police may be sent to IAW (HQ) and PAO, Deptt. Of Revenue, New Delhi.

PARA (C)(2)(ii) Irregular grant of 3rd MACP to the Grade pay of Rs. 6.600 to Shri V.P. Gogia, Assistant Director and Shri A.K. Mathur, AD-II.

- (I) As per para 2 of Annexure 1 to OM. No. 35034/3/2008-Estt. (D) dated 19.05.2009 for grant of MACP on recommendation of 6th CPC, the MACP envisages merely placement in the immediate, not higher grade pay in the hierarchy of the recommended revised pay bands and grade pay as given in section 1, Part A of the first schedule of the CCS (Revised Pay) Rules, 2008.

Shri V.P. Gugia, Assistant Director has been given 3rd financial up-gradation w.e.f. 01.09.2008 in the MACP scheme to the grade pay of Rs. 6600 in PB-3 (Rs. 15600-39100). Vide esstt. Under No. 22/2009 dated 19.11.2009 by Enforcement Directorate New Delhi.

Prior to this MACP, he was placed in grade pay Rs. 5400 (PB-2) in PB-2 Rs. 9300-34800. Accordingly he should be given 3rd MACP in Grade Pay Rs. 5400 in PB-3 (Rs. 15600-39100).

The order issued by the Directorate of Enforcement, New Delhi is not in accordance with provisions of MACP, scheme which requires modification.

(II) Shri A.K. Mathur, AD-II, in spite of vetting of pay fixation by previous audit party, pay fixation was not revised and recovery also not made according to instruction:-

S. No.	w.e.f.	Pay wrongly allowed	Pay to be fixed
1.	28.10.2007	Rs. 22100+5400	Rs. 21290+5400
2.	01.07.2009	Rs. 22930+5400	Rs. 22090+5400

On 28th October 2007, he was promoted but promotional benefits not to be allowed since there is no change in “Grade Pay” in term of rule 13 of CCS (Revised Pay) Rules, 2008.

He was given 3rd MACP vide Establishment Order No. 22/2009 dated 17.11.2009 of Directorate of Enforcement, New Delhi and A-40/01/LZO/201-592 dtd. 26.05.2011 of Directorate of Enforcement, Lucknow to the next Grade pay Rs. 6600/- in PB-3 (15600-39100) w.e.f.01.09.2008. He was in PB2(9300+34800) with Grade Pay Rs. 5400.

The up-gradation under MACP is to be granted in the immediate next higher Grade Pay in the hierarchy of recommended revised pay band and Grade pay as given in Section I, Part A of the 1st schedule of the CCS Revised Pay Rules 2008. Keeping in view of this point, he should be given 3rd MACP in Band Pay Rs. 15600-39100 with Grade Pay Rs. 5400/-. Grant of grade pay Rs. 6600/- is not correct, so error may be rectified and excess payment be recovered.

The Pay of Shri A.K. Mathur, AD-II should be fixed in following manner:-

Period w.e.f.	Pay Wrongly allowed	Pay to be allowed
1.01.2006	Rs. 19790+5400	Rs. 10250(old scale)
01.04.2006	Rs. 19790+5400	Rs. 10500/-
20.06.2006(MACP-III)	Rs. 20550+5400	Rs. 20510+5400
01.07.2006	Rs. 21330+5400	Rs. 20510+5400
01.07.2007	Rs. 23140+5400	Rs. 21290+5400
01.07.2008	Rs. 22970+5400	Rs. 22090+5400
01.09.2008	Rs. 23830+6600	Rs. 22920+5400
01.07.2009	Rs. 24750+6600	Rs. 23770+5400
01.07.2010	Rs. 25690+6600	Rs. 24645+5400

ED FEMA AHMEDABAD

PARA(C)(2)(iii) Non-Realization of Penalties amounting to Rs. 7122.95 Lakhs under FERA.

On reviewing the reports of outstanding penalties submitted to its Headquarters Office by ED(FEMA), Ahmadabad, it was revealed that huge amount of penalties is still pending under FERA as detailed below:-

S. NO.	Under The Act	Amount Realised during 2009-2010	Amount Realised during 2010-2011	Amount outstanding as on 31.03.2011	No. of cases
1	FERA	12.48	6.36	7122.95	470

* Year wise break-up not provided

Out of 470 cases of penalties under FERA, in 97 cases penalty was stayed by the Adjudicating Authorities and in 240 cases action was initiated under Section 70(i)(iii) to realize the amount.

It is suggested that prescribed action in remaining 133 cases involving penalties amounting to Rs. 3,695.54 (in Lakhs) may also be initiated to recover the penalty amount .

PARA(C)(2)(iv) Non-Realization of Penalties amounting to Rs. 459.39 Lacs under FEMA.

On reviewing the reports of pending penalties by ED(FEMA), Ahmadabad , it was revealed that huge amount of penalties is still pending under FEMA as detailed below:-

Amt. in lacs

S.NO.	Under The Act	Amount Realised during 2009-2010	Amount Realised during 2010-2011	Amount outstanding as on 31.03.2011	No. of cases
1	FEMA	13.48	5.7	459.39	N/A

* Year Wise break up of the amount outstanding is as under :-

YEAR	(Rs.) in Lakhs
2004-05	5.79
2005-06	46.37
2006-07	11.84
2007-08	131.97
2009-10	29.6
2010-11	128.85

ED FEMA BANGALORE

PARA(C)(2)(v) Irregular Accountal of Income Tax Recovered from the owner of the Building hired by ED.

Office of Directorate of Enforcement Bangalore is located in a rented building (FEMA,1999) at No. 9/1, State Bank Road, Bangalore-560001 and has entered into an agreement for payment of rent @ Rs. 50200/- per month. During the scrutiny of the bills and sanction for the year 2008-09, 2009-10,2010-11 for payment of rent, it is noticed that an amount of Rs.9036/- per month is being deducted as TDS from the land owners bill and the same is not accounted in Govt. A/c under Income Tax from 27-11-2006. This resulted in non utilization of Budget and non payment of Income tax to the income tax department which is mandatory.

PARA(C)(2)(vi) Excess payment of TA claims for Rs. 4809/-

On sanction of TA claim of official of Enforcement Directorate Zonal office, Bangalore, it was found that following officials had claimed excess DA in their TA claims:

S. No.	Name of Designation of officers	Tour station	Amount claimed	Actual amount food and DA	Excess paid	Bill No.
1.	F. Kadermydeen, EO	Hyderabad	730	563	167	520/08-09 dated 31.03.2009
2.	M. Gangadharan,EO	Delhi	3695	3555	140	518/08-09 31/03/2009
3	M. Gangadharan, EO		840	700	140	259/17-09-09
4.	T. Joseph, AEO	Mysore	713	600	113	459/23-03-2010
5.	F. Kader Mydeen,EO		615	300	315	130/14-07-2010
6.	F. Kader Mydeen,EO		3010	2076	934	482/19-03-2009
7.	G. Sankaranarayanan,EO		8830 Rail Tour	5530	3000	341/07-12-2009

The above amount may be recovered from the above officials.

ED FEMA CHANDIGARH

PARA (C)(2)(vii) **Non-recovery of penalty Rs. 72.21 Crore**

During the test check of records and other reports maintained by the department, i.e. Deputy Director, of Enforcement, Foreign Exchange, Chandigarh revealed that a sum of Rs. 72.21 Crore on account of penalty imposed by competent authority against various defaulters under FERA and FEMA was pending for recovery as on 31.03.2011 as per detailed given below:-

S.NO.	UNDER ACT	NO. OF CASES	AMOUNT OF PENALTY OUTSTANDING (RS. IN LAKHS)
1.	FERA	371	6401.75
2.	FEMA	223	819.48
	TOTAL	594	7221.23

The recoveries under the FEMA and in FERA cases are outstanding since 2003-04.

PARA (C)(2)(viii) **Non-disposal of seized Indian currency and foreign currency Rs. 1047.97 Lakh.**

During the test check of records and reports maintained in the office of the Deputy Director, Directorate of Enforcement, Foreign Exchange of currency seized under FERA and FEMA Act and reports forwarded to Hqrs. Office, New Delhi revealed that the department seized both Indian and Foreign currency amounting to Rs. 1047.97 under FERA and FEMA Act were lying to be credited into Govt. accounts at the end of March 2011 as per detailed given below:-

1.	UNDER FERA SEIZED INDIAN CURRENCY	RS. 3,59,70,177
2.	UNDER FEMA SEIZED INDIAN CURRENCY	RS. 5,01,71,511
3.	UNDER FERA SEIZED INDIAN CURRENCY	RS. 106.01
4.	UNDER FEMA SEIZED INDIAN CURRENCY	RS. 80.55
	TOTAL	RS. 1047.97 Lakhs

These amounts are outstanding since 1993. The reasons and circumstances under which the amount could not be deposited into Govt. accounts may be intimated to audit.

ED FEMA JAIPUR

PARA (C)(2)(ix) Review of Penalties, seizure and confiscation (Recovery of Rs. 44,56,435/-)

- 1) Non- realization of penalties imposed under FERA amounting to Rs. 44,56,435/-

During the current audit for the Financial Year 2009-11 it has been noticed from the information given that a huge amount of penalty is recoverable by Enforcement Directorate (FEMA), Jaipur from different parties in 96 cases. The details of amount recoverable are given below:-.

FERA RS. 44, 56,435/- in 96 cases as on 31-03-2011.

During the period of audit an amount of Rs. 2,62,600/- have been recovered. The head of office has assured during the discussion that he will give importance to the recovery of balance and intimate to the IAW (HQ) .

PARA (C)(2)(x) Over payment of Rs. 25,440/- on account of CCA.

Sh. Virendra Singh, AEO and Sh. Anil Jaimani, AEO are working in this office since June 2009 and September 2011 respectively on deputation basis. Both the officers are drawing CCA @ Rs. 480/- P.M. which is irregular, since the CCA has been merged with the Transport Allowance on implementation of 6th CPC. Hence, a recovery of Rs. 13,440/- and Rs. 12000/- are made from Sh. Virendra Singh, AEO and Anil Jaimani, AEO respectively, totalling to Rs. 25440/-

ED FEMA MUMBAI

PARA (C)(2)(xi) Fixed Deposits (Rs. 7.85 Crore)

In the cases pertaining to violation of FERA & FEMA, officials from the Directorate of Enforcement raid, and seize the currencies (Indian as well as Foreign). The seized foreign currencies are then converted into Indian Rupees and along with seized Indian currencies are kept as fixed deposits in various banks till the decision of the Appellate authority.

On the scrutiny of the records, showing the fixed deposits revealed that an amount of Rs. 7.85 Crore which had matured remained either to be encashed or renewed. Due to non-renewal or non-encashment, Government has lost substantial revenue by way of interest.

Department in its reply stated that FDRs will be renewed by the end of the month from their retrospective dates. Hence there will not be any loss of interest.

Final action of the Department is awaited.

PARA (C)(2)(xii) Non-disposal of seized Indian Currency and foreign Currency Rs. 7.29 Crore.

During the test check of records and reports maintained in the office of the Joint Director, Directorate of Enforcement, Foreign Exchange and Currency seized under FERA and FEMA Act and reports forwarded to Headquarters Office, New Delhi revealed that the Department seized both Indian and Foreign currency amounting to Rs. 7.29 Crore under FERA and FEMA act were lying to be credited into the Government Accounts at the end of March, 2011 which was outstanding since,1993 as per detailed given below:-

ACT	Type of Currency	Seized Amount
FERA	Indian Currency	5,35,69,231
	Foreign Currency	5,02,11,276
FEMA	Indian Currency	7,39,92,001
	Foreign Currency	23,40,958
PMLA	Indian Currency	65,81,007
Indian Currency booked in FDR under Provisional Attachment		7,28,66,084

PARA (C)(2)(xiii) Irregular payment of Rent of Office Building Rs. 7,21, 66,539/-

The office of ED, FEMA, Mumbai is presently located on the 2nd Floor of Mittal Chambers, since 1975, being taken on rent. As per item No. 16 of Annexure to schedule of Delegation of Financial Powers Rules, 1978, the rent agreement is required to be renewed upto 31.03.2011 for the Building 23-24 Mittal Chambers, Nariman Point, Mumbai -400021. The agreement is renewed upto 20-09-2002 and the last agreement was made on 21-11-1997. The period of 111 months has been lapsed for want of renewal of agreement. The rent is paid upto 31-10-2011@ Rs. 6, 50,149/- per month(Rs. 118/- per Sq. Feet)

The payment of rent is being made without any valid lease deed/rent agreement. No yearly sanction of payment of rent is being accorded by the competent authority.

The lease agreement w.e.f. 21-09-2002 in respect of 23-24 Mittal Chambers, be got regularized.

ED FEMA VARANASI

PARA (C)(2)(xiv) Irregular deduction allowed while computing of Income Tax.

During the course of checking of Income Tax cases, it has been revealed that the deduction of Transport Allowance has been allowed in full drawn during the Financial Year i.e. 2009-2010 and 2010.2011 where as it was to be allowed at Rs. 9600(maximum) during a financial year in respect of the following officers.

1. Shri Balvinder Singh, Asstt. Director.
2. Shri D.J. Mukherjee, AEO
3. Shri H.K. Pandey, Steno
4. Shri G.K. Dutta, Enforcement Officer
5. Shri R.T. Verma, UDC
6. Shri K.C. Prasad, Sepoy
7. Shri S.C. Saxena, Enforcement Officer
8. Shri B.Shah, AD-II

It has been presumed that in the previous financials years the same procedure has been followed for calculating the income tax. That may also be reviewed and the recovery may be affected immediately.

PARA (C)(2)(xv) Review of Penalties, confiscation, seizure off Indian and Foreign currency and valuables etc.-non realization of penalties amounting to Rs. 77, 57, 30,332/-

On review of records of Penalties, Seizure and Confiscation of Indian Currencies, Foreign Currencies, Valuables and other Movable or Immovable properties, it was observed that penalty of Rs. 77,57,30,332/- is still outstanding and to be realized. A photocopy of the statement regarding realization of penalty (as on 31-3-2011) is enclosed.

In this connection, it is pertinent to mention here the last Audit party-7 in their previous Audit Report (for the Year 2008-09) had also pointed out the same discrepancy and suggested to take some more vigorous steps to recover the above (huge) amount of penalties. Although the Authorities have submitted that they are taking each and every step to recover the old outstanding penalties, it is once again impressed upon that the office should take some more proactive steps/actions to recover the old outstanding penalties.

OTHER DDOs

DDO (CASH) REVENUE

PARA (C)(3)(i) **Short Recovery of Income Tax and surcharge amounting to Rs. 138307 during the Financial Tear 2000-01 as shown as FORM-16.**

- (A) Short Recovery of Income Tax and surcharge amounting to Rs. 138307/- during the Financial Year 2000-01 as shown as FORM-16
- (B) Short Recovery of Income Tax amounting to Rs. 12,046/-
- (C) Less Recovery of TDS amounting to Rs. 64.00 for the Year 2001-02
- (D) Incorrect calculation of Income Tax-Less Recovery of Income Tax.
- (E) Non-recovery of Income Tax amounting to Rs. 7601/- from Sh. M.K. Zutshi, Chairman, CBEC (Retired)

PARA (C)(3)(ii) **(A) Non-Adjustment of LTC. Advance /Claims.**

As per LTC Rules, cases in which advance is drawn, the final bill Shall have to be submitted with in one month after completion of return journey. If the official fails to submit the adjustment Bill within the prescribed period ,the advance sanctioning authority of the advance will levy penal interest from the date of advance taken.

On checking the LTC Advance Register, maintained by the DDO(Cash), DOR, New Delhi, it has been noticed that the LTC Advance in the following cases have not been adjusted:-

S. NO.	BILL NO.&DATE	NAME&DESIGNATION OF OFFICER	AMOUNT (RS.)
1.	28/01.05.08	SHRI P.K. MOHANTY,JS	55000/-
2.	219/15.09.09	SHRI NITIN SAINI,T.O.	29300/-
3.	388/09	SHRI ARNAY AICH,J.A	2800/-
4.	188/13.8.10	SHRI BABU LAL	9700/-
5.	579/11.03.11	SHRI JOSEPH ANTONY	75000/-
6.	70/05.05.2010	SHRI K. RAMALINGAM	42900/-
7.	153/10-11/16-7	SHRI S.C. SARKAR	27500/-

Immediate steps may please be taken to recover the unadjusted amount and the claim may please be forfeited in cases where the adjustment bills have been delayed by more than three months.

(B) Non-Adjustment of Foreign Travel Advance

On checking of FTA Register it was observed that FTA claim in respect of Shri P.K. Mohanty, JS drawn vide bill No. 26/08 for Rs. 190751/- is lying unadjusted in the records.

(C) No-reflection of TTA Advance in LPC

S. NO.	BILL NO.&DATE	NAME&DESIGNATION OF OFFICER	AMOUNT (RS.)
1.	TTA-29/06	SHRI B.S. MEHRA,US	35500/-
2.	TTA-5421/06	SHRI DEEPAK KLASDEKD,JS(BHOPAL)	78000/-
3.	TTA-518/07	SHRI DEEPAK MEHTA R.O.(CHANDIGARH)	16500/-

DDO CASH CESTAT

PARA (C)(3)(iii) Wasteful Expenditure of Rs. 5.48 lakh on account of pay and allowances of idle driver.

Scrutiny of records of CESTAT revealed that Shri Heera Lal was appointed as three wheeler Driver on temporary basis with effect from 7.12.2006 against post which became vacant due to absorption of three wheeler driver in the post of staff car driver w.e.f. 1.11.2005.

Further scrutiny of records revealed that the three wheeler of CESTAT was off the road since February, 2006 and was recommended for condemnation by Airports Authority of India vide vehicle Condemnation Certificate no. AAI/EM/VCC/403/ 2008/ 1624 dated 26.02.2008.

The above detail shows that the three wheeler is lying without working condition in the department since February 2006 to till date of audit.

Thus, an amount of Rs. 5.48 lakh, as detailed below, paid as pay and allowances to idle driver of the vehicle was wasteful:

PEIROD	GROSS SALARY OF EXTRA DRIVERS (RS.)		
12/06 TO 2/07	21,209	-	21,209
03/07 TO 2/08	97,924	-	97,924
03/08 TO 2/09	1,50,162	3,89	1,54,057
03/09 TO 2/10	1,97,315	5,346	2,02,661
03/10 TO 5/10	72,510		72,510
	Total		5,48,361

The services of the driver could have been diverted or other needy departments to avoid this wasteful expenditure.

PARA (C)(3)(iv) Irregular payments of Rs. 66,312 on account of LTC Claims in violation of LTC Rules.

As per Rule 6 of CCS leave Travel Concession Rules when a concession to visit any place in India is proposed to be availed of by the government servant and or members of his family, intended place of visits should be declared by the Government servant in advance, to his controlling authority and the government servant and his family members must visit the declared place to become eligible for making the LTC claim

However, scrutiny of LTC Bil no. 406 dated 07.07.2009 in respect of Ms. Archana Wadhwa, Member (Judicial), CESTAT revealed that at the time of applying for advance before proceeding on LTC, Mrs, Wadhwa declared Kanya Kumari (Tamil Nadu) as a place to be visited. As per details given in the LTC bill it was seen that Mrs. Wadhwa did not visit the declared place i.e. Kanyakumari and visited to Coimbatore, Thiruvanthapuram and Mumbai.

Since Ms. Archana Wadhwa did not visit the declared place, the payment of Rs. 66, 312/- on account of LTC by the department to Mrs. Wadhwa was irregular.

Thus Rs. 66, 312 paid on account of LTC may be recovered.

PARA (C)(3)(v) Non-adjustment of contingent advance amounting to Rs. 10.35 Lakhs.

As per Rule-292 (2) of general Financial Rule 2005, the adjustment bills of advance for contingent and miscellaneous purpose, along with balance, if any, shall be submitted by the Government servant within fifteen days of the drawl of advance, failing which the advance of balance shall be recovered from his next salary / salaries.

Test check of the Abstract Contingent/bill register revealed that advances amounting to Rs. 10.35 Lakh pertaining to the period 2003 to 2011 were lying outstanding for want of adjustment as per details given below:

Sl. No.	Bill No. & Date	Name of Party	Amount of Advance	Remarks / Settlement bill no. & date.
1	711/6.3.2003	Employment New Delhi	34787	Pending
2	64/1.5.2003	ET&T Computer Education & Training Centre	6100	64/1.5.2003
3	157/5.6.2003	NICSI	25882	952/5.1.2011
4	375/5.9.2003	NICSI	46586	952/5.1.2011
5	579/10.12.2003	NICSI	236396	952/5.1.2011
6	753/19.2.2004	HCL Info. Systems Ltd.	352350	Pending
7	802/9.3.2004	Hindustan Motors Ltd.	323242	Pending
8	815/12.3.2004	Employment New Delhi	23871	Pending
9	25/5.4.2005	AR, CESTAT, Bangalore	80000	904/5.3.2007
10	136/20.5.2005	AR, CESTAT, Bangalore	80000	14/2.4.2007
11	211/1.7.05	AR, CESTAT, Bangalore	20000	294/107.207
12	269/20.7.05	AR, CESTAT, Bangalore	80000	14.2.4.2007

13	345/23.8.05	AR, CESTAT, Banglore	30000	294/2.4.2007
14	783/24.2.2006	AR, CESTAT, Banglore	50000	294/2.4.2007
15	165/13.5.2008	Living Media India Ltd.	780	Pending
16	620/14.9.2009	Hinti Protsahan Bhata	32800	541/18.10.2010
17	663/5.10.2009	AR, CESTAT, Banglore	100000	590/1.9.2010
18	756/6.11.09	AR, CESTAT, Banglore	100000	718/8.10.2010
19	770/10.11.09	AR, CESTAT, Banglore	100000	590/1.9.2010
20	856/7.12.2009	AR, CESTAT, Ahemadabad	100000	630/14.9.2010
21	999/18.1.2009	AR, CESTAT, Ahemadabad	100000	630/14.9.2010
22	1033/29.1.2010	AR, CESTAT, Ahemadabad	100000	378/8.7.2010
23	1074/15.2.2010	AR, CESTAT, Ahemadabad	100000	630/14.9.2010
24	1061/28.1.2011	AR, CESTAT, Banglore	100000	Pending
25	1144/17.2.2011		100000	Pending
26	1230/16.3.2011	AR, CESTAT, Banglore	100000	Pending
		Total	10,35,030/-	

These advances were lying outstanding mainly with A.R. CESTAT, Bangalore, AR. CESTAT Ahmedabad, NIC etc. In the absence of adjustment of these advances, it could not be ensured, whether the whole amount of advances was utilized for the purpose for which it was given. Non refund of unspent balance of advance, if any, tantamount to misuse of government money.

Further Rule 292 (i) (iv) of GFR stipulates that the Head of office shall be responsible for timely recovery or adjustment of the advance.

Expeditious action may be taken for adjustment of above advances and responsibility may be fixed for non-adjustment or non-recovery of outstanding advance.

(D) DEPARTMENT OF EXPENDITURE

DDO (CASH) EXPENDITURE

PARA D(1)(i) Irregular payment of Rs. 672,741/- to M/s New Delhi Car Clinic, New Delhi towards servicing/repair/maintenance of staff car/three wheelers.

While checking the record of the DDO, Department of Expenditure, New Delhi for the periods 2010-11, it is observed that on awarding the contract for servicing/repair/maintenance of staff car to M/s New Delhi Car Clinic, New Delhi, the authorities have failed to analysis the documents submitted by the tendering firms. It is seen from the records that the tenders were invited for awarding the contract w.e.f. 01.08.2010 after extending the AMC to M/s New Delhi car Clinics, New Delhi since 30/05/2005 for three years continuously.

The quotation for AMC w.e.f. 01.08.2010 were invited vide letter dated 24.5.2010. The department had received 5 quotations by the due date 11.6.2010 and only one quotation by M/s New Delhi Car Clinic, New Delhi could only qualified for consideration. Thus, a fresh quotation was invited again vide letter dated 16.6.2010.

This time five quotations were received by the due date, i.e.28.6.2010. Out of 5 quotations received two firms named 1. M/s Pee DEE Motors, New Delhi and

2 M/s New Delhi car Clinic, New Delhi could only qualify for consideration and the contract was awarded to M/s New Delhi Car Clinic, New Delhi.

On going through the tender documents it has been revealed that both the quotations qualified for consideration were submitted by the firms belonging to a family and it defeats the purpose of awarding contract by open invitation of tenders. Thus, the award of contract to M/S New Delhi Car Clinic, New Delhi by the Department was not in order. Moreover, an amount of Rs. 6,72,741/- has been paid to M/s New Delhi Car Clinic, New Delhi during the period from 01.08.2010 to 31.03.2011.

DDO (SIU), NEW DELHI

PARA D (1)(ii) **Deployment of staff in excess of sanctioned strength.**

As per guidelines of Staff Inspection Unit (SIU), the main objectives were to review staffing of Government establishment through a programme of studies, to ensure utilization of staff sanctioned for a particular purpose/function and simplification of work/procedure in so far as it will result in economies without sacrificing efficiency

Scrutiny of the records related to sanctioned strength and men-in-position for the period 2008-11 it was noticed that the SIU had incurred pay and allowances of Rs. 71.62 lakh on the excess staff against the sanctioned strength as detailed below:

S. No.	YEAR	Name of Post	Sanctioned Strength	Men in Position	Amount of pay and allowances
1.	2008-09	Dy. Secretary	--	2	1307716
2.		Private Secretary	1	3	892095
3.		Jamadar	--	2	289905
4.	2009-10	JS	--	1	221204
5.		Dy. Secretary	--	2	1719313
6.		Private Secretary	1	2	585897
7.		Jamadar	--	1	210666
8.	2010-11	JS(Oct-Feb.)	--	1	421419
9.		Dy. Secretary	--	1	772969
10		Private Secretary	1	2	650869
		Jamadar	--	1	90600
		TOTAL			7162653

This indicates unauthorised expenditure on account of Pay and Allowances on surplus staff without adequate work in SIU.

DDO (RTC) CHENNAI

PARA D (1)(iii) Purchase of Stationery –Excess over the limit of Rs. 4,000/- per annum Delegated to Head of Office vide item No. 21(B) of Annexure to Schedule V of Delegation of Financial Power Rules.

Attention is invited to the provisions provided under the above cited item.

The following are the details of purchases of stationery made during 2005-2006.

S. NO.	BILL NO. & DATE	AMOUNT (RS.)	SUPPLIER
1.	87 DT. 14-10-2005	440/-	VARIETY FANCY & STATUOARY, CHENNAI
2.	119 DT. 20-12-2005	2233/-	NCCF, CHENNAI
3.	130 DT. 19-01-2006	1867/-	NCCF, CHENNAI
4.	139 DT. 10-02-2006	1981/-	NCCF, CHENNAI
	TOTAL	6221/-	

This is a clear excess over the prescribed limit of Rs. 4,000/- for the Head of Office for a Financial Year.

2006-07

S. NO.	BILL NO. & DATE	AMOUNT (Rs.)	SUPPLIER
1.	18 DT. 10-05-2006	1929/-	NCCF, CHENNAI
2.	58 DT. 12-07-2006	1538/-	NCCF, CHENNAI
3.	69 DT. 02-08-2006	4348/-	NCCF, CHENNAI
4.	77 DT. 17-08-2006	3900/-	NCCF, CHENNAI
5.	86 DT. 04-09-2006	5187/-	NCCF, CHENNAI
6.	109 DT. 04-10-2006	7635/-	NCCF, CHENNAI
7.	131 DT. 02-11-2006	2464/-	NCCF, CHENNAI
8.	134 DT. 03-11-2006	3119/-	NCCF, CHENNAI
9.	159 DT. 16-01-2007	3074/-	NCCF, CHENNAI
10.	187 DT. 20-03-2007	9368/-	M/S VINCO INTERNATIONAL, CHENNAI
	TOTAL	45562/-	

These purchases need to be regularized by obtaining the ex-post facto sanction of the Head of Department.

The current Audit position is as under:-

YEAR	AMOUNT (RS.)	EXCESS
2008-2009	13169/-	RS. 9169/-
2009-2010	NA	NA
2010-2011	7800/-	RS. 3800/-

PARA D (1)(iv) Less Recovery of Income Tax amounting to Rs. 4300/- + SC+ Cess.

During the scrutiny of records pertaining to the period 2008-2009 in respect of **Office of RTC, Chennai**, it has been observed that vide Bill No. 189/- dated 31.03.2010, Honorarium .@ Rs. 2500/- each have been paid to Smt. Hemalatha Sapthirishi Sr. A.O. and Shri N. Raja AAO and payment made to them by Cheque No. B 007511 dated 31.03.2010. Income Tax has not been deducted at source. This results in less recovery to the tune of Rs. 1000/-+ SC+ Cess in respect of the above said officials.

Similarly, an amount of Rs. 16,209 towards leave encashment has been drawn by Smt. Hemalatha Sapthirishi Sr. A.O. vide Bill No. 187 dated 31.03.2010 and cheque No. B 007510 dated 31.03.2010. Income Tax has not been recovered/deducted from the incumbent. An amount of Rs. 3242 + SC+Cess be recovered and deposited under the Head Income Tax along with interest.

(E) DEPARTMENT OF DISINVESTMENT

Only one unit is under the Department of Disinvestment & in the year 2011 – 12, it was not audited.

(F) PUBLIC SECTOR BANKS & GRANTEE INSTITUTIONS

PARA F (i) Penal Interest of Rs. 4.87 crores (approximately) recoverable from State Bank of India and other Nationalised Banks on account of delayed remittances of collections under various Deposit Schemes of Ministry of Finance.

As per instructions contained in Reserve Bank of India circular number 13/4272/85-86 dated 7.4.1986, S.S. 381/99/9091 94-95 dated 9.5.1995 it was decided in consultation with the, Ministry of Finance, and the Controller General of Accounts that Banks handling transaction relating to Miscellaneous Govt. Schemes should report the consolidated figures to GAD Mumbai for onward reporting to Reserve Bank of India, Central Accounts Section, Nagpur for accountal in Government Accounts on a day to day basis. Further, as per Reserve Bank of India, Central Office Mumbai Circular No.: CODT 15-01-2001/1047/97-98 Dated 16-09-1997, 3 days grace period (excluding holidays) is admissible for remittance of collections. Accordingly, penal interest is payable by banks in all cases wherein the prescribed grace period of 3 clear working days has been exceeded. Penal Interest on this account is recoverable for the entire period of delay starting from date of receipt of the subscriptions at the receiving branches till final credit of the amount to the Government Account.

During the inspection of various focal point branches of State Bank of India and other Nationalised Banks, delay in remittance of amounts collected under various Deposit Schemes of Govt. of India were noticed and penal interest amounting to Rs. 4.87 crores (approximately) payable to Government of India was pointed out. Details of amount payable as penal interest are given in the annexure.

The concerned branches of Bank have been advised to pay the amount of Penal Interest mentioned against each immediately.

<i>State Bank of India</i>						
<u>Statement of Penal Interest levied during the year 2011-12</u>						
Sl. No.	Branch Name	Penal Interest Levied				Total
		PPF 1968	SCSS	SDS	R. Bond, DSRGE etc.	
1	Meerut Cant	66019.00	801398.00	0.00	0.00	867417.00
2	Muzaffarpur, Bela Ind.	20641.00	0.00	0.00	0.00	20641.00
3	Jaipur	142968.00	1147453.00	0.00	0.00	1290421.00
4	Nagpur, Itwari	2727609.00	7234045.00	0.00	0.00	9961654.00
5	Varanasi	1240808.00	9555421.00	0.00	0.00	10796229.00
6	Dehradun	8526.00	768075.00	0.00	0.00	776601.00
7	Goa	116281.00	0.00	0.00	0.00	116281.00
8	New Delhi, Tis Hazari	208548.00	21905046.00	0.00	0.00	22113594.00
9	Raipur	139998.00	595469.00	0.00	0.00	735467.00
10	Tirupati	296042.00	314324.00	0.00	0.00	610366.00
11	State Bank of Indore now merged with SBI	2424.00	132262.00	0.00	0.00	134686.00
	Total	4969864.00	42453493.00	0.00	0.00	47423357.00
<i>Other Public Sector Banks</i>						
<u>Statement of Penal Interest levied during the year 2011-12</u>						
Sl. No.	Branch Name	Penal Interest Levied				Total
		PPF 1968	SCSS	SDS	R. Bond, DSRGE etc.	
1	United Bank of India	0.00	389162.00	0.00	0.00	389162.00
	Total	0.00	389162.00	0.00	0.00	389162.00
<i>Associates of SBI</i>						
<u>Statement of Penal Interest levied during the year 2011-12</u>						
Sl. No.	Branch Name	Penal Interest Levied				Total
		PPF 1968	SCSS	SDS	R. Bond, DSRGE etc.	
1	SBBJ	2949.00	0.00	0.00	0.00	2949.00
2	State Bank of Patiala	232.00	980541.00	0.00	0.00	980773.00
	Total	3181.00	980541.00	0.00	0.00	983722.00
	Grand Total					48796241.00

PARA F. (ii) Penal Interest amounting to Rs. 14.61 crores (approximately) recovered from various branches of State Bank of India and other Nationalised Banks on account of delayed remittances of collections under various Deposit Schemes of Ministry of Finance

A Branch-wise and Bank – wise statement showing the penal interest recovered from various public sector banks on account of delayed remittances of collections under various deposit schemes of Ministry of Finance during the financial year 2011-12 is given in annexure.

<i>State Bank of India</i>						
Branch-wise/Scheme-wise Statement of Penal Interest recovered during the year 2011-12						
Sl. No.	Branch Name	Penal Interest Recovered				Grand Total
		PPF-1968	SCSS	R. Bond, DSRGE	SDS	
1	Berhampur	30130.00	16985.00	0.00	0.00	47115.00
2	Mumbai, GAD	1996223.93	0.00	0.00	0.00	1996223.93
3	Patna, Baily Rd.	140017.00	41079.00	0.00	0.00	181096.00
4	Gandhinagar	2968142.00	0.00	0.00	0.00	2968142.00
5	Kanpur, Latouche Rd.	395249.40	189003.00	0.00	0.00	584252.40
6	Bangalore, Shivaji Nagar	7030001.00	20026954.66	0.00	0.00	27056955.66
7	Chennai, T. Nagar	1092696.00	28326489.00	0.00	0.00	29419185.00
8	Chennai. Mian Br.	1804.00	0.00	0.00	0.00	1804.00
9	Pune	1476734.00	5530363.00	0.00	0.00	7007097.00
10	Kolkata, VIP Road	409561.00	2891190.00	0.00	0.00	3300751.00
11	Madurai	72496.00	368469.00	0.00	0.00	440965.00
12	Lucknow	11148.00	0.00	0.00	0.00	11148.00
13	Goa	116382.00	30685.00	0.00	0.00	147067.00
14	Gorakhpur	89956.00	0.00	0.00	0.00	89956.00
15	Jalandhar	153128.34	906671.00	0.00	0.00	1059799.34
16	Baroda	119725.00	0.00	0.00	0.00	119725.00
17	Burdwan	293453.00	2898810.00	0.00	0.00	3192263.00
18	Trivandrum	762148.00	135000.00	0.00	0.00	897148.00
19	Nagpur, Itwari Br.	929694.00	0.00	0.00	0.00	929694.00
20	Trichirapalli	111398.00	115525.00	0.00	0.00	226923.00
21	Mumbai, Safedpul	10478371.00	9719474.00	0.00	0.00	20197845.00
22	Ahmedabad, Polytechnic Br.	306024.00	0.00	0.00	0.00	306024.00
23	Raipur	2125990.03	5906082.00	0.00	0.00	8032072.03
24	Nagpur, Sevasadan Br.(State Bank of Saurashtra)	2511.00	157085.00	0.00	0.00	159596.00
	Total	31112982.70	77259864.66	0.00	0.00	108372847.36
<i>Other Public Sector Banks</i>						
Statement of Penal Interest recovered during the year 2011-12						
Sl. N.	Branch Name	Penal Interest Recovered				Grand Total
		PPF-1968	SCSS	R. Bond, DSRGE	SDS	
1	Bank of India	1492968.00	0.00	0.00	0.00	1492968.00
2	Union Bank of India	761199.00	0.00	0.00	20390.00	781589.00

3	Punjab National Bank	14783897.00	16528895.00	0.00	0.00	31312792.00
4	Central Bank of India	2636530.00	504248.00	0.00	0.00	3140778.00
	Total	19674594.00	17033143.00	0.00	20390.00	36728127.00
<i>Associates of SBI</i>						
Statement of Penal Interest recovered during the year 2011-12						
Sl. N.	Branch Name	Penal Interest Recovered				Grand Total
		PPF-1968	SCSS	R. Bond, DSRGE	SDS	
1	State Bank of Trivandrum	344173.00	657572.00	0.00	0.00	1001745.00
	Total	344173.00	657572.00			1001745.00
<i>Private Bank</i>						
Statement of Penal Interest recovered during the year 2011-12						
Sl. N.	Branch Name	Penal Interest Recovered				Grand Total
		PPF-1968	SCSS	R. Bond, DSRGE	SDS	
1	ICICI Banks	1936.00	8381.00	0.00	0.00	10317.00
	Total	1936.00	8381.00			10317.00
	Grand Total					146113036.36
