

## Chapter-III COMPLIANCE AUDIT

### Department of Co-operative Societies

#### 3.1 Registrar of Co-operative Societies, Government of NCT of Delhi

**Registrar did not maintain year wise details of Registered Co-operative Societies. No action was initiated against societies which failed to submit their audited accounts, to contribute to the Cooperative Education Fund, to hold annual general meeting, to file annual return, to hold elections etc. No recovery of outstanding loans and investment in share capital of societies was ensured. The financial management of SEEF Fund was found to be poor.**

The audit of Registrar of Cooperative Societies, Government of NCT of Delhi covering the period 2010-11 to 2012-13, was conducted to assess the department's performance in monitoring the implementation of the provisions of the Act and functioning of the cooperative societies in Delhi. The following are the important audit findings:

##### 3.1.1 Unreliable data base of the registered societies

Section 4(1) and 7(1) of the Delhi Cooperative Societies Act, 2003 (Act), provide for registration of various types of societies with the Registrar. Audit scrutiny showed the following irregularities:

- The Registrar did not maintain a year wise register in Form 4 for maintaining the data relating to registered cooperative societies, either in manual or electronic form as required under Rule 7 of the DCS Rules, 2007. However, as per data provided by the Computer Wing of the Department, there were 5558 cooperative societies registered with the Department, as on 31 March 2013. Category wise status of societies is given in **(Annexure-3.1.1)**.

The Department replied (December 2013) that instructions were being issued to all zonal in-charges to start maintaining manual/ electronic register in Form 4 with immediate effect.

- The data base of 5558 societies does not include 66 societies to whom the Department had given loans and 121 non-government societies, where the Department had invested in the share capital in the past. For instance, Delhi Cooperative Housing Finance Corporation Limited, registered in August 1970, in which, the Department had invested ₹ 30.26 crore, did not exist in the data base. Further, there were 1784 societies (1063 active and 721 inactive) for which the date of registration was marked as 1 January 1974, and no physical records were available with the Department. In the absence of any records for such societies, the mechanism adopted to monitor the functions performed by these 1063 cooperative societies by the Department could not be ensured in Audit.

The Department replied (December 2013) that all the societies to whom it had given loans/ invested capital had been identified and a compiled list had been supplied to all zonal in-charges for taking recovery action in the matter and updating the data base.

- As only a few societies were regular in submitting annual reports (discussed in succeeding paragraphs), an assurance could not be drawn whether 3822 societies shown as active in data base, were actually active and functioning.
- A society which is non-functional for three consecutive years is required to be categorized as “defunct society”. A total number of 415 cooperative societies were non-functional for three consecutive years during 2009-10 to 2011-12, but were not categorized as defunct during 2012-13. As a result, the data bank of registered societies, maintained by the Department does not reflect a true picture.

The Department replied (December 2013) that the existing mechanism of submission of annual returns/ reports by registered societies to show their functional status would be reviewed for introduction of manual/ system generated notices to the defaulting societies on annual basis.

### **3.1.2 Non-winding up of societies**

Section 94 of the Act stipulates that in case of a House Building Cooperative Society, where all the plots have been allotted to its members and basic civic services transferred to the local civic body, the Registrar shall, after giving 60 days notice to the cooperative society, initiate winding up proceedings for such society. In case, the land is allotted on perpetual lease basis, prior consent of lessor is required before winding up. In case, where society has been provided land to run a school, community centre, dispensary etc., these provisions do not apply if the general body of the society decides to run these activities for the benefits of the residents. Audit observed that the Department had not compiled any such data. It, however, replied (August 2013) that in most of the house building societies, the civic services have already been transferred to the local bodies, but societies cannot be wound up without the consent of lessors (L&DO/DDA). However, it could not produce any correspondence with lessors, seeking their consent for winding up of societies covered under the provisions of Section 94. In the absence of records, Audit could not ascertain the number of societies required to be wound up.

In its reply, the Department stated (December 2013) that audit findings regarding compilation of data and taking follow up action with the Lessor would be pursued vigorously.

### **3.1.3 New registrations during 2010-11 to 2012-13**

During 2010-11 to 2012-13, the Registrar registered 92 Cooperative Societies. Out of these, Audit selected 46 societies (50 *per cent*) for examination. The examination of records of 44 cases, as provided by the Department, showed the following:

**3.1.3.1 Irregularities in registration of co-operative societies:** Section 5 of the Act stipulates that in case of a primary cooperative society, each of the members shall be a member of different family. Rule 5 (1) (j) requires a declaration on oath from each of the promoter members to the effect that he is not a member of the family of any other promoter joining in the application for registration. Audit scrutiny showed that in 13 cases, there were 92 members who were related. In three societies, both husband and wife or father/mother and son were holding the posts in the managing committee. The concerned dealing divisions of the department recommended the registration of societies without verifying the details.

In its reply, the Department stated (December 2013) that audit findings were noted for taking corrective measures viz. issuance of instructions to the zonal Assistant Registrars for proper scrutiny of application forms besides issuing show cause notices to the concerned societies.

**3.1.3.2 Delay in registration of new cooperative societies:** Section 9 of the Act stipulates that the application for registration should be disposed of within 90 days from the date of receipt. If unable to dispose of the application within 90 days, Registrar shall make a report to the Government stating therein the reasons for his inability to do so and Government may allow him further time not exceeding ninety days to dispose off such applications. However, 36 out of 44 societies, were registered with a delay ranging upto 477 days and nothing was on record to indicate whether extension of time was sought from the Government. In its reply, the Department stated (December 2013) that audit findings were noted for scrupulous and timely compliance in regard to disposal of applications for registration as per norms prescribed in the DCS Act.

#### **3.1.4 Audit of accounts**

##### **3.1.4.1 Non-submission of audited accounts by the cooperative societies**

Proper and timely audit is essential to ensure that the affairs of the cooperative societies are managed in accordance with the cooperative principles and prudent commercial practice. The provisions of the Act require a cooperative society to get its accounts audited annually by an Auditor from the panel prepared by the Department, within 120 days from the prescribed date or making up its account for the year (i.e. 30 April for a financial year ending 31 March) and forward the audit report to the Department.

Audit observed that cooperative societies which did not submit audited accounts during 2007-08 to 2011-12, ranged from 59 to 64.23 *per cent* of the total active societies. The Department made no efforts to take-up the issue of submission of audited accounts with the registered societies, even though 11382 audited accounts were not submitted during 2007-12. Penalty of ₹ 1.71 crore against defaulting societies @ ₹ 1500 per year, as prescribed under Rule 167, was not imposed. This pointed to lack of an effective monitoring system to ensure submission of audited accounts by the societies and penal action against the erring societies.

Even where audited accounts were received, the Department did not have a system to review these reports, to identify deficiencies in functioning of the societies and further remedial action as per Section 62 and 67 of the Act.

In its reply, the Department stated (December 2013) that audit findings for creating an effective mechanism for monitoring of audit reports, levy of penalties in the cases of default etc. had been noted for initiating remedial measures and issuing necessary directions to concerned zonal officers.

#### **3.1.4.2 Non-cancellation of registrations for non-submission of audited accounts**

Section 20(5) of the Act stipulates that in case of cooperative society which did not get the audit conducted or not hold any annual general body meeting for five consecutive years, such society shall be deemed to have been dissolved and shall cease to exist as corporate body after the expiry of the said period of five years. Section 60(6) further, stipulates that on failure to get the audit of the cooperative society conducted in time, the Registrar shall get the audit conducted and fee paid shall be a charge against the delinquent officers of the committee and shall be recoverable from them as arrears of land revenue. Audit scrutiny showed that 1871 societies did not have their accounts audited even once during 2007-12. As such, these 1871 societies should have been dissolved and ceased to exist in the year 2012-13, under Section 20(5) of the Act; however, the Department did not take any action to cancel their registration and allowed them to continue their operations. The Department did not even invoke the provisions of section 60(6) to get the audit conducted and charge the fee from delinquent officers of the Committee.

In its reply, the Department stated (December 2013) that most of the societies had fixed assets and outside liabilities, hence, could not be dissolved. It further stated (December 2013) that audit findings had been noted for taking corrective and remedial action u/s 20(5) of the Act, wherever the provision of section 60(6) can be invoked.

#### **3.1.5 Cooperative Education Fund (CEF)**

Section 55 of the Act stipulates that every cooperative society shall, out of its net profit in any year, credit to CEF such portion of profit, not exceeding five *per cent*, as may be prescribed in the CEF Rules. Rule 74 (1) stipulates that every co-operative society shall credit a sum calculated at the rate of two *per cent* of its net profit every year subject to a maximum of fifty thousand rupees as contribution to the CEF. The fund shall be utilized for grant-in-aid to Delhi State Cooperative Union and Delhi State Cooperative Training Centre for undertaking cooperative education, training, and other cooperative development activities. During 2010-13, the Department received ₹ 3.35 crore as contribution to the CEF and spent ₹ 2.28 crore out of the Fund during the same period.

Audit observed that though the Department accounted for the amount deposited voluntarily by the societies, it did not have the details of the societies contributing to this.

### 3.1.6 Other statutory obligations of a cooperative society

Registered societies are required to meet certain statutory obligations as prescribed under the Act and Rules. Extent of the fulfillment of statutory obligations by the societies are discussed below:

#### 3.1.6.1 Annual General Body Meeting (AGM)

Section 31 (1) requires every society to hold, within a period of 180 days of making up its accounts for the year, a General Body Meeting of its members, for approval of its programme of the activities, audit report, audited accounts, etc. The Department did not have any records to indicate the societies which did not fulfill the obligations. The Department failed to initiate action under Section 31(2) to call such meetings.

In its reply, the Department admitted (July 2013) that there was no mechanism to monitor the statutory activities of all societies and attributed the reasons to acute shortage of manpower in the Department. It further added (December 2013) that it proposes to take the remedial action by creating a system of manual/ computer based monitoring of annual returns, creating a data base for AGMs and issuance of system generated notices to defaulting societies.

#### 3.1.6.2 Filing of annual return by societies

There was no system to ensure that all societies were submitting the annual returns to the Department as required under section 32 of the Act. Only 10.32 *per cent* of active societies in 2010-11 and 19.74 *per cent* in 2011-12 submitted the annual returns. The Department did not make any efforts to pursue the defaulting societies for submission of returns.

In its reply, the Department stated (December 2013) that effective monitoring system would be put in place by issuing manual/ system generated notices to defaulting societies.

#### 3.1.6.3 Holding of elections by societies

Under section 34 and 35 of the Act, all cooperative societies should hold election on the date of holding AGM. It was observed that the Department did not maintain records of societies where elections were due during the year, but not conducted. Only one out of nine zones could give the number of societies, who conducted elections during the period 2010-11 to 2012-13.

In its reply, the Department, endorsing the audit findings, stated (December 2013) that effective monitoring system would be put in place for taking corrective/ remedial actions through manual/ system generated notices for taking further action u/s 34 and 35 of the Act.

### 3.1.7 Outstanding loans to cooperative societies

GNCTD provides loans to the cooperative societies through Registrar of Cooperative Society repayable in 10 equal installments with interest @ 5.25 to 12.5 *per cent* per annum. In case of default, penal interest @ 2.75 *per cent* above the normal rate of interest is payable.

The Government had provided ₹ 0.96 crore as loans to 257 societies during 1962 to 2003. As on 31 March 2013, ₹ 2.29 crore (principal - ₹ 0.64 crore and

interest ₹ 1.65 crore) was yet to be recovered and the Department did not make efforts to recover outstanding loans of ₹ 2.29 crore.

In its reply, the Department stated (August 2013) that the process of issuing notices/ summons got delayed due to shortage of staff, and the recovery was hampered after retirement of Deputy Director (Planning) in December 2006. It further stated (December 2013) that as per audit findings, list of all such defaulting societies had been compiled and supplied to zonal Assistant Registrars/Assistant Collectors for initiating recovery process and progress would be regularly monitored.

### **3.1.8 Share capital investment**

The Government had invested ₹ 1.59 crore as share capital in 606 cooperative societies during March 1958 to February 1994 for a period of 15 years out of which the Department could recover only ₹ 24.20 lakh till March 2013, leaving ₹ 1.35 crore as unrecovered, resulting in its blockade.

The Department replied (December 2013) that out of ₹ 1.35 crore, only ₹ 55 lakh remained to be recovered from the defaulting societies whose list had been compiled for initiating recovery process and remaining ₹ 80 lakh was invested in Delhi State Cooperative Bank, from where annual dividend of ₹ 10 lakh was received by the Department. Fact remains that till 2013, Department has not initiated the procedure for recovery of outstanding amount of ₹ 55 lakh.

### **3.1.9 Settlement and Execution Expenses Fee Fund (SEEF Fund)**

Rule 164 (3) stipulates creation of a SEEF Fund, to be managed and controlled by a committee headed by the Registrar Cooperative Societies and comprising of eight members (one each from the Delhi Cooperative Housing Finance Corporation, Delhi State Cooperative Bank Ltd., Delhi Consumers Cooperative Wholesale Stores Ltd., Deputy Development Commissioner and four ex-officio members from Registrar's office). Fee realisable<sup>1</sup> on account of reference of disputes to the Registrar should be credited to this Fund and all expenditure relating to reference of disputes should be paid out of this Fund.

#### **3.1.9.1 Poor financial management of funds**

As per the Rules, the SEEF Fund was to be managed and controlled by the Committee, which did not meet even once during 2010-13. All financial decisions including investment of surplus funds were made with the approval of the Registrar. Audit observed poor financial management of SEEF Fund as substantial balances in excess of actual requirement were lying idle in savings/ current bank account. The average monthly balance after meeting all expenditure ranged from 24 to 53 times of average monthly expenditure during 2010-13. As on 31 March 2013, the SEEF Fund had accumulated balance of ₹ 18.51 crore. The Department stated (July 2013) that it was going to hold a meeting of the Committee and all the expenditure incurred so far would be placed before the Committee. The reply, however, did not specify any time frame for the committee meeting and approval of expenditure.

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<sup>1</sup> five per cent on all sums recovered by the Recovery Officer from judgment debtors.

**3.1.9.2 Non-preparation of Annual Accounts for SEEF Fund**

The Department did not prepare Annual Accounts of the “SEEF Fund” i.e. Receipt and Payment Account, Income and Expenditure Account, and the Balance Sheet as of August 2013. Scrutiny of records showed that even bank reconciliation statements were not being prepared by the Department to reconcile the closing balances of cash books with the bank statements. In the absence of Annual Accounts and bank reconciliation statement, Audit could not ascertain the correctness of the balance in the Fund.

**3.1.9.3 Differences between balances in cash book and bank statements**

Examination of cash books and bank statements for SEEF Fund for the period 2010-11 to 2012-13, showed a difference of ₹ 1.11 crore between the balances shown in the cash book and bank statements<sup>2</sup>. This requires reconciliation.

The Department replied (December 2013) that the statement of expenditure incurred during last three years was under preparation. An Auditor had been appointed to audit the accounts who would also undertake the bank reconciliation work to ascertain the correctness of balance in the SEEF Fund.

**3.1.10 Public grievances redressal system - delay in settlement of arbitrations proceedings**

Audit noticed that a large number of disputes were registered annually and referred to Arbitrators for settlement. During 2012-13, out of 3894 cases registered for settlement, 2302 were referred to Arbitrators and 1592 cases were pending with Assistant Registrars for decision for referring to Arbitrators.

As per Rules 84 and 85, read with Section 70 and 71, the Registrar shall decide within 90 days, about referring the disputes to Arbitrator and the Arbitrator shall record his award within a period of 90 days and shall communicate it to the parties. Analysis of statistical data in the arbitration register showed that the disputes were not settled within 180 days, as stipulated. A test check of the data related to disputed cases of Thrift & Credit and Banking Societies lodged during April 2012 to September 2012 and referred to arbitrators for settlement of disputes showed the following:

Cases registered during April to September 2012	Number of Cases Withdrawn/ Dismissed	Number of cases referred for decision u/s 71 for arbitration proceedings	Number of cases having delay beyond stipulated period of 180 days u/s 70 and 71
1560	350	1210	460

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Balances as on	Current Account		Difference	Saving Account		Difference
	Amount as per Cash Book	Amount as per Bank Statement		Amount as per Cash Book	Amount as per Bank Statement	
31-3-2011	22084011	15320650	(-6763361	3361470	4770200	1408730
31-3-2012	29082200	15410915	(-)13671285	6809286	4836877	(-) 1972409
31-3-2013	23992130	13147752	(-)10844378	3882939	3604912	(-) 278027

It may be seen that there was delay in 460 cases (38 per cent) beyond the stipulated period of 180 days. The delay ranged upto 242 days. Analysis of data further showed that of these 460 cases, in 71 cases the delay ranged between 90 to 200 days, in nine cases, the delay was more than 200 days and in remaining 380 cases the delay ranged up to 90 days beyond the stipulated period of 180 days.

The Department replied (December 2013) that the existing panel of Arbitrators mainly consists of retired officers from Government/ Autonomous bodies who were not well equipped and conversant with the arbitration matters and now with findings of audit, a training programme of empanelled Arbitrators was being pursued by the Department in near future.

## **Department of Health and Family Welfare**

### **3.2 Fire Safety Arrangements in Delhi Government Hospitals**

**Eight out of 37 Government hospitals in Delhi do not have No Objection Certificates issued by Department of Fire Services as of December 2013. Non-functioning of fire fighting systems and improper use of basements were noticed. In selected hospitals, neither training for staff on fire safety nor mock fire drills with the help of DFS, were conducted.**

An audit of the fire safety arrangements in Delhi Government Hospitals covering the period 2010-13, was conducted to ascertain whether hospitals have taken adequate measures to prevent and fight any outbreak of fire. Out of 37 Government hospitals, 10 hospitals<sup>3</sup> which had not been issued No Objection Certificates (NOCs) by the Delhi Fire Service (DFS), were selected for detailed scrutiny. The following are the audit findings:

#### **3.2.1 Review of fire safety in hospital buildings by the GNCTD**

The Health and Family Welfare (H&FW) Department circulated (16 December 2011) instructions to all Heads of the Government hospitals to take steps to ensure fire safety in their hospitals and take note for compliance of sections 29 (g), 31 and 34 of the Delhi Fire Service Act regarding responsibility of owner or occupier of the buildings, for fire safety arrangements, appointment of Fire Safety Officer, etc. The Department followed this by calling periodical meetings of Medical Superintendents of hospitals and officials of PWD for reviewing the status of NOCs in the hospitals. The DFS carried out inspection of all the 37 hospitals in December 2011, and based on fulfillment of the norms required, issued NOCs to 21 hospitals. While six hospitals were exempted from the requirement of NOC under the provisions of the DFS Act, 10 hospitals were not issued NOCs as they failed to comply with the laid down fire safety norms.

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<sup>3</sup>Lok Nayak Hospital, Guru Teg Bahadur Hospital, Gobind Ballabh Pant Hospital, Baba Saheb Ambedkar Hospital, Maulana Azad Institute of Dental Sciences, Maternity Hospital, Acharya Bhikshu Hospital, Dr. BR Sur Homoeopathic Medical College and Hospital, Nehru Homoeopathic Medical College and Hospital, Guru Nanak Eye Centre.



### 3.2.2 Present status of NOCs in selected hospitals

As per Section 35 of the DFS Act, the Director or any other officer(s) authorised by him, shall issue an NOC to the owner or occupier of the building or premises with such conditions as may be specified in the NOC for compliance. The validity of NOC as per Section 36 is three years for hospital buildings. The DFS had been carrying out inspections of hospitals at various intervals and issuing notices, instructions and warnings in respect of fire safety norms. The shortcomings were primarily on non-functioning of fire fighting systems such as fire pumps, detection system, sprinkler system, fire extinguishers, exit signs etc. and on required pathway, ramps and fire check doors in old and existing hospitals. Some of the specific details are as follows:

In Maternity Hospital, the DFS pointed out in December 2012 that the width of staircase was 1.4 mt. as against the requirement of 2 mt. The DFS relaxed (June 2013) the condition subject to creation of a refuge area on first and second floors, while in cases of Dr BR Sur Homoeopathy College and Hospital and Nehru Homoeopathic College and Hospital, major capital nature works were required. The certificate from CHRI, Roorkee or any Government authorised laboratory for fire check doors and steel doors was the main requirement for NOC in case of Maulana Azad Institute of Dental Sciences. These shortcomings were communicated by DFS to the concerned Medical Superintendents and PWD divisions. The observations of the DFS were not complied with by eight selected hospitals and, therefore, were not issued NOC (January 2014). During the course of audit, NOC was issued by DFS to Acharya Shree Bhikshu Hospital on 29 July 2013 and Maulana Azad Institute of Dental Sciences on 27 November 2013 on fulfillment of norms. Remaining eight hospitals were still to comply with the requirements as of January 2014.

### 3.2.3 Deficiencies noticed during physical inspection of hospitals

Under the provisions of Section 25 to 27 and 32 to 35 of the DFS Act, Building Bye Laws and National Building Code of India (2005), there are 20 minimum requirements which have to be necessarily complied in the buildings for obtaining NOC from DFS. For assessing the status of fire safety arrangements in 10 selected hospitals, Audit broadly divided these 20 minimum fire safety requirements into three categories i.e. (i) Infrastructure and capital works, (ii) Operation and maintenance issues, and (iii) General awareness. Audit findings noticed during physical visits were conveyed to the H&FW Department seeking their comments. The Department endorsed the replies of hospitals. As per replies, number of shortcomings/ deficiencies as pointed out by Audit, were stated to have been rectified by the concerned hospitals. Audit revisited the hospitals to verify the actual status and the deficiencies which still remained to be rectified are discussed in subsequent paragraphs.

### **3.2.4 Infrastructure and capital works**

Infrastructure and Capital Works related to fire safety are further divided into three groups- water management, internal structure and additional works. Shortcomings and deficiencies noticed under these categories are discussed below:

**3.2.4.1 Water management:** Under this category existence of water hydrant, wet riser and down comer, hose reel, sprinkler, underground water tank, and overhead water tank etc. are the requirements.

- The underground water tanks were found empty (Dr. BR Sur Homoeopathic Medical College and Hospital), not cleaned regularly (Guru Nanak Eye Centre and GB Pant Hospital) and used for drinking purpose (GTB Hospital and Guru Nanak Eye Centre).
- The water hydrants and wet risers were not connected to the underground water tank in Guru Nanak Eye Centre.
- Hose reels were not kept with the water hydrant and nozzles of hydrants were broken or missing in most of the cases in GTB Hospital.
- Same tank was being used for general purposes in Guru Nanak Eye Centre and GTB Hospital.
- DG set in the pump room was found not working in the Maternity Hospital.

In its reply, the Department of H&FW endorsed (18 December 2013) the replies of the hospitals to Audit. The GTB Hospital stated that all works were in progress. Dr BR Sur Homoeopathic Medical College and Hospital, the Maternity Hospital, and the Guru Nanak Eye Centre had intimated that matter had been taken with the PWD.

**3.2.4.2 Internal structure:** This includes staircases (internal and external), ramps, ventilation, refuge area, basement management, and fire check doors.

- In Maternity Hospital, the approach as well as exit gates, staircases (external and internal) were smaller than required size and refuge areas were not available on first and second floors for evacuation of people.
- Fire check doors were not provided in Maternity Hospital.
- The basements were being used as stores for medicines, chemicals, general items, and furniture in Lok Nayak Hospital and G.B. Pant Hospital. In Baba Saheb Ambedkar Hospital, basement was being used for storing Oxygen cylinders, OPD and for pharmacy purposes.
- Ramp way of Trauma Centre Block in GTB Hospital, was locked and internal stairs were blocked by UPSs.

The Maternity Hospital stated that the Lieutenant Governor had granted relaxation for reduced width of staircase and that other issues were referred to the PWD. The reply is not acceptable as the relaxation was granted subject to provision of refuge areas on first and second floors, which was not complied with. The Baba Saheb Ambedkar Hospital, accepted that basement was being

used for running OPDs and one pharmacy, adding that oxygen manifold and cylinders were in the process of shifting from the basement.

**3.2.4.3 Additional works:** Additional works include alarm systems, public address (PA) system, smoke detector, approach gates, both entry and exit.

- PA system and smoke detector were not provided in GTB Hospital.
- Work on PA system was under progress in Dr BR Sur Homoeopathic Medical College and Hospital.
- Alarm system along with smoke detector was not functional in the Nehru Homoeopathic College and Hospital.
- Infrastructural work was in progress along with work of interlinking all floors by single path way in Lok Nayak Hospital.

In their reply, hospitals stated that works of providing PA system and smoke detector were in progress (GTB Hospital), matter had been referred to PWD for action (Dr BR Sur Homoeopathic Medical College and Hospital). The Nehru Homoeopathic College and Hospital stated that the issue pertained to PWD/DFS. As and when the needful is done by them, the same would be intimated. This reflects the casual approach of the hospitals to fire safety provisions in the hospital.

### 3.2.5 Operation and maintenance

Safe maintenance of building requires portable fire extinguishers, signages, partitions, fireman's switch, alternate electric supply, ducting for hanging electric wires, circuit breakers, emergency lights etc. Physical visits to hospitals showed the following shortcomings:

- About 10 *per cent* of ABC<sup>4</sup> fire extinguishers were empty and defective in GTB Hospital and Nehru Homoeopathy College and Hospital.
- No records was maintained for periodic checks for contents of fire extinguishers (both water and gas type) in all 10 selected hospitals.
- Signages were not provided in GTB Hospital, Dr. BR Sur Homoeopathic Medical College and Hospital, and Nehru Homoeopathic College and Hospital.
- Fireman's switch (a requirement for bringing the lift to the ground floor in the event of outbreak of fire), was not provided near the lift in Nehru Homoeopathic College and Hospital.
- Ducting for electrical wires was not proper in Trauma Centre Block of the GTB Hospital.

In its reply, GTB hospital stated that empty fire extinguishers were being sent for refilling and works of providing signages and electrical conduits were in progress. The Nehru Homoeopathy College and Hospital and Dr. BR Sur

<sup>4</sup>i) **Class A type fire extinguishers:** are used against fire involving wood, paper, textiles, plastics, etc.

(ii) **Class B type fire extinguishers:** are effective against flammable liquid fire involving cooking liquids, gasoline, kerosene, paints, etc.

(iii) **Class C type fire extinguishers:** are suitable for fires in live electrical equipment.

Homoeopathic Medical College and Hospital stated that these issues have been referred to the PWD for necessary action.

### **3.2.6 General awareness**

Making the staff and the general public understand the need for fire safety is the basis of general awareness. This can be spread through training, posters, pamphlets and conducting mock fire drills. However, in none of the selected hospitals, training of staff on fire safety was conducted. Mock fire drills with the help of DFS were also not conducted.

### **3.2.7 Other observations**

Of the six hospitals which are exempted from the requirement of NOC under the provisions of the DFS Act, Audit physically inspected five hospitals (BJRM Hospital, Attar Sain Eye Hospital, Dr NC Joshi Hospital, A & U Tibbia College and Hospital and the Poor House Hospital) and observed that:

- In Attar Sain Eye Hospital, water hydrants were not made functional even after six months of their installation.
- PA system of Babu Jagjiwan Ram Hospital was not working as its battery was not functioning.
- There was no fire alarm system in A & U Tibbia College and Hospital. Fire extinguishers were not provided in male and female wards.
- In Dr NC Joshi Memorial Hospital, fire alarm system was not provided and 13 fire extinguishers were empty.
- There was no fire extinguisher or device/instrument in the Poor House Hospital to meet the need of fire safety arrangements.

### **3.3 Excess payment of ₹ 7.28 crore to Delhi Jal Board**

**In spite of incurring an expenditure of ₹ 2.61 crore on installation of Water Harvesting System (WHS)/ Water Treatment Plant (WTP), Delhi Government hospitals failed to avail the rebate of 15 per cent on their water bills amounting to ₹ 7.28 crore.**

The Delhi Jal Board (DJB) decided in December 2009 to allow a rebate of 15 per cent on water bills with effect from January 2010, to the Government. Institutions/Offices, if they adopt the water harvesting and/or recycling of waste water. The Principal Secretary, Health and Family Welfare endorsed these orders of DJB to all medical superintendents of hospitals in March 2010 to take advantage of 15 per cent rebate by establishing water harvesting system (WHS)/ waste water recycling plant (WTP).

Audit scrutiny (2010-13) of seven hospitals<sup>5</sup> showed that in spite of incurring an expenditure of ₹ 2.61 crore on installation of WHS/WTP, these hospitals failed to avail the rebate of 15 per cent amounting to ₹ 7.28 crore on their

<sup>5</sup>(i) Chacha Nehru Bal Chikitsalaya, (ii) Dr. Hedgewar Arogya Sansthan, (iii) Guru Gobind Singh Govt. Hospital, (iv) Guru Teg Bahadur Hospital, (v) Lok Nayak Hospital, (vi) Maharishi Balmiki, and (vii) Super Speciality Hospital, Janakpuri.

water bills during the period April 2010 to March 2013. Details are given in the **Annexure-3.3.1**.

In response to audit observations (June/July 2013), seven hospitals stated (September/October 2013) that they have requested the Delhi Jal Board to allow 15 per cent rebate on water bills.

Thus, in spite of incurring expenditure of ₹ 2.61 crore on installation of WHS/WTP, the Delhi Government hospitals did not avail rebate of 15 per cent on water bills, which resulted in excess payment of ₹ 7.28 crore to the Delhi Jal Board.

The matter was referred to the Government in August 2013, their reply has not been received (February 2014).

### 3.4 Lok Nayak Hospital

#### **Blockade of funds amounting to ₹ 20.66 crore on construction of Orthopaedic Block and procurement of related equipment without putting them to use.**

The Lok Nayak Hospital (hospital) decided in March 1997 to construct a separate Orthopaedic Block (building). The Health & Family Welfare Department conveyed the administrative approval and expenditure sanction of ₹ 18.60 crore for the same in November 1997.

The work was assigned to the Public Works Department in November 1997. Subsequently, the Government of National Capital Territory (GNCT) of Delhi assigned this project a priority status in April 1998 and grouped this building amongst Hi-Tech projects. Due to change in scope of work, the amount of administrative approval and expenditure sanction was, therefore, increased to ₹ 34.40 crore in November 1999 and further increased to ₹ 45.88 crore in February 2008.

The target date of completion of the building was March 2009, but it was finally taken over by the hospital in July 2011, i.e., with a delay of more than two years. The total cost of the building was ₹ 34.41 crore<sup>6</sup>.

The Orthopaedic Block comprised of seven floors, besides ground floor, and each floor has three wings viz. A, B and C. Out of 24 blocks, 13 blocks (54.16 per cent) were lying vacant as of November 2013.

It was also noticed that the hospital procured four Orthopaedic Surgery Operation (operation) tables amounting to ₹ 1.72 crore in March 2009 and these tables were lying unused in the store as of November 2013, i.e., even after four years of procurement. The hospital also incurred an expenditure of ₹ 30.00 lakh (December 2009) on providing lead lining in X-Ray rooms, but these were also not being used as of November 2013.

The hospital decided (May 2011) to install seven modular operation theatres (OTs) in the Orthopedic Block for patients. The estimated cost of these modular OTs was ₹ 4.61 crore, which was subsequently increased to ₹ 8.11

<sup>6</sup> civil work ₹ 25 crore and electric work ₹ 9.41 crore

crore. It was observed that modular OTs have not been installed till November 2013.

The Chief Secretary, GNCT of Delhi directed the hospital administration in February 2012 for setting up of a Sports Injury and Rehabilitation Centre (Centre) at the 2<sup>nd</sup> floor of this Orthopaedic Block, which has not been done till March 2014.

Thus, the major portion of the building remained unused, resulting in blockade of funds amounting to ₹ 20.66 crore<sup>7</sup> incurred on construction of building, procurement of operation tables, and providing lead lining in X-Ray rooms.

The Medical Superintendent, LN Hospital stated (November 2013) that it has been decided in a meeting held with the Secretary (Health & Family Welfare) that the entire Orthopaedic Block will be activated as an Orthopaedic-cum-Trauma Facility, which will include Operation Theatres, ICU and Radiological Facilities. The proposal for only Sports Injury Centre has temporarily been kept on hold as Trauma is priority. A revised proposal including appointment of a consultant for the said job is being sent to Health and Family Welfare Department.

The fact remains that due to frequent changes in decision, the Orthopaedic Block remains partially operational, even after more than two years of its creation, with an expenditure of ₹ 20.66 crore as of November 2013.

The matter was referred to the Department in September 2013, the reply has not been received (January 2014).

### **3.5 Blockade of funds and wasteful expenditure**

#### **Blockade of funds of ₹ 191.80 crore and wasteful expenditure of ₹ 80.20 lakh on construction and operationalisation of two super speciality hospitals in West and East Delhi, which are not fully functional.**

The Government of NCT of Delhi (GNCTD) decided to construct two super speciality hospitals - 650 bedded Rajiv Gandhi Super Speciality Hospital (RGSSH), Tahirpur in East Delhi and 300 bedded Janak Puri Super Speciality Hospital (JSSH), Janak Puri in West Delhi, at an estimated cost of ₹ 86.66 crore and ₹ 70.26 crore respectively.

The DDA allotted (January 1999) a piece of land measuring 5.39 hectare to GNCTD at a cost of ₹ 6.00 crore for construction of RGSSH. The administrative approval and expenditure sanction of ₹ 86.66 crore were issued in December 2000. The stipulated dates of start and completion were January 2001 and January 2004 respectively, however, the construction was not completed till July 2013.

In another case, DDA allotted (January 1993) land measuring 8.82 acres at a cost of ₹ 1.18 crore to GNCTD for construction of a 100 bedded cancer

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<sup>7</sup>proportionate construction cost of 13 vacant blocks out of total 24 blocks ₹18.64 crore + cost of orthopaedic tables ₹ 1.72 crore + cost of lead lining in x-ray rooms ₹ 0.30 crore = ₹ 20.66 crore.

hospital in West Delhi. However, GNCTD decided (November 1996) to construct a super speciality hospital (i.e JSSH) instead of a cancer hospital. The construction work of the hospital, however, started in June 2003 (after 10 years from the purchase of land) and was actually completed in March 2007, at a cost of ₹ 71.95 crore.

A consultant was also appointed in April 2008 for conceptualisation of PPP model for both these hospitals, and an expenditure of ₹ 80.20 lakh was incurred for engagement of the consultant. The consultant submitted the feasibility report in August 2008. He pointed out to clause 1(vi) of the Allotment Letter, wherein it was mentioned that DDA allotted the land to these hospitals with the condition that the GNCTD was not permitted to sell, transfer, assign or otherwise part with possession of whole or any part of the site or any building, without obtaining prior approval of DDA. But the Government did not pay attention to consultant's observations and went ahead with its proposal of running these hospitals on PPP mode.

In July 2009, the GNCTD, therefore, took a decision that the balance work of RGSSH including the services in the hospital shall be done through Public Private Partnership (PPP) mode. The construction work of RGSSH was, therefore, stopped and PWD was asked (September 2009) to foreclose the construction work on 'as is where is' basis. At the time of foreclosure of work, 98 per cent civil and 75 per cent electrical work amounting to ₹ 110.67 crore had been completed against revised cost of ₹ 153.68 crore (April 2013).

Meanwhile, RGSSH started OPD services in September 2003, but discontinued the same after a few months due to non-availability of medical and para-medical staff. The OPD services were restarted in September 2008, but the hospital procured high end super speciality medical equipment costing ₹ 2.00 crore during the period 2004-07. As only OPD services were functional, the equipment costing ₹ 1.34 crore were shifted (April 2005 to May 2010) to Guru Teg Bahadur Hospital, without assessing the actual requirement of that hospital.

The GNCTD submitted a proposal (October 2010) to the Hon'ble Lieutenant. Governor (LG) for handing over both the sites to private partner (concessionaire) for operation and management of hospitals on PPP model and took up the matter (November 2010) with DDA, for change of land use for PPP purpose. The DDA categorically turned down the proposal.

The GNCTD again asked PWD (April 2013) for completing the residual construction work of RGSSH and a revised administrative approval and expenditure sanction of ₹ 153.68 crore was approved by the Cabinet in April 2013. Construction work for residual portion was in progress as of March 2014.

Thus, in the absence of a clear vision, analysis of actual requirements and planning, the GNCTD could not make the hospitals functional even after

investing ₹ 191.80<sup>8</sup> crore and incurring a wasteful expenditure of ₹ 80.20 lakh on hiring the services of a consultant.

The Department stated (January 2014) that the GNCTD had initially planned to establish the hospital on PPP mode but vide Cabinet Decision dated 12 June 2012 it was decided that the hospitals should be made functional through society mode. A RGSSH Society has been created in September 2013 for operationalisation and management of this hospital. Reply is silent about creation of a society in JSSH.

The reply is not acceptable as both the hospitals are providing limited OPD facilities only and are still not utilized to their full capacity due to frequent changes in policy.

### **3.6 Excess expenditure of ₹ 4.63 crore due to non-regularization of temporary electric connection in Lok Nayak Hospital**

**Laxity on part of the Lok Nayak Hospital and Public Works Department in getting the 'No Objection Certificate' for its new building blocks from Delhi Fire Services for regularisation of temporary electricity connection, resulted in excess expenditure of ₹ 4.63 crore.**

Lok Nayak Hospital (the hospital) got constructed, through Public Works Department (PWD), four new blocks – new Surgical Block, Special Ward, Casualty Block, and OPD Block. The Casualty Block was handed over by the PWD to the hospital in May 2007.

As the existing sanctioned electric load and the capacity of electrical Sub-Station were not capable of meeting the additional electrical demand of these new building blocks, the hospital got a new temporary electricity connection of 4000 KVA from the electricity distribution company i.e. BSES, in January 2008 in the name of Medical Superintendent (MS), Lok Nayak Hospital. As per the tariff schedule, higher energy charges are levied on electricity supplied through temporary connection.

According to BSES, temporary electricity connection in a building can be regularized only after obtaining the mandatory 'No Objection Certificate (NOC)' from the Delhi Fire Services (DFS) in respect of the building. As maintenance of civil and electrical works of the hospital is the responsibility of the PWD, the hospital requested (December 2011) the Executive Engineer (E), M-151, PWD to take necessary action for obtaining NOC from the DFS and get the new electricity connection regularized. The hospital pursued the matter through reminders in February 2012 and in March 2012. In response, the Assistant Engineer (E) B-2441 intimated the hospital (June 2013) that the DFS officials inspected the new building blocks in June 2013 and pointed out several deficiencies, such as (i) basement staircase door was locked, (ii) lift lobby at each floor blocked, (iii) basement ramp blocked, and (iv) emergency staircase blocked at each level with old furniture.

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<sup>8</sup>Cost of land- ₹ 6.00 crore and ₹ 1.18 crore RGSSH and JSSH respectively. Construction cost ₹ 110.67 crore and ₹ 71.95 crore of RGSSH and JSSH respectively and Medical equipment ₹ 2.00 crore of RGSSH



The PWD (Electrical) again intimated (September 2013) the hospital that the deficiencies relating to electrical works had been rectified and for civil works, necessary action was being taken by the Civil Division. Thus, deficiencies pointed out by the DFS had still not been fully rectified by the PWD and the required NOC was still awaited (September 2013). As a result, the temporary electricity connection could not be regularized as of September 2013 and the hospital had no option but to pay energy charges at higher rates to BSES.

Although the temporary electricity connection was taken in January 2008 after completion of construction of two blocks in 2002 and 2006, the hospital requested the PWD for obtaining NOC from DFS only in December 2011. Further, audit scrutiny of electricity bills showed that the hospital has been paying higher energy charges for the electricity consumed through temporary electricity connection since May 2008 and had paid an excess amount of ₹ 4.63 crore<sup>9</sup> upto July 2013 to BSES.

Thus, the laxity on part of the Lok Nayak Hospital and Public Works Department in getting the 'No Objection Certificate' for its new building blocks from Delhi Fire Services, and not having its temporary electricity connection regularized, resulted in excess expenditure of ₹ 4.63 crore.

The matter was referred to the Department in January 2014; their reply has not been received (February 2014).

### Department of Industries

### Delhi Institute of Tool Engineering

#### 3.7 Loss of opportunity to earn additional interest

#### **Non-existence of fund management mechanism in the Institute resulted in loss of opportunity to earn additional interest of ₹ 0.49 crore.**

For smooth functioning and better coordination, the Delhi Institute of Tool Engineering (Society) was constituted as per the Societies Registration Act, 1860, by amalgamating the Tool Room & Training Centre Society and the Hi-Tech Vocational Training Centre Society in November 2007. The Society was set up for the development of micro, small and medium industries through supply of trained manpower in the field of tool making and tool designing and supply of sophisticated tools such as dies, moulds, press tools, jigs, fixtures etc.

As per Clause 3 (xii) of the Memorandum of Association (MoA), the Society is to maintain a fund which shall *inter alia* consist of all moneys provided by the Government of NCT of Delhi (GNCTD) and all fees and other charges received by the Society.

<sup>9</sup> Due to difference between the rates applicable for temporary connection and regular connection. The difference ranged between ₹ 2.39 per unit in May 2008 and ₹ 1.95 per unit in March 2013, applicable for a slab of 400 units and more.

The Society received recurring grant-in-aid amounting to ₹ 32 crore from the GNCTD during the period 2009-13 for meeting the recurring expenditure on salary, electricity, water and telephone etc. In addition to this, the Society also had its own revenue generation of ₹ 7.17 crore on account of fees, gifts, donations, bequeaths and other charges received by it. The year wise detail of recurring grant-in-aid and internal revenue generation during the period 2009-13 is given in the **Table 3.7.1**.

**Table 3.7.1: Recurring grant in aid and internal revenue generation**

(₹ in crore)

Year	Opening Balance (A)	GIA received during the year (B)	Internal revenue generation (C)	Total recurring revenue (D=A+B+C)	Expenditure during the year (E)	Closing Balance (D-E)
2009-10	1.98	7.00	1.14	10.12	8.66	1.46
2010-11	1.46	7.00	1.90	10.36	9.38	0.98
2011-12	0.98	8.50	1.61	11.09	10.63	0.46
2012-13	0.46	9.50	2.52	12.48	11.30	1.18

(The expenditure during the year and closing balance taken from the utilization certificates)

The Society also received a non-recurring grant-in-aid of ₹ 3.14 crore in March 2009 from the GNCTD. The year-wise detail of non-recurring grant-in-aid received and expenditure incurred there against during the period from 2009-13 is given in the **Table 3.7.2**.

**Table 3.7.2: Non-recurring grant-in-aid**

(₹ in crore)

Year	Opening Balance (A)	GIA received during the year (B)	Expenditure incurred during the year (C)	Closing Balance (A+B-C)
2009-10	3.28	nil	0.85	2.43
2010-11	2.43	nil	0.45	1.98
2011-12	1.98	nil	1.17	0.81
2012-13	0.81	nil	0.45	0.36

(The expenditure during the year and closing balance taken from the utilization certificates)

The above two tables would show that during the period of 2009-13, the Society had substantial unspent balances of recurring as well as non-recurring grant-in-aid. As per Clause 3 (xiii) of the MoA, the Society is to invest the money, which is not immediately required, in any securities authorized under the Indian Trust Act or in any other manner with the sanction of the GNCTD.

It was, however, observed in audit that the unspent balances, which were not immediately required, were kept in the Savings Bank Account and the Society did not make efforts to invest the same as per Clause 3 (xiii) of MoA. Had the Society followed better fund management system as per MoA and deposited the unspent balance in term/ flexi deposits instead of keeping the same in Savings Bank Account, it could have earned additional interest income of

₹ 0.49<sup>10</sup> crore during the period 2009-13. It was further observed that the Institute has not constituted a financial committee or sub-committee, as provided in Clause 46 (xvii) of Rules and Regulations of the Society, to safeguard the financial interest of the Society.

The Government accepted (January 2014) the audit observation and introduced flexi deposit facility for the DITE Savings Bank Account (April 2013) and earned an interest of ₹ 7.45 lakh during the period from August 2013 to February 2014.

## Department of Services

### 3.8 Delhi Subordinate Services Selection Board

**The Board did not prepare annual plans and fix targets of recruitment. Large number of requisitions were pending for finalisation for recruitment. The Board did not finalise even a single requisition within prescribed period of 180 days from the date of its receipt.**

An audit on "Delhi Subordinate Services Selection Board" covering the period from 2009-10 to 2011-12, was conducted with the objective to see whether the Board could meet the requirement of Government of National Capital Territory (GNCT) of Delhi. Audit selected 60 out of 299 requisitions for detailed scrutiny based on judgmental sampling. The following are the major audit findings:

#### 3.8.1 Finalisation of requisitions

**3.8.1.1 Absence of annual plan and targets:** Annual plan and fixing of targets are important managerial tools in the hands of executives for discharging the mandated functions of an organisation. However, the Board did not prepare any annual plan or fix targets to be achieved during the period under audit i.e. 2009-12 resulting in 31 pending requisitions involving 10,959 vacancies.

The Board intimated (November 2013) that it has assigned the task of preparation of annual plan to its Planning & Statistical Branch.

**3.8.1.2 Non-ascertaining of number of vacant posts:** As per paragraph 4(i) of the Notification and paragraph 5(i) of Citizen Charter of the Board, the Chairman is responsible for ascertaining from the departments from time to time, the number of Group 'B' and 'C' posts for which recruitment is to be made. However, there was nothing on record to establish that such exercise was being carried out by the Board. This is indicative of absence of an effective mechanism with the Board, through which it can foresee or anticipate its future activities, prioritise them and draw a plan to accomplish the desired level of performance.

<sup>10</sup> Difference between the amounts of interest of ₹ 0.50 crore earned @ 3.5 per cent on savings accounts and interest of ₹ 0.99 crore had the Society deposited the amounts in short term deposit/flexi deposit at prevailing rates of interest ( average rate of interest @ 7 per cent has been taken for working of loss)

**3.8.1.3 Delay in finalisation of requisitions:** In terms of paragraph 3 (A)(iii) of modified Resolution dated 12 May 2008, the Board is required to complete the selection procedure and recommend the suitable candidates within a period of 180 days of receiving the requisition from the concerned departments. Audit scrutiny of 60 selected requisitions for 19281 posts, received from indenting departments during 2009-12, showed that the Board could not finalise even a single requisition within the prescribed period. The status of selected requisitions is summarised in **Table 3.8.1**.

**Table 3.8.1: Status of 60 selected requisitions received up to March 2012**

Sl. No.	Year of requisitions	No. of requisitions/ (vacancies)	Status of requisitions	Status (as on 30 September 2013)		
				Department	Delay*	
					Year	Months
1	Up to March 2008	4 (102)	S**- 2	Excise Deptt., and Institute of Human Behavior and Applied Sciences (IHBAS)	-	-
			W - 2	Director General of Prisons	2	10
2	2008-09	9 (382)	S**- 4	Delhi Jal Board -2, and Forensic Science Laboratory-2	-	-
			P - 5	Municipal Corporation Delhi-1	4	11
				NCC-1, and DSIIDC-1	4	10
				Delhi Jal Board -1	4	7
	Delhi Jal Board -1	4	3			
3	2009-10	24 (14,389)	F - 9	H&FW-1, DISMH-1	2	9
				Health & Family Welfare-2	2	5
				Health & Family Welfare -1	2	4
				Education Deptt.-1,	2	2
				Delhi Jal Board-1	1	6
				Delhi Transport Corporation-1,	1	4
				Health & Family Welfare -1	1	0
			S**- 2	Education Deptt. -2	-	-
			W - 1	Delhi Public Library	2	7
			P - 12	Education Deptt. -1,	3	10
				Delhi Jal Board -1	3	9
Social Welfare-1,	3	7				
Transport-1,	3	7				
	DTTE-6, DJB-1	3	1			
	MCD-1	3	0			
4	2010-11	14 (1,849)	F - 2	Education Deptt. -1	2	7
				Education Deptt. -1	2	0
			S**- 5	Health & Family Welfare -1, NDMC-2, DJB-1, Education Deptt. -1	-	-
			P - 7	DSIIDC-1	4	10
				MCD-1, NDMC-1	2	10
				MCD-1	2	8
				MCD-1,	2	6
				Education-2	2	3
5	2011-12	9 (2,559)	S**- 2	MCD-1, and DFS-1	-	-
			P - 7	Delhi Financial Corporation-1,	1	9
				MCD-1,	1	7
	FSL-2, Services Deptt.-1, Education Deptt. -2,	1	6			
				1	1	

S - Scrapped, W - Withdrawn, P - Pending, F - Finalised.

\*Delay has been calculated after 180 days from the following month of the receipt of requisition.

\*\*A total of 15 cases were scrapped under order of the High Court dated 01.06.2012.

- It is seen from the table that the Board could finalise only 11 cases (18 per cent) with 3578 posts, that too with a delay ranging from 12 months to 33 months. While 15 cases with 1004 posts were scrapped under the orders of the Hon'ble High Court due to non-clarity on the policy of reservation of vacancies, the DG Prisons and the Delhi Public Library withdrew their requisitions due to delay in finalisation of their

requisitions. Remaining 31 requisitions (52 *per cent*) received during 2008-12 and involving 10,959 vacancies pertaining to 12 departments were yet to be finalised as of 30 September 2013. A delay ranging from 13 months to 59 months has already occurred in these cases.

The Board in its reply (October and November 2013) attributed reasons for delay to (i) receipt of large number of applications, manual system of handling of applications, old examination system prior to 2013 and change in classification of posts after receipt of applications (ii) modification of essential qualification (iii) revision of recruitment rules (iv) incomplete information/documents (v) lack of availability of suitable candidates. The reply is not acceptable as in all these cases either the Board itself asked for requisite documents after a lapse of two to three years or the department changed the recruitment rules or other requirements. For instance, due to delay in finalization of requisitions, the Education Department was forced to appoint Guest teachers on purely temporary basis.

- In respect of 11 cases finalized, where against the total requisition of 7204 candidates, the Board could send dossiers of only 3578 candidates. The Board intimated that no suitable candidates were found against the shortfall. The reply is not acceptable as it did not provide documentary evidence in support of its claim that suitable candidates were not found.

### 3.8.2 Constitution of the Board

In terms of the Notification (as amended in May 2008), the Board should be comprised of a Chairman, two Members, a Controller of Examination, a Secretary and supporting staff. However, the Board, though created in July 1997, was functioning without any Member till December 2012, when it received its first Member. The posts of the second Member and the Controller of Examination in the Board are yet to be filled up (September 2013) by the GNCTD.

The Chairman is responsible for ascertaining the number of vacancies and is to be assisted by Members and Controller of Examinations. The Controller of Examinations is particularly responsible for all matters relating to examinations.

The approach of the Government in appointing Members and Controller of Examinations at the top level, along with 25 *percent* shortage at the lower level, (100 men-in-position against a sanctioned strength of 134), affected the performance of the Board adversely, as has been discussed in preceding paragraphs. In none of the cases, the Board was able to finalise the requisitions of indenting departments within the prescribed time limit and as a result, a large number of requisitions were pending for finalization. As many as 224 examinations, for 18283 posts, were still to be conducted by the Board as of September 2013.

### 3.8.3 Internal control mechanism

As per the Notification (partially modified in 2008), the primary function of the Board is to recommend suitable candidates for appointment in various departments of GNCTD and local bodies/Public Sector Undertakings, under

the direct recruitment quota of Groups 'B' and 'C' categories of posts. For achieving this objective, the Board, besides having its functionaries in full strength, should also have a well-structured policy and system so as to ensure that the selection procedure is efficient, transparent and completed within the prescribed time.

However, it was found that the Board did not have an effective internal control mechanism in the form of manuals, standing orders, guidelines, rules, regulations, periodical reports, returns and internal audit. There was no record maintained for the meetings of the Board, wherein policy matters, review of performance of various Branches, monitoring of ongoing recruitment assignments based on requisitions received, are discussed and decisions taken. Though the Board is an attached office of the Services Department of the GNCTD, it did not submit any Annual Performance Report on its major activities to the Services Department and other authorities, as required under the Notification.

The Board provided (July 2013) only the minutes of meeting held in February, 2013 and onwards, however, no minutes of meeting held during the period of audit were provided to audit. The Board in its reply stated (August 2013) that meeting notices or minutes of meetings were not recorded in view of the confidentiality of the matter. The reply is unacceptable as some record establishing that meetings were actually held, should have been maintained.

The audit findings were referred to the Government in September 2013; their reply has not been received (February 2014).

## **Department of Urban Development**

### **Municipal Corporations of Delhi**

#### **3.9 Community Halls maintained by the Municipal Corporations of Delhi**

**Basic amenities and facilities such as drinking water, sanitation, drainage and sewerage, electric fittings etc. were absent or of sub-standard quality in Community Halls (CHs). Parking facilities, kitchen facilities and fire safety arrangements were not up to the mark. Monitoring of functioning of the CHs was not effective. The occupancy of CHs was sub-optimal.**

After the trifurcation of MCD in May 2012, three corporations - South Delhi Municipal Corporation (SDMC), North Delhi Municipal Corporation (NDMC), and East Delhi Municipal Corporation (EDMC) are maintaining the CHs falling under their respective jurisdiction through their Community Services Department (CSD). The audit of 41 out of 266 CHs maintained by the Municipal Corporations of Delhi, covering the period 2010-11 to 2012-13, was conducted to assess the quality of services provided in CHs. The following are the important audit findings:

### 3.9.1 Finances

The budget allocation, actual expenditure for repair and maintenance of all the CHs with MCD, along with revenue realised during 2010-13 are given in the Table 3.9.1.

**Table 3.9.1: Budget, actual expenditure and revenue realised (2010-13)**

(₹ in crore)

Year	No. of CHs	Budget allocation	Expenditure	Savings (%)	Revenue realised from usage of CHs
2010-11	216	2.00	0.84	1.16 (58)	0.92
2011-12	235	3.00	0.47	2.53 (84)	4.69
2012-13	266	3.00	0.42	2.58 (86)	11.90
<b>Total</b>	<b>-</b>	<b>8.00</b>	<b>1.73</b>	<b>6.27</b>	<b>17.51</b>

The table shows that the expenditure on repair and maintenance of CHs of all three MCsD, was ₹ 1.73 crore during 2010-13, with savings showing an increasing trend (58 to 86 per cent) during all these three years.

### 3.9.2 Provision of civic amenities and other facilities

Audit scrutiny of records and physical visits along with representatives from the Community Services Departments of MCsD, to selected 41 CHs, showed that basic amenities and facilities were not being provided to the users, and where provided, these were of sub-standard quality. The deficiencies and shortcomings in the services being provided at CHs, noticed during physical inspections are discussed in subsequent sub-paragraphs:

#### 3.9.2.1 Drinking water

Thirty two out of 41 selected CHs did not have drinking water supply from Delhi Jal Board. As such, the organisers of functions were either forced to use untreated water from bore wells, raising health concerns or to make their own arrangements for water.

#### 3.9.2.2 Sanitation services

As per Commissioner's orders dated 22 February 2011 and circulated by the Director (CSD), Zonal Assistant Director, is responsible to assess the needs of sanitation items and inform CSD (HQ) accordingly so that these items could be purchased and provided in time. In case of emergency, if these items are not available in store, he is authorized to purchase these items with a limit of ₹ 1000. Audit scrutiny showed that the need of sanitation items was neither assessed nor supplied to CHs. None of the CHs has maintained any record of purchase and stock of sanitation items (consumables like broom, mopping clothes, phenyl, cleansing agents, soap etc.). It was also observed during visits that sanitation items were not available in any of the CHs and sanitation conditions were substandard. Particularly, toilets and bathrooms were in bad

condition in 24 CHs<sup>11</sup>, as most of the commodes, urinals, flush systems, wash basins, lights and doors were found broken. Four CHs<sup>12</sup> did not have separate toilet facilities for females, whereas, CH at C block, Sultan Puri did not have any toilet facility at all. In 20 CHs<sup>13</sup>, about 50 per cent of water taps were either not functioning or broken.



(CH at Sector-13, Rohini)



(CH at Kotla Mubarakpur)

### 3.9.2.3 Drainage and sewerage system

Six CHs<sup>14</sup> were not connected to the sewerage system whereas in five others<sup>15</sup>, sewerage system was blocked. The drainage system in CHs at Amar Jyoti Colony and Sri Niwaspuri, was not proper, resulting in water logging and mud accumulation in the premises.



(CH at Amar Jyoti Colony)



(CH at Sri Niwaspuri)

### 3.9.2.4 Electric fittings, fans, tube lights etc.

Open and live electrical installations, circuits, junction boxes etc. are the sources of constant threat to human life. However, the physical visits showed hanging electric wires, open and broken switch boards in 24 CHs<sup>16</sup>. In seven

<sup>11</sup> Rohini Sector 5, 13, 11, 3, Shahbad Dairy, Shalimar Bagh, Naiwala, Amar Jyoti Colony, Balimaran, C-Block Mangolpuri, D.B.Gupta Road, Tikona Park Kashmiri Gate, Mahavir Vatika, Hakikat Nagar, Trilokpuri 17 Block, Ghonda Chowk, Mandawali, Kotla Mubarakpur, Sewa Nagar, Nehru Nagar, Batla House, Sriniwaspuri, Paschimpuri PKT.2, Malviya Nagar.

<sup>12</sup> Naiwala, Tikona park Kashmiri Gate, Hakikat Nagar, Trilokpuri 17 Block.

<sup>13</sup> Rohini Sector 5,13,11, Shahbad Dairy, Shalimar Bagh, Naiwala, Amar Jyoti Colony, C-Block Sultanpuri, D.B.Gupta Road, Mahavir Vatika, Mukherjee Nagar, Kondli, Mayur Vihar Ph.I, Ghonda Chowk, Tahirpur, East Loni, Kotla Mubarkpur, Sewa Nagar, Batla House, Sriniwaspuri.

<sup>14</sup> Trilokpuri 17 Block, Shahbad Dairy, Amar Jyoti Colony, C bk. Mangolpuri & Sultanpuri, Mukherjee Nagar.

<sup>15</sup> East Loni, Kotla Mubarakpur, Sewa Nagar, Nehru Nagar, Batla House.

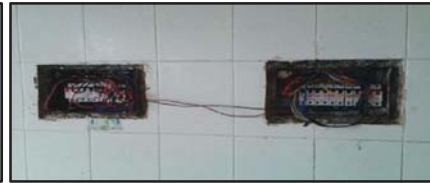
<sup>16</sup> Shahbad Dairy, A block Nangloi, Shalimar Bagh, Rohini Sector 3, 11, 13, C-Block Mangolpuri, D.B.Gupta Road, Hakikat Nagar, Trilokpuri 17 Block, Kondli, Mayur Vihar Ph.I, Ghonda Chowk, Mandawali, Tahirpur, East Loni, Kotla Mubarakpur, Sewa Nagar, Bhogal, Nehru Nagar, Batla house, Madipur A block, Paschimpuri PKT.2, VikasPuri.



CHs<sup>17</sup>, most of the fans and tube lights were unserviceable and not functioning.



(CH at Mayur Vihar, Phase-I)



(CH at Ghonda Chowk)

### 3.9.2.5 Poor condition of buildings

Physical visits and scrutiny of records showed that the conditions of buildings of 12 CHs<sup>18</sup>, were poor and required immediate repairs. The buildings had broken doors, window panes, plasters coming off from walls and roof etc. It was observed that buildings of two of these CHs (Shahbad Dairy and Amar Jyoti Colony, Sector 17 Rohini) were constructed only in 2004-05, but due to their poor maintenance, these have become dilapidated. Though, the CSD had been lodging complaints about the defects in the building, the Engineering Department of MCsD, which is responsible for repair and maintenance, did not take any remedial action. This shows lack of coordination between two departments of MCsD.



(CH at Shahbad Dairy)



(CH at Nehru Nagar)

### 3.9.2.6 Parking facilities

Only four out of 41 CHs have parking facilities. In remaining 37, people coming to attend the functions, are forced to occupy space wherever available on streets, for parking their vehicles and thus, obstructing routine public life in the nearby localities.

### 3.9.2.7 Kitchen

Audit observed that kitchens in CHs were of very small size, considering the fact they are used for cooking purposes during functions attended by a large number of people. As such, they were being used as stores and not as kitchens. Audit found that 15 CHs<sup>19</sup> did not have kitchen facility at all and users used open space for cooking purpose, thereby spoiling and damaging the floors.

<sup>17</sup> Shahbad Dairy, A blk. Nangloi, C blk. Mangolpuri, Mayur Vihar, Mandawli, Batla House, Kotla Mubarakpur.

<sup>18</sup> Shahbad Dairy, Naiwala, Amar Jyoti Colony, Rohini Sector 13, C-blk. Sultanpuri, Hakikatnagar, Mukherji Nagar Ist floor, Trilokpuri 17 Block, CPJ blk Seelampur, Kotla Mubarakpur, Batla house, Nehru Nagar.

<sup>19</sup> A Block Nangloi, Naiwala, Balimaran, C-Block Sultanpuri, D.B.Gupta Road, Tikona Park Kashmiri Gate, Mukherjee Nagar, Trilokpuri 17 Block, Seelampur, Kondli, Sewa Nagar, Nehru Nagar, Madipur A Block, VikasPuri, Malviya Nagar.

### **3.9.2.8 Fire safety arrangements**

None of the CHs was found to have fire safety arrangements viz fire extinguishers, fire buckets, fire alarm and fire detectors etc.

Audit analysis showed that on an average, 42 functions like marriage, religious functions etc. were organised per CH per year. The average expenditure per CH per year works out to only ₹ 0.22 lakh which seemed inadequate for providing quality facilities to general public. Thus, a fair conclusion can be drawn that providing quality facilities to the public in CHs, was not on the priority list of the MCsD.

MCsD, while accepting the audit observations (November 2013), attributed the reasons for shortcomings to shortage of funds and staff. The reply, as far as shortage of funds is concerned, is factually incorrect as there were savings of 58 to 86 *per cent* under the head –‘Repair & Maintenance of CHs’ during last three years and MCsD were earning significant revenues from these 266 CHs (₹ 17.51 crore was realised during 2010-13).

### **3.9.3 Human resources**

There was acute shortage of staff for running and maintenance of CHs. As of August 2013, against the sanctioned strength of 351 (44 Community Organisers, 69 Assistant Community Organisers and 238 Community Workers), there were only 178 incumbents in position. Besides, 54 *Chowkidars* and 128 sanitation staff were also short. The shortage of staff had been affecting the delivery of quality community services and their monitoring by supervisory staff.

In their reply, MCsD stated (November 2013) that due to shortage of staff, it was facing day to day problem including inspection of CHs. However, efforts were being made to improve the efficiency of the system.

### **3.9.4 Monitoring of functioning of CHs**

#### **3.9.4.1 Inspection**

As per assignment of duties by the Director (CSD), Community Organisers (COs) of the Zone are responsible for daily inspection and supervision of CHs under their respective charge and to submit inspection reports to the Director of CSD. CO is also to guide and give suggestions to the Community Workers (CWs) for organising activities and programmes and on any other such matters. However, it was noticed that the COs neither carried out any inspection nor submitted inspection reports to the Director during 2010-13. This showed that there was no mechanism in place to monitor the working of COs and CWs, as the lapse was not taken notice of, by higher authorities at any time.

MCsD accepted the audit observation and stated (November 2013) that efforts were being made to convene periodic meetings at Headquarters level to tone up the supervisory staff. The inspection performatives have been arranged in CHs and instructions regarding inspection issued.

### 3.9.4.2 Sub-optimal utilization of CHs

The information (a copy downloaded from website of MCD) provided by the CSD indicated that the occupancy of CHs was sub-optimal. During 2010-13, the average yearly occupancy of 110 CHs was less than 20 days and only in four cases, it was above 180 days. The yearly occupancy in remaining CHs, was between 20 and 180 days. It was also observed that in five cases<sup>20</sup> out of 41 selected for audit, CHs located at first floors, were not booked even on a single occasion during the period under audit. One of the reasons for non-occupancy was the common single gated premises for two CHs, one at the ground floor and the other at first floor.

This shows that facilities being provided are not of adequate quality to attract public attention for organising their functions in CHs.

In its reply SDMC stated (November 2013) that booking of CHs was a prerogative of the general public. The Department does not have any control over this issue under the prevalent circumstances. Reply is not acceptable, as the facilities provided by MCD, were not of quality so as to attract public to CHs for organising their functions.

The EDMC also stated that it had conducted staff meetings regularly to discuss utilization of community halls and emphasize increase in booking of CHs and revenue. Staffs have been directed to provide a clean space and cooperate with the party during their function.

### 3.9.5 Construction and handing over of new CHs

The concerned Engineering Departments of MCsD are responsible for constructing new building and take up the construction after consultation with CSD regarding facilities to be provided in the building. The GNCTD provides funds in the form of grants-in-aid for construction of new CHs. The budget allocation and actual expenditure on construction of CHs under Plan head during 2010-13, are given in the **Table 3.9.2**.

**Table 3.9.2: Budget and actual expenditure under Plan head (2010-13)**

(₹ in crore)

Year	Budget allocated	Expenditure	Saving (%)
2010-11	25.00	24.06	0.94 (3.76)
2011-12	60.94	42.32	18.62 (30.55)
2012-13	62.10	35.20	26.90 (43.32)
<b>Total</b>	<b>148.04</b>	<b>101.58</b>	<b>46.46 (31.38)</b>

From the above table, it is seen that MCsD has incurred ₹ 101.58 crore against an allocation of ₹ 148.04 crore during the period 2010-13, leaving unspent balance of ₹ 46.46 crore (31.38 *per cent*). This indicates that MCsD need more efforts to utilise the available grant which ultimately affects progress of construction of new CHs.

After taking possession of land from Delhi Development Authority or any other agency, CSD gives requisitions for constructing new CHs to the Engineering Department. However, there is no rule or norms on the time

<sup>20</sup>Kondli, Mandawali, Amar Jyoti Colony, Rohini Sector 2, Mukherjee Nagar.

frame within which the Engineering Department should complete the construction of building and hand over it to the CSD. Neither, the requisition spells out any terms and condition in this regard. Nonetheless, Para 15.4 (7) of CPWD Manual stipulates that construction of buildings upto four storey, should be completed within 8-12 months.

Test check of 55 cases showed that buildings of seven CHs<sup>21</sup> were completed during January to December 2012, at a cost of ₹ 11.13 crore but were not handed over as of August 2013 by the Engineering Department to CSD even after a lapse of 8 to 19 months after their completion. In 26 cases, the Engineering Department took 29 to 93 months in constructing and handing over new CHs to CSD, after the requisition. In another 22 cases, even the work of construction was not completed after a lapse of 20 to 60 months from the date of requisitions. Thus, the delay in constructing and handing over of new CHs deprived the public of facilities during the period of delay.

In their reply, CSDs attributed (November 2013) the delay in construction and handing over of new CHs to the Engineering Departments, as incomplete infrastructures could not be taken over. The Engineering Departments stated that normally 50 months were needed from requisition to completion of a CH. Reply is not acceptable as 14 CHs out of 26 CHs were constructed and handed over to CSD between 53 to 93 months. The Engineering Department further stated that in case of CH at L Block JJ Colony Wazirpur, CSD was intimated in May 2013 to take over the newly constructed building, but their response was awaited as of October 2013. The replies are silent about norms on the time frame within which new building of CH should be completed and handed over to the CSD. This also shows lack of coordination between the two departments.

### **3.9.6 Other audit findings**

#### **3.9.6.1 Security deposit not deposited into government account**

Rule 6 of the Receipts and Payments Rules provides that all moneys received by or tendered to Government officers on account of revenues or receipts or dues of the Government shall, without undue delay, be paid in full into the accredited bank for inclusion in Government Account. Scrutiny of records showed that security deposits in the shape of demand drafts, collected from the users, were not remitted into the government account. It was kept by the Community Worker till it was released to the user after the function. It was also observed that in many cases, validity of demand drafts expired before the date of function, thus, not serving the purpose of covering any damages, penalty etc. on the part of users.

MCsD accepted the facts and stated (November 2013) that the matter was likely to be taken up with the higher authorities to address this issue in a just and proper manner.

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<sup>21</sup>Geeta Colony, Sidh Apartment, Vijay Nagar Double Storey, L Block JJ Colony Wazirpur, E Block Sultanpuri, P Block Mangolpuri, F Block Sultanpuri.

### 3.9.6.2 Unauthorised occupation in CHs

In four cases<sup>22</sup>, the premises of CHs were being unauthorisedly occupied by private parties for keeping or storing their DC generator sets, tent items, tables, bed, sofa sets etc. In CH at CPJ Block, Seelampur, the old building is occupied by one NGO (Care Nidhi) without renewal of its agreement.

In respect of CH, Kotla Mubarakpur and CH, Batla House, the SDMC stated that bringing and removing tentage items to the site, took considerable time and it was difficult to watch each and every movement. Reply is not acceptable, as during joint survey, COs and CWs of both the CHs, had observed unauthorised occupation of premises, for which the matter had already been reported to the higher authorities. In respect of CH, Mukherjee Nagar and CH, Ballimaran, the Assistant Director (HQ) CSD, North DMC intimated (November 2013) that the matter of encroachment raised by Audit, had been sent to the concerned zonal office. The reply shows that North DMC has not taken any concrete action on unauthorised occupation in CHs.

### 3.9.6.3 Public perception about facilities provided in CHs

For assessing public perception about the facilities available in CHs, a questionnaire was given to two Resident Welfare Associations (RWAs) located near each of the 41 selected CHs. The questions were primarily framed to seek information on adequacy of CHs in the locality, sufficiency and quality of the facilities provided, and the complaint redressal mechanism etc. Analysis of responses received from 77<sup>23</sup> out of 82 RWAs, showed:

- 44 RWAs felt that basic facilities like electricity, water, kitchen and toilet facilities were either not sufficient or available.
- 39 were of the view that maintenance and cleanliness in the CHs were not satisfactory.
- 18 adjudged the allotment procedure of CHs as neither easy nor user friendly.
- 17 felt that the security deposit was not easily refundable.
- 52 RWAs believed that Community Hall in their area was not sufficient and 28 said that it was not easily available to general public.
- 44 RWAs felt that there was no public grievances redressal system.

The outcome of survey indicated that on one hand, 68 *per cent* general public residing nearby the selected CHs felt insufficient number of CH in their areas; on the other hand, the occupancy rate was less than 25 *per cent* in 68 *per cent* CHs due to poor maintenance and not providing basic facilities in CHs. Audit also came across instances wherein seven completed CHs were not thrown open to public.

The audit findings were referred to the Government in October 2013; their reply has not been received (February 2014).

<sup>22</sup>Kotla Mubarkpur, Batla House, Mukherjee Nagar, Ballimaran.

<sup>23</sup>No RWA found nearby the CHs Bhogal (one), DB Gupta Road (two) and Rohini Sector 13 (two).

### 3.10 Regularization of Unauthorised Colonies in Delhi

Certain changes were made by MoUD in the Guidelines which were not in accordance with revisions approved by the Union Cabinet, on the basis of which Regulations 2008 were framed. The Regulations 2008 after amendments made thereto in June 2008 and June 2012 deviated from the Guidelines approved by the Union Cabinet for regularization of unauthorized colonies in Delhi. Issue of Provisional Regularization Certificates was not envisaged in the Guidelines. Several discrepancies were found in fixation of boundaries by GNCTD. Boundaries were fixed without verification of *khasras* by the Revenue Department resulting in allotment of excess *khasras* to RWAs. Prohibited areas, DDA hindrances, overlapping of boundaries etc were not considered during boundary fixation in contravention of amended Regulations. The Urban Development Department, GNCTD has failed to provide basic services like sewer lines, water lines, roads and drainage to all the 895 unauthorized colonies despite incurring an expenditure of ₹ 3029.21 crore up to March 2013.

#### 3.10.1 Introduction

Unauthorized Colonies in Delhi have been in existence right from the time the planned development of Delhi started with the setting up of DDA in 1957. Ministry of Urban Development (MoUD) received a proposal from GNCTD in May/June 1993 recommending regularization of unauthorized colonies existing as on 31 March 1993 in Delhi. However, Hon'ble High Court of Delhi, while hearing the case in a writ petition CWP No 4771/93 titled 'Common Cause (Registered) Society Vs UoI & Ors', restrained the Union of India (UoI) from regularizing any colony in Delhi, and directed UoI (9 December 1996) to constitute a high level committee to frame a policy and terms and conditions for regularization. The Committee submitted its report in 1997. Based on recommendations of the Committee and the Cabinet decision of July 2000, MoUD formulated guidelines in 2001. The Government of India, Ministry of Urban Development and Poverty Alleviation mentioned in the Cabinet note (July 2000) that the unauthorised colonies in Delhi would be regularised if they conform to the approved guidelines and the beneficiaries pay the development charges. According to Guidelines, unauthorized colonies existing as on 31 March 1993, were to be considered for regularization. On a representation from GNCTD, Guidelines 2001 were revised with the approval of the Union Cabinet in 2004, and the cut-off date for regularization was extended from March 1993 to March 2002. In the Cabinet note (February 2004) the regularization of unauthorized colonies has been defined as "approval of layout plans by the local authority in accordance with certain guidelines and bringing colony and structure therein within purview of master plan of Delhi and provision of Building Byelaws in force".

These Guidelines of 2004 were again revised in 2007 by MoUD on the basis of the Union Cabinet decision dated 8 February 2007. Based on these revised Guidelines, MoUD, approved/ finalised the Regulations 2008. The Delhi

Development Authority (DDA) notified them under Section 57 of the DDA Act, 1957 in March 2008.

Amendments were made in Clause 4 and Clause 5 of Regulations 2008, which were notified by DDA in June 2008 and in June 2012 respectively. GNCTD issued Order dated 4 September 2012, identifying 895 unauthorized colonies for regularization.

The audit of the process of regularization was conducted so as to see that the Guidelines as approved by MoUD, are in accordance with the Cabinet decisions, Regulations made are in accordance with the Guidelines approved on the basis of Union Cabinet decisions and also the order of September 2012 was in conformity with the Regulations. Ninety one colonies (10 per cent of 895: 32 out of 312 on private lands, and 59 out of 583 on public lands) were selected on random basis for detailed scrutiny. Records of 82 colonies (27 on private lands and 55 on public lands), were made available to Audit, out of 91 selected colonies. Files relating to nine selected colonies (five on private lands and four on public lands) were not provided to Audit by UDD, along with other records as detailed in **Annexure-3.10.1**. Important findings are as under:

**Audit findings:**

Scrutiny of policy files in MoUD relating to regularization of unauthorized colonies in Delhi showed the following discrepancies:

**3.10.2 Changes/additions made in Revised Guidelines (February 2007) not in accordance with the Union Cabinet approval**

Partial modifications in Guidelines of 2004 were approved by Union Cabinet (8 February 2007). However, the Guidelines, as approved and communicated by MoUD (October 2007) to DDA contained certain changes/ deletions/ additional provisions, which did not have the approval of the Union Cabinet. Comparison of some of the deviations in the Guidelines approved by Union Cabinet (2004 and February 2007), herein after called "approved Guidelines" and Revised Guidelines approved by MoUD (October 2007), herein after called "Revised Guidelines", is given in **Annexure-3.10.2**. Major deviations observed by Audit are as under:

- **Base Map:** As per approved Guidelines the base map of Unauthorised Colony will be provided by local body/ DDA to the Resident Society who will fix up the boundary on the plan and also get prepared the layout plan of the colony from the Registered Architect/ Town Planner. As per Revised Guidelines the Resident Society will get the layout plan of the colony prepared from Registered Architect/ Town Planner and the same will be submitted to the local body/ DDA and GNCTD.
- **Formal orders of Regularization:** As per approved Guidelines formal orders of regularization were to be given by local body/DDA after execution of infrastructure works whereas the same is to be done by GNCTD after land use change as per Revised Guidelines.
- **Fixation of boundary:** Earlier the boundary was to be fixed by Resident Society on the base map provided by local body/DDA, whereas as per

Revised Guidelines, GNCTD will fix the boundary on the LoP submitted by Resident Society.

The addition of Para 4.2 in Revised Guidelines shifted the focus of regularisation from the point of provision of infrastructure facilities as per approved Guidelines of 2007 to point of land use approval by DDA/local body as per Revised Guidelines of 2007 communicated by MoUD. As a result, the provision of infrastructural facilities in the unauthorised colony as precondition for regularisation of unauthorised colony was altogether neglected and omitted. This was not only against the guidelines approved by Central Cabinet but also against the Supreme Court decision that in case it is not possible to provide the basic services to the unauthorised colonies, they should not be regularised. Thus, the amendments made by MoUD in the Revised Guidelines 2007 were irregular.

The MoUD, GoI stated (June 2014) that it had approved revised guidelines (issued to DDA and GNCTD in October 2007) on the ground that the issue had been delayed and there were only minor procedural deviations from earlier guidelines approved by the Cabinet, and hence Cabinet approval on the final version of revised guidelines was not taken. The fact remains that certain changes were made in the Guidelines which did not have the approval of the Cabinet and are not procedural as stated above.

### **3.10.3 Irregular amendments in Regulations 2008**

#### **3.10.3.1 Amendments in Clause 5 of the Regulations 2008**

While the procedure to be followed by the DDA/GNCTD was laid down in the regulation 2008 under clause 5 which delineated the sequence of steps, such as boundary fixation by GNCTD, approval of layout plan by local body/DDA, approval of land use change by DDA, payment of all requisite charges before formal orders of regularization of unauthorised colony are issued. The amendment made to the Regulations 2008 in June 2012 completely changed the sequence with the effect that approval of lay out plan and approval of land use change will follow the issue of formal orders of regularization. In fact, the amendment to regulations made in June 2012 facilitated issue of order of regularisation immediately after fixation of boundary of the unauthorised colony is completed. The amendment made to the regulation in June 2012 substantially altered the procedure of regularisation of unauthorised colony which was not contemplated by the Cabinet in the approved Guidelines.

As a result of change of procedure of regularisation, 312 unauthorised colonies on the private lands stood regularised as per the orders of GNCTD in September 2012 without undergoing the process of approval of Lay out Plan and approval of land use change. As these amendments are not in line with the approved Guidelines, the regularisation declared by the GNCTD in September 2012 in respect of 312 unauthorised colonies on private lands is irregular.

MoUD in its reply (January 2014 and March 2014) stated that GoI (Allocation of Business) Rules, 1961 has inter-alia allocated the subject “schemes of large scale acquisition, development and disposal of land in Delhi” to MoUD. It



further stated that the regulations for regularization of unauthorized colonies were framed pursuant to the Cabinet decision on the revised Guidelines-2007, and further approval of the Cabinet was not obtained on the regulations so framed. The reply is not tenable as the process of regularization contained in Clause 5 of Regulations 2008 is based on Para 4.2 of the Revised Guidelines 2007 which does not have the approval of the Union Cabinet (February 2007).

The MoUD, GoI accepted the facts (June 2014).

#### **3.10.3.2 Amendments in Clause 5.3 of the Regulations 2008**

As per the guidelines approved in February 2007, the cut-off date for eligibility of the colonies for regularisation is as per aerial survey of 2002, whereas the amended clause of 5.3 of Regulations made it as aerial survey of 2007, which was not in accordance with the Cabinet decision of February 2007.

MoUD stated (March 2014) that the amendment was necessitated as GNCTD faced a problem in fixing the boundaries as the satellite images were blurred and had zigzag shapes which could not be used for fixation of boundaries. It further stated that purpose of using aerial survey of 2002 was to identify the colonies which existed as on 31 March 2002 and aerial survey of 2007 was supposed to be used for finalization of the boundary of those colonies. The fact remains that this was in deviation of Cabinet decision.

The MoUD, GoI accepted the facts (June 2014).

#### **3.10.3.3 Irregular issue of Provisional Regularisation Certificate**

DDA inserted a provision at 4.6.1 in the Regulation of 2008 in June 2008 which enabled the GNCTD to issue a Provisional Regularisation Certificate (PRC) before they undertake any steps required for regularisation of unauthorised colony as described under clause 5 of the Regulations 2008. Issue of PRCs was not in the scheme of regularisation approved by the Cabinet in February 2007, and therefore an irregular and unwarranted exercise. As a result, 1218 PRCs issued were of no consequence in the scheme of regularisation.

MoUD in its reply (March 2014) stated that Minister of Urban Development was competent to approve the regulations and amendments in terms of the Government of India (Allocation of Business) Rules, 1961 (as amended from time to time). The reply is not tenable as issue of Provisional Certificate was not contemplated in the Guidelines approved by the Cabinet.

The MoUD, GoI accepted the facts (June 2014).

#### **3.10.4 Implementation of Regulations 2008 as amended in June 2008 and June 2012**

On the basis of amendments in clause 5 of Regulations, GNCTD issued orders dated 4 September 2012. As per these orders, the boundaries of 895 identified colonies have been finalized under Clause 5.3 of the Regulations 2008 as amended on 6 June 2012. Further, the Order mentioned that in exercise of the powers delegated under Clause 5.4 of the Regulations, 312 colonies on private lands stand regularized from the date of issue of Order and 583 partly

or fully on public lands stand regularized from the date of recovery of cost of public land by GNCTD on behalf of the land owning agency to be notified from time to time.

Scrutiny of records in UDD relating to 895 identified colonies showed the following discrepancies in carrying out the boundary fixation:

#### **3.10.4.1 Fixation of boundaries in contravention of amended Clause 5.3 and without verification of land record by Revenue Department**

As per amended Clause 5.3 of Regulations, boundaries were required to be finalized by superimposing images of aerial survey 2007 on LoP submitted by Resident Welfare Associations. The Revenue Department objected to boundaries fixed by UDD, as the aerial survey of 2007 was not imposed on the LoPs submitted by RWAs and that there was no fixation or finalization of boundary points. These objections indicated that procedure adopted in fixing the boundaries was in violation of the Regulations.

In addition to the above procedure, the walk through surveys ordered by the UDD to further authenticate the LoPs submitted by RWAs were not carried out as areas denoted in the maps on UDD website were heavily built-up without any reference points or control markers for identifying the *khasra* numbers as per the revenue records. Thus, boundaries of colonies were fixed without proper verifications of land records.

The UDD stated (March 2014) that aerial surveys were used to ascertain the existence of colony and tentative built up area in the year 2007. It further added that boundary fixation was being done by the Revenue Department by carrying out physical survey and stated that the Government had only prepared the list of colonies which are prima-facie fulfilling the criteria for consideration of regularization. The reply is not tenable as GNCTD has fixed the boundaries without verification of authenticity of *khasras* and also declared in September 2012 that 895 colonies were eligible for regularization and boundaries of each identified colony were finalized.

#### **3.10.4.2 Discrepancies in Land Status Report**

As per the order of September 2012, colonies on private lands stand regularised from the date of issue of the order and colonies on public land from the date of recovery of cost of land. Audit scrutiny of records of UDD showed that as per Land Status Reports of Revenue Department (issued before September 2012), 312 colonies were on private lands<sup>24</sup> and 583 were on government lands<sup>25</sup>. However, later on UDD observed that status of *khasras*

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<sup>24</sup> In case of land under acquisition proceedings private land is all lands in respect of which the awards have been given but the landowners have not taken the compensation and are retaining the physical possession.

In case of GaonSabha lands private land is all lands vested in the GaonSabha under Section 81 of the Delhi Land Reforms Act, 1954 where the physical possession is with the original landowners.

<sup>25</sup> In case of land under acquisition proceedings, public land is all lands in respect of which the Awards have been given, and the landowners have received the compensation, irrespective of current physical possession.

of few colonies was changed by Revenue Department, from private to government leading to reduction in the number of unauthorised colonies on private lands from 312 to 111 indicating that 201 colonies on public land have also been regularised without recovery of cost of land.

The UDD stated (March 2014) that physical verification for finalizing the boundaries through Revenue Department will correct the inconsistencies pointed by Audit. The reply is not tenable as the UDD has fixed the boundaries of the colonies without verification of status of land.

#### **3.10.4.3 Approval of boundaries of colonies on prohibited area**

Clause 3.3 (a) and (d) of Regulations exclude area under forest land and ASI protected land from being a part of any regularized colony. Audit observed that 10 colonies were regularized even though they were located partly or fully on forest/ridge area and three colonies were located on regulated area of centrally protected monuments of Delhi circle.

The UDD stated (March 2014) that the unauthorized colonies falling in notified, regulated and reserved forest area would be seen during finalization of the LoPs by the local bodies. Reply is not tenable as boundaries have already been fixed in respect of these colonies.

#### **3.10.4.4 DDA hindrances**

As per Sub-Clause 3.3 (b), colonies posing hindrances in the provision of various infrastructure facilities, would not be regularized. Audit observed that in case of 201 identified colonies, DDA had shown hindrances as per its Master Plan, Zonal Plan etc. In spite of this, these colonies were regularized in contravention of the Clause 3.3 (b) of Regulations. In case of eight colonies, areas pertaining to certain *khasras*, which DDA requested for exclusion from the boundary of the colony, were not excluded from the list of regularized colonies.

#### **3.10.4.5 Existence of colonies**

Clause 3.3 of the Regulations 2008 states that colonies existing as on 2002 would be regularized. The reports submitted by the Survey of India and MCD did not confirm the existence of 48 number of colonies as of 2002. However, the order of GNCTD in September 2012 regularized the same.

#### **3.10.4.6 Overlapping of boundaries and multiplicity of RWAs**

Audit observed that boundaries of 831 out of 895 colonies were overlapping (ranging from one to 100 *per cent*). Overlapping was due to non-comparison of coordinates of individual colony with other colonies. Further 179 colonies, coming under multiple RWAs<sup>26</sup> category, were also included in orders of 895 colonies.

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In case of GaonSabha lands, public land is all lands originally vested in the GaonSabha at the commencement of the Delhi Land Reforms Act, 1954, irrespective of the physical possession on ground and all lands subsequently vested in the GaonSabha under Section 81 of the aforesaid Act, where the physical possession is with the Government.

<sup>26</sup> More than one RWA claiming right over a colony or part thereof.

The UDD stated (March 2014) that above issues in paragraph 3.10.4.4, 3.10.4.5 and 3.10.4.6 would be sorted out during physical verification and final fixation of boundaries. The reply is not tenable as the orders of fixation of boundaries were issued without resolving the issue of overlapping of boundaries and multiplicity of RWAs.

The MoUD, GoI stated (June 2014) that the audit observations (**sub-paras 3.10.4.1 to 3.10.4.6**) on the implementation of Regulations 2008, pertain to the GNCTD and the GoI has no role to play at implementation level. It further stated that GNCTD vide their letter of February 2014 had informed that GNCTD would undertake a comprehensive review of existing regulations for regularization of unauthorised colonies in Delhi.

### **3.10.5 Discrepancies in fixation of boundaries in selected cases**

Audit selected a sample of 91 cases out of which 82 cases were made available and the scrutiny of which showed the following discrepancies in fixation of the boundaries:

#### **3.10.5.1 Allotment of excess khasras to RWAs**

In 81 colonies<sup>27</sup>, 1813 *khasras* were allotted to RWAs by the GNCTD, out of which status of land of 369 *khasras* was not recorded. In 62 cases<sup>28</sup>, 752 *khasras* were allotted in excess by the GNCTD, though not claimed by RWAs.

In 18 cases, correctness of allotment of *khasras* could not be ascertained due to incomplete information on LoP or non-availability of LoP.

#### **3.10.5.2 Inclusion of vacant land in the boundary**

In 81 cases, the boundary had been fixed by including vacant lands lying along the boundary line. Thus, the possibility of inclusion of excess area in the boundary of colony fixed by GNCTD cannot be ruled out.

#### **3.10.5.3 Discrepancies in built up area percentage**

As per Clause 3.3(c), unauthorized colonies/habitations where more than 50 *per cent* plots are un-built cannot be regularized. In six cases<sup>29</sup>, the built-up percentages as of 2007 were less than 50 *per cent*, yet the colonies were regularized. In 21 cases<sup>30</sup>, more than one LoP with different built-up area percentages were found on record.

In case of a colony (Registration No. 47-ELD) the map available on website showed the built-up percentage of 24.18 *per cent*, whereas the map available in the file, had the built-up percentage of 81 *per cent* as per 2007 survey. The basis of built up percentage, on which colony was regularized, had been altered. The corrected entry was not certified by the competent authority. The regularization of above colony was irregular as the colony did not meet the

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<sup>27</sup> 26 on private lands and 55 on public lands.

<sup>28</sup> 22 identified on private lands and 40 identified on public lands.

<sup>29</sup> 2 identified on private lands and 4 identified on public lands.

<sup>30</sup> 7 identified on private lands and 14 identified on public lands.

criteria of 50 per cent built-up area as required under Clause 3.3 (c) of the Regulations 2008.

The UDD stated (March 2014) that all the above discrepancies would be taken care of during physical verification and demarcation of boundaries of unauthorized colonies. The fact remains that excess *khasras* were allotted to RWAs and fixation of boundaries was in violation of Regulations.

#### **3.10.5.4 Ownership status of land**

In 81 cases, RWAs did not submit ownership documents as required under Clause 4.5.2 of Regulations, 2008. The UDD also did not ascertain the status of land ownership from the Revenue Department (January 2014). However, UDD finalized the boundaries without verification of land ownership. Scrutiny also showed that 16 private colonies, declared as such by UDD, existed partially on land belonging to the Government or vested Gram Sabha as shown by the maps prepared by the Survey of India.

#### **3.10.5.5 Non-obtaining of 'No Objection Certificate' from concerned agencies**

As per Sub-Clause 3.3 (b), colonies posing hindrances in the provision of various infrastructure facilities, would not be regularized. However, none of the 82 files scrutinized by Audit, contained 'No Objection Certificate' from concerned agencies like DDA, Railways, DJB, MCD, NHAI etc., which could provide an assurance that provisions of Sub-Clause 3.3 (b) were actually considered in the process of regularization of colonies.

The UDD stated (March 2014) that above issues would be sorted out during physical verification and final fixation of boundaries. The reply is not tenable as the orders of fixation of boundaries were issued without obtaining 'No Objection Certificate' from concerned agencies.

#### **3.10.5.6 Road width in regularized colonies**

Scrutiny of 82 selected cases showed that in 65 cases, road width was not as per the norms of the Fire Department. In nine cases, road width was not mentioned in LoPs and in eight, LoPs were not submitted by RWAs.

The UDD stated (March 2014) that the matter will be subjected to Special Regulations framed by DDA / Local bodies under relevant provisions of MPD-2021. The reply is not tenable since boundary fixation has already been completed without considering the road width.

#### **3.10.6 Lack of development works**

As per Clause 4.2.2.2 (B) of the MPD-2021, in all unauthorized colonies, it must be ensured that for improvement of physical and social infrastructure, minimum necessary and feasible level of services and community facilities are provided. The Supreme Court in WP (C) No 725 of 1994 of 14 February 2006, held "In case the State authorities are not in a position to make available the basic services in respect whereof it is admitted that there are severe limitations, there shall be no regularization of unauthorized colonies." Further, paragraph 7.2 of revised guidelines, 2007 stipulated that the regularization of unauthorized colonies should be subject to the above order of Supreme Court.

Audit observed that the UDD released ₹ 3666.81 crore during 2007-13 for providing basic services in unauthorized colonies. Of this, ₹ 3029.21 crore was utilized. Details of development works done were not provided to Audit. However, scrutiny of status of the works in 895 colonies, posted on website of the UDD (**Annexure-3.10.3**), showed that executing agencies (DSIIDC, I&FC, SDMC, NDMC and PWD) did not complete road and drain works in 416 colonies out of 891 colonies allocated to these agencies. The DJB failed to provide sewer lines in 797 colonies and water lines in 197 out of 895 colonies as on 31 March 2013. The approval of fixation of boundaries of unauthorized colonies identified for regularization without provision of necessary services deprived the residents of these facilities.

The UDD accepted that there was no monitoring of physical and financial progress of works done by the executing agencies.

The above points were reported to the GNCTD (March 2014). GNCTD stated (March 2014) that the process of boundary fixation has not yet attained finality. The reply of the Government is not tenable in view of the fact that the orders of GNCTD dated 4 September 2012 declared that the boundaries of each identified colony have been finalized under Clause 5.3 of the Regulations 2008 as amended on 6 June 2012. Further, the Order mentioned that 312 colonies on private lands stand regularized from the date of issue of Order and 583 partly or fully on public lands stand regularized from the date of recovery of cost of public land by GNCTD on behalf of the land owning agency to be notified from time to time.



New Delhi  
The 30 June 2014

(DOLLY CHAKRABARTY)  
Principal Accountant General (Audit), Delhi

**Countersigned**



New Delhi  
The 1 July 2014

(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India