Chapter-III
Compliance Audit

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Department of Food, Supplies and Consumer Affairs

3.1 Non-recovery of ₹ 61 lakh from the Bank

Failure of the Department to recover unauthorised payment from the Bank resulted in an amount of ₹ 61 lakh remaining un-recouped to Government account. The Department also suffered loss of interest of ₹ 12 lakh.

Department of Food, Supplies and Consumer Affairs, Government of NCT of Delhi (Department) implemented (December 2012) Dilli Annashree Yojna to provide food security through direct cash transfer of ₹ 600 per month in the bank account of the beneficiaries. For this purpose, the Department was maintaining a saving bank account with Bank of India (Bank). The Government of NCT of Delhi decided (September 2013) to merge the Dilli Annashree Yojna with National Food Security Scheme and stopped payments under the Dilli Annashree Yojna from April 2014.

Under the Dilli Annashree Yojna, after receipt of data of beneficiaries from the Computer branch of the Department, sanction orders were issued by the Policy branch and copies of the sanction orders along with list of beneficiaries were sent to Accounts branch for preparation of bills and transfer of funds to the Bank which further transferred the amount to the bank accounts of the beneficiaries as per the list given.

Audit noted that, during the financial year 2012-13, in several instances as detailed in **Table 3.1.1**, the Bank, on its own accord, made payment to persons whom the Department had not included in the list of intended beneficiaries.

Table 3.1.1: Details of payment released by Bank

Date of sanction	No. of beneficiaries sanctioned	Amount sanctioned (₹)	Rate (₹)	Actual Number of persons to whom the subsidy was released	Total amount released by the bank (₹)	No. of persons to whom the subsidy was wrongly released	Excess amount released by the bank (₹)
21.01.13	11,926	71,55,600	600	12,424	74,43,334	498	2,87,734
25.02.13	10,148	182,66,400	1800	12,362	222,51,600	2,214	39,85,200
No sanction was given by Department	-		600 6600	245 256	1,47,000 16,89,600	245 256	1,47,000 16,89,600
Total						**3,213**	**61,09,534**

Source: Data provided by the Department

The Department sought the list of persons to whom the bank had released the subsidy only in September 2015, and on verification of the data provided

(July 2016) by the Bank, found (October 2016) that payments amounting to ₹ 61 lakh were released to unauthorized persons in January-February 2013. The Department pursued (between December 2016 and March 2018) the matter unsuccessfully, only at the level of the Chief Manager of the Bank and approached the Zonal Manager only in September 2018, after this was pointed out by audit. The Department has not yet (December 2018) received back the payment of ₹ 61 lakh which was unauthorisedly transferred by the Bank, even after a lapse of more than six years.

Thus, due to absence of mechanism to promptly obtain the list of persons to whom Bank released the subsidy and timely reconciliation of the same with the list of sanctioned beneficiaries, the Department failed to ensure that the subsidy was released only to the sanctioned beneficiaries.

Moreover, the Department failed to escalate the issue timely to higher authorities of the Bank resulting in an amount of ₹ 61 lakh remaining out of the Government account (as on February 2019) for more than four years even after closure of Yojana. The Department also suffered loss of interest of ₹ 12 lakh[1] on account of the amount of ₹ 61 lakh remaining out of the Government account.

The Department stated (October 2018) that it has requested (September 2018) the Zonal Manager to direct the Chief Manager of the Bank to refund the excess amount and interest accrued.

The matter was referred to the Government in August 2018, their reply was awaited (December 2019).

General Administration Department

3.2 Irregular award of contracts of ₹ 1.39 crore

Rejection of tenders on the basis of a minimum service charges criterion which was adopted after receipt of tenders in contravention of GFR provisions and Central Vigilance Commission directions and on the basis of miscalculation of service tax which is a statutory levy and payable as per actuals vitiated the sanctity of the tender system and led to irregular award of contracts amounting to ₹ 1.39 crore.

Rule 180 (iv) of General Financial Rules, 2005 provides that the Ministry or Department should prepare a tender enquiry containing the statutory and contractual obligations to be complied with by the contractor in case of outsourcing of services.

Also, the Central Vigilance Commission (CVC) in its order dated 7 July 2003 reiterated that whatever pre-qualification, evaluation/exclusion criteria etc.

[1] Calculated at saving bank interest rate of 3.5 *per cent* per annum (₹ 61,09,534 x 3.5 x 69 months (April 2013 to December 2018)/1200)

which the organisation wants to adopt should be made explicit at the time of inviting tenders so that basic concept of transparency and interest of equity and fairness are satisfied.

The General Administration Department (GAD) invited (April 2016) open tenders for providing 23 sanitation workers and one Supervisor for Housekeeping and Sanitation Services at Vikas Bhawan-II, initially for a period of two years, for which five firms submitted their bids. Tender Evaluation Committee (TEC) recommended (5 May 2016) opening of financial bids of four out of the five bids received and evaluation of their financial bids on the criteria that at least ₹ 40,000 per month as service charges are required to meet the requirements specified in the tender document. This minimum amount of ₹ 40,000 per month as service charges had not been conveyed at the time of inviting tenders.

The financial bids were opened on 18 May 2016 and the details of rates quoted by the four firms were as given in **Table 3.2.1**:

Table 3.2.1: Details of rates quoted by firms

(Amount in ₹)

Firm	Designation	Minimum Wages per month	Statuary Liabilities (ESI, EPF, Bonus)	Service Tax	Service Charges		Grand Total
					Per Person	Total	
'A'	Supervisor (01)	10,582	2,798	46,713	573	41,651	3,79,993
	Worker (23)	9,568	2,530		1,786		
'B'	Supervisor (01)	10,582	2,798	47,213	700	34,050	3,72,872
	Worker (23)	9,568	2,530		1,450		
'C'	Supervisor (01)	10,582	2,798	51,334	2,600	62,400	4,05,363
	Worker (23)	9,568	2,530		2,600		
'D'	Supervisor (01)	10,582	2,798	50,335	2,019	48,456	3,90,420
	Worker (23)	9,568	2,530		2,019		

Source: Departmental records

It was observed that the Committee constituted for evaluation of financial bids rejected the bids of Firm 'A', 'B' and 'D' on the following grounds:

Firm	Grounds of Rejection	Audit Observation
'A'	Quoted ₹ 46,713 for statutory liability (Service Tax) instead of ₹ 48,325 as applicable	The exclusion on the basis of variation between Service Tax quoted and applicable was not justified as the statuary liabilities are paid on actuals, as applicable from time to time.
'B'	Service Charges quoted was less than the ceiling of ₹ 40,000 fixed by the TEC.	Fixing and adopting the evaluation/exclusion criteria of minimum service charges, after receiving the bids, which had not been conveyed at the time of inviting tender was against the provisions of GFR and CVC directions. Also, the basis for fixing the minimum service charges at ₹ 40,000 was not found on record
'D'	Quoted ₹ 50,335 for statutory liability instead of ₹ 49,312 as applicable	The exclusion on the basis of variation between Service Tax quoted and applicable was not justified as the statuary liabilities are paid on actuals, as applicable from time to time.

After rejecting the bids of 'A', 'B' and 'D', the contract was awarded to the highest bidder, Firm 'C', for a period of two years at a cost of ₹ 97.29 lakh. The GAD further awarded (25 May 2016) another contract for providing 10 sanitation workers and one Supervisor for Housekeeping and Sanitation Services at the CM's Camp Office in Civil Lines to the same firm at ₹ 41.75 lakh for a period of two years based on the same tender. The above actions of the Department resulted in irregular award of contracts amounting to ₹ 1.39 crore (₹ 97.29 lakh and ₹ 41.75 lakh).

The GAD stated (May 2017) that the evaluation committee as per its independent assessment had every right to assess the correct service charges and take a decision in this regard. It further stated that the NIT provided that the offers of those bidders which did not meet the statutory requirements were liable to be rejected.

Reply of GAD is not acceptable as exclusion criterion of minimum amount of service charges should have been made explicit at the time of inviting tenders as per the CVC instructions and adoption of the same by the Department at time of opening of bids was in contravention of GFR provisions and CVC directions.

Also, rejection of bids solely based on miscalculation of amount of service tax to be levied was not justified, since service tax is a statutory levy and was payable on actual basis by the Department.

The matter was referred to the Government (July 2018); their reply was awaited (December 2019).

Department of Health and Family Welfare

3.3 Excess expenditure of ₹ 1.66 crore on deployment of excess guards

Engagement of higher number of outsourced security guards, in contravention of Government Orders/Department of Health and Family Welfare Guidelines resulted in excess expenditure of ₹ 1.66 crore.

In terms of instructions issued by the Department of Health and Family Welfare (H&FW), GNCTD in December 2014 regarding deployment of manpower for outsourced services such as Nursing Orderlies, Security Guards etc., if a hospital takes daily deployment of staff as equal to the vacant sanctioned posts, it will end up in engaging higher number of personnel vis-a-vis sanctioned vacant posts since the sanctioned posts also usually include provisions for leave reserve, unless mentioned otherwise. Thus, the total number of guards engaged on rotation across the shifts, 24x7 including holidays etc. cannot exceed the number of vacant sanctioned posts allowed for outsourcing and the hospital has to prepare roster of staff deployment in a manner that the total does not exceed the number of vacant sanctioned posts allowed for outsourcing.

In June 2014, a proposal for engagement of 222 security guards and 11 supervisors at Guru Teg Bahadur Hospital (GTBH) through Directorate General Resettlement (DGR) empanelled agencies was concurred by the Finance Department (FD) and approved by Competent Authority on 28 May 2014 and 2 June 2014 respectively. Thereafter, contracts for providing 222 security guards and 11 supervisors at GTBH was awarded (November 2014) to three DGR empanelled agencies at rates of ₹ 20,193.79 per guard and ₹ 26,342 per supervisor per month for one year (1 December 2014 to 30 November 2015). On completion of the above contract, two agencies were given extensions from time to time up to 28 February 2017. However, one security agency refused to continue its services and the work was awarded (April 2016) to two new agencies for a period of one year which was further extended up to 15 May 2017 and 18 April 2017 respectively.

Audit examination revealed that as per DGR's wage structure; security guards are entitled for one day's paid-rest in a span of seven days and the rate at which the contract was awarded also included the wages to be paid for the reliever who will perform the duty on behalf of the guard on rest. Thus, the rate at which the contract was awarded, was for engagement of security guards on all seven days. Therefore, keeping in view the instructions of DH&FW, GTBH should have reduced the number of security guards deployed daily from the 222 sanctioned.

Special Secretary (Health), while on a visit to the Hospital in February 2015, specifically instructed that all the payments should be restricted within the number of security guards which have been allowed and sanctioned by the

Health Department and the relievers for Sundays and Holidays, if required, are to be from within the sanctioned number.

However, the Hospital engaged 222 security guards on daily basis on all seven days (except during the months December 2015 to March 2016) instead of engaging 190 guards on all seven days which would have restricted the payment within the sanctioned number of 222 posts.

Thus, engagement of 222 security guards on daily basis instead of 190[2] security guards resulted in deployment of 32 excess guards and excess expenditure of ₹ 1.66 crore on this account during the period from December 2014 to December 2016.

GTB Hospital stated (January 2019) that the competent authority (the Lieutenant Governor) sanctioned 222 security guards at ₹ 19,048/- per month as per the rates applicable for deployment of guards through the DGR and the rate included relieving charges meant for paying guards deployed on Sundays and holidays.

The above reply does not address the issue raised in the audit para that the sanctioned number of posts of 222 also includes leave reserve in terms of Health Department circular dated 12 January 2015 and therefore, the total number of guards deployed, including those deployed on Sundays and holidays, should have been kept within the sanctioned strength.

The matter was referred to the Government in July 2018, their reply was awaited (December 2019).

Directorate of Information and Publicity

3.4 Advertisements by the Government of NCT of Delhi

Non-routing of classified advertisments by PSUs through their administrative departments resulted in non-availing of DAVP rates; and high expenditure on advertisement of foundation stone-laying ceremony of a project when seen against the estimated cost of the project.

The Departments, Autonomous Bodies and Corporations of Government of NCT of Delhi (GNCTD) release creative advertisements to inform the citizens of Delhi about various activities and initiatives undertaken by them for public welfare through print (Newspapers, Magazines etc.), outdoor (hoardings, displays on buses, inside Delhi Metro etc.) and electronic media (TV clips,

[2] In terms of H&FW instructions of December 2014, the sanctioned posts are presumed to include leave reserve unless mentioned otherwise. No reference to leave reserve was made while sanctioning the 222 posts indicating that this includes leave reserve also. Special Secretary, while on a visit to the Hospital in February 2015 also reiterated the same. In terms of H&FW instructions of December 2014, the daily deployment of SGs should have been 190 (222 x 6/7) SGs with 32 SGs on weekly off on rotation basis so that 190 SGs are available on all seven days of the week without exceeding the total sanctioned strength.

Radio jingles etc.). They also publish public notices, tender notices, recruitment notices etc. as classified advertisements in print media.

Expenditure on creative advertisements of all the Departments of GNCTD is met out of the budget allocation of Directorate of Information and Publicity (DIP). As against a budget estimate of ₹ 365 crore during the years 2016-17 and 2017-18, the actual expenditure incurred on creative advertisements was ₹ 184.03 crore as given in **Table 3.4.1**.

Table 3.4.1: Publicity expenditure of DIP

(₹ in crore)

Year	Budget estimates for publicity	Actual expenditure on publicity	Publicity expenditure as percentage of total expenditure of GNCTD
2016-17	175.00	66.27	0.19
2017-18	190.00	117.76	0.30
Total	**365.00**	**184.03**	

Apart from the above, Autonomous Bodies[3] and Corporations of GNCTD incurred an additional expenditure of ₹ 28.65 crore and ₹ 7.51 crore respectively on creative and classified advertisements as given in **Table 3.4.2**.

Table 3.4.2: Expenditure on Advertisements

(₹ in crore)

	2016-17	2017-18	Total
Corporations[4]	3.05	4.46	7.51
Autonomous Bodies	9.69	18.96	28.65
Total	**12.74**	**23.42**	**36.16**

Source: Compiled from budget documents, annual accounts of Corporations and information provided by Autonomous Bodies.

In order to ascertain whether the expenditure on advertisements was being incurred efficiently, effectively and economically and also to assess whether the creative advertisements were in conformity with the guidelines approved by the Supreme Court in May 2015 with regard to content of advertisements, Audit examined records of selected Departments, Autonomous Bodies (ABs) and Corporations for the period from April 2016 to March 2018, during the period from 10 October 2019 to 5 November 2019.

Out of 36 departments which released creative advertisements through DIP during 2016-18, Audit selected four[5] Departments on the basis of the highest number of creative advertisements released in print media, for

[3] In respect of 26 Autonomous Bodies (out of total 58 ABs under the audit jurisdiction of the office), which provided the information relating to their publicity expenditure.

[4] As per the figures in annual accounts of Corporations, and provisional figures wherever accounts were not finalised.

[5] Directorate of Information and Publicity (nodal department for all advertisements), Department of Education, Department of Health and Family Welfare and Department of Tourism.

detailed examination. These four Departments accounted for 225, i.e., about 50 *per cent* out of the total 454 creative advertisements released by the 36 Departments of GNCTD.

There are 58 ABs under the audit jurisdiction of this office. Out of these, 14 released creative advertisements during 2016-18 through DIP. Out of these 14, two ABs, viz. Delhi Jal Board and Sahitya Kala Parishad, that accounted for 44 *per cent* of the total number of creative advertisements released by DIP for ABs were selected.

Out of the 19 Corporations of GNCTD, five[6] corporations were selected on the basis of highest expenditure on advertisements as per their annual accounts for the years 2016-17 and 2017-18. These five corporations accounted for 82 *per cent* of the expenditure booked for advertisements, by all the 19 corporations together.

3.4.1 Audit coverage

The audit team faced constraints in accessing files. In DIP, Audit requisitioned for records pertaining to all the 225 creative advertisements released by the selected four Departments during 2016-18, out of which, records in respect of only 76 advertisements (34 *per cent*) were produced to Audit. As DIP did not make available all the files requisitioned during audit, a comprehensive audit of the expenditure on advertisements and publicity by GNCTD has not been possible.

Out of 65 creative advertisements released by the two selected ABs during 2016-18, records of 62 creative advertisements were made available to Audit by the ABs. As regards Corporations, records relating to 28 out of 30 creative advertisements released by the five selected Corporations were produced to Audit. Besides this, Audit also test-checked 81 out of 197 classified advertisements of these five Corporations.

On scrutiny of the records produced to Audit, the following were observed:

3.4.2 Excess expenditure on classified advertisements at commercial rates by Public Sector Undertakings

After establishing a society named 'Shabdarth' in June 2015 to function as a dedicated advertising agency for the Government, the Government clarified vide OM dated 14 February 2017 that if the Corporations of GNCTD intends to publish its advertisments at non-commercial rates/Directorate of Advertising and Visual Publicity (DAVP) rates through DIP/Shabdarth, it has to route the request through their Administrative Departments.

[6] Delhi Tourism and Transportation Development Corporation (DTTDC), Delhi Transco Limited (DTL), Indraprastha Power Generation Company Limited (IPGCL), Pragati Power Corporation Limited (PPCL) and Delhi Transport Corporation (DTC).

Audit observed that the five selected PSUs were publishing classified advertisements at commercial rates (through empanelled advertising agencies) instead of routing them through their respective adminstrative Departments to Shabdarth for publishing them at non-commercial rates/DAVP rates, which were much less as compared to commercial rates. This resulted in excess expenditure of ₹ 1.10 crore in 81cases test-checked (out of 196 cases) in audit as per details given in **Table 3.4.3**.

Table 3.4.3: Excess expenditure on publishing of classified advertisement at commercial rates

(₹ in lakh)

Sl. No.	**Public Sector Undertaking**	**Number of advertisements test checked**	**Cost at commercial rates**	**Cost at DAVP rates**	**Excess expenditure**
1	Delhi Tourism and Transportation Development Corporation	21	16.44	2.28	14.16
2	Delhi Transco Limited	30	49.22	7.88	41.34
3	IPGCL and PPCL*	14	39.71	5.31	34.40
4	Delhi Transport Corporation	16	33.77	13.82	19.95
	Total	**81**	**139.14**	**29.29**	**109.85**

*Both these Corporations are under the same management and therefore, expenditure is clubbed together

Note: Cost and excess expenditure worked out are exclusive of taxes.

The managements of DTTDC, DTL, IPGCL and PPCL replied that although they had taken up the matter with Shabdarth in December 2015 for publishing classified advertisments, Shabdarth had refused to release them as media houses had refused to publish their advertisments at DAVP rates. However, it is observed that the corporations had not routed their advertisments through their administrative departments as directed in the GNCTD circular, which would have made them eligible to avail DAVP rates while releasing their advertisments through Shabdarth.

Due to not routing classified advertisments by five Corporations through their administrative departments, excess expenditure of ₹ 1.10 crore was incurred, as they could not avail the DAVP rates, which are lower than the commercial rates.

Government replied (January 2020) that Shabdarth could not release advertisements for Corporations at DAVP rates as media houses refused to publish advertisements of Corporations at DAVP rates. While confirming the fact that these advertisements were not routed through their administrative departments, the Government further stated that the outcome would have remained the same nonetheless (if the advertisments were routed through administrative departments).

It is observed from the Government reply that due procedure prescribed in the OM dated 14 February 2017 to release advertisments at DAVP rates was not followed by the Corporations and hence the Corporations were not eligible to avail of DAVP Rates. Since due procedure was not followed, it cannot be presumed that the media houses would have refused to publish advertisments of Corporations at DAVP rates had the conditions in the OM dated 14 February 2017 been adhered to.

3.4.3 Expenditure on publicity of foundation-stone laying ceremony of a project

In terms of Rule 21 of General Financial Rules, which lays down the principles of financial propriety, expenditure should not be prima facie more than the occasion demands. DJB released advertisement for foundation stone ceremony of "Replacement of sewer lines at West Lakshmi Market and Khureji Khas" project at a cost of ₹ 36.55 lakh. This was 17 *per cent* of the total estimated cost of the project, which was only ₹ 2.16 crore. Such high expenditure on advertisements on foundation stone-laying ceremonies when seen against the total project cost was not in consonance with the standards of financial propriety expected in government expenditure.

Government replied (January 2020) that the project impacted a large number of people and hence wide publicity was given to the people about completion of the project. The reply does not address the audit observation which was regarding the high advertisement cost on foundation stone laying ceremony of the project as proportion of the estimated cost of the project.

Labour Department

Delhi Building and Other Construction Workers' Welfare Board

3.5 Avoidable payment of income tax of ₹ 49.13 crore and interest of ₹ 48.51 crore thereon

Due to poor utilisation of its income for its mandated activities and non-payment of tax in time, the Delhi Building and Other Construction Workers' Welfare Board had to pay income tax and interest amounting to ₹ 97.64 crore which should instead have been spent on welfare activities, besides depriving the building and other construction workers from much needed social security and other welfare measures.

Delhi Building and Other Construction Workers' Welfare Board (the Board) was constituted on 02 September 2002 under the Building and Other Construction Workers (Regulation of Employment and Conditions of Services) Act, 1996 (BOCW Act) with a view to providing and monitoring social security schemes and welfare measures for the benefit of building and other construction workers. For this purpose, the Board collects cess from agencies/individuals undertaking construction work in NCT of Delhi.

The Board was granted registration under Section 12A of the Income Tax Act, 1961 (IT Act), rendering it eligible for exemption from income tax under Section 11 of the Act, subject to the following conditions:

- The Board was required to utilise at least 85 *per cent* of its income during the year for charitable purposes. If the income applied to charitable purposes falls short of 85 *per cent*, such amount by which the applied income falls short will be treated as taxable income.
- The Board was also required to obtain a Permanent Account Number and file income tax returns (ITR) regularly.

Audit observed that utilisation of cess collected by the Board was only in the range of 0.45 to 38.42 *per cent* during the years 2009-10 to 2017-18 (**Appendix 3.5.1**). Due to such poor utilisation of the cess collected, meant for providing social security schemes and welfare measures for building and other construction workers, the cess collected and interest earned thereon accumulated to ₹ 2,465.43 crore as on 31 March 2018.

One of the main reasons for poor utilisation of funds on welfare schemes is that the Board could get only 1.49 lakh workers registered with them as of March 2018, out of an estimated 10 lakh workers in Delhi. The issue of idling of cess fund of ₹ 1,691 crore collected for welfare of construction workers was highlighted in Paragraph 3.9 of Comptroller and Auditor General of India's Audit Report on GNCTD (Non-PSUs) for the year ended 31 March 2016. Also, the Supreme Court has time and again commented on the poor utilisation of cess being collected by Welfare Boards of various states and also issued (March 2018) general directions to implement the BOCW Act.

Despite this, the percentage of utilisation of cess fund for the welfare of construction workers remained continuously low. As seen from Appendix 3.5.1, the Board failed to utilise at least 85 *per cent* of its income in any of the years thereby rendering it liable for payment of income tax.

Also, the Board, since its constitution in September 2002, has failed to finalise its annual accounts timely. While annual accounts for the years 2002-03 to 2009-10 were submitted together in March 2013 for audit, there have been delays in all subsequent years. The annual accounts of 2017-18 are yet to be submitted to audit.

It was also observed that the Board did not file Income Tax Returns (ITRs) from Assessment Year (AY) 2009-10 onwards, despite getting registered under Section 12A of IT Act to claim exemption from income tax.

Consequently, Income Tax Department (ITD) issued (March 2017) a notice to the Board under Section 148 of IT Act for not filing ITR for the AY 2010-11. In response, the Board filed the ITR for AY 2010-11 in October 2017 showing its taxable income as 'NIL'. However, as the income applied to charitable purposes fell short of 85 *per cent*, ITD passed (December 2017) an Assessment Order (AO) under Section 147 of the IT Act fixing the net tax liability at ₹ 49.13 crore. In addition, interest amounting to ₹ 48.93 crore was also levied under Sections 234A, 234B and 234C of IT Act. Later, the ITD adjusted the total demand from ₹ 98.07 crore to ₹ 97.64 crore.

Thus, due to failure of the Board to utilise 85 *per cent* of its income during the year for charitable purposes, i.e., welfare schemes for labourers and other workers; finalise the annual accounts timely; file ITR; and pay tax in time, the Board had to pay income tax and interest amounting to ₹ 97.64 crore. By not utilising the cess collected, which had accumulated to over ₹ 2,400 crore (March 2018), the building and other construction workers were deprived of much needed social security and other welfare measures.

Further, since the Board has not filed ITRs for years subsequent to 2010-11, the liability on account of income tax and interest thereon is likely to be manifold considering the fact that income utilised for welfare measures was much less than 85 *per cent* in all the subsequent years and no ITR was filed since AY 2010-11.

In its reply (December 2018), the Board attributed the poor utilisation of funds to low registration of workers with the Board and shortage of regular staff as the designated Registering Authorities were officers of the Labour Department who are to perform these functions in addition to the functions of the Department and therefore, could not create adequate awareness among the workers about the benefit of registering with them.

The matter was referred to the Government in August 2018, their reply was awaited (December 2019).

Recommendations:

- *The Government should ensure that 85 per cent of the cess collected during the year is efficiently and effectively utilised on the welfare schemes for the building and other construction workers.*
- *The Board should finalise its annual accounts timely, to ensure accurate computation of its tax liabilities.*
- *The Board should file ITR and pay its income tax liability timely, to avoid payment of penal interest on the tax amount.*

Department of Revenue

3.6 Delay in issuing Supplementary Awards resulted in avoidable payment of interest/liability of ₹ 2.03 crore

Delay in complying with the procedures laid down in the Land Acquisition Act, 1894, for providing timely compensation to the landowners, resulted in payment of avoidable interest of ₹ 21.07 lakh and interest liability of ₹ 181.84 lakh.

Standing instructions issued (May 2006) by Land and Building Department of Government of National Capital Territory of Delhi (GNCTD), while reiterating the provisions of section 11 of the Land Acquisition (LA) Act, stipulated that the Collector shall announce the award within a period of two years from the date of issue of declaration under Section 6 of LA Act. Further, Section 34 of the LA Act, 1894 provides that when the amount of compensation is not paid or deposited on or before taking possession of the land, the Collector shall pay the amount awarded with interest thereon at the rate of nine *per cent* per annum from the time of taking possession until it shall have been so paid or deposited. Provided that, if such compensation or any part thereof is not paid or deposited within a period of one year from the date on which possession is taken, interest at the rate of 15 *per cent* per annum shall be payable from the date of expiry of the said period of one year on the amount of compensation or part thereof which has not been paid or deposited before the date of such expiry.

Audit observed that the Land Acquisition Collector (North) issued five Supplementary Awards during the years 2015-16 and 2017-18 for paying compensation to the land owners for trees, plants and structures existing on the land acquired by the Government which was not included in the original award. The supplementary awards were issued on the basis of valuation reports submitted by the Horticulture Department/Public Works Department (PWD) which were not received during preparation of Original Award except in one case (Supplementary Award no.2A of Table 3.6.1) wherein valuation report was received prior to declaration of original award. The details of the

Original/Supplementary Awards made by the Land Acquisition Collector (LAC) are given in **Table 3.6.1.**

Table 3.6.1: Details of the Original/Supplementary Awards made by the Land Acquisition Collector

(Amount in ₹)

Supplementary Award[7] no. and Date of Award	Date of Declaration u/s 6	Due date for Award	Date of Original Award	Date of Possession	Date on which letter issued for valuation of plants, trees and structures	Date of receipt of valuation report	Amount on which interest to be paid	Avoidable[8] interest paid/ interest liability
5B/05.04.17	19.03.04	18.03.06	10.06.05	22.08.05	06.02.07	09.03.07	7,84,343	12,68,121
12E/09.10.15	19.03.04	18.03.06	05.08.05	06.10.05	25.01.06	27.09.06	5,98,583	8,38,639
12F/28.04.17	19.03.04	18.03.06	05.08.05	06.10.05	06.02.07	09.03.07	14,08,600	25,30,964
8A/05.01.16	22.02.07	21.02.09	16.02.09	22.11.10	21.01.09	05.04.10	1,42,066	1,51,797
2A/05.05.17	12.02.10	11.02.12	07.02.13	03.04.12	31.10.11	16.12.11	1,79,44,704	1,55,01,275
								2,02,90,796

Source: Departmental records

From the table, it can be seen that in three cases (5B, 12E and 12F) the Department approached the Horticulture Department/PWD for valuation after declaration of original award and though valuation reports were received back within periods ranging from one to eight months, Department issued supplementary awards only after more than nine years. In one case (8A), the letter for valuation was issued at towards the end of stipulated time, resulting in receipt of valuation report after issuing original award but Department issued supplementary award after more than five years of receipt of valuation report. Further, in case of award no. 2A, the valuation report was received prior to declaration of original award, however, the same was not taken into consideration while determining the compensation. These delays ranged between five and a half years to ten years and resulted in avoidable payment of interest of ₹ 21.07 lakh and interest liability of ₹ 181.84 lakh (up to May 2018) on the compensation payable to the land owners under the LA Act.

Thus, failure of the Department in assessing and paying the compensation within the period stipulated in the Act resulted in avoidable payment of interest and liability of ₹ 2.03 crore.

The DC office while accepting the facts stated (July 2018) that in four cases (5B, 12E, 12F and 8A), the said villages were in North-West District and came into territorial jurisdiction of District North only in October 2012 and that a standing order was issued by the Secretary (Revenue) office not to

[7] Payment of compensation in respect of award nos. 5B and 12E have been made on 26.09.2017 and 02.06.2017 respectively whereas in remaining three cases compensation is yet to be paid.

[8] Avoidable interest has been calculated from the due date by which the award was to be announced as per the Act.

announce any supplementary award. It further added that due to huge pendency of cases, supplementary awards could not be processed and the valuation reports were misplaced somewhere. Later, the interested persons filed writ petition in the High Court, and then supplementary awards were issued. In the remaining one case (2A) of award, the valuation report was inadvertently not placed in file at the time of the original award, and supplementary awards were announced after the direction[9] of the High Court except in one case. The DC office, however, informed that it is in the process of identifying the delinquent officials who were/are responsible for such negligence on their part as to why the valuation reports were not placed after receiving the same from PWD/Horticulture Department for the announcement of supplementary awards.

Reply of the Department is not satisfactory as the standing instructions issued in July 2005/May 2006 were reiterated by the Land and Building Department, GNCTD in February 2012 which clearly stipulates that while determining the compensation, the LACs should get the valuation of the structures done from PWD. and that of the cost of plants and trees etc. from the Horticulture Department and these should be included in the main award to avoid announcement of supplementary award. Thus, the Department had not adhered to the instructions of the Land and Building Department and thereby failed in issuing the supplementary awards in time after receipt of the valuation reports. Further, in three cases it did not make payment of compensation to land owners despite issue of supplementary awards, thereby increasing the interest liability.

The matter was referred to the Government in June 2018/January 2019, their reply was awaited (December 2019).

[9] Supplementary award no./date: 12F/9.2.2016, 8A/6.1.2015, 5B/18.1.2016 and 2A/25.4.2016

Department of Social Welfare

3.7 Non-completion of Old Age Homes and also avoidable payment of ₹ 1.30 crore to DDA for extension of time for construction.

Frequent revision in the drawings and design for Rohini Old Age Home (OAH) has resulted in the OAH being only at the tendering stage even after 21 years of acquiring land. In case of Kanti Nagar OAH, frequent changes of executing agencies have resulted in the OAH not being completed even after 12 years of taking possession of the land. The delay also resulted in avoidable payment of composition fee amounting to ₹ 130.14 lakh to DDA apart from depriving the elderly people of Delhi from the much needed social security of staying in the OAHs.

One of the responsibilities of the Social Welfare Department (Department) is to provide social security for the aged through a network of residential care homes. The Department has so far established only two Old Age Homes (OAHs), one at Bindapur with a capacity of 50 occupants, being run by the Department and another at Lampur, with a capacity of 30 occupants, in collaboration with Delhi Brotherhood Society[10]. Besides these two OAHs, the Department had taken possession of two plots at Rohini IV and Kanti Nagar in March 1997 and August 2006 respectively for construction of Old Age Homes. As per conditions of allotment, the construction was required to be completed within a period of two years from the date of taking over physical possession of the plots.

a) Rohini Old Age Home:

The Department took possession (March 1997) of a plot of land measuring 3,576 square meter from Delhi Development Authority (DDA) at a cost of ₹ 17.67 lakh for construction of an OAH at Rohini IV with a capacity of 176 occupants.

The Department entrusted (March 1997) the construction work to Public Works Department (PWD). After receiving the preliminary drawings from PWD in September 1998, Department revised the drawings twice till May 2005. The MCD suggested changes in these drawings and PWD revised (April 2008) the drawings accordingly. Thereafter, the Department again revised the drawings thrice till October 2015. The MCD approved the drawings in February 2017. Administrative Approval and Expenditure sanction of ₹ 12.49 crore was accorded in March 2018.

In the meantime, the Department had to obtain extension of time (EOT) from DDA for construction twice as the stipulated time was over and for this; it had to pay ₹ 116.39 lakh as composition fee.

[10] A Non-Governmental Organisation

Revision of preliminary drawings five times contributed to delay of more than 21 years in construction of the Rohini OAH and also avoidable expenditure of ₹ 116.39 lakh as composition fee paid to DDA. The project initiated in March 1997 was still at tendering stage (June 2018) even after a lapse of 21 years and has deprived the old people of Delhi from the much needed social security and facilities of OAH.

b) Kanti Nagar Old Age Home

The Department took possession (August 2006) of a plot of land measuring 1550 square meter from DDA at a cost of ₹18.54 lakh for construction of an OAH at Kanti Nagar, Delhi with a capacity of 117 occupants.

The Department changed the implementing agency for the construction work multiple times (from PWD to DTTDC and then to IFCD and then back again to PWD) and finally, the work was entrusted to PWD in February 2012 and a conceptual plan prepared by PWD was approved (February 2013) by the Department. However, the plan was revised by Department in April 2014 by changing the design and area and modified drawing was submitted by the PWD in June 2016 which was approved in August 2016. In the meantime, AA&ES of ₹ 5.79 crore (September 2015) was issued in favor of PWD.

Since the stipulated period of construction was over, the Department had to pay composition fee amounting to ₹ 13.75 lakh to DDA for EOT up to 30 June 2018. As of June 2018, the work was in progress and further necessity of EOT with payment of composition fee cannot be ruled out.

Frequent changing of the executing agency resulted in delay in construction of the Kanti Nagar OAH which is incomplete even after 12 years of taking possession of the land. The delay also resulted in avoidable payment of composition fee of ₹ 13.75 lakh to DDA and has deprived the old people of Delhi from the much needed social security and facilities of OAH.

Thus, the inordinate delay of 21 years in construction of Rohini OAH and 12 years in case of Kanti Nagar OAH resulted in avoidable payment of composition fee amounting to ₹ 130.14 lakh to DDA apart from depriving old people of Delhi from the much needed social security.

On being pointed out, the Department stated (February 2019) that the delay in case of Rohini old age home was due to absence of proper entry to the plot, delay in approval of building plans and disagreement between PWD and Finance Department with regard to inclusion of cost index in estimates. It was also stated that the Department of Social Welfare is only responsible for handing over the site to the construction agency and the delay is on the part of PWD. It also stated that the construction of the Old Age Home is expected to be complete in 18 months. With regard to the old age home at Kanti Nagar, the delay was attributed to frequent change of agency for construction and change in building plans at different stages. Further, the change in agency was decided at the level of Minister. The reply also stated that as per information provided by PWD, work is almost complete.

The reply of the Department is not satisfactory as the sequence of events and action taken indicates poor planning and coordination. The issue of absence of proper entry to the plot at Rohini should have been addressed before/while taking possession of the land. Other reasons for delay given by the Department are all administrative in nature and do not justify delays of more than 21 years and 12 years in case of Rohini and Kanti Nagar OAHs, which were required to be completed by March 1999 and August 2008 respectively. As a result of these delays, the elderly persons, who would have availed the security of stay in these OAHs have been deprived of the facility till date.

The matter was referred to the Government in September 2018, their reply was awaited (December 2019).

Department of Urban Development

3.8 Affordable housing projects for urban poor under Basic Services to the Urban Poor (BSUP)-JNNURM

The sub-mission "Basic Services to the Urban Poor" (BSUP) of the Central Scheme "Jawaharlal Nehru National Urban Renewal Mission" (JNNURM) had a component of projects for affordable housing for urban poor. The scheme was initially for a period of seven years from 2005-06 to 2011-12. However, it was extended up to 31 March 2017 for completion of those projects, which had been sanctioned up to March 2012.

The implementation of housing projects suffered from lack of planning from the conceptualization stage itself, as all the 14 housing projects of DSIIDC and DUSIB were confined to only four districts of Delhi even though 461 of the 675 targeted Jhuggi Jhopri clusters were in the remaining seven districts of Delhi. Also, instead of small clusters evenly spread all over Delhi, housing projects with large number of Dwelling Units were planned.

The DSIIDC and DUSIB executed 14 housing projects with 52,344 Dwelling Units but four of these 14 projects with 24,000 Dwelling Units remained incomplete even after more than one year of closure of the scheme, resulting in the expenditure of ₹ 755.26 crore incurred on these four projects remaining infructuous.

Further, GNCT of Delhi could identify only 5,483 beneficiaries, out of which only 1,864 beneficiaries were rehabilitated to the dwelling units constructed under the scheme till August 2018. Thus, due to delay in identifying beneficiaries, more than 90 *per cent* of the 28,344 Dwelling Units completed till June 2018 at a cost of ₹ 1,101.36 crore were lying unallotted, unoccupied and vulnerable to deterioration.

The objectives of the scheme remained unfulfilled even after 10 years of launching of the scheme and one year of its closure. This was mainly due to deficiency in planning and execution of the projects and poor progress in identification of beneficiaries.

3.8.1 Introduction

The Ministry of Housing and Urban Poverty Alleviation (MoHUPA), Government of India (GoI) launched a scheme called "Jawaharlal Nehru National Urban Renewal Mission (JNNURM)" in December 2005 for development of infrastructure in cities for a period of seven years till March 2012. The scheme was later extended up to 31 March 2017 for completion of the projects sanctioned till March 2012. One of the sub-missions of JNNURM was "Basic Services to the Urban Poor (BSUP)" which had a component of 'Houses at affordable cost for Urban Poor, slum dwellers etc.'. Under this component, States propose various housing projects for urban poor to the Central Sanctioning and Monitoring Committee (CSMC) of the MoHUPA, GoI for sanction. Land for these projects was to be provided by the State Governments and cost of these projects (excluding land cost) was to be shared by the Central and State Governments at the ratio 50:50. Out of the state share, beneficiaries were to pay an amount of ₹ 1.12 lakh (fixed) per DU at the time of allocation and handing over possession of the Dwelling Units (DU) to them. In case of allocation of DUs to slum dwellers being relocated from Jhuggi Jhopri (JJ) Clusters, the agency owning the land on which these slum dwellers were residing, was to bear a part of state share which was fixed by the State Government from time to time. As per the latest rehabilitation policy of 2015, the land owning agencies have to bear the entire State share excluding the contribution to be made by the beneficiaries.

In the National Capital Territory of Delhi (NCTD), the GoI had sanctioned 23 housing projects, out of which seven projects were dropped[11] at later stages due to various reasons. Out of the remaining 16 housing projects with 55,424 Dwelling Units, eight projects were entrusted to Delhi State Industrial Infrastructure Development Corporation (DSIIDC), six projects to Delhi Urban Shelter Improvement Board (DUSIB), and one project each to Delhi Development Authority and New Delhi Municipal Council.

As of 31 March 2018, the status of funds released to DSIIDC and DUSIB through the Urban Development Department (UDD), Government of NCTD, and the expenditure incurred against it, is given in **Table 3.8.1**:

Table 3.8.1: Funds released and expenditure

(₹ in crore)

Implementing Agency (IA)	Project Cost	Allocation by GoI	GoI share released to GNCTD (A)	Contribution of GNCTD (B)	Total Release to IA (A+B)	Total expenditure
DSIIDC	1,509.66	680.40	689.44	433.11	1,122.55	977.27
DUSIB	906.17	428.46	315.93	579.21	895.14	879.45
Total	**2,415.83**	**1,108.86**	**1,005.37**	**1,012.32**	**2,017.69**	**1,856.62**

Source: Departmental records

An audit of projects implemented by DSIIDC and DUSIB was conducted during April to August 2018 with a view to assess whether these housing projects were executed by DSIIDC and DUSIB efficiently and effectively and houses constructed were allotted to the intended beneficiaries timely. For the purpose of audit, records of the Urban Development Department, DSIIDC and DUSIB were test checked. Out of the 10 completed housing projects of DSIIDC and DUSIB, Simple Random Sampling method was adopted for

[11] Six projects (Kanjhawala, Samaspur, Deramandi, Jonapur, Neb Sarai and Nangli Sakrawati) of DSIIDC and one project (Rohini) of DUSIB were dropped due to non-availability of land, encroachment and litigation.

selection of four[12] housing projects with 19624 Dwelling Units, for detailed scrutiny. Audit also examined the records related to four[13] incomplete housing projects (24000 Dwelling Units), to review the reasons for the delay. Joint inspection of selected housing projects was also conducted during May to July 2018 along with the officers of DSIIDC and DUSIB.

Audit Findings

3.8.2 Conceptualisation of projects

As per Master Plan Delhi 2021 (MPD-2021) of February 2007, sites for relocation of slum dwellers should be identified with a view to develop relatively small clusters in a manner that they can be integrated with the overall planned development of the area, particularly keeping in view the availability of employment avenues in the vicinity as very large resettlement sites could lead to a phenomenon of planned slums. Out of the 16 housing projects implemented under JNNURM, 15 were meant for relocation of slum dwellers. Though there is no definition for large clusters, Audit noticed that five of these projects consisted of 1,000 to 5,000 Dwelling Units (DUs) and six projects consisted 5,001 to 7,620 DUs. There were two projects each at Poothkhurd and Tikri Kalan which were adjacent to each other creating clusters of 10,140 DUs and 10,300 DUs respectively.

Further, as per BSUP modified guidelines of February 2009, care was to be taken to ensure that the urban poor are provided housing near their place of occupation. Out of the 15 projects taken up under JNNURM for relocation of slum dwellers, nine projects with 37,740 Dwelling Units were approved after these guidelines were issued. However, this aspect was not kept in view while conceptualising these projects.

Out of the sixteen projects implemented under the scheme, seven were located in North District, three in West, four in South West District and two in North West District. Thus, no project was recommended in the remaining seven revenue districts though 461 out of the total 675 JJ clusters in Delhi were located in these districts. Moreover, huge clusters of 7,400 DUs, 10,140 DUs, 10,300 DUs and 7,620 DUs were planned in Bhalaswa (North District), Poothkhurd and Bawana Phase-III (North District), Tikri Kalan (North District) and Savda Ghewra (North West District) respectively.

The latest Rehabilitation Policy of 2015 formulated by the Government of NCT of Delhi also provides that the slum dwellers will be rehabilitated in-situ within five kilometers and only in exceptional circumstances, with the

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[12] Two projects at Ghogha and Baprola (7,104 Dwelling Units) and Poothkhurd Phase I (3,840 Dwelling Units) of DSIIDC and two projects at Sultanpuri (1,060 Dwelling Units) and Savda Ghevra (7,620 Dwelling Units) of DUSIB.

[13] Poothkhurd Phase-II, Poothkhurd Phase-III and Tikri Kalan of DSIIDC and Bhalaswa-Jahangirpuri of DUSIB

approval of DUSIB, relocation of slum dwellers beyond five kilometers could be done.

Thus, due to location of projects in only four districts of NCTD, instead of small projects evenly distributed among all parts of Delhi, GNCT of Delhi was not in a position to rehabilitate the slum dwellers in-situ in the houses constructed under JNNURM.

In reply, the Government stated (December 2019) that although Master Plan 2021 emphasised in-situ rehabilitation of slum dwellers, initial focus under JNNURM was to rehabilitate/relocate the slum dwellers as per the approved policy and the houses were constructed on the land parcels which were available with DUSIB and DSIIDC. Reply should be seen in view of the BSUP guidelines (February 2009) which mentioned that the urban poor be provided housing near their place of occupation, but this was not taken into consideration even in the nine projects which were sanctioned after notification of BSUP guidelines in February 2009.

The Government of NCTD had formed (February, 2006) a State Level Steering Committee (SLSC) under UDD to approve projects before submission to the CSMC. However, it was observed that out of 14 housing projects implemented by DSIIDC and DUSIB, nine projects were submitted to CSMC, MoHUPA, GoI without obtaining prior approval of SLSC, UDD, GNCTD. This indicates inadequate assessment of projects at state level before submitting them to the CSMC for approval.

Audit also observed that though BSUP guidelines envisaged identification of beneficiaries as part of project preparation, it was not done for any of the projects. While granting approval of projects, CSMC had also remarked that GNCTD has not provided the list of beneficiaries along with the detailed project reports and directed GNCTD to comply with the same. However, the instructions were not complied with by GNCTD.

The project proposals did not comply with requirement of identification of beneficiaries as part of project preparation. Progress in identification of beneficiaries was poor (details in Paragraph 3.8.4), and only 90 out of already completed 5,568 DUs had been allotted (as of January 2011). Despite poor allotment and large number of dwelling units remaining unoccupied, the Government approved eight more housing projects[14] with 44,240 DUs during December 2010-June 2011 without ensuring commensurate progress in identification of beneficiaries.

As of August 2018, against total 28,344 DUs available for allotment, GNCTD had identified only 5,483 beneficiaries for rehabilitation to the dwelling units constructed, out of which only 1,864 were actually rehabilitated as of August

[14] Poothkhurd Ph-I (6,480 DUs), Ph-II (4,560 DUs), Ph-III(7,720 DUs), Tikri kalan(8,420 DUs), Savda Ghewra (7,620 DUs), Dwarka Ph-II(980 DUs), Sultanpuri (1,060 DUs), Bhalaswa 7,400 DUs).

2018. As a result, more than 26,000 DUs (i.e. 93 *per cent* of the constructed DUs) were lying vacant, and deteriorating due to natural wear and tear and theft.

3.8.3 Implementation of housing projects

The status of 14 projects executed by DSIIDC and DUSIB is given in **Table 3.8.2**.

Table 3.8.2: Status of Projects of DSIIDC and DUSIB as on 31 August 2018

Implementing agency		Sanctioned	Completed	Incomplete
DSIIDC	DUs	34,260	17,660	16,600
	Projects	8	5	3
DUSIB	DUs	18,084	10,684	7,400
	Projects	6	5	1
Total	**DUs**	**52,344**	**28,344**	**24,000**
	Projects	**14**	**10**	**4**

Source: Information provided by the Department

Thus, out of the total 14 housing projects with 52,344 Dwelling Units to be executed by DSIIDC and DUSIB, only 10 projects with 28,344 Dwelling Units have been completed (August 2018) i.e., only 54 *per cent* of the Dwelling Units have been constructed even after more than one year of closure of the JNNURM in March 2017.

3.8.3.1 Projects under Delhi State Industrial Infrastructure Development Corporation (DSIIDC)

Summary of status of eight projects entrusted to DSIIDC as of August 2018 is given in **Table 3.8.3**.

Table 3.8.3: Details of housing projects of DSIIDC

Sl. No.	Project Name	Approval by CSMC	Month of start	Stipulated month of completion	Month of completion	Delay in months
1	Bawana (1184)	June 2007	February 2007	August 2008	December 2008	4
	Narela (1412)		March 2007	September 2008	May 2011	32
	Bhorgarh (1272)		February 2008	October 2009	January 2011	15
2	Ghogha (3680)		August 2007	September 2008	December 2010	27
	Baprola-I (3424)		February 2008	November 2009	February 2013	39
3	Baprola-II (2144)	October 2008	February 2008	November 2009	February 2013	39
4	Bawana (704)		August 2007	September 2008	December 2010	27
5	Poothkhurd-I (3840)	December 2010	October 2011	April 2013	October 2016	43
6	Poothkhurd-II (4560)		March 2012	September 2013	Incomplete	58
7	Poothkhurd-III (6300)		October 2011	April 2013	Incomplete	62
8	Tikri Kalan-I (5740)	June 2011	December 2012	December 2013	Incomplete	54

Source: Departmental records

As seen from the table, out of eight projects, five projects have been stated as complete and three projects are incomplete. Deficiencies observed in the five projects (two completed and three incomplete) selected for detailed scrutiny are brought out in the succeeding paragraphs.

(i) Completed housing project of "3,680 DUs at Ghogha, North District and 3,424 DUs at Baprola Phase-I, Sourth-West District"

The CSMC sanctioned a housing project to construct 3,680 DUs at Ghogha, 3,616 DUs at Kanjhawla and 3,424 DUs at Baprola Phase-I in June 2007. The DUs at Ghogha and Baprola Phase-I were executed by Agency-A and Agency-B respectively. However, DUs at Kanjhawla could not be taken up due to failure of DSIIDC to provide encumbrance-free site. Audit observations regarding the construction of 3,680 and 3,424 DUs at Ghogha and Baprola Phase-I respectively are detailed below:

(a) Housing project of 3680 Dwelling Units at Ghogha, North District

DSIIDC had invited (April 2007) tenders for construction of 5,008 DUs at 'Ghogha, Kanjhawla, Narela and in the vicinity of North-West Delhi' and after due tendering process, awarded (July 2007) the work to Agency-A. Audit, however, observed that this project had not been sanctioned by SLSC and CSMC and thus, tendering and award of work without proper sanction was irregular.

Meanwhile, CSMC had sanctioned (June 2007) a project for 3,680 DUs at Ghogha, 3,616 DUs at Kanjhawla and 3,424 DUs at Baprola Phase-I. The work of 3,680 DUs at Ghogha and 3,616 DUs at Kanjhawla were then assigned to Agency-A against the work of 5,008 DUs awarded to it. However, the work of 3,616 DUs at Kanjhawla was later dropped due to failure of DSIIDC in ensuring encumbrance-free land.

Subsequently, along with the work of 3680 DUs at Ghogha, work of 704 DUs at Bawana was also assigned (January 2008) to Agency-A as part of the work awarded to Agency-A for 5008 DUs. Audit, however, observed that the project of 704 DUs at Bawana was sanctioned by CSMC in October 2008 i.e. eight months after the same was assigned to Agency-A. Since the work of DUs at Bawana was assigned eight months prior to its sanction by CSMC, it was irregular.

Hence, against the work order for 5,008 DUs at 'Ghogha, Kanjhawla, Narela and in the vicinity of North-West Delhi', 3,680 DUs at Ghogha and 704 DUs at Bawana were executed. Thus, non-ensuring of availability of land at the stage of preparation of Detailed Project Report resulted in non-implementation of the project as approved by the CSMC.

Other deficiencies observed in the project are as follows:

- As per CPWD Manual, payment of escalation cost on account of increase in cost of construction materials other than cement and steel were not admissible for contracts having completion period below 18 months whereas for contracts with period above 18 months, escalation cost on all materials were admissible. With an intent to curtail expenditure on escalation cost payable, CSMC had instructed (October 2007) that maximum period for completion of projects should be kept below 18 months.

  The work of 5,008 DUs at 'Kanjhawla, Narela, Ghogha and in the vicinity of North-West Delhi' under which construction of 3,680 Dwelling Units at Ghogha and 704 Dwelling Units at Bawana was taken up, was stipulated to be completed in 12 months from the date of award (July 2007). However, the work was awarded without specifying the number of DUs to be constructed at each location and ensuring availability of encumbrance-free land. As a result, though the work was awarded in July 2007, the work could start only in May 2008 i.e. after a delay of 11 months, due to failure of DSIIDC to provide encumbrance-free land.

  Due to delay in providing the site by DSIIDC to Agency-A, DSIIDC extended (May 2008) the period of contract by 11 months, allowing payment of escalation cost of materials other than cement, steel and labour also to the contractor as the period of contract exceeded 18 months. DSIIDC incurred an expenditure of ₹ 2.17 crore on account of escalation cost on other materials due to the delay. This was avoidable if the work was awarded after ensuring availability of encumbrance-free site.

- As per Section 2.3.4 of CPWD works manual, material deviations that significantly alter the scope of work from the original sanction should not be made without the approval of the authority that accorded administrative approval to the work, even though the cost of the same may be covered by savings on other items.

  As per Section 3.6 of CPWD Manual, the scope of work should not be altered without written permission of the client in case of deposit work.

  Audit observed that DSIIDC reduced the cost per Dwelling Unit of Ghoga and Bawana projects from ₹ 2.25 lakh to ₹ 2.00 lakh by modifying the specifications[15] of the structure of houses with a total reduction in quantities/specifications amounting to ₹ 12.74 crore. Since

[15] (i) reduction in thickness of wall from 125 mm to 100 mm, (ii) change in door shutter for Bath and toilets from flush to PVC, (iii) Changes in window material, (iv) PVC pipe fittings in place of CI pipe, (vi) changes in internal electrification and (vii) deletion of mumty and instead providing trap door for non-accessible roof, thereby reduction in height of parapet wall and staircase flight from 3rd floor to terrace.

the modifications resulted in material deviations from the specifications approved by the CSMC, fresh approval of the CSMC was required. However, the modifications were implemented without obtaining the approval of CSMC.

Government stated (December 2019) that the changes were made as per the suggestion of the consultant keeping in view the safety of the design etc. Reply is not acceptable since any material deviation has to be first approved by the CSMC. Moreover, the structural study was not conducted by any Government or authorized agency.

- Along with the construction of Dwelling Units, the project approved by CSMC comprised of facilities of primary school, community centre, park, sewage treatment plant and connectivity with DJB water supply. Audit, however, observed that these facilities were neither part of the work awarded to Agency-A nor have been executed separately.

  Government stated (December 2019) that land for construction of school building has already been handed over to the Education Department and other facilities were not provided due to shortage of funds.

(b) Housing project of 3,424 Dwelling Units at Baprola Phase-I, South West District

The CSMC had sanctioned (June 2007) the project comprising of 3,424 DUs at Baprola Phase-I and this work was awarded (January 2008) to Agency-B at a cost of ₹ 113.45 crore. Audit observed that along with Baprola Phase-I, DSIIDC irregularly assigned the work of 2,144 DUs at Baprola Phase-II as well to Agency-B, even though the Baprola Phase-II work was sanctioned by CSMC only eight months later in October 2008. This indicates that DSIIDC had irregularly awarded the work for construction of 2,144 DUs at Baprola Phase-II even before its sanction by the competent authority.

Further, audit observed that though the single bid received was 85 *per cent* above the estimated cost of ₹ 61.32 crore, DSIIDC awarded the work to the single bidder i.e. Agency-B, without retendering. Government stated (December 2019) that the work was awarded without retendering due to urgency of work and that the awarded cost was within five *per cent* of justification cost which was within the limit prescribed under CPWD works manual. Reply is not tenable, as the urgency was not evident since the work was completed with a delay of 39 months.

Also, though the CSMC had instructed to keep the maximum period for project completion below 18 months, the stipulated period of completion of these projects was kept as 21 months in violation of the CSMC instructions.

As per CPWD Manual, escalation payment of construction materials other than cement, steel and labour were not admissible for contracts having a contract period below 18 months, but for contracts with contract period above 18 months escalation cost on all materials were admissible. DSIIDC incurred an expenditure of ₹ 2.10 crore as cost escalation on materials other than cement, steel and labour, which could have been avoided, if Baprola Phase–II had not been irregularly combined with Baprola Phase-I while tendering and awarding the work. Separate tendering and awarding of Baprola Phase I and for Baprola Phase-II would have kept the stipulated period for completion of each work below 18 months.

Along with the construction of DUs in Baprola Phase-I and Baprola Phase-II, the project approved by CSMC comprised facilities of primary school, park, sewage treatment plant and connectivity with DJB water supply. However, these facilities were neither part of the work awarded to Agency-B, nor have been executed separately.

Hence, though, DSIIDC states the project of Ghogha, Bawana, Baprola Phase-I and Phase-II as complete, these cannot be defined as complete since the facilities of primary school, park, sewage treatment plant and connectivity with DJB water supply, approved by CSMC, are yet to be provided.

(ii) Completed housing project of 3,840 Dwelling Units at Poothkhurd Phase-I, North District

The CSMC had sanctioned (December 2010) the project for construction of 6,480 DUs at Poothkhurd Phase-I and the work was awarded to Agency-C at a tendered cost of ₹ 253.22 crore in October 2011 after due tendering process. The work was stipulated to be completed in 18 months i.e. by April 2013. The scope of work was later reduced to 3,840 DUs due to non-availability of encumbrance-free site. Audit observed the following deficiencies in execution of the project:

- Though the work was awarded in October 2011, the consultant provided the drawings for infrastructural works only in June 2013. Meanwhile, DSIIDC sought (February 2012) permission of the Department of Forest and Wildlife, GNCTD for cutting of trees, which was granted in May 2014. However, due to land constraints, DSIIDC decided (December 2014) to reduce the scope of work from 6,480 Dwelling Units to 3,840 Dwelling Units and construction of these 3,840 Dwelling Units was completed in October 2016. Audit observed that since the trees were already existing at the project site, this fact should have been brought out in the Detailed Project Report (DPR) itself, which was submitted to CSMC.

  Thus, failure of the consultant in properly surveying the site while preparing the DPR and the delay in providing drawings for infrastructure work resulted in not only reduction in the scope of work but also delay in execution of the work. However, DSIIDC did not levy penalty on the consultant for not preparing the DPR as per actual site conditions.

Government stated (December 2019) that the issue of existence of trees and permission for their removal was taken up with Forest Department in February 2012 but the number of dwelling units had to be reduced and consultant had to resubmit the drawings as the permission was not granted in time. The reply is not tenable as the availability of clear site was not ensured before approval of NIT and award of work as required under Section 15.1(2) (i) of CPWD Works Manual.

The project was sanctioned in December 2010 and the work was awarded in October 2011, but permission for tree cutting was sought only in February 2012.

As per section 3.6 of CPWD Works Manual, in case of deposit work, the scope of work should not be altered without written permission of the client. As per the approved DPR, there was no provision for approach staircase to the terrace. However, the contractor constructed approach to terrace in 118 blocks and DSIIDC approved the unauthorized deviation of work amounting to Rupees two crore in this regard without obtaining approval of CSMC for the additional work.

Government replied (December 2019) that roof was made accessible as per fire requirement. The reply was not acceptable because the facilities to comply with the fire requirement norms should have been part of DPR and even if deviations are made afterwards, approval of client/competent authority is required.

- Along with the construction of DUs in Poothkhurd Phase-I, the project, as approved by CSMC, also envisaged facilities of primary school, community centre, park, informal sector market and recycled water supply. However, neither were these included in scope of work awarded to Agency-C nor have been executed separately.

  On comparison of the works executed, and the scope of work as approved by CSMC, audit is of the view that though DSIIDC states that the project is complete, it is yet to be completed due to non-execution of facilities of primary school, community centre, park, informal sector market and recycled water supply.

(iii) Incomplete housing project at Tikri Kalan, West District

CSMC sanctioned (June 2011) the housing project of 8,420 Dwelling Units at Tikri Kalan for a total project cost of ₹ 490.21 crore. However, the scope of the project was later reduced (September 2012) to 6,740 Dwelling Units costing ₹ 307.94 crore by DSIIDC as some portion of the land was under litigation/encroachment but this was not taken into account while preparing the Detailed Project Report (DPR). Later, the project at Poothkhurd Phase-II was shifted to near the location of this project and as a result, land available for Tikri Kalan was further reduced.

DSIIDC split the project into two packages of 3,360 Dwelling Units and 3,380 Dwelling Units with the intention of completing the projects in a short period, and issued (June 2012) NsIT for both the packages. However, same contractor i.e. Agency-D was found to be the lowest bidder for both the packages and was awarded (December 2012) works of both the packages.

Picture 1: Project at Tikri Kalan lying incomplete

On examination of records, audit observed that one of the eligibility criteria for bidding was submission of Solvency Certificate (financially sound certificate) issued by Bank, for at least 40 *per cent* of the estimated cost of the work. Accordingly, solvency certificate for at least ₹ 123.18 crore was required to be submitted but since the project was split into two packages with estimated cost of ₹ 151.93 crore and ₹ 156.01 crore, solvency certificates of ₹ 60.77 crore and ₹ 62.40 crore were required for the two packages.

Audit observed that Agency-D had submitted a solvency certificate of ₹ 63 crore, which made it eligible for both the individual packages but Agency-D would have been rendered ineligible if the project was not split into two packages.

Thus, awarding both the packages to Agency-D, which was otherwise ineligible for overall project, defeated the objective of splitting the project in two packages.

Both the packages were stipulated to be completed by December 2013 but scope of work was later reduced (November 2014) to 5,740 Dwelling Units (2,720 and 3,020 Dwelling Units respectively) due to non-availability of land. However, despite the reduction in scope, Agency-D could achieve progress of only 58 *per cent* and 41 *per cent* in Package-I and Package-II respectively with nil progress since July 2017. This indicates that award of both packages to same Agency whose solvency certificate was adequate for only individual packages, resulted in undue delay in completion of the project.

Audit further observed that in spite of the work being in a standstill since July 2017 and an expenditure of ₹ 153.28 crore already incurred, DSIIDC did not initiate any action against the contractor, i.e. to rescind the contract and award the work to another contractor at the risk and cost of the defaulted contractor.

It was also noticed that Agency-D got validity of its enlistment in CPWD extended up to 31 March 2020 (May 2018) with tender limit of ₹ 30 crore despite its poor performance in these projects.

Government stated (December 2019) that solvency provided for ₹ 63 crore was 40 *per cent* of estimated cost of each of the bifurcated work. As regards, inaction on the part of DSIIDC, it stated that a penalty of ₹ 29.55 crore has been imposed. The reply is not tenable as the solvency certificate submitted was not sufficient to take up both the works together, resulting in failure of the project.

(iv) Incomplete housing project of 4,560 Dwelling Units at Poothkhurd Phase-II, North District

Picture 2: Project Poothkhurd Phase-II (constructed at Tikri Klan) lying incomplete and idle since December 2016

The CSMC sanctioned (December 2010) the housing project of 4,560 DUs at Poothkhurd Phase-II for a total project cost of ₹ 254.56 crore. The site was subsequently changed to Tikri Kalan due to existence of trees and a forest nursery at the original site. DSIIDC then awarded (March 2012) the work to Agency-E for an amount of ₹ 173.29 crore with the stipulation for completion by September 2013.

Audit however observed that due to poor physical progress and performance of the contractor, the DSIIDC rescinded (December 2016) the contract. Though an expenditure of ₹ 57.87 crore had been incurred on the project and more than 20 months have lapsed since rescinding the contract, DSIIDC had not yet retendered the project for completion. This is likely to result in avoidable expenditure on the restoration of damages to the incomplete structures due to natural/man-made wear and tear.

Government stated (December 2019) that an amount of ₹ 371.06 crore has been released to DSIIDC during 2018-19 for retendering and completion of the balance work. However, information as to whether the work has been retendered has not been provided by the Government.

(v) Incomplete housing project of 6,300 Dwelling Units at Poothkhurd Phase-III, North District

Picture 3: Project at Poothkhurd Phase-III lying incomplete and idle since January 2018

CSMC sanctioned (December 2010) the housing project of 7,720 Dwelling Units at Poothkhurd phase-III. DSIIDC awarded (September 2011) the work to Agency-F for ₹ 298.17 crore with stipulated completion period of 18 months. Audit observed that the number of Dwelling Units was reduced (September 2014) to 6,300 after the consultant submitted the drawings showing existence of trees and a forest nursery at the site. However, this should have been in the knowledge of the consultant and DSIIDC during preparation of DPR for the project since DPR involves detailed site surveys. Moreover, DSIIDC has not levied penalty on the consultant for not surveying the site properly while finalising the DPR.

Subsequently, though the project was stipulated to be completed by April 2013, only 65 *per cent* physical progress had been achieved till January 2018 after which no progress has been made. DSIIDC stated that due to severe financial crisis, the contractor stopped the work. However, the work was not rescinded or retendered as of August 2018.

Thus, the expenditure of ₹ 178.34 crore incurred on the project till date has not served its intended purpose besides likely deterioration of the incomplete structures.

Government stated (December 2019) that the DPR was prepared in anticipation of getting permission for shifting of nursery and tree cutting but later, due to non-granting of permission by the Forest Department, the number of houses were reduced. This shows that DSIIDC accepted the fact of non-consideration of actual site conditions at the time of preparation of DPR, which resulted in delay and reduction of scope of the project.

(vi) Excess payment to consultants

DSIIDC had entered into agreements with consultants for preparation of DPR of the housing projects, at tendered amount of a fixed percentage of the project cost. This fee was to be paid on the basis of estimates or actual cost, whichever is lower. Audit, however, observed that in four projects, DSIIDC released payments to consultants on the basis of estimates or actual cost, whichever is higher instead of whichever is lower. This resulted in an excess payment of ₹ 1.47 crore (**Appendix 3.8.1**).

Government stated (December 2019) that the payment made to the consultants based on the estimates was because it was not known to them that the scope of work would be reduced. The reply is not acceptable as this resulted in excess payment of ₹ 1.47 crore to the consultants and also was in contravention of the agreement condition.

Audit recommends that payments to the consultants be linked to the payments (running bills) made to the contractors. If the scope of work is reduced and/or actual payment falls short of estimates, the payments to consultants should automatically be restricted to the fixed percentage of actual cost. If the payment to contractor exceeds the estimates, payment to consultant may be restricted to the fee payable on the basis of estimates.

3.8.3.2 Projects under Delhi Urban Shelter Improvement Board (DUSIB)

Summary of the status of the six projects entrusted to DUSIB is given in **Table 3.8.4.**

Table 3.8.4: Status of projects entrusted to DUSIB

Project (No. of Dwelling Units)	Approval by CSMC	Date of start	Stipulated date of completion	Date of Completion	Delay in months
Site-2 Dwarka (736)	March 2008	December 2009	March 2011	September 2013	30
Site-3 Dwarka (288)				December 2013	33
Savda Ghevra (7,620)	December 2010	March 2012	June 2013	July 2017	48
Phase-II Dwarka (980)	March 2011	March 2012	June 2013	July 2014	13
Site-A3 Sultanpuri (1,060)		March 2012	June 2013	March 2016	33
Bhalaswa (7,400)		August 2012	February 2014	Ongoing	53

Source: Departmental records

Deficiencies noticed in the three selected projects are as follows:

(i) Incomplete housing project of 7400 Dwelling Units at Bhalaswa, North District

Construction of 7400 Dwelling Units at Bhalaswa was approved by CSMC in March 2011 at a sanctioned cost of ₹ 366.84 crore which included cost of construction of DUs, UGRs, Community Centre, development charges payable to DJB, DISCOM etc. The works for construction of DUs were awarded at a total cost of ₹ 356.79 crore in July/August 2012 to be completed by February 2014. There was delay in execution of project on the part of the contractors for which DUSIB had withheld an amount of ₹ 20.50 crore as Bank Guarantee and ₹ 5.24 lakh in cash from the payments to be made. The work of construction of dwelling units was awarded at a cost of ₹ 356.79 crore against a sanctioned amount of ₹ 311.06 crore for this purpose. Similarly, the development charges payable to Delhi Jal Board and electricity distribution company for water and electric supply was also much more than estimated while sanctioning the project. As a result, after achieving 96 *per cent* physical progress by August 2017, the works stood still for want of additional funds as of May 2018 as the sanctioned funds were exhausted. Though revised cost estimates based on the awarded cost and development charges actually paid to the utility agencies was submitted by DUSIB to the Government in 2013, the same was under consideration of the Finance Department as of June 2018. Thus, failure of GNCTD in providing the required funds in time resulted in a project started in 2012 remaining incomplete as of May 2018 even after achieving 96 *per cent* physical progress by August 2017. This also resulted in avoidable exposure of the structures and deterioration due to natural wear and tear.

Government stated (December 2019) that Cabinet has approved allocation of funds for completing the project in March 2019. However the reply is silent about progress of the work.

(ii) Completed housing project of 7,620 Dwelling Units at Savda Ghewra, North West District

CSMC sanctioned (December 2010) the housing project of 7,620 Dwelling Units at Savda Ghewra. The project was awarded (March 2012) to Agency-A for ₹ 342.49 crore in two packages of 4,060 DUs and 3,560 DUs, with stipulated completion period of 15 months for both packages.

From the records produced to audit, it was observed that both the packages were completed in July 2017 with some defects[16] on part of the contractor and the final completion was subject to rectification of all these defects. However, neither the rectification work has been carried out (August 2018) nor final bills have been submitted by the contractor. The Government stated (December 2019) that the work of rectification of defects has been taken up by the contractor.

Audit further observed that the DUSIB had withheld contractor's payment of ₹ 17.14 crore for not adhering to the schedule. Thereafter, DUSIB released (June 2016) an amount of ₹ 10 crore against bank guarantees submitted by contractor. However, it was observed that agreement did not provide for releasing of withheld amount against bank guarantees. This has resulted in loss of interest of a minimum of ₹ 90 lakh.

Also, against the two composite facility centres (CFC)[17] approved by CSMC as part of these projects, DUSIB has awarded work for only one CFC in November 2017 and the work is under progress (July 2018). Similarly, against the approved three primary schools, DUSIB has completed only one primary school. Other facilities of Sewage Treatment Plant (STP), garbage collection points[18] for solid waste management and booster pumps for water supply, though approved by CSMC, have also not been executed till date. The Government stated (December 2019) that site for one more school will be handed over to MCD for construction as per demand at later stage.

Thus, Audit observed that though DUSIB stated that this project is complete, it cannot be termed as complete since the facilities of one CFC, two primary schools, STP, *dhalaos* and booster pumps, as approved by CSMC, are yet to be executed.

[16] Finishing with water proofing, painting on wood work/steel work, kitchen fitting, fittings in tanks, water meter boxes, glass panes to windows, testing of sewer/water lines and Under Ground Reservoir were not provided.

[17] Community halls and informal markets

[18] Three walled concrete structures meant for collection of garbage from a locality or market

(iii) Completed housing project of 1,060 Dwelling Units at Sultanpuri, North West District

CSMC sanctioned (March 2011) the project of 1,060 Dwelling Units at Sultanpuri and it was awarded (February 2012) to Agency-F with stipulated completion period of 15 months. The project was completed on 31 March 2016 after a delay of 33 months due to delay in laying of cables by electricity distribution companies, granting of permission for road-cutting, revision in layout plans etc. The Government stated (December 2019) that a compensation of ₹ 1.96 crore has been imposed on the agency for delay.

3.8.4 Identification of beneficiaries and allotment of completed Dwelling Units

As per the guidelines for allotment of flats to Urban Poor under JNNURM approved by GNCTD in September 2007, those who had been a resident of Delhi for 10 years and having a family income up to ₹ 60,000/- per annum were eligible for the benefit of the scheme subject to the condition that they do not own a house in Delhi. For this purpose, a database of potential beneficiaries was to be created by inviting applications from all the eligible urban poor/slum dwellers residing in Delhi since 1998. Further, the CSMC had also urged (October 2007) all the States/UTs to give priority to identify the beneficiaries for each project as part of project preparations. However, GNCTD did not take any action to identify beneficiaries as part of the project preparations. Later in February 2010, GNCTD decided that a priority list of JJ Clusters would be prepared by the Slum and JJ Department (now DUSIB) through surveys for rehabilitation and 44 JJ clusters were identified for survey in the first phase. Jhuggis which had come up up to 31 December 1998 were to be treated as eligible for relocation. After the survey, a joint-survey and bio-metric identification of the beneficiaries was to be carried out by the Slum and JJ Department and the land owning agency, on the basis of which a list of eligible slum dwellers was to be prepared for relocation to dwelling units constructed under JNNURM.

Out of the 14 projects of DSIIDC and DUSIB, 13 projects with 48,476 dwelling units were earmarked for rehabilitation of slum dwellers. However, the work of identification and determination of eligibility was very slow even after the start of the projects. **During the last 12 years since the inception of JNNURM, DUSIB and erstwhile Slum and JJ Department identified only 5,483 beneficiaries, though the number of dwelling units being constructed under 14 projects were 52,344.**

The cut-off date for determining the eligibility of beneficiaries was revised five times during this period which necessitated identification of beneficiaries afresh each time the cut-off date was changed.

The land owning agencies' share of relocation cost was also reviewed four times. As per the latest rehabilitation policy 2015, the land owning agencies have to bear the entire state share of cost of Dwelling Unit excluding the beneficiary share. Response in depositing the advance share by land owning agencies was very slow. Though 119 JJ Clusters have been prioritized on the basis of demand of the land owning agencies, land owning agencies have deposited their share in respect of only 25 JJ clusters out of which full payment of ₹ 24.23 crore have been deposited in respect of 16 JJ clusters and part payment of ₹ 50.58 crore has been made in respect of nine JJ clusters.

DUSIB has estimated 3,06,521 Jhuggis in 675 JJ Clusters and UDD has prioritised 119 JJ Clusters for relocation/rehabilitation. Out of these, only 38 JJ clusters having 11,020 Jhuggis have been surveyed (as of August 2018) by DUSIB for the purpose of determining eligibility for allotment of constructed dwelling units under JNNURM. Out of these, 6,891 slum dwellers appeared before the Eligibility Determination Committee and eligibility of 5,483 slum dwellers of 38 JJ clusters could be determined as of August 2018. Out of the 5,483 slum dwellers, only 1,864 were rehabilitated to the dwelling units constructed under JNNURM till August 2018 as per details given in **Table 3.8.5.**

Table 3.8.5: Details of allotment of flats against availability

Year	No. of flats completed in previous year	No. of flats available for allotment (as of January each year)	No. of flats allotted	Percentage of allotment
2010	1,184	1,184	90	7.60
2011	4,384	5,478	0	0.00
2012	2,684	8,162	176	2.16
2013	0	7,986	0	0.00
2014	6,592	14,578	0	0.00
2015	0	14,578	528	3.62
2016	2,040	16,090	185	1.15
2017	3,840	19,745	873	4.42
2018	7,620	26,492	12	0.05
Total	**28,344**	**26,480 (vacant)**	**1,864**	**6.58**

Source: Departmental records

The Department attributed delay in allotment of dwelling units to delay in depositing of land owners' share by the land owning agencies and also non-availability of jhuggis for relocation near to the housing projects for in-situ rehabilitation as prescribed in the current Rehabilitation Policy.

Out of 1,864 Dwelling Units allotted, 266 were in Bawana (completed in December 2008), 841 were in Baprola (completed in February 2013) and 757 were in Dwarka (completed in July 2015). To ascertain the quality of construction and satisfaction of relocated slum dwellers, Audit conducted a survey of 44 (five *per cent*) out of 841 slum dwellers relocated at Baprola from various parts of Delhi. It was observed that all the 44 surveyed slum dwellers at Baprola were relocated from faraway places ranging from 9.5 to 27.2 Kilometres. Further, eight residents lost their jobs and 31 faced difficulties in maintaining their employment. Beneficiaries faced difficulties due to relocation to faraway places in violation of BSUP guidelines and rehabilitation policy of GNCTD.

Thus, lack of a long term rehabilitation plan commensurate with the projects planned slowed the relocation process resulting in more than 90 *per cent* of the 28,344 Dwelling Units, completed at a cost of ₹ 1,101.36 crore, lying unused as of June 2018. Further, after allotment of 1,864 Dwelling Units, only 13 JJ clusters could be rehabilitated completely and the land was handed over to the land owning agencies. Thus, after spending an amount of 1856.62 crore (on completed as well as incomplete projects) under the scheme, only 13 out of 675 JJ Clusters could be rehabilitated.

Out of 26,480 Dwelling Units lying vacant, 13,737 were constructed and completed before 2014. Therefore, deterioration of these structures and theft of fixtures from these Dwelling Units due to their lying vacant for long periods of time cannot be ruled out. Non-allotment of Dwelling Units also defeated the very objective of the scheme, which was to provide affordable housing to the urban poor.

Picture 4: Completed dwelling units of Savda Ghewra project and Baprola Project lying vacant since July 2017 and February 2013 respectively

The Government replied (December 2019) that DUSIB relocates only those JJ Clusters for which request is received from land owning agencies and on this basis, priority list was finalised. The reply is not acceptable in view of the fact that more than 90 *per cent* of the completed dwelling units constructed at a cost of ₹ 1,101.36 crore were lying unused and deteriorating due to natural wear and tear and thefts. In order to effectively utilise the dwelling units constructed, it is recommended that Government should take initiative and proactively carry out surveys for identification of eligible beneficiaries and relocate them instead of waiting for land owning agencies to approach them.

3.8.5 Conclusion

The implementation of projects for affordable housing for urban poor suffered from lack of planning from the conceptualization stage itself. Out of the 23 projects approved by CSMC, seven were later dropped due to non-availability of encumbrance free land indicating that proper feasibility studies were not carried out before proposing these projects. Further, instead of planning housing for urban poor as a whole, the Delhi Government targeted mostly relocation of slum dwellers under the scheme by apportioning 15 of the 16 projects for relocation of slum dwellers. Due to creation of large clusters of housing, the objective of integrating them with the overall planned development of the area was not achieved.

Implementation of the projects under the scheme was slow. Out of the total 14 housing projects with 52,344 Dwelling Units to be executed by DSIIDC and DUSIB, four projects with 24,000 Dwelling Units remained incomplete after spending ₹ 755.26 crore. Further, due to delay in identifying beneficiaries and delay in providing complete infrastructure along with the dwelling units, more than 90 *per cent* of 28,344 dwelling units completed till June 2018 at a cost of ₹ 1,101.36 crore were lying unused out of which 13,737 were constructed before 2014. Thus, even after spending ₹ 1,856.62 crore, the objectives of the scheme remained unfulfilled due to the inability of the Government in identifying the beneficiaries, even though more than 10 years have elapsed since launching of the scheme.

3.8.6 Recommendations

- *Government needs to complete the identification of the intended beneficiaries for these DUs on priority basis and allot the completed DUs to them at the earliest;*

- *Government needs to ensure that the ancillary facilities of primary school, community centre, park, informal sector market etc. are completed as envisaged;*

- *The Government should also ensure that all projects which are lying incomplete for various reasons are expedited and completed to avoid/minimise deterioration of structures due to natural and manmade wear and tear.*

Department of Urban Development

3.9 Irregularities and deficiencies in procurement of equipment, items and materials for Solid Waste Management under Swachh Bharat Mission.

Deficiencies in procurement of equipment under the Scheme included delay in release of funds to Implementing agencies, utilisation of capital grants on hiring of trucks, tippers etc., ordering without ensuring availability of space to store the materials, blocking of funds due to release of full payment as advance without withholding the required 10 *per cent*, non-levy of compensation charges amounting to ₹ 0.86 crore in case of delayed or short supply of materials, and delay in fabrication of truck chassis after their delivery.

The Government of India (GoI) launched the Swachh Bharat Mission (Mission) on 2 October 2014 to improve sanitation and cleanliness in the country with a vision to create a clean India by 2 October 2019. The Mission had a total of six[19] components including Solid Waste Management, with main objectives being elimination of open defecation, eradication of manual scavenging, solid waste management etc.. The expenditure on the Mission was to be shared between the Centre and State at the ratio of 75:25.

For the component of Solid Waste Management, GoI had allocated ₹ 263.68[20] crore for the National Capital Territory of Delhi (NCTD). However, only ₹ 63.47[21] crore was released to the Government of NCTD (GNCTD) during 2014-15 and 2015-16. The GNCTD added its share of ₹ 21.17 crore and released (January 2016) ₹ 84.64 crore to the five implementing agencies, i.e., New Delhi Municipal Council (NDMC), North Delhi Municipal Corporation (North DMC), South Delhi Municipal Corporation (South DMC), East Delhi Municipal Corporation (East DMC) and Delhi Cantonment Board (DCB).

Afterwards, neither did the GoI release any further funds, nor did the GNCTD request for further releases (as of May 2018). The central and state contribution of ₹ 84.64 crore was to be utilised for creation of capital assets only as per the sanction.

Details of funds released and their utilisation by the Implementing Agencies are as given in **Table 3.9.1.**

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19 (i) Solid Waste Management (ii) Household Toilets (iii) Community Toilets (iv) Public Toilets (v) Information, education & Communication and (vi) Capacity Building, Administrative and Office Expenses.

20 20 % VGF contribution of centre for 80 % of 1,37,33,000 (as per guidelines 80% of urban Population covered under SWM-Projected Urban Population in 2019) @ ₹ 1,200 per capita

21 ₹ 4.38 crore on 31.03.2015, ₹ 0.36 crore on 15.10.2015 and ₹ 58.73 crore on 20.11.2015.

Table 3.9.1: Details of funds released and their utilisation

(₹ in crore)

Implementing Agency	Release to Implementing agency			Expenditure
	Centre share	State share	Total	
NDMC	0.71	0.24	0.95	0.96
North DMC	24.18	8.06	32.24	19.61
South DMC	19.87	6.63	26.50	25.19
East DMC	17.66	5.89	23.55	21.13
DCB	1.05	0.35	1.40	2.67[22]
Total	**63.47**	**21.17**	**84.64**	**69.56**

Source: Utilisation certificates furnished by the implementing agencies.

Audit examined records pertaining to utilisation of these funds for the component of Solid Waste Management (SWM) and observed the following irregularities/deficiencies:

(i) Delay in onward release of funds by State to the implementing agencies:

As per the Mission guidelines, "GNCTD shall evolve a suitable mechanism to release funds along with the State share to the ULBs within 30 days of release of the central share by the GoI. Interest at the rate specified by the Ministry of Finance from time-to-time shall be levied on the State for any delay in release of funds beyond 30 days. This will be implemented by appropriate deductions from the State's next installment of fund release under the mission".

However, Audit observed that GNCTD released the central share along with its own share to the implementing agencies in January 2016. This resulted in the first installment of ₹ 4.38 crore, received on 31 March 2015, lying unutilised with GNCTD for more than 10 months. The matching state share of ₹ 1.46 crore, was also not made available to the implementing agencies for ten months.

Government replied (March 2019) that funds were released to implementing agencies after the approval of Legislative Assembly for opening of a new Head of Accounts (HoA). The reply is not acceptable as the proposal for opening of new HoA was initiated in September 2015 only, i.e., six months after the receipt of first installment of ₹ 4.38 crore from GoI.

(ii) Expenditure incurred on other schemes debited to funds of Solid Waste Management component:

North MCD and East MCD were implementing two state schemes of "Mechanization of Conservancy and Sanitation Services" and "Provision of additional facilities in Jhuggi Jhopri Resettlement colonies" respectively. Under these schemes, an expenditure of ₹ 0.48 crore and ₹ 0.06 crore was

[22] DCB irregularly diverted funds amounting to ₹ 1.27 crore from another component of SBM and incurred on SWM component.

made by North MCD and East MCD respectively for procurement of wheelbarrows and household bins. However, these expenditures were then debited to funds under Solid Waste Management component of the Mission. Thus, instead of creating additional assets under the Mission, the implementing agencies merely debited the expenditure already incurred under other schemes, to SWM Component funds.

The Government stated (March 2019) that ₹ 0.06 crore was spent on procurement of bins for distribution to street vendors to avoid littering and fulfill the objective of the Mission. However, the fact remains that expenditure already incurred under other schemes was debited to the Mission.

(iii) Irregular expenditure incurred on activities other than creation of capital assets:

As per the sanction conditions, funds released were to be utilised by implementing agencies for creation of capital assets only. GNCTD had released (January 2016) an amount of ₹ 23.55 crore to East DMC for SWM, out of which it incurred an expenditure of ₹ 21.13 crore.

It was observed that, East DMC had spent ₹ 13.82 crore on day-to-day activities of hiring of tippers, trucks, bulldozers etc. instead of utilising these funds for creation of capital assets, in violation of the conditions of sanction.

Government replied (March 2019) that during various meetings of the Swach Bharat Mission, it was clarified that capital component of expenditure on hiring of machineries can be charged under solid waste management and ₹ 13.82 crore was the capital component of expenditure. The reply is not acceptable since no assets were created on hiring of machineries.

(iv) Irregular release of full payment before receipt of vehicles

The terms and condition of Directorate General of Supplies and Disposals (DGS&D) rate contract stipulates that 90 *per cent* payment was to be made against provisional receipt and balance 10 *per cent* on acceptance of vehicle at store. In two separate contracts of procurement of 20 truck chassis and 20 tipper trucks, North MCD released the entire amount of ₹ 2.24 crore and ₹ 4.03 crore in advance (March/July 2017), in contravention of the condition. Hence an amount of ₹ 0.63 crore (10 *per cent of* ₹ 2.24 crore and ₹ 4.03 crore) paid in advance remained blocked during the intervening period. Further, due to implementation of GST w.e.f. 01 July 2017, the price of tipper trucks decreased by ₹ 0.05 crore but the extra payment was not refunded. Since the Department had made full payment in advance in contravention of the DGS&D conditions, it was not in a position to recover the price difference which came about due to implementation of GST.

There was also delay in delivery of these vehicles as indicated in **Table 3.9.2**.

Table 3.9.2: Details of delay in delivery of vehicles

Sl. No.	Vehicles	Date of Advance Payment	Stipulated Date of Delivery	Actual Date of Delivery	Delay in days
1	20 Truck Chassis	10.07.2017	02.09.2017	21/22.02.2018	173/172
2	20 Tipper trucks	28.03.2017	12.07.2017	28.02.2018	231

Source: Departmental records

Also, since there were no penal provisions for delayed delivery, no compensation/penalty could be levied for the delays ranging from 173 to 231 days in the supply of vehicles. Further, the intended purpose of lifting garbage/malba by these vehicles from the area which falls under the jurisdiction of North MCD remained unachieved.

(v) Award of work to supply 1,000 Tricycle Rickshaws without ensuring availability of adequate space to store them

As per the Section 15.1.2 of CPWD Manual 2014, availability of clear site is desirable before approval of tender documents. Further, reasonable planning also requires that, when goods are ordered for and delivered as per contractual obligations, there is adequate storage space to store the goods so received.

On the basis of requisitions received from its various zones, North MCD awarded (December 2017) a contract for 'Supply of 1,000 Tricycle Rickshaws' at contractual amount of ₹ 2.24 crore to a contractor. These Tricycle Rickshaws were to be used for lifting garbage scattered on the roads and streets etc. As per the supply order, the contractor was required to complete the supply by 07 March 2018. However, only 300 Tricycle Rickshaws were supplied by the contractor as of May 2018 against which an amount of ₹ 0.67 crore was paid (March 2018) to the contractor. Audit noted that due to shortage of space in the store, the remaining quantities could not be supplied. This indicates that availability of space was not ensured by North MCD before award of work.

Further, it was also observed that out of the total 300 Tricycle Rickshaws received on 3 April 2018, only 53 were issued for use till 26 April 2018. This delay in providing the required number of rickshaws compromised the efficiency of Safai Karmacharis in picking up garbage scattered on the streets and segregating dry and wet waste at source.

The Government replied (March 2019) that the supply of rickshaws was completed in the month of September 2018.

(vi) Non-levy of compensation charges on suppliers despite short supply of materials

Audit observed that in two supply orders of North DMC and five supply orders of South DMC, suppliers failed to deliver the quantities ordered as of May 2018. In two out of these seven supply orders, there was no penal clause for delayed supply. In the remaining five orders, the contract stipulated compensation at the rate of one *per cent* per week subject to a maximum of 10 *per cent* of the tendered value, in case of delay in delivery of materials. Details of delay in delivery of materials are given in **Table 3.9.3:**

Table 3.9.3: Details of delay in delivery of material

Item supplied	Order amount (in ₹ crore)	Stipulated date of supply	Ordered Quantity	Supplied till 31.05.18	Delays (In days, as of 31st May 18)	Compensation leviable (₹ in crore)
North MCD						
12 litres bins	4.82	26.03.2018	3,80,000	1,66,750	66	0.24
Road side twin bins	4.63	12.02.2018	6,000	500	108	No Provision
South MCD						
Tricycle rickshaw	1.50	13.03.2018	500	378	79	0.15
100 litres twin bins	1.50	18.09.2017	2,500	600	255	0.15
100 litres twin bins	2.06	13.04.2017	3,500	2,550	413	0.28
240 litres mobile dustbins	0.44	18.08.2017	1,250	1,202	286	0.04
150 litres garbage bins	1.90	20.03.2017	3,800	2,536	437	No provision
Total						**0.86**

Source: Departmental records

However, though compensation amounting to ₹ 0.86 crore was leviable in these five orders, the Implementing agencies have not levied compensation charges on suppliers for delayed/short supply. Also, in these five orders with delayed/short supply of materials, the Implementing agencies have not invoked the performance guarantee available with them. In the remaining two orders, there was no provision for compensation charges in case of delay or short-supply of order, and hence there was no recourse for compensation for delayed supplies.

(vii) Inordinate delays in initiating fabrication work of vehicles after receiving their chassis

South DMC had awarded (June 2017) the work of supply of 62 numbers of Chassis of CNG operated Light Commercial Vehicles for lifting of various types of waste/malba/silt and green waste etc., at a total cost of ₹ 6.08 crore.

Though these 62 chassis were delivered by September 2017, fabrication work of only 31 chassis had been awarded (May 2018) till the date of audit (July 2018) and the remaining 31 chassis worth ₹ 3.04 crore were lying idle in the store for more than 10 months.

Conclusion

Audit observed that besides the delay in release of Mission funds to Implementing agencies, the funds were utilised on activities not permitted under the scheme, such as hiring of trucks, tippers etc. Also, expenditure already incurred under other schemes was subsequently booked under the Mission funds.

Several deficiencies such as ordering for supply without ensuring availability of space to store the materials, blocking of funds due to release of full payment as advance without withholding the required 10 *per cent*, non-levy of compensation charges amounting to ₹ 0.86 crore in case of delayed or short supply of materials, and delay in fabrication of truck chassis after their delivery resulting in idling of 62 chassis worth ₹ 6.08 crore for more than 10 months, were noticed in the procurement of equipment, items and materials out of the scheme funds.

Department of Woman and Child Development

3.10 Deprivation of affordable and safe accommodation to working women and blockade of funds amounting to ₹ 97.53 lakh

Non-construction of Working Women Hostel by the Department of Women and Child Development even after 16 years of taking possession of the land (December 2002) resulted in blockade of funds of ₹ 97.53 lakh besides depriving many working women of safe, dignified and affordable hostel accommodation.

One of the functions of the Department of Women and Child Development (DWCD) is to provide dignified, proper and affordable shelter to employed women who do not have any living accommodation, through Working Women Hostels (WWHs). As per details in the scheme for WWH initiated in 2009, a large number of women were waiting for residential accommodation as there were only two WWHs being run by the department, one at Rohini with a capacity of 110 women and another at Bishwas Nagar with a capacity of 100 women. Therefore, new WWHs were required to be constructed on priority basis.

On the request of Social Welfare Department[23] (SWD) (June 2001), Delhi Development Authority (DDA) allotted 3,193 sqm of land costing ₹ 38.19 lakh (August 2001) for construction of WWH at Basant Village, near Vasant Vihar, New Delhi with a capacity of 81 residents. The SWD took

[23] DWCD was part of SWD at that time

possession of the plot in December 2002. The land which was not demarcated at that time was later demarcated by the DDA in December 2004. Construction work of WWH was entrusted to Delhi State Industrial Infrastructure Development Corporation (DSIIDC) in January 2005 and the process of preparation of and submission of preliminary estimates (₹ 5.76 crore) and modified estimates (₹ 5.80 crore including boundary wall) were done up to June 2006. In December 2006, it was decided to construct a boundary wall and a PE of ₹ 29.34 lakh was sanctioned by SWD in March 2007. In September 2007, DSIIDC submitted an Executive Finance Committee Memo for WWH costing ₹ 6.37 crore and the file was sent to Planning Department (PD) in December 2007 for their consideration.

On the advice of PD (January 2008), DWCD initiated (November 2008) the process for construction of WWH under Public Private Partnership (PPP) mode. No progress was made thereafter till May 2011, when DSIIDC was asked to submit fresh preliminary estimates (PE) for WWH. DSIIDC submitted fresh PE of ₹ 16.74 crore in June 2011. Again, no progress was made in this regard for three years and in September 2014, Chief Secretary, Delhi decided to entrust the construction work of WWH to Delhi Tourism and Transportation Development Corporation (DTTDC) without any justification on record and a seed money of ₹ 30.00 lakh was released (November 14) to DTTDC.

Final architectural scheme for WWH was prepared by DTTDC in October 2015 with PE of ₹ 23.92 crore (including one *per cent* contingencies and five *per cent* departmental charges).

Stating that five *per cent* departmental charges would have a major impact on the whole project, the Minister, DWCD had directed (January 2016) changing the executing agency from DTTDC to PWD.

Thereafter, the DWCD took one year for the decision to get the work executed by PWD. The decision was taken in a meeting held in January 2017 under the chairmanship of Director DWCD. As of June 2018, even the layout plan of the building has not been finalised.

Thus, due to indecision of the Department with regard to finalising the executing agency and the inaction of the Department for varying durations, the Working Women Hostel was not constructed even after 16 years of taking over possession of the land. This delay resulted in blockade of funds of ₹ 97.53 lakh[24] and also in increase of the estimates for construction from ₹ 5.80 crore to ₹ 23.92 crore, besides depriving working women of affordable and safe accommodation.

[24] ₹ 38.19 lakh+ ₹ 29.34 lakh + ₹ 30.00 lakh

Government stated (September 2018), that there are sufficient number of WWHs being run by Government of NCT of Delhi, Government of India and NGOs in NCT of Delhi, where occupancy has not been up to their optimum capacity most of the time. The reply is not acceptable as the Plan Document of GNCTD for the year 2017-18 has stated that existing WWHs in Delhi are full and they are not in a position to accommodate the large number of women waiting for admission in WWHs. The Plan Document also highlighted the increasing need for constructing more WWHs.

New Delhi	**(LAISRAM ANGAM CHAND SINGH)**
Dated: 20 February 2020	**Principal Accountant General (Audit), Delhi**

Countersigned

New Delhi	**(RAJIV MEHRISHI)**
Dated: 26 February 2020	**Comptroller and Auditor General of India**