

CHAPTER IV: MINISTRY OF HOUSING AND URBAN AFFAIRS

Central Public Works Department, New Delhi

4.1 Inadequate recovery of water charges

Due to failure of CPWD to install individual water meters/ revise the rates of recovery of water charges from the allottees of General Pool Residential Accommodation, financial burden of ₹63.69 crore has devolved upon CPWD.

Directorate of Estates (DoE), an attached office of the Ministry of Housing and Urban Affairs (the Ministry), is responsible for administration and management of the office buildings and residential accommodation of estates of the Government of India. Office Memorandum dated 7 August 1987 issued by DoE stipulates that “Normally water and electricity charges are payable by the allottee to the local bodies. Where, however, such charges cannot be recovered from the allottees due to non-availability of separate meters etc., this will continue to be recovered by the Government from the allottees.”

As regards recovery of water charges from the allottees of General Pool Residential Accommodation (GPRA) where water supply is not regulated by meters, the rate at which such recoveries are to be made is decided by the Executive Engineer, (Licence Fee), CPWD, Nirman Bhawan, New Delhi after consulting the concerned divisions of CPWD, which make payment of bills to the local bodies. The water charges were to be revised from time to time.

There are nine divisions of CPWD, which are organised in five Delhi Circles and one Zone. Audit test checked the issue in U division of CPWD, which is involved with maintenance of GPRA colonies at UDAP colony, Nehru Nagar; Lodhi Road complex and Pragati Vihar Hostel.

Audit examination revealed the following:

i) During Audit (June and October 2018) of the office of the Executive Engineer, U Division (the Division) for the period from April 2006 to March 2018, it was observed that two bulk water meter connections had been obtained from Delhi Jal Board (DJB) in the name of the division for supply of water. One water meter was installed at UDAP colony, Nehru Nagar, through which water was supplied to 135 type-III quarters. Another water meter was installed at Pragati Vihar Hostel from which, water was supplied to 2,223 quarters (type-II, III and V) situated at Lodhi Road Complex and 792 quarters (double suite) in Pragati Vihar Hostel. The payment of the water bills for ₹64.32 crore raised by the DJB for these bulk water connections was made by the Division. However, the water charges recovered from the individual allottees were not in consonance with the bills paid as only ₹0.47 crore was recovered during 2010-11 to 2018-19. Further, the water charges

were revised 13 years to 25 years back in the above said GPRA colonies and a financial burden amounting to ₹63.85 crore devolved upon CPWD (**Annexure-XXIX**).

ii) It is noted that where supply is not regulated by individual meters and is being made from single point, the water charges are to be recovered from the individual occupants by DoE at applicable rates decided by the Executive Engineer, (Licence Fee), CPWD. Further, whenever the rates of water charges are revised by the Executive Engineer, (Licence Fee), CPWD for any colony, these are to be intimated to DoE and circulated amongst the recovery sections of DoE for action. However, DoE did not have any mechanism to work out the amount of water charges recoverable from the allottees in cases where the water supply was received by the CPWD at single point and then distributed to the individual allottees.

iii) Scrutiny of records also revealed that the DoE had issued various letters/reminders between May 2014 and November 2016 to the Executive Engineer, (Licence Fee), CPWD for revision of the water charges, but no response was received. Six meetings for exploring the possibilities of installation of water meters were held during January 2018 to November 2018 under the chairmanship of DoE, in which representatives of CPWD, NDMC and DJB were participants. In the meeting held on 22 January 2018, it was decided that the entire process for installation of water meters in all GPRA colonies should be completed within six months. However, no representative of DJB was present in this meeting. In the meeting held on 5 April 2018, a decision was taken that the proposal of installation of water meters in individual houses would be taken up on priority in NDMC areas since NDMC was willing to install the meters and recover payment from the consumers on the condition of the necessary infrastructure for the same being built by the CPWD and handed over to NDMC. It was also decided that the model¹ of individual metering in DDA Colonies would be studied to further examine the possibility of replicating this model in GPRA Colonies located in areas other than NDMC.

iv) In the meeting held on 1 November 2018, representative of CPWD and NDMC stated that installation of individual water meter connections in multi-storey building was not technically feasible as major infrastructure changes would have to be carried out, which would not be financially viable. The DoE requested Superintending Engineer, CPWD to prepare a report for revision of water charges at standard rates based on actual consumption during the previous one year and also factor-in the previous bills raised by NDMC to CPWD and numbers of quarters in the colony to which the supply was made after bulk water supply was provided at one point. It was decided that CPWD would furnish a detailed proposal in connection with the above within 10 days. However, the proposal was submitted (November 2019) by CPWD after one year, on which, DoE stated (November 2019) that this proposal is not feasible due to wide variations of rates and again

¹ *DJB installed bulk water meter in DDA societies, whereas individual water meter connection had been installed by DDA and then pay to DJB for bulk water consumption but it collects water charges on actual consumption of each household.*

requested to furnish a detailed proposal with estimated rates of water charges for all types of accommodations (type-wise) by taking the average consumption of the colonies.

Thus, inaction of CPWD to revise the water charges of GPRA colonies resulted in avoidable financial burden of ₹63.85 crore on account of payment of water charges to DJB whilst amount recovered from the allottees was much less in comparison.

The issue was brought to the notice of the Director General (DG), CPWD in August 2019 and to the Ministry in February 2021 and May 2021. Office of DG, CPWD in their replies, March 2020 and July 2021 (copy of which was endorsed to the Ministry), stated the following:

- The water charges are not decided or revised by the CPWD but by the DoE.
- Regarding recovery of water charges, it was intimated that the water is used for common areas² and by contractors for repairs & upgradation works, besides supply to quarters. Recovery for water used by the contractors, during the period 2010-11 to August 2020, amounting to ₹16.07 lakh has been made from the contractor bills. Since water charges for water used for common purposes amounted to ₹4.21 crore, financial burden worked out to ₹59.95 crore³.
- So far as installation of individual water meters was concerned, it was stated that installation thereof in all quarters, including Servant Quarters would be taken up in a phased manner depending on feasibility and availability of fund. Further, all faulty meters would be got replaced in coordination with NDMC & DJB for actual billing. Moreover, directions were issued (June 2021) to all divisions to ensure that separate meter for each flat may be provided at the time of design and construction itself. Regarding revision of water charges, it was reiterated that fixation of water charges recoverable from the allottees is decided by DoE in consultation with CPWD. Latest recommendations on revision of water charges, based on the principle of no loss no gain, were sent on 29 June 2021 to DoE. DoE was informed that water charges in Delhi cannot be uniform. Moreover, adoption of uniform rate would not bridge the gap between water charges recovered and those paid to DJB/ NDMC.
- As regards institutionalisation of a mechanism to ensure that rates are revised periodically, it was informed that a nodal unit named "License Fee Unit", headed by an Executive Engineer is mandated to handle the issue of water charges, by collecting data from the field units. With regard to frequency of revision, periodicity may be decided by DoE.

² *Use of water for cleaning & scouring of water supply, in distribution pipelines during supply, in overflow of PVC tank at terrace, in cleaning of galleries in front of door by allottees, in cleaning of underground/ overheads tanks, in common building & Service Centre.*

³ *₹64.32 crore-₹0.16 crore-₹4.21crore = ₹59.95 crore*

The reply needs to be viewed in light of the following:

- No time frame for installation of individual meters has been indicated in the reply, hinting at a lax attitude towards plugging outgo of public money.
- The issue of revision of rates, last revised 13 years to 25 years back, is still unresolved.
- The formation of nodal unit has in no way assisted in resolution of the issue of revision of rates between DoE and Executive Engineer (License Fee).

Thus, the above indicates that the DoE did not have any mechanism to work out the amount of water charges recoverable from the allottees in cases where water supply was received by the CPWD at single point and then distributed to the individual allottees, the CPWD, which purportedly was the only agency which had understanding of the cost involved in providing these services to the allottees, had not revised the rates of recovery of water charges through their Executive Engineer (License Fee). Unless the revised rates of recovery are intimated to DoE, the recovery sections of DoE could not circulate these rates for action. Further, in the absence of policies on water charges used for common purposes, installation of individual meters and revision of water charges neither the CPWD nor the DoE is taking the onus for revision of the rates of recovery. This has resulted in financial burden of ₹63.69 crore in respect of GPRA colonies under division 'U' of CPWD examined by Audit, out of the nine divisions in Delhi. There is an urgent need of assessing the financial burden in the remaining divisions by conducting an all-encompassing review in the concerned divisions of CPWD, within a strict time frame.

The matter was referred to the Ministry in February 2021, their reply was awaited (September 2021).

Recommendation

There is a critical requirement to institutionalise a well-defined mechanism to ensure that rates of water charges are revised periodically, and all dues are recovered in a timely/ time bound manner from the allottees.

Central Public Works Department, Kolkata

4.2 Loss of revenue due to non-levy of departmental charges

CPWD failed to levy departmental charges for construction of the IT Park for STPI at Salt Lake, Kolkata, in violation of the provisions of the Works Manual, resulting in loss of revenue, amounting to ₹2.33 crore.

The Software Technology Parks India (STPI) was established and registered, in June 1991, as an autonomous society, under the Societies Registration Act, 1860, for functioning under the Ministry of Electronics & Information Technology, with its objectives including the following: (i) implementation of the Software Technology Park (STP) and Electronics Hardware Technology Park (EHTP) Schemes, (ii) setting up and managing infrastructure facilities (iii) promotion, development and export of software and software services and

(iv) providing data communication services, including value added services to IT/ITES industries etc., on chargeable basis.

Audit noted that Central Public Work Department (CPWD) undertook a deposit work, on behalf of STPI, for construction of an Information Technology (IT) Park⁴ at Salt Lake, Kolkata, for which the estimated cost was ₹55.73 crore. The work was awarded (December 2016), to the lowest bidder⁵, at a tendered cost of ₹49.26 crore. The award was, however, rescinded in June 2018, as the contractor failed to execute the work.

Subsequently, the balance work (estimated at ₹64.98 crore) was awarded (September 2018), to the next lowest bidder⁶, at the tendered cost of ₹48.50 crore, with the scheduled date of completion being January 2020. The work was still in progress (November 2020), and the contractor had been paid ₹33.32 crore, up to the eighth Running Account bill.

Scrutiny of records showed that the CPWD did not levy departmental charges from STPI, in terms of paragraph⁷ 12.1 of the CPWD Manual 2014, even though the organisation is not fully funded by the Central Government and its core activities are commercial in nature. This lapse, on part of the CPWD, resulted in loss of revenue, due to non-levy of departmental charges⁸, amounting to ₹2.33 crore (@ seven per cent of ₹33.32 crore, up to the eighth Running Account bill).

The CPWD stated (March 2021) that STPI is a Government of India organisation, under the Ministry of Electronics and Information Technology. Therefore, STPI projects, undertaken by CPWD, in different locations throughout in the country, have been implemented without any departmental charges.

The reply of the CPWD is not tenable, because (i) works executed on behalf of STPI, which is an autonomous society, cannot be categorised as Government Works and (ii) the grants-in-aid received by STPI, from the Government of India, constitute only a limited percentage of its available funds. Further, the STPI, in pursuit of its core objectives, earns significant operating income annually, by means of commercial activities, conducted on chargeable basis, including (a) implementing STP/ EHTP schemes (b) managing infrastructure facilities (c) providing promotional and export services, including data communication services etc., to several stakeholders. Accordingly, the construction works, executed by CPWD, on behalf of STPI, would attract levy of departmental charges.

⁴ *IT Park for STPI at Salt Lake, Kolkata SH: C/o Office Building i/c Internal Water Supply, Sanitary Installation, Drainage and Internal/External Electrification (Balance Work).*

⁵ *M/s Supreme Infrastructure India Limited vide Agreement No. 66/CE(EZ-I)/EE/KCD-VIII/2016-17*

⁶ *M/s Garg Builders, vide Agreement No. 35/CE(EZ-I)/EE/KCD-VIII/2018-19 dated 28.09.2018*

⁷ *Para 12.1 of the CPWD Manual 2014, envisages that no departmental charges are to be levied for Government Works, as well as those works of Autonomous Bodies, which are fully funded by the Central Government. For other works done by CPWD, departmental charges are to be levied at specified rates. The para further states that any work executed on behalf of central commercial concerns will also attract levy of departmental charges, with the specified rates.*

⁸ *Construction work costing ₹2 crore-₹3 crore rupees @ eight per cent of work value; construction work more than ₹3 crore @ seven per cent of work value.*

Thus, non-levy of departmental charges is resulting into a loss of revenue, which is ₹2.33 crore up to the eighth Running Account bill.

The matter was referred to the Ministry in February 2021; their reply was awaited (September 2021).

Delhi Development Authority

4.3 Inadequate recovery of water charges

Delhi Development Authority failed to transfer the services of water supply to Delhi Jal Board, despite lapse of more than 20 years since start of allotment of flats in Gazipur, Delhi. Further, Delhi Development Authority recovered less amount from allottees for water supplied as compared to bills raised by Delhi Jal Board, resulted in financial burden of ₹55.77 lakh

Delhi Development Authority (DDA), an autonomous body of Ministry of Housing and Urban Affairs (Ministry), constructs houses/ flats in Delhi. They provide basic services in these houses/ flats. After construction of such houses/ flats, basic services are transferred to civic agencies like Municipal Corporation of Delhi and Delhi Jal Board (DJB) for maintenance.

Audit of the Office of the Executive Engineer, Eastern Division-5 of DDA (Division) for the period April 2013 to December 2018, was conducted during January-February 2019. This Division was established in 1997 as Housing Division. It was noticed that 190 flats had been constructed by DDA during the year 1995 to 1997 at Gazipur, Delhi (Site I-Highway Apartments and Site II-Skylark Apartments) under Self Financing Scheme. Out of 190 flats, 186 were allotted from the year 1999 onwards. This Division was re-designated as Maintenance Division with effect from 28 January 2020.

During scrutiny of records in the Division, pertaining to supply of water at Skylark Apartments and Highway Apartments, Audit observed that:

- (i) Water was being supplied by DJB to DDA for which water bills were being raised based upon their measure scale of bulk meter installed at discharge point of underground reservoir. The Division was supplying water in these flats from the underground reservoir.
- (ii) There are no policy/ norms in DDA which provided specific time-period/ procedure for transfer of services to civic agencies.
- (iii) Since DDA had not installed water meters in the individual flats, they were recovering water charges @₹344 per month per flat, in accordance with orders issued by DDA in October 2012, which were applicable, retrospectively, from April 2011. Further, DDA did not revise the monthly rates of water charges after October 2012, although the same was revised by DJB.

- (iv) Analysis of the bills raised by DJB towards water supplied and the recovery effected from allottees by DDA revealed that the water charges paid by the DDA to DJB against bills raised by DJB, during November 2012 to March 2020 amounted to ₹113.57 lakh, against which total water charges recovered from allottees by DDA, worked out to ₹57.80 lakh (**Annexure-XXX**).

Thus, while DDA had paid the dues to DJB in full in respect of water charges raised by them, the amount recovered by DDA, from the allottees for consumption of water was far less. Hence, there was under recovery and financial burden of ₹55.77 lakh during the period November 2012 to March 2020.

Delhi Development Authority, in response, clarified (October 2020) the following:

- There is no specific time-period for transfer of services to civic agencies, although these services should be transferred at the earliest. After transfer of water supply to DJB, DJB would directly raise water bills and collect water charges from the allottees.
- Delhi Development Authority accepted that they have been bearing financial burden due to recovering less amount from allottees than paid by DDA to DJB. DDA has been pursuing the matter of handing over of water supply with DJB since long but no action had been taken by DJB, and the outstanding water charges as on 31 March 2020 amounted to ₹6.57 lakh.
- Delhi Development Authority has not paid any amount for water consumption since November 2019 as the recorded consumption was within exemption limits and zero amount bills have been received. Since the actual consumption in these flats was within exemption limit, as per policy of Delhi Government, the matter had already been taken up (August 2020) by DDA with DJB to refund the excess amount which was levied on the basis of average consumption in the past.
- Individual water meter for each flat has to be installed by allottees at their own cost, for which the Division has been pursuing with Residents Welfare Associations of both the societies.

Reply of DDA is to be viewed in light of the following:

- DDA has accepted that there were no policy/ norms specifying time period or procedure regarding transfer of basic services to service providers. Further, DDA did not furnish any reason for delay in transfer even after lapse of more than 20 years.
- Delhi Development Authority did not pursue the matter on a regular basis as only four letters (2012-16), two letters (2018), were written to the DJB requesting for transfer of scheme of water supply. However, after the issue was pointed out by Audit in January-February 2019, five letters (2019) and four letters (2020) were issued to DJB.
- Regarding zero water bills since November 2019 as consumption was within exemption limits, the fact remains that DDA failed to transfer the services of water supply to DJB despite lapse of more than 20 years and in the absence of individual meters, liability of

payment of full amount remains with DDA in case the total actual consumption of water increased the exemption limits.

Thus, in the absence of a policy or norms for transfer of services of water supply to the DJB, DDA failed to do the same, despite lapse of more than 20 years since start of allotment of flats. This coupled with lack of efforts of DDA to revise the monthly rates of water charges (last revised in October 2012), resulted in DDA having to bear a financial burden of ₹55.77 lakh.

The matter was referred to the Ministry in January 2021; their reply was awaited (September 2021).

Delhi Development Authority and Central Public Works Department, New Delhi

4.4 Fraudulent Leave Travel Concession claims

Employees of Delhi Development Authority and Central Public Works Department claimed and were reimbursed higher amount than they actually paid for air travels on forged tickets and misrepresentation of facts. This resulted in recovery of ₹9.69 lakh at the instance of Audit against fraudulent Leave Travel Concession claims amounting to ₹8.19 lakh.

In terms of Government of India Office Memorandum (OM) dated 26 September 2014, issued by Department of Personnel and Training (DoPT) of the Ministry of Personnel, Public Grievance and Pensions, all eligible Government servants may avail Leave Travel Concession (LTC) to visit any place in North East Region/ Andaman & Nicobar Islands/ Jammu & Kashmir (NER/ A&N/ J&K) against conversion of one block of the hometowns LTC. The Government servants entitled to travel by air can avail this LTC from their Headquarters in Economy class. Further, Government servants not entitled to travel by air may be permitted to travel by air in Economy class in some sectors namely (a) Between Kolkata/ Guwahati and any place in NER (b) Between Kolkata/ Chennai/ Bhubaneswar and Port Blair (c) Between Delhi/ Amritsar and any place in J&K. For this, air travel is to be performed by Air India in Economy Class only and at LTC-80 fare or less and air tickets were to be purchased directly from the airlines or by utilising the service of Authorised Travel Agents⁹ while undertaking LTC Journey. Booking of tickets through other agencies was not permitted.

Further, vide above cited OM, all Ministries/ Departments were advised to bring to the notice of all their employees that any misuse of LTC would be viewed seriously and the employees would be liable for appropriate action under the rules. In order to keep a check on any kind of misuse of LTC, Ministries/ Departments were advised to randomly get some of the air tickets submitted by the officials verified from the Airlines concerned with regard

⁹ *Viz M/s Balmer Lawrie & Company, M/s Ashok Travels & Tours and IRCTC (to the extent IRCTC is authorised as per DoPT's O.M No. 31011/06/2002- Estt. (A) dated 2.12.2009)*

to the actual cost of air travel vis-à-vis the cost indicated on the air tickets submitted by the officials.

Audit of Chief Accounts Office, Delhi Development Authority (DDA) and office of the Executive Engineer, Electrical Division-16, Central Public Works Department (CPWD) was conducted in April-May 2018 and July 2018, respectively. Test-check of records relating to LTC claims made by the officials for the block year 2014-17 was also undertaken during these audits. During Audit, it was found that employees had succeeded in getting reimbursement of ₹8.19 lakh of non-entitled amount from the authorities by adopting fraudulent practices. Details of the cases observed in audit are given below:

- (i) Five officials of DDA were reimbursed LTC claims for a cumulative amount of ₹4.38 lakh. The air tickets submitted by these employees along with their respective claims, were cross checked against the LTC-80 base fare. Analysis revealed the following:
 - a) The price of air tickets totaling ₹1.50 lakh was enhanced to ₹3.31 lakh which was more than the LTC-80 base fare.
 - b) The tickets were purchased from unauthorised travel agents.
- (ii) In another four cases of DDA, air tickets cumulatively priced at ₹2.76 lakh for travel to Port Blair were submitted by the officials. On cross checking against the LTC-80 base fare, it was found that the employees had:
 - a) deleted the names of unauthorised travel agent from the tickets;
 - b) increased the prices of the air tickets from actual price of ₹1.46 lakh to ₹2.76 lakh; and
 - c) included a non-family member in the claim in one case.

Thus, not only the condition of booking tickets through airlines/ authorised travel agents were adhered to but also the price of air tickets was fraudulently enhanced to more than the LTC-80 base fare. However, due diligence of restricting the LTC claims to LTC 80 fares and disallowing the tickets purchased from unauthorised agents by the bills' processing authority was not ensured.

- (iii) An LTC claim of ₹1.27 lakh was submitted for reimbursement by an official of the office of the Executive Engineer, Electrical Division 16 of CPWD. There against, an amount of ₹1.05 lakh was reimbursed. The air tickets enclosed with the claim were cross checked against the LTC-80 base fare. It was revealed that, although the tickets had been purchased from an authorised travel agent, the original price of the air ticket had been changed from ₹0.47 lakh to ₹0.92 lakh. Thus, the employee succeeded in getting reimbursement of ₹1.05 lakh against the LTC claim of ₹1.27 lakh.

The matter was brought to the notice of the DDA and the concerned division of CPWD in May 2018 and July 2018 respectively. DDA in their reply informed (May 2019 and September 2020) that an amount of ₹4.83 lakh¹⁰ had been recovered from five officials. Further, it was also intimated that an amount of ₹4.41 lakh¹¹ had been recovered from four officials. DDA further informed (February 2020) that the Personnel Department of DDA had been requested to take action as per CCS (Conduct) Rules as well as LTC Rules. The concerned division of CPWD also informed (January 2019) that recovery amounting to ₹0.45 lakh, being the overpaid amount of air tickets, had been made from the employee. Thus, a total amount of ₹9.69 lakh had been recovered.

As the fraudulent payment of LTC claim was noticed during test check of records, the possibility of other similar cases could not be ruled out. Thus, with a view to obviating the possibility of similar irregularities, Audit had suggested (June 2018 and August 2018) to both the auditees to examine all the LTC claims settled during 2010-11/ 2012-13 onwards. DDA and CPWD, in their respective replies (February 2020 and September 2019) stated that all LTC claims paid from 2012-13 and 2010-11 respectively would be examined and reviewed. However, status of such examination has not been provided to Audit till date. In fact, when Audit, with a view to assess the extent of fraud in these two audits, called for relevant records pertaining to all LTC cases settled during 2012-13 to 2016-17 by DDA and 2010-11 to 2016-17 by CPWD in December 2020 and January 2021 respectively, DDA stated (January 2021) that for most of the cases, records were not traceable and CPWD stated (January 2021) that they needed more time for tracing out the cases but did not provide the required records till date (June 2021).

The matter was brought to the notice of the Ministry of Housing and Urban Affairs in November 2020. In reply, CPWD stated (January 2021) that the official had retired from government service on 31 October 2019 and no disciplinary action had been initiated against the official. Reply for the cases related to DDA is still awaited (June 2021). However, it was intimated (December 2020) by the Chief Accounts Office, DDA, in response to an audit requisition issued (December 2020), that the cases had been referred (December 2019 and September 2020) to their Personnel Department for taking disciplinary action against the officials concerned.

The above facts indicate that despite the suggestion of Audit to review all LTC claims paid from 2012-13 by DDA and 2010-11 by CPWD, neither auditee has carried out any review exercise. Thus, the exact extent of similar fraudulent LTC claims and total financial implications remains undetermined even after a lapse of two years. Besides, DDA and CPWD has not furnished any additional records to Audit in this regard. Further, if the necessary checks had been carried out by the officials responsible for passing the LTC claims, these fraudulent payments could have been avoided. This laxity and overlooking of such fraudulent practices by DDA and CPWD had resulted in perpetration of the fraud

¹⁰ *Including Leave encashment of 10 days each in two cases and the over-claimed amounts*

¹¹ *Including penal interest*

in the past. In the absence of any action being initiated by DDA and CPWD to review relevant LTC claims, there is no assurance that such fraudulent practices are not persisting. The matter was referred to the Ministry in November 2020; their reply was awaited (September 2021).