

## Chapter 6

### Financial Management

Separate Audit Reports prior to 2018-19 have qualified the DJB Accounts as not reflecting a 'true and fair view'. As on 31 March 2022, DJB had outstanding water charges of ₹ 21,696.89 crore including late payment surcharge of ₹ 16,361.43 crore from more than 26 lakh consumers of Delhi.

Outstanding loan of DJB increased to ₹ 34,540 crore as on 31 March 2022 from ₹ 283.49 crore on 1 April 1998. Interest on this accumulated loan was ₹ 32,055 crore as on 31 March 2022. The DJB had not repaid any loan since 2013-14.

During 2021-22, DJB had billed only 371 MGD (40 per cent) of potable water produced out of which, only 244 MGD (66 per cent) was billed based on meter readings. DJB receives payments at zonal counters through online/offline modes. However, lack of reconciliation process resulted in mismatch between revenue earned figures and the amounts deposited in DJB's account. Revenue Management System (RMS) was not fully implemented and lacked validation checks, reconciliation facility etc.

Less than 30 per cent grievances received were addressed by DJB and out of this 20 per cent were addressed with delay beyond stipulated period.

Prudent financial management is needed to ensure that financial resources available are allocated and used efficiently in accordance with the objectives of organisation and that it adheres to the extant rules and regulations in this regard. Deficiencies observed in DJBs financial management are discussed in the succeeding paragraphs.

#### 6.1 Preparation and submission of Annual Accounts

DJB has submitted accounts for Statutory audit only up to the year 2021-22 and Separate Audit Reports (SARs) on them have been issued. These SARs have opined that the accounts of DJB do not depict 'a true and fair picture' of the affairs of DJB citing absence of proper maintenance of grant account and fixed assets account; differences in balances depicted in accounts and records; absence of internal audit etc. Thus, the main source of financial data for the Board has been declared as unreliable placing the entire financial management of the Board under a cloud.

***Recommendation 9: Government should ensure that the Board sets right its accounts on priority to provide a true and fair picture of its finances to all stakeholders.***

#### 6.2 Budget allocation – receipts and expenditure

Under Section 65 of the Delhi Water Board Act, 1998 budget estimates for the

upcoming financial year are framed by DJB based on the requirements received from its divisions against new upcoming/ongoing schemes. The budget is forwarded to the Urban Development Department, GNCTD for approval. After approval of budget, it is allocated to various branches/divisions of DJB.

The sources of funds of DJB for revenue expenditure (expenditure of recurring nature such as salaries, maintenance expenses etc.) are income from supply of water and providing sewerage services, assistance from GNCTD (as ways and means support), cost sharing with New Delhi Municipal Council (NDMC) and Military Engineer Services (MES) for water and sewerage services, infrastructure charges, etc. The main sources of funds for capital expenditure are loan and advances/Grants-in-aid (GIA) from GNCTD, funding from Central Government schemes, AMRUT scheme, Namami Gange, Yamuna Action Plan (YAP), DDA and externally aided projects under Japan International Cooperation Agency (JICA).

### **6.2.1 Revenue budget**

The revenue budget, actual receipts and expenditure of DJB during 2017-18 to 2021-22 is given in **Table 6.1**

**Table 6.1: Revenue Budget**

(₹ in crore)

Year	Revenue Budget	Revenue receipts	Shortfall/ percentage	Revenue Expenditure	Expenditure in excess of receipts
2017-18	2534.16	2236.19	297.97/11.76	2582.07	345.88
2018-19	2587.24	2212.04	375.20/14.50	2773.19	561.15
2019-20	3417.16	3031.55	385.61/11.28	3375.60	344.05
2020-21	5314.37	3097.93	2216.44/41.71	2968.79	-129.14
2021-22	3549.27	2805.33	743.94/20.96	3101.55	296.22

Source: DJB records

It can be seen from **Table 6.1** that there were continuous shortfalls in revenue receipts against budget ranging between 11.28 *per cent* (2019-20) to 41.71 *per cent* (2020-21). Similarly, DJB was unable to meet its revenue expenditure commitments from its revenue receipts. Infact, the revenue receipts shown above include assistance for ways and means support received from GNCTD (totalling ₹ 2500 crore during 2017-22), thus the actual revenue deficit is much more when just compared to DJB’s own income sources.

Audit observed that excess expenditure over income incurred by DJB (except in 2020-21) was met from earnest money, security deposit withheld and unspent balance of capital funds. Thus, DJB was dependent on external sources to meet its expenses on operations & maintenance (O&M) activities, power, salary, pension, cost of raw water, and expenses on water supply and sewerage management. UDD had noted (October 2022) that diversion of funds from capital to revenue is a serious matter and needs to be sorted out urgently.

DJB attributed (April 2023) the shortfall in revenue receipt to outstanding dues

from Government departments (over 50 per cent), lack of payment of water bill by the consumers residing in re-settlement/JJ colonies, etc

The components of revenue expenditure during 2017-18 to 2021-22 is given in **Table 6.2**.

**Table 6.2: Components of revenue expenditure**

(₹ in crore)

Head of expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Payment to staff (Percentage of revenue expenditure)	1669.38 (64.65)	1854.35 (66.87)	1852.76 (54.89)	1806.50 (60.85)	1888.41 (60.89)
Power	604.18	558.14	613.12	653.96	694.66
Rebate of late payment surcharge and arrears to consumers	0	0	491.33 <sup>1</sup>	27.36	0
Other expenses <sup>2</sup>	308.51	360.70	418.39	472.27	518.48
<b>Total</b>	<b>2582.07</b>	<b>2773.19</b>	<b>3375.6</b>	<b>2960.79</b>	<b>3101.55</b>

Source: Budget document of DJB

It can be seen from **Table 6.2** that DJB incurred more than 50 per cent of its revenue expenditure on payment of salaries to its staff.

### 6.2.2 Capital budget

Capital budget of DJB during the period 2017-18 to 2021-22 is given in **Table 6.3**.

**Table 6.3: Capital Budget**

(₹ in crore)

Year	Budget <sup>3</sup>	Capital receipts	Loan <sup>4</sup> received from GNCTD	Total capital receipts	Capital expenditure	Savings (Percentage)
a	b	c	d	e=c+d	f	g= c-d
2017-18	1890.00	1766.37	1129.22	2895.59	1549.22	1346.37 (54)
2018-19	2625.99	2625.98	1391.48	4017.46	1973.56	2043.90 (51)
2019-20	2475.00	2475.00	1812.15	4287.15	2350.78	1936.37 (45)
2020-21	3901.00	3764.00	3139.43	6903.43	2503.8	4399.63 (64)
2021-22	2083.49	1966.77	1927.74	3894.51	2685.01	1209.50 (31)
<b>Total</b>		<b>12598.12</b>	<b>9400.02</b>	<b>21998.14</b>	<b>11062.37</b>	

Source: Budget document of DJB. Figures in parenthesis showed percentages

It can be seen from **Table 6.3** that loan from Government constituted more than 40 per cent of the total capital receipts of DJB.

<sup>1</sup> It is one time rebate on LPSC.

<sup>2</sup> Administrative and finance Cost.

<sup>3</sup> Excluding Loans and Advances.

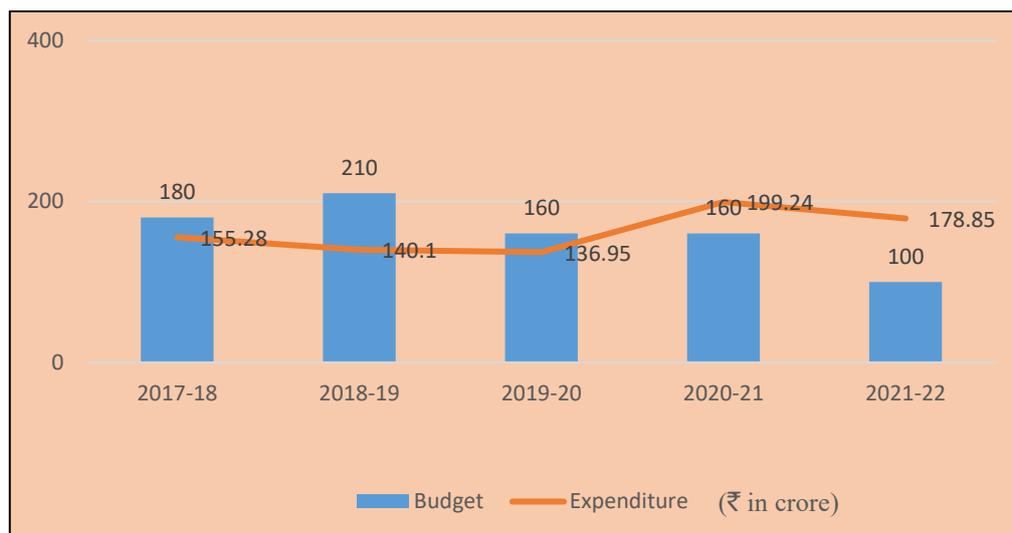
<sup>4</sup> Including ways and means advances.

### 6.2.2.1 Components of capital expenditure

Capital expenditure is incurred by DJB in various water<sup>5</sup>/sewer<sup>6</sup> sector schemes. The budget and expenditure trends under major water sector schemes and sewerage sector schemes are shown in **Charts 6.1 to 6.3** and **Charts 6.4 to 6.6**, respectively.

#### A Water sector:

**Chart 6.1: Budget and expenditure under replacement of old distribution and trunk transmission system scheme**

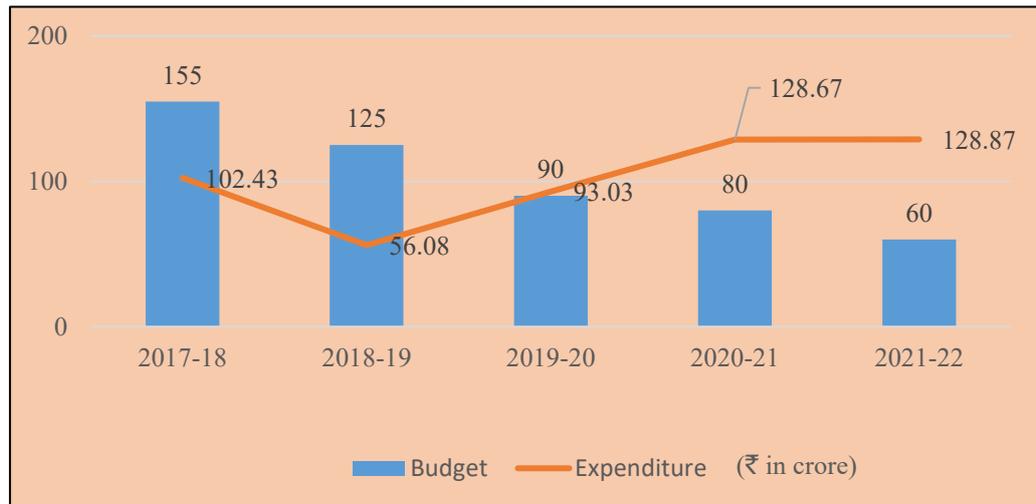


Source: Budget document of DJB

It can be seen from **Chart 6.1** that there was a significant shortfall in budget in last two years. Excess expenditure of 25 per cent and 79 per cent against the budget in the years 2020-21 and 2021-22 respectively is also seen.

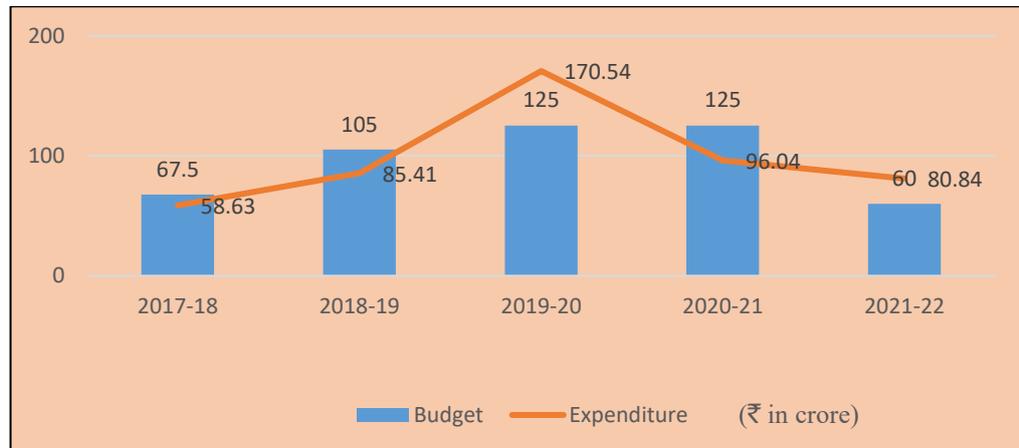
<sup>5</sup> Replacement of old distribution and trunk transmission system, Improvement of existing water works, Ranny wells and tube wells in urban areas, laying of water mains in regularized colonies, raw water arrangements, distribution main and reservoirs, water supply in urban village, water supply in resettlement colonies, rural water supply, Jan Jal Prabandhan yojna, GIA for providing water supply in unauthorized colonies, GIA for augmentation of water supply in JJ Clusters etc.

<sup>6</sup> Trunk peripheral sewer and gravity duct, sewerage treatment plants and pumping stations including R/mains, renovation of existing plants and pumping stations, branch sewer, interceptor sewers, construction of STP/SPS, sewerage and drain scheme in trans Yamuna area, sewerage facilities in urban villages, sewerage facilities in rural villages, sewerage facilities in unauthorized colonies, sewerage facilities in squatter re-settlement colonies, GIA rejuvenation of Yamuna and water bodies etc.

**Chart 6.2: Budget and expenditure under improvement of existing water works scheme**

Source: Budget document of DJB

It can be seen from **Chart 6.2** that there was a significant shortfall in budget in last two years. Excess expenditure of 61 *per cent* and 115 *per cent* was reported against the budget in the year 2020-21 and 2021-22 respectively.

**Chart 6.3: Budget and expenditure under Distribution Main and Reservoirs scheme**

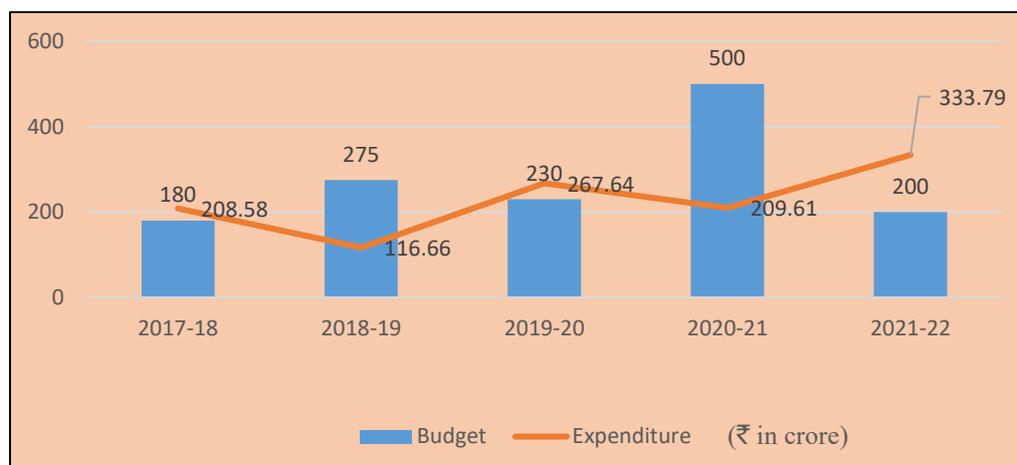
Source: Budget document of DJB

It can be seen from **Chart 6.3** that there was an excess expenditure of 36 *per cent* in the year 2019-20 and 35 *per cent* in the year 2021-22.

## **B Sewerage sector**

Budget and expenditure trends under major sewerage sector schemes are shown in **Chart 6.4 to 6.6**.

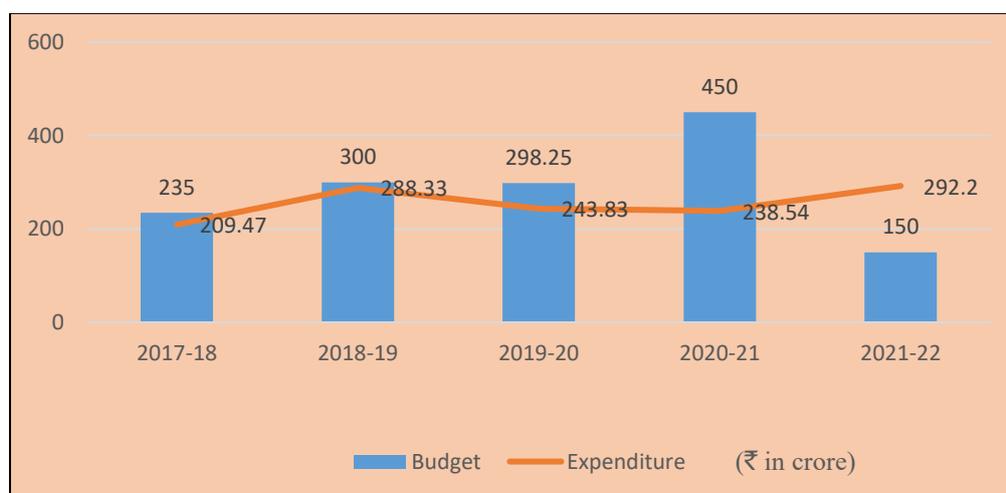
**Chart 6.4: Budget and expenditure trend under sewerage treatment plants and pumping station including R/Mains scheme**



Source: Budget document of DJB

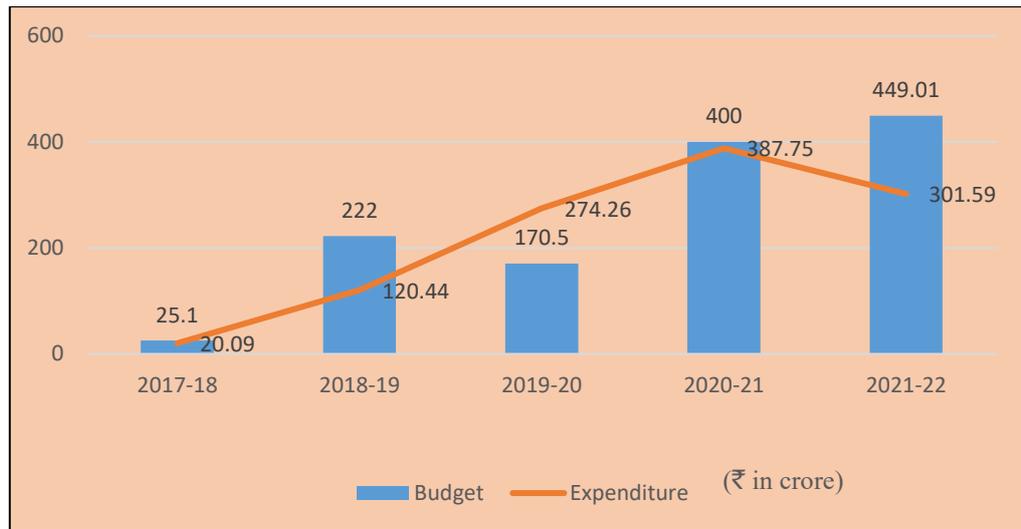
It can be seen from **Chart 6.4** that there were savings of 58 *per cent* in the years 2018-19 and 2020-21 while there was excess expenditure of 67 *per cent* against the budget in the year 2021-22.

**Chart 6.5: Budget and expenditure under sewerage facilities in unauthorized colonies scheme**



Source: Budget document of DJB

It can be seen from **Chart 6.5** that there was an unrealistic rise in the budget in the year 2020-21 (50 *per cent*) which came down by 67 *per cent* in the year 2021-22. While the expenditure over the budget shows savings of 47 *per cent* in the years 2020-21 and excess expenditure of 95 *per cent* against the budget in the year 2021-22.

**Chart 6.6: Budget and expenditure under Yamuna action plan scheme**

Source: Budget document of DJB

It can be seen from **Chart 6.6** that there was excess expenditure of 61 per cent in the year 2019-20 while savings of 46 per cent and 33 per cent against the budget are reported in the years 2018-19 and 2021-22 respectively.

Savings of 3.50 per cent to 71.06 per cent under GIA and Centrally Sponsored Schemes were noticed under selected heads detailed in **Annexure 6.1**. Such excess expenditure and savings indicate that the budget allocation was not prepared on a realistic basis. The reasons of under-utilization of budget during 2017-18 to 2020-21 were sought for from the DJB (September 2022 and February 2023), however reply was awaited.

### 6.3 Efficacy of financial management by DJB

#### 6.3.1 Outstanding water charges from consumers

Section 87 of the DJB Act, 1998 pertaining to recovery of dues, provides that if a person failed to pay any dues to the Board, such dues shall be recoverable under a warrant by sale of the movable property or the attachment after following a prescribed procedure.

Audit noted that huge amount of water charges was pending from the consumers at the end of March during the period 2018 to 2022 as given in **Table 6.4**.

**Table 6.4: Details of water charges outstanding from the consumers**

As on	Principal amount	Late payment surcharge (LPSC)	Total
31.03.2018	3560.10	5746.10	9,306.20
31.03.2019	3974.74	11073.13	15,047.87
31.03.2020	3856.67	10526.29	14,382.96
31.03.2021	4325.66	8798.03	13,123.69
31.03.2022	5335.46	16361.43	21,696.89

Source: Information furnished by revenue wing of DJB

It is clear from **Table 6.4** that in 2021-22, there has been 23 *per cent* increase in principal amount (from ₹ 4,325.66 crore to ₹ 5,335.46 crore) and 65 *per cent* overall increase (from ₹ 13,123.69 crore to ₹ 21,696.89 crore) in outstanding dues from customers, government department etc., including Late Payment Surcharge (LPSC).

The matter was referred to the Government in July 2023, reply was awaited (April 2025).

***Recommendation 10: Government should ensure that DJB explores ways and means for collection of the huge amount of dues outstanding from the consumers including various government departments and agencies so as to improve its financial position.***

### **6.3.2 Outstanding loan and interest liability amounting to ₹ 66,595 crore**

All loans received from GNCTD under different schemes like water supply, drainage and sanitation have to be repaid by DJB within fifteen years. Interest at the rates prescribed by the Government and penal interest at the rate of 2.75 *per cent* per annum in case of default were to be paid.

Audit noted that outstanding loan of DJB increased from ₹ 25,140 crore (April 2017) to ₹ 34,540 crore (March 2022). Moreover, the interest on accumulated loan was ₹ 32,055 crore (31 March 2022). However, DJB had not repaid any loan to GNCTD since 2013-14 and the total outstanding loan and interest was ₹ 66,595 crore as of March 2022.

DJB stated (November 2022) that it is a non-profit organization with main objective of supplying water to more than 26 lakh consumers of Delhi which comes under essential household service. To provide water supply, GNCTD grants loan to DJB because the income of DJB from supply of water is not enough to repay the loan amount; therefore, it has requested the Government to convert the loans into grants. The decision is still pending with the GNCTD.

The reply of the DJB is not acceptable as it did not make rigorous efforts to either periodically revise the water/sewage charges nor made efforts for recovery of dues pending from the consumers, in order to meet out its expenses.

The matter was referred to the Government in July 2023, reply was awaited (April 2025).

### **6.3.3 Billing and Collection of Water Charges**

The total distribution of potable water was 743 MGD (2021-22) against which DJB had billed only 371 MGD (50 *per cent*). Moreover, only 244 MGD (66 *per cent*) out of this was billed on the basis of actual meter readings. Thus, 33 *per cent* of the potable water supplied was not billed as per actual meter readings.

Year-wise number of water connections given to residents of Delhi by the DJB,

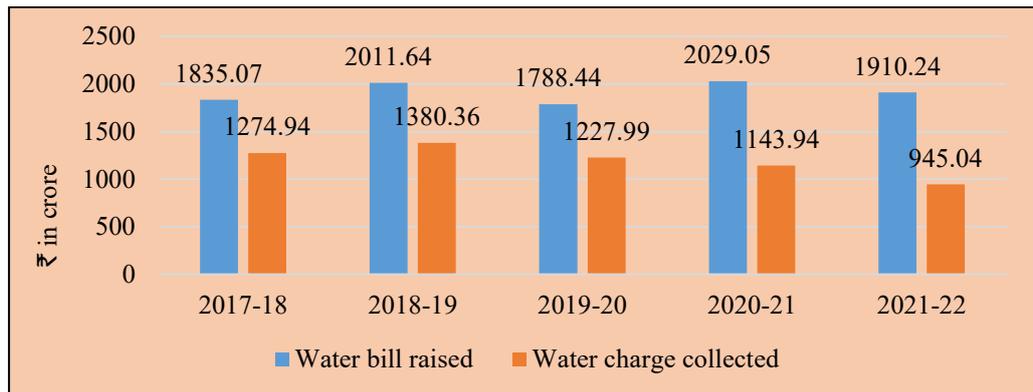
water bill raised in these period and position of actual levy of water charges are shown in **Chart 6.7** and **Chart 6.8** below:

**Chart 6.7: Trend of active water connections by DJB during 2017-18 to 2021-22**



Source: DJB ZRO (Audit)-HQ/LO through M/s Wipro/System Integrator.

**Chart 6.8: Trend of water bills raised and water charge collected during 2017-18 to 2021-22**



Source: DJB ZRO (Audit)-HQ/LO through M/s Wipro/System Integrator.

It can be seen from **Chart 6.7** and **Chart 6.8** that though the number of active water connections increased consistently and there was an overall increase of about 16 *per cent* in the number of water connections during the period under review, the quantum rise in water bills was not commensurate with this. Further, the shortfall in collection of water charges increased from 30.5 *per cent* in 2017-18 to 50.5 *per cent* in 2021-22. This besides being indicative of inadequate effort on the part of DJB to improve revenue collection, also raises questions on the accuracy of the billing process itself.

During the Exit Conference, DJB while accepting the observation assured that the billing process would be improved.

#### **6.3.4 Revenue withheld by Bank - ₹ 15.87 crore**

DJB had an agreement with Corporation Bank (2012) to enable the DJB consumers to pay water bills through e-kiosks. The Bank was to credit the amount collected to DJB within 48 hours failing which a penalty of 12 *per cent*

per month (revised to 12 *per cent* per annum in 2015) was to be paid by the Bank.

The Bank had defaulted in crediting the collected amount in time from December 2013 onwards and it had not deposited the collected amount of ₹ 14.21 crore from 23 March 2019 onwards. In a meeting held in October 2021, the dues from the Bank was reconciled and DJB asked the Bank to deposit an amount of ₹ 6.79 crore after adjusting amounts payable as service charges and payments to sub-contractor.

Audit noted that there was nothing in records furnished to Audit to indicate DJB had collected the balance amount or had levied/collected any penalty from the Bank. As per Audit calculations, ₹ 9.08 crore was to be levied as penalty for the period from December 2013 to August 2022. Thus, an amount of ₹ 15.87 crore was recoverable from the Bank.

DJB stated (15 May 2023) that the matter was under investigation with the Vigilance Department of DJB as well as Anti-corruption Branch and that FIR has been lodged. A demand notice has also been issued to the Bank for recovery of the amount. It was further stated that the Vigilance Department has seized all records pertaining to e-kiosk without which no further reply could be provided to audit.

### **6.3.5 Avoidable expenditure due to absence of MoU**

Delhi Jal Board pays for the procurement of raw water from neighbouring states. Audit observed that DJB is making payment for raw water to Uttar Pradesh Irrigation Department (UPID) for the supply of 470 cusecs (253 MGD) raw water from Tehri Dam (Uttarakhand) via Upper Ganga Canal at two differential rates.

Water treatment plant (WTP), Sonia Vihar intakes 140 MGD raw water @ ₹ 31.50/34.00/33.70 per Trillion Cubic Feet (TCF) whereas the WTP, Bhagirathi intakes 71 to 116 MGD raw water @ ₹ 13.00/13.90 per TCF from the same source from UPID. Audit noted that the difference of payment was due to the absence of an MoU with UPID for supply of raw water to WTP, Sonia Vihar.

Thus, procuring raw water without an MoU allowed the UPID to claim water charges against the Sonia Vihar plant at a much higher rate than from the same source to the Bhagirathi water treatment plant. This has led to an avoidable expenditure of ₹ 55.52 crore.

The Department replied (August 2022) that the MoU is yet to be signed. Further, during the Exit Conference, it was informed that the matter has been taken up with UPID.

The matter was referred to the Government in July 2023, reply was awaited (April 2025).

### 6.3.6 Non levy of penalty of ₹ 8 crore

DJB signed a contract (December 2017) with M/s Wipro Pvt. Ltd. For up-gradation, operation and maintenance of RMS at a total cost of ₹ 81.56 crore. As per the contract, payments were to be made according to achievement of milestones and penalty was leviable in case of delay up to a maximum of 10 *per cent* of the contract value.

Audit scrutiny revealed that 1<sup>st</sup> and 2<sup>nd</sup> milestones were treated as completed without submission of reports and deliverables and no completion certificate was found available in the records pertaining to the 5<sup>th</sup> and 6<sup>th</sup> milestones.

Audit noticed that there were delays on the part of DJB in finalising site for training cell and DC/DR site. The site for training centre was finalised by DJB after a delay of two years. Besides, it could not be ascertained from the records whether upgradation, operation, and maintenance of the RMS was completed and intended outcome could be actually obtained. Thus, making the payment of ₹ 81.16 crore to contractor without imposing penalty of ₹ 8 crore<sup>7</sup> on non-achieving the milestones was in violation of the contract conditions.

During the exit conference, DJB stated that the reply would be given as soon as possible.

The matter was referred to the Government in July 2023, reply was awaited (April 2025).

## 6.4 Revenue Management System (RMS)

DJB is using (from 2011) IT based Revenue Management System (RMS) for providing service such as online application of water connection, mutation, bill generation and payment etc.

RMS was intended to simplify payment and application procedures to enhance billing and collection efficiency, provide real-time cash counter collection data of Zonal Offices and integrate RMS system with Delhi Online Registration Information System (DORIS) software of Revenue Department.

Deficiencies observed in the functioning of RMS and other areas of revenue management are discussed below:

### 6.4.1 Partial Rollout

Audit noted that the services i.e. providing of real time status of cash counters, tracking of application within the Engineering Division, providing support for Hindi for displaying various menu options in respect of website “djb.gov.in were not implemented. In the absence of these, DJB was not in a position to monitor the cash collected at a particular point of time, track services and grievances in Engineering Divisions, and get stage-wise overview of SLA.

<sup>7</sup> Total penalty ₹ 8 crore = 10 *per cent* of CAPEX value of ₹ 81.56 crore- ₹ 16.57 crore already recovered.

Thus, RMS was not implemented fully as per agreement despite investing an amount of ₹ 112.08 crore.

#### **6.4.2 Poor Validation Controls in RMS**

Test check of the RMS database revealed gaps in Tables which indicates lack of effective validation within the system as detailed below:

- (i) Consumer grievances stored in ‘Case Table’ had 14.27 lakh records out of which 9.68 lakh records had ‘Nil’/‘Blank’ entries in the column ‘Comment\_Long’ relating to consumer grievances.
- (ii) Meter details stored in the ‘MTR Table’ had 44.29 lakh records. 16.48 lakh records, had ‘Nil’/‘Blank’ entries in the column ‘Meter Serial Number’.
- (iii) Bill details stored in the ‘BILL Table’ had columns ‘Start Date’ and ‘Late Pay Charge Date’ with ‘NULL’ in 11.73 crore and 0.32 crore records respectively.

In the absence of data validation checks, sanctity and reliability of data cannot be ensured.

#### **6.4.3 Reconciliation facility not available in RMS**

RMS did not provide reconciliation of mode-wise payment received in the intermediary bank account of DJB and the total amount collected in the Board’s main account. This has resulted in mismatch between revenue earned as per RMS and revenue amount actually realized/deposited in the intermediary bank account.

During the exit conference, DJB accepted the observation and stated that the process of reconciliation through RMS would be started soon.

#### **6.4.4 Lack of digitalization of records in RMS**

From 14 Zonal Revenue offices of DJB, total 355 records pertaining to application for connections (124 approved cases and 231 cancelled cases) covering the period from 2017 to 2022 were sought for detailed scrutiny. Out of 124 (approved), Information in respect of 100 cases were furnished to Audit, which contained only information relating to date of application and date of approval of water connection. Supporting documents such as field inspection reports and JE Reports were not available in RMS. Similarly, out of 231 (cancelled cases), 173 (75 per cent) applications were traced out from RMS. However, these applications were not automatically cancelled after 15 days and time taken to cancel these application ranged from 16 to 1349 days.

Thus, neither digitalization of records in RMS was complete nor complete physical records were available in ZROs.

The matter was referred to the Government in July 2023, reply was awaited (April 2025).

**Recommendation 11:** Government should ensure that DJB fully operationalises RMS by digitalization of all records and providing reconciliation facility and also addresses the issue of poor validation control to enhance its operational effectiveness.

## 6.5 Miscellaneous Issues

### 6.5.1 Reasonability of rates prepared after opening of financial bids

As per para 5.1.6 of CPWD manual, justification rate should be prepared before the date of opening of financial bids. In one of the tenders issued by DJB (January 2017) for procurement of 281 tablets at an estimated cost of ₹ 1.06 crore, a single bid of ₹ 1.52 crore was received which was more than 43.09 per cent above the estimated cost. Audit noted that DJB prepared reasonability of rates after opening of the financial bids by including items which were not in the scope of the contract. As per justification statement the cost was computed at ₹ 1.57 crore (28 April 2017) which almost matched with the amount quoted by L1.

### 6.5.2 Fixed assets register not maintained

As per Rule 211 of GFR 2017, separate accounts shall be kept for (a) fixed assets such as plant, machinery, equipment, etc. in Form GFR 22 and (b) consumables such as office stationery, maintenance spare parts, etc. in Form GFR 23.

Audit observed that DJB did not maintain any fixed assets register/inventory register at DJB Headquarters or in any of its divisions. In the absence of registers, Audit could not verify whether all the assets and stores of DJB were accounted for.

In reply (December 2022), DJB accepted the observation and stated that an agency has been appointed (March 2022) for physical assessment of its fixed assets/inventory.

### 6.5.3 Ineffective internal audit system

Audit observed that DJB did not prepare an annual audit plan for internal audit of its units during 2017-18 to 2021-22. The details of divisions/units audited by the internal audit wing of DJB during 2017-18 to 2021-22 is given in **Table 6.5**.

**Table 6.5: Number of units/divisions audited during 2017-18 to 2021-22**

Sl. No.	Year	Total No. of divisions/units	No. of divisions/ units audited	No. of divisions/ units not audited (in per cent)	Percentage shortfall
1.	2017-18	108	14	94 (87)	87
2.	2018-19	108	8	100 (93)	93
3.	2019-20	108	2	106 (98)	98
4.	2020-21	108	4	104 (96)	96
5.	2021-22	108	Nil	108 (100)	100

It can be seen from **Table 6.5** that out of 108 divisions/ zonal revenue offices

and headquarters only 28 divisions/ offices of DJB were audited during 2017-18 to 2020-21 and no unit was audited during year 2021-22. Internal audit reports were also not placed/ discussed in the Board meetings.

Absence of dedicated internal audit mechanism is detrimental to the proper functioning of DJB as there is no independent oversight mechanism to ensure that various rules and regulations applicable to DJB are followed.

DJB stated (October 2022) that due to a huge shortage of Assistant Accounts Officers (AAO), no AAO was posted in the wing since 2017-18. However, AAO’s from other wings were on additional charge of internal audit unit.

The matter was referred to the Government in July 2023, reply was awaited (April 2025).

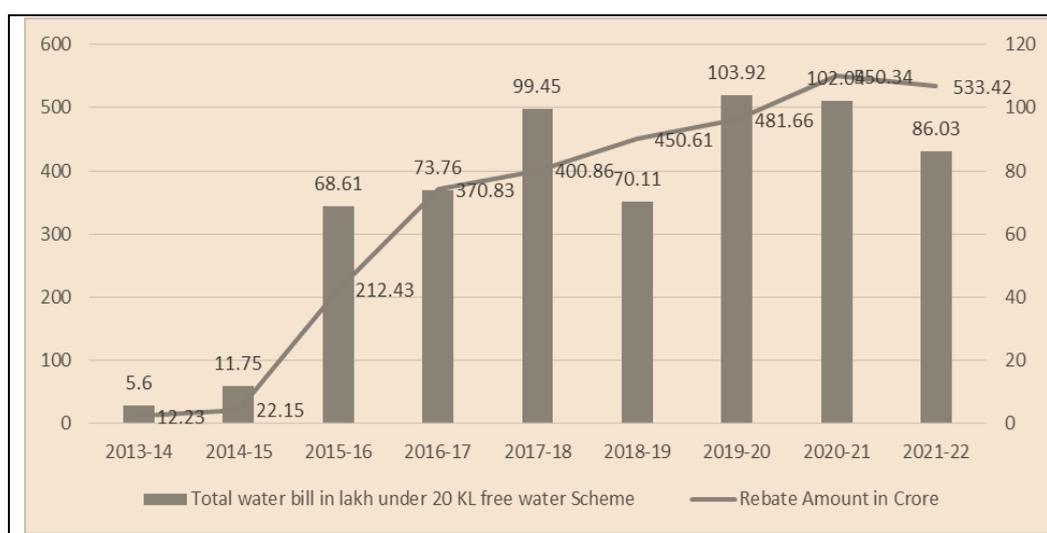
**Recommendation 12: Government should ensure that DJB forms a dedicated internal audit wing commensurate to the size of the organization and prepare and implement annual audit plans after identifying key-risk areas.**

#### 6.5.4 Implementation of 20KL free water scheme

DJB initially introduced free water supply up to 20 kilo litres (KL) per month per family (December 2013) for the period 1 January till 31 March 2014. Later the scheme was reintroduced from 1 March 2015. The expenditure on implementation of this scheme was to be compensated by the GNCTD as per Section 73 of the Delhi Water Board Act 1998.

The trend of water subsidy under 20 KL free water scheme during the period 2013-14 to 2021-22 as per RMS database furnished by DJB is depicted in **Chart 6.9**.

**Chart 6.9: Trend of water subsidy under 20 KL free water scheme during 2013-14 to 2021-22**



Source: Figures derived from the RMS database

It can be seen from the above chart that number of water bills generated under

20 KL water scheme increased from 99.45 lakhs (2017-18) to 103.92 lakh in 2019-20 and then reduced to 86.03 lakh (2021-22), the lowest numbers during the review period.

Further, DJB was to develop a mechanism to prevent multiple water connections to a family to ensure that only deserving families got the subsidy. Scrutiny of rebate database revealed that there were 23.65 lakh consumers having total 24.26 lakh connections. Further, 824 consumers were awarded more than four connections each totalling 5,257 connections and they availed rebate of ₹ 5.53 crore up to March 2022. Out of these, 785 consumers had 5 to 10 connections each, 36 consumers had 11 to 20 connections, 2 consumers had 21 to 50 connections each and 1 consumer was having more than 50 connections. DJB did not develop any mechanism to prevent multiple water connections under a single name and to ensure that only deserving families consuming less than 20 KL of water got subsidy.

**Absence of social behaviour and impact study:** - The monthly slab rates for water consumption in March 2015 was ₹ 2.93 (up to 10 KL), ₹ 4.39 (10 to 20 KL), ₹ 21.97 (20 to 30 KL), and ₹ 36.61 (above 30 KL) which was revised in February 2018 as ₹ 5.27 (up-to 20 KL), ₹ 26.36 (20 to 30 KL), and ₹ 43.93 (above 30 KL). A comparison of slab rate for the water consumption revealed that the rates for first 20KL were far less than the next slab for providing motivation to consumers to save water and thus providing free water without studying the social behaviour and impact was incomprehensible. The families consuming less than 20 KL of water tempted to consume/waste water up-to 20 KL being free. Also consumers tempted to apply for multiple connections to use more water while availing free limit of 20 KL per connection.

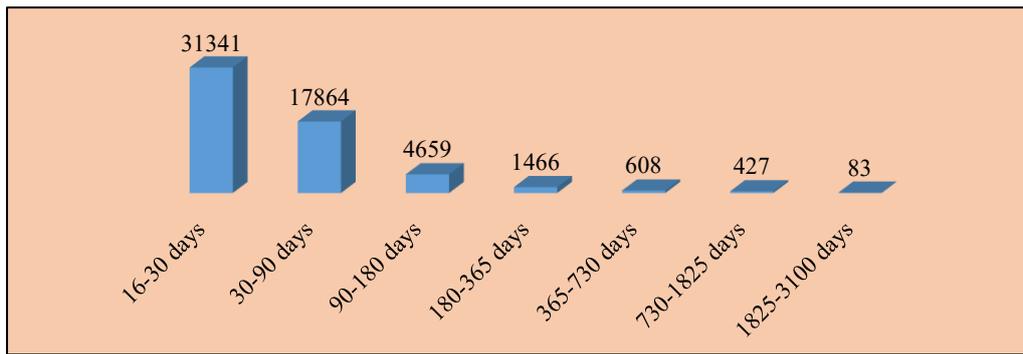
During the exit conference DJB directed his officials to cross verify the data and submit reply to audit at the earliest.

### 6.5.5 Inefficient grievance redressal system

The citizen charter of DJB states that all types of grievances should be redressed within 15 days. To check the efficiency and promptness of the system, 9.52 lakh grievances from 1 April 2017 to 17 August 2022 were test checked.

It was observed that only 2.77 lakh out of 9.52 lakhs (29.17 per cent) grievances received were addressed by DJB as per the database. Of the 2.77 lakh cases redressed; 56,448 cases (20 per cent) were addressed beyond the stipulated 15 days as shown in **Chart 6.10** below:

**Chart 6.10: Delays in Redressal of Grievances**



Source: Figures derived from the RMS database

During the exit conference, DJB while accepting the observation assured that DJB is working on improving the Grievance Redressal System.