

# **Chapter-III**

## **Compliance Audit**



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## Compliance Audit

## Rural Development Department

## 3.1 Non-recovery of land cost and ground rent of ₹ 66.98 crore

**Laxity on the part of the Rural Development Department, GNCTD to take timely and effective action in administration of terms and conditions of land lease allotment to the MCD resulted in non-recovery of ₹ 66.98 crore consisting of down payment of ₹ 51.03 crore<sup>1</sup> towards cost of land and annual ground rent of ₹ 15.95 crore<sup>2</sup> (May 2005 to October 2017) which remain in arrears for eight years from North Delhi Municipal Corporation.**

Delhi High Court directed (December 2002) Municipal Corporation of Delhi (MCD) and the Government of National Capital Territory of Delhi (GNCTD) to take all possible steps to relocate dairies operating in the municipal zones of Delhi to the outskirts of Delhi. Towards this end GNCTD decided (May 2004) to hand over 188.99 acres of land at Ghoga Bawana and Sannoath (called Ghoga Growth Centre) owned by the Rural Development Department, GNCTD to the MCD. Project Director, Rural Development Department (Department) confirmed (May 2004) his readiness to the MCD to execute a MoU to transfer this land. Audit observed the following:

1. After agreeing to transfer land to the MCD, the Department failed to track this issue for next five years. In the meantime, the MCD started development works on this land on its own from April 2005 onwards. In October 2008, the Department asked the MCD to show the evidence of allotment of this land, and finally issued (21 January 2009) ex-post facto approval of the GNCTD for allotment of this land in favour of MCD for developing Ghoga Dairy Centre.
2. As per the terms and conditions of allotment (January 2009), the land was transferred at the rate of ₹ 27 lakh per acre on lease basis for 99 years and annual ground rent was to be recovered at the rate of 2.5 per cent of the premium with effect from May 2005. Besides, a lease deed was to be executed according to the provisions of the Transfer of Property Act. The Department however again lost track of this matter for next five years and did not follow up with the MCD to ensure implementation of terms and conditions of land allotment. It was only on 30 October 2013 that it wrote to North Delhi

<sup>1</sup> @ ₹ 27 lakh per acre for 188.99 acres = ₹ 51.03 crore.

<sup>2</sup> @ 2.5 per cent of the premium of land from May 2005 to October 2017 i.e. for 12 years 6 months (188.99 x 27 x 2.5/100 x 150/12) = ₹ 15.95 crore.

Municipal Corporation (NDMC, a successor of MCD for North Delhi area) to pay arrears of down payment of ₹ 51.03 crore and annual ground rent.

3. The Department paused again for 16 months and after audit raised this matter, it issued a second reminder in March 2015 to NDMC for recovery of cost of land and annual ground rent. It actively followed up for a month and again did nothing until May 2016 and last reminder was issued a year later in June 2017. Thus after issuing allotment letter in January 2009, the Department did not ask the MCD to execute the lease deed which was to be done immediately as per the Clause 7 of the allotment letter.

Department replied (February 2016 and June 2017) that the overall expenditure incurred on development and maintenance of the basic infrastructure by NDMC on Ghoga Dairy Centre has been more than the amount recovered from the allottees and it is under financial crisis and has requested the Urban Development Department, GNCTD to allocate the requisite funds for making payments for the land.

Department's reply is not tenable as it failed to take timely action for allotment of land to the MCD and then did not raise the demand for cost of land and ground rent for over five years after issuing the allotment letter.

Thus, laxity on the part of the Rural Development Department, GNCTD to take timely and effective action in administration of terms and conditions of land lease allotment to the MCD resulted in non-recovery of ₹ 66.98 crore (down payment of ₹ 51.03 crore and annual ground rent ₹ 15.95 crore (May 2005 to October 2017)) which remain in arrears for eight years from North Delhi Municipal Corporation.

The matter was referred in July 2017 to the Government; their reply was awaited as of January 2018.

## Department of Education

### 3.2 Development, Up-keep and Utilization of Sports Facilities and support to Sports Persons in National Capital Territory of Delhi.

**Directorate of Education could not finalize Delhi Sports Policy as a follow up of National Sports Policy 2001. DoE accorded low priority towards development of sports facilities/activities in NCT of Delhi. Out of 13 districts, three districts did not have a single sports facility under DoE whereas six districts with 7.69 lakh students did not have any sports facility other than swimming pools. Delhi School of Sports had not been set up as of June 2017 despite acquiring land for the purpose in 2003. Plan schemes were not implemented effectively as there were delays in releasing funds, non-conducting of activities and shortage of sports coaches.**

#### 3.2.1 Introduction

Directorate of Education (DoE), Government of National Capital Territory of Delhi (GNCTD) organizes sports talent search meets; co-ordinate sports activities in schools; and provides opportunities and facilities such as stadia, swimming pools, playgrounds etc. to young and talented players to learn, train and improve their standards in sports through plan schemes under the sector “Sports and Youth Services”. The Secretary (Education) is responsible for implementing various schemes relating to promotion of sports activities and is assisted by the Director of Education (Sports), one Officer on Special Duty and two Deputy Directors of Education. Our audit findings on “Sports and Youth Services”, Department of Education, GNCTD were earlier included in the Report of the Comptroller and Auditor General of India on GNCTD of the year 2004.

#### 3.2.2 Audit objectives

Main audit objectives were to assess whether:

- (i) The Policies, Plans and Schemes for promotion of sports have been implemented effectively and efficiently with due consideration of adequacy of funds and its efficient utilization;
- (ii) Requirement of Sports Stadia/Venues were properly assessed, constructed, maintained and utilized;
- (iii) Oversight and monitoring mechanism was in place at all levels and was effective.

#### 3.2.3 Audit coverage

Audit was conducted during April-June 2017 covering the period from April 2014 to March 2017 by examining the records of Sports Branch,

Planning Branch, three<sup>3</sup> out of 13 district offices, five stadia/sports complexes<sup>4</sup> and five swimming pools<sup>5</sup> under the jurisdiction of the DoE.

## **Audit Findings**

### **3.2.4 Non-formulation of Sports Policy**

With the objectives of “Broad basing” of Sports and “Achieving Excellence” in Sports at National and International levels, the Central Government in conjunction with the State Governments and the Olympic Association and the National Sports Federation, prepared the National Sports Policy 2001. The broad basing of sports was primarily the responsibility of State Governments and the Central Government was to supplement their efforts in this direction. As a follow up to the National Sports Policy 2001, DoE prepared the draft Delhi Sports Policy in December 2004 which underwent a number of changes at the various levels of the GNCTD. The draft Sports Policy was approved by the Minister of Education in September 2008 and submitted to the Chief Minister for his approval. However, Special Secretary to CM suggested some amendments in draft Sports Policy in January 2009. Accordingly, revised draft of Sports Policy was prepared by the Sports Branch and submitted to the Director in February 2011 and again in July 2011 to the Directorate, but the file was not moved to higher authority for approval of draft of Sports Policy. Thus due to delay on the part of the Directorate, Sports Policy has not been approved as of July 2017 for implementation.

The Government stated (October 2017) that though there may not be a document titled ‘Delhi Sports Policy’, it has framed policy guidelines and schemes for broad basing sports and achieving excellence in sports. The reply is not tenable as a well thought out Sports Policy cannot be replaced by a collection of schemes and guidelines. The Government also stated that it is in the process of finalizing the Sports Policy under the title ‘Mission 100’ in consultation with various stakeholders and eminent sports persons.

### **3.2.5 Financial Outlay**

GNCTD provides funds to the DoE for implementation of various programmes/ schemes under Sports and Youth Services. Year-wise budget provision and expenditure on Plan and Non Plan schemes for the period 2014-17 is shown in **Table 3.2.1**.

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<sup>3</sup> South, West-A and East.

<sup>4</sup> Chattarsal Stadium, Thyagraj Stadium, Ludlow Castle Sports Complex, Rajiv Gandhi Stadium Bawana and Rajiv Gandhi Sports Complex Singhu.

<sup>5</sup> GBSSS, A Block Defence Colony, SBV No. 2 West Patel Nagar, SKV No. 2 C Block, Janakpuri, Government Co-ed. Secondary School, Dichaon Kalan and GBSSS No. 1 Rajouri Garden.

**Table 3.2.1: Budget provision and actual expenditure**

(₹ in crore)

Financial Year	Budget Provision		Actual Expenditure		Savings	
	Plan	Non Plan	Plan	Non Plan	Plan	Non Plan
2014-15	38.25	15.55	35.42	15.38	2.83	0.17
2015-16	47.65	22.90	43.24	22.26	4.41	0.64
2016-17	50.49	20.92	44.51	20.13	5.98	0.79
<b>Total</b>	<b>136.39</b>	<b>59.37</b>	<b>123.17</b>	<b>57.77</b>	<b>13.22</b>	<b>1.60</b>

Source: Figures provided by the DoE

It is observed from the table that ₹13.22 crore of plan budget during 2014-17 remained unspent. DoE also did not surrender the unspent budget to Finance Department, GNCTD which lapsed at the end of the year.

Government stated (October 2017) that projects for development of sports infrastructure were not completed in time by the implementing agency i.e. Public Works Department due to various reasons and special emphasis is being laid on completion of the projects in a time bound manner and instructions are being issued to the schools to fully utilize the allocated funds from 2017-18.

### 3.2.6 Sports infrastructure

#### 3.2.6.1 Geographic distribution of sports infrastructure

As of March 2017, the DoE had four Sports Stadia, 12 Sports Complexes, two Cricket complexes, one Hockey Sports Complex and 15 swimming pools in its 13 Districts. District-wise availability of sports facilities *vis-a-vis* number of students in the DoE schools is depicted in the **Table 3.2.2**.

**Table 3.2.2: District wise availability of Sports facilities vis-à-vis number of students**

Name of the Districts of DoE	Number of DoE Schools	Number of students	No. of Stadia	Sports Complexes	Cricket Complexes	Hockey Sports Complex	Swimming Pools
North	107	64,795		1			1
South	90	97,984					3
East	129	1,61,411		1			2
West-A	72	78,877		2	1	1	4
Central	101	24,181					1
South West-B	91	96,425	1	1			1
North West-B	129	1,93,379		4			3
North-West-A	118	1,54,464	2	2	1		-
West-B	88	1,50,797		1			-
North-East	136	2,56,530					-
South West-A	57	47,858					-
New Delhi	24	2,738					-
South-East	93	1,56,522	1				-
<b>Total</b>	<b>1,235</b>	<b>14,85,961</b>	<b>4</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>15</b>

An analysis of the above data reveals that

- i) the sports facilities were not evenly distributed in all districts. Three districts (North East, South West-A and New Delhi) were not having a single sports facility constructed by DoE. West-A District was having four swimming pools and South and North West-B Districts were having three each whereas six Districts with 7.69 lakh students were not having a single swimming pool under DoE.
- ii) North West-B District have four sports complexes whereas South and Central Districts with 1.22 lakh students had no sports facilities under DoE except swimming pools.

Government stated (October 2017) that earlier DoE had taken steps to develop at least one District Sports Centre in each district, but could not succeed due to scarcity of land in those area and now it intends to develop the sports facilities in schools where land is available. Reply is not tenable as the Government did not make any efforts to provide sports facilities uniformly across NCT of Delhi.

#### **3.2.6.2 Non-establishment of Delhi School of Sports**

It was pointed out in 2004 report of CAG that DoE acquired 90 acres of land at Ghevra More during November 1997 to March 2003 at a cost of ₹ 11.70 crore for setting up Delhi School of Sports with facilities for 22 sports disciplines/games. But the School was not established as of June 2003 resulting in blockade of the amount spent on acquisition of land. In the Action Taken Note (ATN) of August 2005, DoE stated that since the Hon'ble High Court of Delhi has ordered to maintain status quo of the land, the School could not be set up. It was also stated that the court order was for only a piece of land of 19.50 acres out of the total land of 89.37 acres and they are in the process of setting up the school in the remaining portion of land. In spite of assurance given in the ATN, the school is yet to be established as of June 2017.

It was further observed that expenditure of ₹ 2.24 crore has been incurred on watch and ward of the land during 2011-17 by deploying 30 security guards (10 guards for each shift) without any actual assessment of manpower required for protection of land from encroachment. Had the Directorate established the sports schools in time, the expenditure incurred on watch and ward could have been saved. The DoE stated that Sports School could not be established despite vigorous efforts.

Government stated (October 2017) that in January 2016 Hon'ble Supreme Court has allowed to the Government to utilize the land (except portion of land under litigation) and the Government is in the process of getting the draft project report prepared for creation of Delhi Sports University on this land. Reply is not tenable as no progress has been made in this regard despite being



allowed by the Hon'ble Supreme Court. It was further stated that security guards have been reduced from 30 to 18 with effect from 1 August 2017.

### 3.2.7 Implementation of schemes

DoE implements various plan schemes viz. Development of Playgrounds, Sports Stadia/ Complexes, Swimming Pools and Gymnasium Halls, Promotion of Sports and Games Activities, Youth Welfare Programme, National Service Scheme (NSS), Scouts and Guides Activities in Schools etc. Scrutiny of the records of various plan schemes revealed as under:

#### 3.2.7.1 Development of Sports Complexes, Playgrounds and Swimming Pools

It is essential to create and maintain high quality sports infrastructure and ensure their optimal utilization to achieve excellence in sports. The Public Works Department (PWD) of GNCTD constructs, renovates, and maintains Sports Stadia/complexes/swimming pools etc. on the basis of Administrative Approval and Expenditure Sanctions (AA&ES) issued by DoE from time to time. During 2014-17, the DoE issued 133 AA&ES of ₹ 65.95 crore for constructions, renovations and maintenance works. Nine works of strengthening/construction of Stadia/Sports Complexes/Venues and Swimming pools (including one prior to April 2014) for which AA&ES of ₹ 23.29 crore issued, were either not taken up or in progress/not started as of May 2017. Details of two major works not completed are as follows:

(a) **Sports Complex at Anand Vas:** DDA allotted two plots measuring 2 acres and 1.35 acres at Anand Vas to DoE during March and December 2001 at a cost of ₹ 11 lakh for construction of a Sports Complex with a specialty school of sports. Though DoE took possession of the plots in June 2003, it took more than four years (October 2007) in issuing AA&ES of ₹ 91.11 lakh to PWD for construction of Sports complex. As the progress of the work by PWD was not found satisfactory, the work was later awarded to Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) and DoE sanctioned ₹ 91.11 lakh to DSIIDC in September 2008. After incurring an expenditure of ₹ 28.13 lakh on the foundation stone laying ceremony, graphical survey and earth filling etc. DSIIDC after modifications/alternations submitted (July 2011) a revised estimate of ₹ 5.63 crore for the work which was amended to ₹ 4.48 crore by the Planning Department. While approving additional cost of ₹ 3.57 crore for the work (November 2011), Finance Department, GNCTD urged that the work may again be awarded to PWD so that staff of PWD can be utilised. PWD had submitted the drawings in April 2012 which was approved by DoE. However, no progress has been made in the project as of June 2017. Thus, after lapse of 16 years from the date of allotment of land, even preliminary estimates have not been finalised for the work. Consequently, residents living in the surrounding area of Anand Vas were deprived of the benefits of sports facilities. Further, the expenditure of

₹ 39.13 lakh incurred on cost of land (₹ 11 lakh) and foundation stone laying ceremony, graphical survey of the plot and earth filling of the plot (₹ 28.13 lakh) remained unfruitful.

The DoE stated that the matter was pursued with the PWD many times, but to no avail. Reply is not tenable as audit noted that the matter was not pursued by DoE with PWD after January 2013. DoE and two executive agencies viz. PWD and DSIIDC under the same Government failed to construct the sports facility despite availability of funds.

In its reply, Government stated (October 2017) that need of the project is being assessed in present scenario and matter would be taken up with the PWD very shortly for early execution of the work. Reply is not tenable as no progress has been made despite lapse of about 14 years from taking possession of the land.

**(b) Delayed completion of construction of Synthetic Athletics Track at East Vinod Nagar:** DoE decided to construct this facility in May 2013 and took 31 months for finalizing the work details and for issuing AA&ES in December 2015. PWD took 11 months in awarding (November 2016) the work. Thus, due to delay on the part of DoE and PWD, synthetic athletic track conceived in May 2013 could not be completed as of June 2017 thereby depriving the athletes/players/students/residents living near East Vinod Nagar the benefits of Synthetic Athletic Track. DoE accepted the delay in conveying AA&ES and stated that 50 *per cent* physical work has been completed and an amount of ₹ 1.90 crore has been incurred up to March 2017.

In its reply, Government stated (October 2017) that the project has been completed and track would be put to use from this month.

### **3.2.7.2 Grant-in-aid to Sports Associations**

DoE releases grants-in-aid to Delhi State Sports Associations for organizing coaching camps, expenditure on participation and organizing official National and State Championships and purchase of sports equipment/material. As per norms

- (i) fresh grant will be released only after submission of Utilization Certificate (UC) by the organization in respect of the earlier grants;
- (ii) maximum amount of grant will be ₹ 25 lakh per annum, and
- (iii) the accounts of Association shall be audited by Directorate of Internal Audit of GNCTD. Audit observed that:
  - (a) DoE did not release any grants-in-aid in 2016-17 as it could not finalize the procedure to be followed for selection of sports associations for releasing grant and the entire budget provision of Rupees one crore remained unspent.

Government stated (October 2017) that the proposal for obtaining Administrative Approval for releasing of grant-in-aid to the Sports Associations could not be accorded and therefore, grants was not released. Reply is not tenable as DoE should have taken timely action to obtain Administrative Approval.

(b) Grants-in-aid of ₹ 63.73 lakh was released to 18 Sports Associations on 30 and 31 March 2015 and ₹ 90 lakh to 16 Associations on 30 and 31 March 2016. Since funds were released on the last day of financial year, these associations were not in a position to utilize the funds for conducting sports activities. The DoE stated that the activities of the Associations continued in February end or March beginning and the Associations meet their requirement at their own level. The reply is not tenable because this means that Sports Associations were forced to spend their own funds due to delay in release of funds from DoE and there could be a risk where some Associations may not conduct the sports events due to uncertainties over release of government funds.

In its reply, Government stated (October 2017) that as per approved norms, the Sports Branch releases first installment (25 per cent) of grant-in-aid towards immediate needs like rail reservation, bus fare etc and releases second installment (75 per cent) based on the actual expenditure incurred by the associations on purchase of sports kits and material etc through credit payments. Reply is not tenable as Sports Branch did not adhere to the approved norms during 2015-16 as list of eligible sports association was finalized by DoE on 11 March 2016 and only first instalment was released to Sports Associations and that too on 30 or 31 March 2016.

(c) Delhi Olympic Association organized Delhi Olympic Games involving 23 games/disciplines for the first time in October 2015. Directorate released ₹ 1.65 crore on 31 March 2016 (₹ 90 lakh for prize money and ₹ 75 lakh for sports kits) to the Association after conducting the games. As a result, payments of cash award to medal winners were delayed for more than one year as the cheques of cash award to winners of medals were prepared during 15 November 2016 to 9 June 2017. Further, funds released were more than six times the prescribed limit of ₹ 25 lakh.

(d) Internal audit of Sports Associations that received the funds was not conducted by GNCTD, which rendered grants-in-aid susceptible to irregularities. Government stated (October 2017) that immediately after release of grant, DoE pursued with the Directorate of Audit, GNCTD for conducting internal audit of these sports associations, however, Directorate could undertake audit of only a couple of associations.

### 3.2.7.3 Cash Incentives to outstanding players

Under the scheme “Cash incentives to outstanding players/sportspersons”, DoE pays cash incentives to sports persons who have participated in various sports competitions and brought laurels for their State at International and National level as per approved norms. DoE distributed incentives through cheques to the outstanding sportspersons of the previous financial year in felicitation ceremony till 2015-16 and through ECS/RTGS mode thereafter. As of June 2017, 39 cheques amounting to ₹ 9.66 lakh for the year 2013-14 and 53 cheques of ₹ 18.27 lakh for the year 2014-15 were lying with the DoE as unclaimed by the sports persons. Inability to deliver the cash awards to the selected outstanding players shows scant regards on the part of DoE towards outstanding players/sports persons as well as the cash incentive scheme itself.

In its reply, Government stated (October 2017) that efforts were made to deliver these cheques by contacting the concerned sportspersons telephonically on their given numbers, but no response was received from them. Reply is not tenable as the cheques should have been given to them at the time of felicitation ceremony.

### 3.2.7.4 National Service Scheme

Under the National Service Scheme (NSS), the students undertake various programmes in adopted villages, colleges/schools campuses and urban slums, and organize Special Camping Programmes involving local communities. The Scheme envisages Central and State expenditure in the ratio 7:5 up to 2015-16. From the year 2016-17, the Scheme is fully funded by the Government of India. However, the funds could not be released during 2016-17 as DoE could not open a separate bank account in time, which was a prerequisite for release of central assistance. However, DoE intimated that some NSS activities were undertaken in 460 Government schools of DoE during 2016-17 from their own resources which would be reimbursed on receipt of funds from GOI.

Budget allocation and actual expenditure under the scheme during 2014-16 is depicted in **Table 3.2.3**.

**Table 3.2.3: Budget allocation and actual expenditure during 2014-16**

Year	Funds allocated			Funds released to the Schools and Institutions	Total expenditure	Expenditure as a %age of allocation
	Centre	State	Total			
2014-15	83.87	60.00	143.87	127.00	89.97	62.53
2015-16	53.71	45.00	98.71	83.36	54.30	55.01
<b>Total</b>	<b>137.58</b>	<b>105.00</b>	<b>242.58</b>	<b>210.36</b>	<b>144.27</b>	<b>59.47</b>

It is observed from the table that against the budget allocation of ₹ 242.58 lakh, DoE released only ₹ 210.36 lakh to the schools/institutions and the actual expenditure by schools/ institutions was only ₹ 144.27 lakh indicating that more than 40 per cent of the allocation remained unspent. Main reason for

underutilization was delayed release of funds by the DoE to schools/institutions. DoE disbursed funds for 2014-15 in February 2015 and for 2015-16 in 30 March 2016.

DoE stated that the delay was due to time taken for obtaining approval from Finance Department and finalization of schools and institutions for distribution. The reply is not tenable as this is an annual feature and the DoE should have taken timely action in this regard.

In its reply, Government stated (October 2017) that from 2017-18, the grants-in-aid would be released directly to the schools through PFMS Portal so that schools could utilize the amount on NSS activities.

### **3.2.7.5 Involvement of private sports academies/individual trainers for training**

The GNCTD approved (December 2015) a scheme for involving private sports academies/clubs/individual trainers in training and coaching of Students/Players of Government and Non-Government Schools on 50:50 ratio. Government Schools were to be venues for such training/coaching. The trainers would charge a reasonable amount from students from Non-Government Schools whereas training to students from the Government Schools was to be free. DoE is implementing this scheme since June 2016. Audit noticed the following inadequacies in implementation of the scheme:

(a) DoE allotted (June 2016) 120 schools to 29 academies/clubs/individual trainers in 11 games/disciplines. However, training and coaching was being provided only in 31 schools by 18 academies/clubs/individual trainers. DoE allotted (June 2016) 54 schools to the Taekwon-Do Federation of Delhi but coaching did not start in any of the allotted schools.

(b) As per the Scheme, desirous academies/clubs/individuals would have to provide training and coaching to 50 *per cent* student players of that particular school or nearby government schools free of cost and 50 *per cent* of non-government students on reasonable charges respectively. However, DoE did not verify the number of students benefited from this scheme and whether the norms of providing free of cost coaching to 50 *per cent* students of Government Schools were followed by the academies. It also did not examine whether the fee charged by the academies from non-government students was reasonable.

(c) As per the Scheme, academies were required to submit its performance report on quarterly basis to DoE for reviewing the performance from time to time. However, no such performance reports were found in the records.

DoE stated that due to non-response from the academies/nearby students and non-availability of space/play-grounds in allocated schools, coaching could not be conducted and performance reports have been received from time to time. Reply is not tenable as non-response of the Scheme could mean that

there were inadequacies in selection of the academies and the stream of sports. Audit also did not find relevant performance reports/documents as replied. The DoE did not assess the reasons for lack of response to this scheme for modification. As a result, the intended objective of providing free of cost training and coaching to students/players of Government schools could not be achieved.

Government stated (October 2017) that show cause notice has been issued to Taekwon-Do Federation of Delhi in September 2017 and action would be taken against the Federation after receipt of reply. It was also added that the inspections have been got conducted at all allotted private sports academies/individual to obtain actual report of the activities and after going through the reports, it was noticed that norms of providing free of cost coaching to 50 *per cent* students were being followed. However, reply was not supported by documents relating to inspections and proper adherence to provisions of the scheme. Further government stated that performance reports of all the academies have been collected and show cause notices have been issued to the non-functioning academies based on performance report of the academies.

### **3.2.7.6 Scouts and Guides Activities in Schools**

DoE promotes Scouts and Guides activities through Bharat Scouts and Guides and Hindustan Scouts and Guides and provides funds to schools for this purpose. Budget provisions and actual expenditure during 2014-17 under the scheme are depicted in **Table 3.2.4**.

**Table 3.2.4: Budget provision and Actual expenditure during 2014-17**

(₹ in lakh)			
Year	Budget outlay	Actual Expenditure	Savings (%)
2014-15	Nil	Nil	Nil
2015-16	40	16.75	23.25 (58)
2016-17	50	43.94	6.06 (12)
<b>Total</b>	<b>90</b>	<b>60.69</b>	<b>29.31 (33)</b>

The above table shows that 33 *per cent* of the budget allocation remained unspent during 2014-17. Audit however observed that:

(a) During 2014-15 no Scouts and Guides activity was conducted as Directorate could not obtain clarification (sought in May 2014) regarding recognition of Bharat Scouts and Guides and Hindustan Scouts and Guides from Ministry of Youth affairs and Sports, GOI. Though Ministry clarified (December 2014) that both the organizations are recognized, the Directorate did not implement the scheme on the ground that 10 months of the academic year 2014-15 were over and no time was left to carry out scout and guides activities.

(b) During 2015-16, budget allocation was modified from ₹ 17.00 lakh to ₹ 40.00 lakh without any assessment of requirement of funds leading to

underutilization of funds. Government stated (October 2017) that modified/Revised Estimates were approved in February 2016 and there was no time left for conducting these activities due to annual examinations of students.

(c) The DoE circulated (April 2015) the calendar of activities for 2015-16 and 2016-17 submitted by both the organizations to all districts and schools for implementation. However, Hindustan Scouts and Guides and Bharat Scouts and Guides (**Appendices 3.2.1 and 3.2.2**) did not conduct 23 out of 50 approved activities during 2015-16 and 10 out of 58 in 2016-17. The reasons attributed by the organizations for non-conducting the approved activities were, non-response from schools for participation in the activities, home/annual examinations, delay in allocation of budget to schools etc. DoE stated (September 2017) that necessary directions would be issued to both the organizations to organize the activities strictly as per circulated calendar.

(d) During 2015-16, Delhi State Bharat Scouts and Guides conducted activities only in 48 schools instead of covering all the 544 schools of seven Districts. Similarly, Hindustan Scouts and Guides conducted activities in 80 schools only out of 691 schools of six districts. Information pertaining to 2016-17 was not available in records. Audit noticed that number of activities conducted in schools through Delhi State Bharat Scouts and Guides ranged between one and six in 48 schools and there were no criteria/norms on record as to how schools and activities were selected. In response, DoE stated (September 2017) that efforts would be made to increase the number of schools.

(e) DoE did not obtain feedback from the participants in respect of activities undertaken during the years 2015-17. In the absence of feedback, DoE was not in a position to assess whether activities were satisfactorily conducted and the outcomes were useful and beneficial to the participants. DoE stated (September 2017) that at the close of the event, feedback was obtained verbally by the organizations; however, proper records of feedback would be maintained in due course.

#### **3.2.7.7 Non-conducting of activities under Plan schemes**

Scrutiny of annual plan of DoE revealed that some activities under three plan schemes were not conducted as detailed below:

(a) Under the scheme “Promotion of Sports and Games activities”, Summer Athletics, Monthly Cross-country Race, and Seminar/Refresher Course for Physical Education Teachers/Lecturers/Yoga teachers and supervisors were not organized during 2015-17 and Delhi State Woman Sports Competition was not conducted during 2016-17. DoE stated that the Summer Athletics tournament and Monthly Cross-country race could not be conducted due to delay in obtaining consolidated expenditure sanctions from

the Finance Department of the GNCTD. State Council of Educational Research and Training had planned to undertake Refresher Courses for Physical Education Teachers/Lecturers/Yoga teachers and supervisors but the same were not conducted.

(b) Under the scheme “Cash Incentives to Outstanding Players/Sportsmen and Rajiv Gandhi Sports State Award”, the activity ‘Conferment of Rajiv Gandhi State Sports Awards’ was not conducted during 2016-17. DoE stated that the activity was not conducted as changes proposed in the rules for the awards could not be finalized.

(c) During 2014-17, DoE did not conduct three<sup>6</sup> out of six activities of the scheme “Youth Welfare Programme”. Due to non-conducting of these activities, an amount of ₹ 30.16 lakh out of ₹ 107.00 lakh provided under the scheme remained unutilized. DoE accepted that the activities were not conducted and long trekking programme has not been undertaken for last nine years.

Government stated (October 2017) that activities like Summer Athletics meets, short trekking programme etc. are being undertaken during 2017.

#### **3.2.7.8 Schemes for mass participation for common persons**

DoE issued (January 2011) an Office Memorandum stating that sports infrastructure created for Commonwealth Games 2010 at three venues<sup>7</sup> be allowed to common persons by charging a membership fee whereas the student players can avail the facilities free of cost. Audit however noted that DoE decided access to such facilities only to students at two of these facilities namely, Thygaraj Stadium and Chattarsal Stadium, and at the Ludlow Castle Sport Complex, only two out of seven games/disciplines i.e. Badminton and Gym/Fitness, were opened for public. This means that common people were deprived of such facilities.

Government stated (October 2017) that common man was not deprived as it was decided in 2015 that only selected facilities may be opened to the public where possibility of utilization was maximum. Reply is not tenable as after failure of this scheme, a new scheme “Pay & Play” introduced in June 2015 was partially implemented.

#### **3.2.8 Operation and maintenance of Swimming Pools**

DoE provides swimming facilities at 15 swimming pools located in its schools. Audit noted the following inadequacies:

(a) During 2014-17, three swimming facilities in 2014-15, two in 2015-16 and two in 2016-17 could open in April. Opening of all other swimming

<sup>6</sup> Long trekking Programme, Youth Exchange Programme and National Integration Programme.

<sup>7</sup> 13 games/disciplines at Chattarsal Stadium, 14 games/disciplines at Thyagraj Stadium and 7 indoor games/disciplines at Ludlow Caste Sports Complex.



facilities were delayed for a period from 1 to 5 months. Non-operation of swimming pools in time were attributed to avoidable reasons like, non-appointment of coaches and life-guards and in one case (Sarvodaya Co-Ed Vidyalaya, Hari Nagar), delay in awarding of tender for maintenance of swimming pool by PWD.

(b) The responsibility of obtaining license from Delhi Police for operating the pool rests with the Head of the School. As per conditions of License issuing authority for operation of swimming pools, i.e. the Additional Commissioner of Police (License), Lifesaving equipment, firefighting appliances, proper lighting arrangement and water test report should be available to ensure good water quality. During 2016-17, four swimming pools<sup>8</sup> got renewed their licenses between August to November 2016 and one swimming pool (GBSSS, Bharat Nagar) applied for renewal of license in July 2016, but the same was not renewed. However, these swimming pools were running without valid license since June onwards against the guidelines of DoE. DoE stated that delay was procedural and more precautions would be taken in future for timely renewal of license. Thus, in the absence of License, swimming pools were operating without ensuring the safety of its users.

### **3.2.9 Non-availability of Sports Coaches**

Regular and effective coaching plays a very important role in scientific and overall development of sport person. Further, life guard is responsible for the safety and rescue of the trainees while using the swimming pool. DoE sent a proposal to Administrative Reforms Department (ARD) in October 2011 for creation of 210 posts of Coach for various sport disciplines. It took 18 months for ARD to finalize (May 2013) 108 posts of coach that remain under approval process since then. Against a requirement of 161 posts (101 Sports Coaches, 30 Swimming coaches and 30 Life Guards), the DoE deployed only 94 officials (49 Sports Coaches, 17 swimming coaches and 28 life guards) on contractual basis as of 31 March 2017. Due to shortage of sports coaches, 21 out of 58 games/disciplines available in five test-checked stadia/complexes were not conducted. Further, in the absence of adequate coaches and life guards, overall development of sports persons and safety of swimmers could not be ensured. DoE stated that the matter regarding filling of the posts of coach would be taken up at the highest level.

Government stated (October 2017) that process has been initiated to fill the posts of Sports Coaches and a proposal for creation of 109 posts of Sports coaches and 400 posts of assistant coaches has been sent to the Administrative Reforms Department.

<sup>8</sup> (i) Sarvodaya (Co-ed) SSV, C-Block Mangolpuri (ii) SBV No. 2, West Patel Nagar (iii) SKV No. 2, C Block, Janakpuri, and (iv) Government Co-ed. Secondary School, Dichaon Kalan.

### **3.2.10 Monitoring and Evaluation**

Monitoring and Evaluation is a process that helps improve performance and achieve the intended results. Audit noted the following inadequacies in monitoring and evaluation:

#### **3.2.10.1 Lack of mechanism to ensure timely completion of capital/maintenance works.**

DoE issues AA&ES to PWD for Capital/maintenance works relating to sports infrastructure. One of the conditions of AA&ES was that PWD would provide periodic progress reports/work completion report on regular basis. DoE however did not have a mechanism for receipt and examination of such progress reports so as to ensure timely completion of works. As a result, DoE was not in a position to keep track of either progress of works done or the expenditure incurred against sanctions. Though nine works including one work taken up before April 2014 were incomplete as of May 2017, DoE was not aware of the physical or financial progress of these works. DoE stated that no progress report and actual expenditure incurred against the sanctions issued for works/projects was provided by PWD. Reply is not tenable as it is for DoE to obtain the progress reports and conduct spot inspections to monitor the progress of work assigned to the executing agency.

In its reply, Government stated (October 2017) that spot inspections are being conducted during academic year 2017-18 and physical progress is being assessed.

#### **3.2.10.2 Non-formulation of norms/policy for inspections of the Stadia/Sports Complexes/Centers**

In order to ensure that Stadiums/Sports Complexes/Centers are maintained properly, regular inspections of the sports facilities need to be conducted to identify and overcome shortcomings. Audit noticed that DoE had not fixed any norms/target for inspections of the venues. DoE confirmed that no norms/policy has been formulated for inspections of the stadium/venues. It further added that the Senior Officers of the Sports Branch, Supervisors of the Zones as well as Inspection Cell of the headquarters undertake inspections of the venues from time to time. However, no records/reports in this regard were made available to audit.

In its reply, Government stated (October 2017) that inspections were (2017-18) being undertaken at regular intervals and corrective measures were being taken with the implementing agency.

### **3.2.11 Conclusion**

DoE could not finalize Delhi Sports Policy as a follow up of National Sports Policy 2001. This indicates the low priority accorded by GNCTD towards development of sports facilities/activities in NCT of Delhi. There were delays in release of funds for various sports activities. Sports infrastructure such as

sports stadia, complexes, playgrounds and swimming pools were not evenly distributed across the 13 districts of DoE. Consequently, three districts were without a single sports facility. There were delays in creation of infrastructure. Plan schemes *viz.* Grant-in-aid to Sports Associations, National Service Scheme, promotion of Scout and Guide Activities, involvement of private sports academies/individual trainers into training and cash incentives to outstanding players etc. were not effectively implemented. DoE did not provide adequate number of Sports Coaches and life-guards for swimming pools. The monitoring mechanism in DoE was deficient with regard to inspection of capital/maintenance works, upkeep of sports facilities, and support to students who excelled in sports.

**Department of Food, Supplies and Consumer Affairs**

**3.3 Deficiencies in implementation of registration and digitization of beneficiaries under National Food Security Act, 2013**

**There were deficiencies in implementation of registration and digitization of beneficiaries under National Food Security Act, 2013. Department did not independently verify eligibility of NFS card applicants and relied on their declaration that none of their family members belong to non-eligible categories. Applicants having Aadhaar card issued by other States became NFS beneficiary in Delhi without due verification of their status as NFS beneficiary in their Home State. Fair Price Shop License Holders and families who had financial capacity to employ servants were allowed NFS benefits. Vehicles used for transportation of SFAs included those registered as buses, scooters/motor cycle and three wheelers which raises doubts on the authenticity of the reported transportation.**

The National Food Security Act (NFSA) was enacted by the GOI and implemented in the National Capital Territory of Delhi in September 2013 with the objective of providing food and nutrition security by ensuring access to adequate quantity of quality food at affordable prices. Reforms in Targeted Public Distribution Scheme (TPDS) under the National Food Security Act, 2013 (NFSA) include application of information and communication technology and leveraging Aadhaar with biometric information of the entitled beneficiaries to ensure proper targeting of benefits, and to prevent diversion. The Department of Food, Supplies, and Consumer Affairs (Department), Government of National Capital Territory of Delhi (GNCTD) manages TPDS in Delhi. The Department implemented Component-I of the Scheme comprising digitization of beneficiaries, computerisation of supply-chain, setting up of transparency portal<sup>9</sup>, and grievance redressal mechanism. As of March 2017, the Department had issued 19,40,159 National Food Security (NFS) Cards covering 72,48,385 beneficiaries.

The records for the period from April 2013 to March 2017 covering 3,10,493 Ration Cards of seven<sup>10</sup> out of 70 circles were test-checked. Two circles each were selected on the basis of maximum number of beneficiaries in the three categories<sup>11</sup> and one additional circle viz. Matiala was selected based on total number of beneficiaries, irrespective of category. Audit observed that data input control and validation checks over issue of NFS cards were inadequate. Discrepancies in digitization of data of beneficiaries could be mere data entry

<sup>9</sup> The transparency portal can be accessed by public to view information relating to NFS cards, allocation and transportation of SFAs and details of FPS and circle offices etc.

<sup>10</sup> Adarsh Nagar, Badarpur, Badli, Bawana, Kirari, Wazirpur and Matiala.

<sup>11</sup> (i) Antyodaya Anna Yojna, (ii) Priority Households entitled for wheat and rice only (Fresh NFS cards, erstwhile Jhuggi Ration Cards and Resettlement Colonies Ration Cards) and, (iii) Priority Households-S entitled for sugar, wheat and rice (erstwhile Below Poverty Line Ration Cards).

mistakes or could be deliberate to circumvent the system. Main audit findings are as under:

1. A household is not eligible for NFS beneficiary card if any of its members (i) owns a light (Four Wheeler) or heavy vehicle (except one commercial vehicle for earning livelihood) (ii) owns a building/land in any of the A to E category<sup>12</sup> colonies of Delhi (iii) is receiving ration/food subsidy under any other scheme (iv) is an income tax payee (v) is an employee of Central/State Government (vi) has electricity connection above 2KW. Department did not independently verify eligibility of applicants and relied on their declaration that none of their family members fall in these six non-eligibility categories. Department also did not verify whether the NFS cardholders continue to meet the NFS criteria or they have moved to any of six non-eligibility criteria since issue of NFS card. Thus there are risks that non-entitled families could have been registered for NFS benefits.

Department replied that Food Supply Inspectors (FSIs) visited their addresses for verification of information furnished by the applicants but 100 *per cent* authentic verification was not possible. Reply is not tenable as the Department did not develop any mechanism to periodically obtain and verify details of beneficiaries from other Government departments viz. income details from Income Tax Department, vehicle ownership details from Transport Department, electricity connection and load details from DISCOMS, building/land ownership details from Revenue Department etc.

2. Section 12 (2) (c) of NFS Act 2013 envisages leveraging Aadhaar with unique identification and biometric information of the beneficiaries for proper targeting of benefits. Department allowed persons having Aadhaar issued by other States to become NFS beneficiary in Delhi without verifying their NFS status in their Home State. There are risks that more than one NFS card could be issued on the same Aadhaar Card. Consequently, the same beneficiaries could enjoy NFS benefits in two States. This could also result in Specified Food Articles (SFAs) being diverted by Fair Price Shop (FPS) License Holders where SFAs are not drawn. Department replied that till the PDS beneficiary data is integrated at National Level, it is difficult to verify the status of beneficiaries in other States.

3. In 1,009 NFS cards, the beneficiaries included servants. Total such beneficiaries were 1,051. Department did not examine how a family who has financial capacity to employ a servant can be allowed NFS benefits. Out of 1,051 such beneficiaries, 161 were of less than 14 years of age thus violating

<sup>12</sup> Categorization of colonies (A to H) for valuation of property done by MCD on the basis of land prices, settlement pattern, availability of civic and social infrastructure and access to roads etc. Owners of building/land in A to E category colonies of Delhi were considered as economically prosperous.

legal age for employability. Department replied that process of verification of these cases has been initiated in the light of audit observation.

4. Only persons with sound financial position and in possession of business premises are eligible for award of FPS licenses. Total 792 FPS License Holders were also NFS beneficiaries and were getting SFAs. Department did not examine how FPS License Holders supposedly having sound financial position could be registered as NFS beneficiaries. Department replied that Zonal Offices would verify the eligibility of these NFS cards and take necessary steps.

5. As a measure of women empowerment, Section 13 of NFSA stipulated that the eldest female member who is not less than 18 years of age, in every eligible household, shall be head of the household for the purpose of issue of ration cards. Where a household does not have a woman of eighteen years of age or above, the eldest male member of the household shall be the head of the household (HOFs) for issue of NFS card and the female member on attaining the age of eighteen years shall become the HOF for such ration cards in place of male member. In contravention of this rule, male members were found to be HOFs in 12,852 NFS cards despite the presence of adult female member(s) among beneficiaries. Department replied that Zonal staff would verify these cases and take remedial measures.

6. Test-check of 207 vehicles used for transportation of SFAs from godowns of Food Corporation of India (FCI) to FPSs showed that ten vehicles were registered with other Government departments; 42 vehicles were found not registered with Transport Department; eight vehicles which ferried 1589.92 quintals of SFAs to FPSs had registration numbers of buses, two wheelers (Scooter, Motor Cycle), and three wheelers. This gives rise to doubt whether the reported transportation of SFAs had actually taken place and possibility of pilferage could not be ruled out. Department stated that this could be due to typographical data entry errors. Reply is not tenable as possibility of entering wrong vehicle numbers that exactly match with other vehicles are remote and Department should have investigated the matter.

7. Department is able to generate standardised MIS reports on NFS portal but is dependent on NIC (a Technical Partner) for customized reports. Further, the Department maintains e-PDS for allocation of SFAs to FPSs, and NFS platform for beneficiary data, but functionalities and database of e-PDS and NFS platform were not integrated through an interface. As a result, meaningful data analysis is not possible for oversight and monitoring purpose, for example, status of commencement or termination of functioning of FPS, short delivery of SFAs at FPS by transporters and wastage of SFAs due to pests or rotting at FPS (being manually collected from FPSs). Department while accepting audit observation has replied that these issues would be addressed after FPS automation.

8. SMS alerts are sent to the cardholders when SFAs are dispatched from FCI godown. In 2,453 cases, the mobile numbers of the beneficiaries actually pertained to FPS License Holders and who were not beneficiaries of NFS scheme indicating that SMSs were not always being sent to real beneficiaries. Further, Department maintains a Portal ([nfs.delhi.gov.in](http://nfs.delhi.gov.in)) for dissemination of information on FPSs, allocation/delivery of SFAs to FPSs, etc. Allocation of SFAs however was not accurately depicted on website portal e.g. SFAs were shown as delivered against 'nil' allocation for the month, mismatch between quantity allocated and delivered etc.

9. NFSA also provides a grievances redressal mechanism including toll free call centres. During the period from August 2013 to March 2017, total calls received were 15,81,542 and only 6,61,523 calls were answered (41.8 per cent). This was due to shortage of manpower to attend to the calls.

10. As per Clause 11 (1) of the TPDS (Control) Order, 2015, dated 20 March 2015, the State Governments shall ensure regular inspections of FPSs not less than once in three months by the designated authority. Department accordingly instructed in June 2015 that Area Inspector, FSO, Assistant Commissioner, and Joint Commissioner would conduct 10, 7, 5 and 2 inspections per month respectively. Though Department claimed to have carried out the inspections periodically, Audit did not find evidence of such inspections in the form of records. There is no provision in the e-PDS/NFS to record the inspection details.

11. There were deficiencies in the data of beneficiaries and SFAs. Columns for names of mother and father were blank or invalid names like ABCD were written; invalid mobile numbers were written; details of dispatch/receipt of SFAs were inaccurate; and in 412 NFS cards name of a beneficiary was repeated. Department replied that accuracy of data would be verified.

Thus, implementation of registration and digitization of beneficiaries under National Food Security Act, 2013 was inadequate. Department did not independently verify eligibility of NFS card applicants and relied on their declaration that none of their family members fall in six non-eligible categories. Applicants having Aadhaar issued by other States became NFS beneficiary in Delhi without due verification of their status as NFS beneficiary in their Home State. FPS License Holders were also NFS beneficiaries. Families who had financial capacity to employ servants were allowed NFS benefits. Vehicles used for transportation of SFAs included those registered as buses, Scooters/Motor Cycle and three wheelers which raises doubts on the authenticity of the reported transportation.

## Department of Forest and Wildlife

### 3.4 Green Delhi Initiative by Department of Forest and Wildlife, GNCTD

Forest Department and other Greening Agencies planted 28.12 lakh trees during 2014-17 against their target of planting 36.57 lakh trees leaving a shortfall of 23 per cent (8.45 lakh) in tree planting. The reported tree plantation of 28.12 lakh during 2014-17 could not lead to commensurate increase in area under tree and forest cover putting a question mark on the efficacy and performance of GNCTD's tree plantation programme. The GNCTD did not have its own Delhi Forest Policy and road map or perspective plan indicating strategy to improve forest cover. The Greening Delhi Action Plan has not been prepared after 2007-08. Tree Authority constituted under the Delhi Preservation of Trees Act, 1994 met only once during 2014-17 against mandated 12 meetings. In violation of permit conditions, lops and tops arising out of pruning/felling of trees were not supplied free of cost to the public crematoria.

#### 3.4.1 Introduction

Department of Forests and Wildlife (Forest Department), Government of National Capital Territory of Delhi (GNCTD) is responsible for improving and managing notified forests and protecting trees outside forests through reforestation and restoration. It grants permission for felling and pruning of trees in accordance with the provisions of the Delhi Preservation of Trees Act, 1994 (DPTA). The Secretary (Environment and Forest) is assisted by Additional Principal Chief Conservator of Forests (APCCF), Chief Conservator of Forests (CCF), and Conservator of Forests (CoF). Deputy Conservators of Forests (DCF) are in charge of the field divisions and are assisted by Deputy Range Officers (DRO).

Total geographical area of Delhi is 1,483 sq km and total forest and tree cover was 305.41 sq km (20.59 per cent) in 2017 which included 192.41 sq km (63 per cent) of forest cover mainly concentrated in South and South-West Delhi and patches of trees covering an area of 113 sq km. National Forest Policy, 1988 provides that a minimum of one third of the total land area of the country should be under forest or tree cover. Immediate plan of GNCTD has been to raise the green cover to twenty-five per cent for which the existing forests are to be nurtured and maintained. The forest and tree cover during the years 2009-2017 is given in **Table 3.4.1**.

**Table 3.4.1: Changes in Forest and Tree cover between 2009 and 2017**

India State of Forest Report by	Forest and tree cover in Delhi			As percentage to total geographic area
	Sq. Km.			
	Forest	Tree	Total	
2009	176.58	123.00	299.58	20.20
2011	176.20	120.00	296.20	19.97
2013	179.81	118.00	297.81	20.08
2015	188.77	111.00	299.77	20.22
2017	192.41	113.00	305.41	20.59

Source: Forest Research Institute, Dehradun



This thematic audit was conducted during April to August 2017 covering the period from 2014-15 to 2016-17 to assess whether adequate and effective steps were taken to improve and manage green cover in Delhi through reforestation and restoration.

In pursuance of Delhi High Court Order no.7798-W/DHC/writ/D-3/2017 dated 1 April 2017, Audit also examined the records of the Forest Department and 13<sup>13</sup> major institutional agencies for 2014-15 to 2016-17 in respect of felling of trees and corresponding compensatory tree plantation and utilization of timber arising from felling trees. Out of 750 permission orders issued by the Forest Department, Audit selected 42 permission orders for cutting total 9,178 trees (**Appendix 3.4.1**) covering 70.51 *per cent* of total 13,018 tree felled during 2014-17. An entry conference was held (August 2017) with the Secretary (Environment and Forest), Engineer-in-Chief (PWD), Additional Principal Chief Conservator of Forest, and senior officers of the Institutional Agencies. The replies of the Forest Department dated 15 November 2017 have been suitably included in this report.

## Audit findings

### 3.4.2 Deficient Planning

#### 3.4.2.1 Greening Delhi Action Plan was not formulated

First Greening Delhi Action Plan (GDAP) came into effect in the year 1997-98 to bring different agencies together for a coordinated approach to augment the pace of greening activities in Delhi. The main components of GDAP include strategy to improve forest cover, annual plantation by major civic and infrastructure development agencies, publicity and extension activities, and reclamation of mining areas. The GNCTD however did not prepare GDAP after 2007-08. It did not prepare Delhi Forest Policy and road map or perspective plan indicating strategy to improve forest cover to achieve 25 *per cent* green cover as immediate State goal or 33 *per cent* green cover as provided in the National Forest Policy, 1988. Absence of any policy document or strategy could have hindered increase in green cover as the forest and tree cover during 2009-17 had remained almost static as could be seen in **Table 3.4.1**.

While confirming absence of GDAP since 2008-09, the Forest Department replied (November 2017) that the preparation of GDAP shall be resumed. The annual targets were allotted each year to the Greening Agencies. Their replies should be seen in the light of the fact that the Forest Department and Greening

<sup>13</sup> Public Works Department (PWD), Delhi Development Authority (DDA), Central Public Works Department (CPWD), National Highway Authority of India (NHAI), Delhi State Industrial and Infrastructure Development Corporation (DSIIDC), East, North and South Delhi Municipal Corporations (MCsD), Northern Railways, National Building Construction Corporation (NBCC), Delhi Police (DP), Delhi Metro Rail Corporation (DMRC) and Delhi Cantonment Board.

Agencies could not achieve their own tree planting targets during 2014-17 and shortfall was 26.61 and 20.98 *per cent* in case of Forest Department and others agencies respectively as commented at **Paragraphs 3.4.3** and **Table 3.4.2**.

### **3.4.2.2 Inadequacy in functioning of Tree Authority**

Tree Authority constituted under the Delhi Preservation of Trees Act, 1994 with Secretary, Forest Department as Chairman is responsible for preservation of all trees, carrying out census of the existing trees, development and maintenance of nurseries, and undertaking critical study of the proposals of various government departments and private bodies for construction of buildings, roads, factories, irrigation works with regard to protection of existing trees and planting of more trees, wherever possible. As per Section 4 of the Act, the Authority was to meet at least once in three months but after its meeting in July 2013, the Tree Authority met again only in December 2016. Against mandated 12 meetings, only one meeting was held during 2014-17, period covered in audit. Absence of regular meetings indicate lack of seriousness in its approach towards preservation of trees and afforestation. Forest Department attributed administrative reasons for not conducting meetings of the Tree Authority and stated that it would now meet regularly.

### **3.4.3 Annual tree planting targets under 20 Points Programme not achieved**

Under Twenty Points Programme, Government of India (GoI) fixes the annual target for tree planting of different States/UTs. Delhi Forest Department fixes annual target for itself and other civic and infrastructure agencies (Greening Agencies) after holding consultative meetings with them. Targets and achievements for the last three years compiled by the Forest Department are given in **Table 3.4.2**.

**Table 3.4.2: Annual Targets and Achievements for tree planting in Delhi**

**(In lakh)**

Year Ended March	Target for tree planting				Actual tree planting			Shortfall			
	GoI*		GNCTD		Total	Forest Dept.	Others	Total	Forest Dept.	Others	Total
	Sq.Km area	Tree	Forest	Others							
2015	13.80	8.97	5.75	7.09	12.84	3.65	6.01	9.66	2.10	1.08	3.18
2016	8.50	5.53	4.33	8.84	13.17	3.54	6.2	9.74	0.79	2.64	3.43
2017	8.48	5.51	3.75	6.81	10.56	2.96	5.76	8.72	0.79	1.05	1.84
<b>Total</b>	<b>30.78</b>	<b>20.01</b>	<b>13.83</b>	<b>22.74</b>	<b>36.57</b>	<b>10.15</b>	<b>17.97</b>	<b>28.12</b>	<b>3.68</b>	<b>4.77</b>	<b>8.45</b>

Source: Forest Department, GNTCD.

\* Target given by Ministry of Environment and Forest, GoI under the Twenty Points Programme. Target in terms of increase in green in forest & tree cover works out to be 65,000 tree planting to increase one square Km forest and tree cover.

Above Table shows that the Forest Department together with other Greening Agencies could not achieve their own tree planting targets during 2014-17. They planted 28.12 lakh of tree during 2014-17 against target of 36.57 lakh tree leaving a shortfall 8.45 lakh of tree planting. Forest Department reduced its target from 5.75 lakh tree planting in 2014-15 to 4.33 lakh in 2015-16 to 3.75 lakh in 2016-17 but they even failed to achieve significantly reduced target. Tree Planting target fixed by GoI were achieved in all three years covered in audit.

However, there were inadequate internal records/evidence on files of the offices of the Forest Department for physical verification or counting of planted trees to determine the numbers of trees actually planted and/or survived. For example, the Progress Reports furnished by DRO (South) to DCF states that 90,000 and 60,000 trees were planted in August 2015 and August 2016 respectively by an Institution, but DRO records did not show the name of institution, area of plantation, expenditure, and maintenance details. One DRO in South Division in its progress report to DCF (South) stated planting of 51,680 trees in August 2014 at Asola and Tughlakabad area whereas the progress report forwarded to Forest Department showed planting of 80,075 trees during the same period. Discrepancies in numbers of tree plantation were also reported in the 'Report of Third Party Monitoring and Evaluation of the Plantation raised by three DCFs' during 2009-10 to 2015-16. They also reported that in randomly selected 24 sites for field survey covering 1,35,315 tree planted, quality of plantation as poor or average for 37,915 trees (28 *per cent*) in six sites, including 14,450 trees as completely damaged.

Department replied that they fixed ambitious targets. Mass tree plantation during the rainy season are done on *shramdaan* by local people under the supervision of regular staff and later maintained by regular departmental staff and labourers and proof of such mass plantation is kept in the form of photographs and video recordings.

Reply of the Department should be seen in the light of the following facts:

(a) Table 3.4.2 shows that planting of 65,000 trees should generally result in an increase of one square Km of forest and tree cover. On an average, about 9 lakh trees are annually planted in NCT of Delhi and therefore, annual increase in forest and tree cover should be about 13.84 Sq. Km. However, planting of these many trees annually has not been resulting in commensurate increase in forest and tree cover in NCT of Delhi. As per the State of Forest Report (see Table 3.4.1), NCT of Delhi could increase 5.83 Sq. Km of the forest and tree cover in eight years between 2009 and 2017 Report, i.e. from 299.58 Sq. Km (20.20 *per cent* of its total geographical area) in 2009 Report to 299.77 Sq. Km (20.22 *per cent* of its total geographical area) in 2015

Report to 305.41 Sq. Km (20.59 per cent of its total geographical area) in 2017 Report.

(b) Though forest cover increased from 176.58 square Km in 2009 to 192.41 square Km, there has been significant decrease in tree cover from 123 square Km in 2009 to 113 square Km in 2017.

(c) The reported tree plantation without commensurate increase in area under forest and tree cover thus put question mark on the efficacy and performance of GNCTD's tree plantation programme. The GNCTD should examine as to why their annual tree plantation efforts have not been resulting in commensurate increase in forest and tree cover.

#### **3.4.4 Compensatory planting of trees**

Section 10 of DPTA and Government instructions (February 2010) states that the compensatory tree plantation will be ten times of every tree felled. For every tree felled, the Department of Forest will plant five tree saplings on the land available with/made available to the Department on behalf of the individual/user agency and remaining five tree saplings will be planted by the permit-holders on certain terms and conditions. In some cases, obligation for compensatory planting can be fully assumed by the Forest Department/the permit holder as indicated in the permission order. Each permit-holder was to deposit a security deposit which has two components. Non-refundable component was to be used by the Forest Department for fulfilling its obligation of compensatory tree plantation whereas refundable component would be released if the permit-holder carries out their obligation of compensatory plantation in the stipulated period and successfully maintains the plantations for 5 or 7 years. In case of failure of the permit-holder to plant the trees, Tree Officer shall himself plant the trees and recover the cost from the refundable security deposit. Audit findings are as under:

##### **3.4.4.1 Adequate records were not maintained**

The three DCF Offices collectively realized ₹ 81.78 crore as security deposit against 750 permissions granted during the period 2014-17 but there was no refund of security deposit during this period. In order to ensure meaningful utilization of the funds, effective monitoring, and verification of the compensatory plantation etc., the Council of Ministers approved (24 February 2010) certain guidelines which included maintenance of a separate register titled 'Security Deposit under DPTA' to record permit-wise entries of compensatory tree planting obligations of the department and the permit-holders and their actual fulfillments; realization of security deposits (refundable and non-refundable), component-wise expenditure on creation and maintenance of saplings, and refund therefrom. The DCFs were required to certify the receipt/release of security amount in the Register under his seal and signature with date.

Audit observed that the said registers were not maintained in all three DCFs offices. These guidelines also require the DCFs to prepare an action plan for raising and maintenance of saplings in the land identified in the Division which they did not maintain. The prescribed quarterly reporting showing the amount of Security Deposits received and the component-wise amount spent with opening and closing balance to be sent by DCFs to CF for onward transmission to the Secretary (E&F) were also not being adhered to.

While accepting non-maintenance of the required registers and records due to staff constraints, the Forest Department replied that the same would henceforth be maintained. The replies should be seen in the light of the fact that in absence of the prescribed records and management information reporting, effective monitoring over utilization of the funds and verification of the compensatory plantation was deficient. Accumulation and/or non-refund of security deposits and absence of adequate evidence for the corresponding compensatory plantation means the permit-holders and Forest Department may not have fulfilled their obligations for compensatory tree planting as commented in the **Paragraph 3.4.4.2**.

#### 3.4.4.2 Shortfall in Compensatory Plantation

During 2014-15 to 2016-17, all three DCFs together gave 750 permissions (North-89, West-346, and South-315) for felling 13,018 trees. There was failure of the Forest Department and permit holders to fulfill compensatory plantation obligation as commented below:

##### (a) Forest Department

Details of obligation to compensate for felled trees and trees actually planted are in **Table 3.4.3**.

**Table 3.4.3: Compensatory plantation done by Forest Department**

Year Ended March	No. of trees felled N-North, S-South and W-West				Planting of compensatory trees by Forest Department							
					Obligation				Trees actually planted			
	N	W	S	Total	N	W	S	Total	N	W	S	Total
2015	1,035	2,486	940	4,461	5,175	12,430	4,700	22,305	2,905	13,813	0	16,718
2016	712	2,237	984	3,933	3,560	11,185	4,920	19,665	30	1,750	0	1,780
2017	2,248	576	1,800	4,624	11,240	2,880	9,000	23,120	0	2,550	0	2,550
<b>Total</b>	<b>3,995</b>	<b>5,299</b>	<b>3,724</b>	<b>13,018</b>	<b>19,975</b>	<b>26,495</b>	<b>18,620</b>	<b>65,090</b>	<b>2,935</b>	<b>18,113</b>	<b>0</b>	<b>21,048</b>

As could be seen in the **Table 3.4.3**, against obligation of 65,090 (13,018x5) compensatory tree planting during 2014-17, the Forest Department planted only 21,048 saplings leaving a shortfall of 44,042 tree (67 *per cent*). DCF South was to plant 18,620 trees which they did not.

Forest Department replied that securing land for compensatory plantation is an ongoing process and they undertake plantation accordingly. The reply is not acceptable as the Department itself states that it asks the institutional agencies to provide 100 *per cent* compensatory plantation land in case forest land is not

available and therefore, availability of land should have been ensured prior to giving permission for cutting trees.

**(b) Institutional agencies**

Audit test-checked the fulfillment of compensatory tree planting by 11 major institutional agencies which were granted permission to fell trees under DPTA during 2014-17. Details of compensatory tree planting by nine institutional permit holders are given in **Table 3.4.4**.

**Table 3.4.4: Details of compensatory tree planting by institutional permit-holders**

(in Nos.)

Permit-holders	Tree felled in 2014-17		Tree planting obligation		Actual tree Planting	
			Forest Deptt.	Permit holders	Forest Deptt.	Permit holders <sup>\$</sup>
NHAI	3,261		0	40,000	*	2,000
DMRC	1,162		11,620	0	*	0
NBCC	1,123		5,835	8,165	*	1,354
DSIIDC	457		2,220	2,910	*	0
CPWD	337		1,385	1,985	*	877
DDA	145		25	1,425	*	375
DP	388		1,940	1,940	*	50
PWD	3,978		13,918	24,758	*	33,222
	Test-checked	2,220	8,828	15,688	*	158
MCsD	1,119		5,110	6,120	*	3,160
	Test-checked	409	2,915	4,335	*	1,760

\*Sufficient information not available in the concerned DCF Offices as they do not maintain records to make entry for the same.

\$ As per records of permit-holders.

**Table 3.4.4** shows that the Forest Department did not maintain sufficient information in respect of their tree planting obligations. Institutional permit-holders failed to compensate for felling of trees as per their permit obligations. As a result, the Department failed to enforce the provision of Delhi Preservation of Trees Act which requires compensatory planting of trees in the area where they are felled. Audit specifically test-checked 42 case files of the three DCFs and did not find sufficient evidence to show whether they have fulfilled their part of obligation as permit-wise details of compensatory tree planting done by them was not maintained. The Forest Department and institutional permit-holders, both were contented with receiving/paying security deposits without monitoring/ensuring whether their obligation to compensate for trees felled have been fulfilled or not. Based on records of permit holders and the Forest Department, Audit observed that:

- NHAI deposited ₹ 22.80 crore as security deposit to cut 3,261 trees for widening of NH-24, Delhi Meerut Highway. Besides, NHAI paid ₹ 24.83 crore to DDA for plantation of 40,000 trees on DDA land at Tughlakabad Biodiversity Park which planted only 2,000 trees

(5 per cent) within stipulated period of nine months i.e. upto August 2017. After passing on obligation of tree plantation to DDA, NHAI failed to adequately monitor to ensure whether the required compensatory tree planting was completed by the DDA or not. Forest Department replied that compensatory plantation and monitoring are ongoing activities. The reply is not acceptable as this should have been completed by August 2017.

- The Forest Department granted to DMRC permissions for felling/transplanting 1,162 trees and assumed full obligation of planting ten times the number of felled trees to plant 11,620 saplings (DCF South-2,950, North-7,040, and West-1,630) in forest land and/or land allotted by the DMRC. DCF South has not done compensatory planting during 2014-17 after receiving the security deposits. DMRC too after paying the security deposit did not monitor whether the Forest Department has actually planted the compensatory trees on its behalf. Forest Department replied that they have planted five lakh saplings and this status was also submitted to the High Court, Delhi on affidavit. The reply is not acceptable. As per the said affidavit, Forest Department had planted five lakh saplings during the period 2000-2015 including 21,000 saplings during 2014-15. However, as per details furnished to audit by the three DCFs, only 16,718 trees were planted in 2014-15 which included compensatory plantation in respect of permissions granted to agencies other than DMRC also. Further, as permit-wise details of compensatory tree planting done was not maintained by the Forest Department, Audit could not ascertain the actual number of trees planted against permissions granted to DMRC.
- NBCC obtained permission to fell 1,123 trees during 2014-17 for East Kidwai Nagar Project on security deposit of ₹ 4.51 crore. DCF (South) had issued this permission but the division did not do any compensatory tree plantation during 2014-17 whereas NBCC planted 1,354 trees against a requirement of 8,165 trees. There was no evidence in the files of the Forest Department to show whether it ensured tree plantation by NBCC.

Forest Department replied that due to staff constraints, records in sufficient details to monitor compensatory tree planting could not be maintained. In case the institutional permit-holders are not able to demonstrate established trees at the end of 7 year period, the said agency stands to forfeit the entire security amount and the required plantation would then be done by the Forest Department.

The reply is not acceptable. Compensatory tree planting by permit-holders were to be completed within nine months from the issue of permit or by end of next planting season. Forest Department has supervisory responsibilities to

ensure this. Waiting for the permit-holders to demonstrate planting of tree and their survival at the time of seeking refund means delaying compensatory tree planting by 7 years in case the permit-holders failed to fulfill their obligation. Moreover, non-fulfillment of compensatory planting may go undetected in case the permit-holders choose not to seek refund due to non-compliance of permit conditions as commented by Audit at **Paragraph 3.4.4.1** that the Forest Department has not made refund of security deposit during 2014-17.

### **3.4.5 Removal and disposal of timber from felled trees**

Permission order inter alia states that (a) the permit holders were to intimate the DCFs three days in advance before commencing cutting of trees for monitoring; (b) material produced from felled trees should not be removed or disposed-off by the permit-holders without permission of the Tree Officer of DCF Office; (c) the permit-holders should transport the forest produce/wood arising out of felling and lops and tops arising out of pruning/lopping/pollarding of trees at their expense to the nearest public crematorium managed by MCD/NDMC to give them free of cost and under proper receipt from such crematorium and submit a copy of such receipt to the Forest Department; (d) Permit-holders were to submit the progress report of felling and transportation to DCFs through Range Officer concerned; and (e) wood other than lops and tops like trunks and stumps of trees generated from felled tree were to be sold/auctioned and sale proceeds were to be deposited with the Government through the Offices of DCF. Audit findings are as under:

(1) Records of the Forest Department in respect of 42 permission orders issued to the institutional permit-holders were test-checked to verify adherence to the terms and conditions of permission granted by the Forest Department for removal and disposal of timber from felled trees. There was no evidence in any of the test-checked 42 case files of the Forest Department to show that the Tree Officers/the Range Officers monitored the removal or disposal of material produced from the felled trees with their permission. There was no record of receipts for quantum of wood sent to crematoria in respect of 8,832 trees out of 9,178 felled trees covered in audit.

(2) Records of thirteen user agencies were examined to see whether woods including lops and tops obtained from felling trees were properly accounted for in respect of receipt and disposal. Except Delhi Cantonment Board, none of the user agencies were maintaining stock registers or any other records to show the quantum of wood/timber generated as a result of cutting the trees, and disposal thereof through auction and/or supplies to crematoria. Audit further noticed that:

(a) Records of utilization of wood obtained on felling of 3,261 trees and 1,162 trees and disposal thereof was not available in files of NHAI and DMRC respectively.



(b) In two cases, DDA reported sending 10.25 quintals (SD-2) of timber free of cost to Shri Hanuman Seva Sangh, Crematorium under North MCD in May 2015 and 19.10 quintals of wood (MPR Division) to Punjabi Bagh Crematorium under South MCD whereas information received from both these MCsD shows that these two Crematorium did not receive timber free of cost during this period from any government agency. Information in respect of other cases were not available with DDA. Permission of tree officer was not obtained prior to removal or disposal of timber.

(c) NBCC assigned the work of cutting trees to the contractors who executed their work without adequate supervision of the NBCC and/or Forest Department with regards to accounting of timber obtained, auctioned, and supplied to the crematoria. Review of gate passes issued at Nigambodh Ghat Crematorium against weight taken at site by the contractor revealed that there was a short supply of 5,155 Kg of wood at the crematorium against felling of 281 trees. Moreover, this wood was not supplied to crematorium free of cost as the Nigambodh Ghat Crematorium stated that they did not receive any timber from any government agency free of cost during 2014-17.

(d) DSIIDC was given permission for cutting 457 trees during 2014-17. They engaged a contractor for cutting 13 trees on no profit-no loss basis in violation of permission order. From cutting of remaining 444 trees, 250 quintal wood was auctioned and 147.30 quintal was sent to crematoria. However, in the absence of receipt from the crematoria, audit could not verify whether the wood was actually sent to crematoria and whether it was free of cost.

(e) CPWD obtained 2,045 quintal of wood from cutting of 337 trees and same was sold. No wood was supplied to the Crematoria which was in violation of permission order of Forest Department. In one case, the conditions of permission stipulated that the stumps of trees (1.2 meter from ground level) shall be delivered to ITO Nursery/Asola Bhatti Sanctuary, New Delhi which was not done.

(f) Delhi Police sent 49.40 quintal of wood to a Crematorium in July 2014. However, when the receipt of wood was cross checked with the records of the Crematorium, it was found that the wood was not supplied free of cost but was shown as purchased by the crematorium. For cutting of eight trees, Delhi Police stated that the vendor deployed by Forest Department had taken away wood after cutting whereas Forest Department stated that they did not deploy any vendor.

(g) Out of 70 permissions received during 2014-15 to 2016-17 by PWD for cutting 3,978 trees, 14 permissions accounting for 2,220 trees were test-checked. PWD did not have record for disposal of wood obtained from felling of 780 trees and they also did not send any wood to crematoria free of cost. In two permissions for cutting of 207 trees granted to PWD, the stumps of the

trees (1.2 meters from ground level) were to be transported/delivered by the PWD to Asola Bhatti Sanctuary at its own cost. However, evidence showing such transportation/delivery of stumps to Asola Bhatti Sanctuary and acknowledgement receipt was not available in the file.

(h) Five permissions granted to MCsD for cutting 409 trees were test checked. As per the work order awarded by MCsD, the lops and tops arising out of pruning/felling were to be sent to the nearest public crematorium managed by the MCsD by the contractor at his own expense and copies of the receipts from crematorium were to be furnished to MCsD which were not found in their files. Moreover, Crematoria informed audit that no wood was received free of cost by any of the crematoria in MCsD during the period 2014-15 to 2016-17 except those at Sat Nagar, Subhash Nagar and Punchkuian Road where a total of 794.45 quintal of wood was received free of cost.

The Forest Department replied that due procedure could not be followed due to shortage of staff; and it was institutional permit-holders' responsibility to comply with the stipulated conditions. Reply is not tenable and should be seen in the light of the following facts.

(i) The Forest Department was responsible to oversee compliance of its own terms and conditions of permission orders which they failed in all the selected cases. They should not assume that the permitted agencies would comply with the terms and conditions of permission. As noted above, the institutional permit-holders did not adhere to terms and conditions of the permit for cutting the trees.

(ii) Audit cross checked the free supplies of lops and tops to MCsD's public crematoria and all three MCsD have replied that out of 18 public crematoria of MCsD, 15 crematoria did not receive any timber free of cost during 2014-17 from any government agencies and their requirement was met by purchases (North MCD- ₹ 16.15 crore, South MCD ₹ 6.05 crore and East MCD-₹ 0.93 crore). Three public crematoria namely, Sat Nagar, Subhash Nagar and Punchkuian Road received a total of 794.45 quintal of wood free of cost during 2014-17. This means that the lops and tops arising out of pruning/felling of trees permitted by the Forest Department were not supplied free of cost to the public crematoria and/or supplied at cost. In the absence of sufficient records maintained by the permit-holders and Forest Department, possibility of under accounting and misappropriation of quantity of wood generated from tree cutting, and their disposal by way of auction and/or supply to public crematoria free cost could not be ruled out.

### **3.4.6 Non-recovery of penalty of ₹ 4.60 lakh due to illegal cutting of trees**

In terms of Delhi Preservation of Trees Act 1994, no tree shall be felled or pruned without permission from the tree officer (DCF). Failure to observe the

above provisions of the Act attracts a maximum penalty of ₹ 10,000 per tree apart from compounding the value of timber and other produce. Offence register maintained for the period 2014-15 to 2016-17 shows that total 285 cases of violations were booked and penalty amounting to ₹ 4.60 lakh imposed in seven cases were yet to be recovered as of August 2017. Forest Department replied that necessary legal recourse will be resorted to for recovery of penalty. DCFs however have yet to take recovery action though it relates to 2014-16.

### 3.4.7 Conclusion

The GNCTD did not have its own Delhi Forest Policy and roadmap or perspective plan indicating strategy to improve forest cover. The Greening Delhi Action Plan has not been prepared after 2007-08. Tree Authority constituted under the Delhi Preservation of Trees Act, 1994 met only once during 2014-17 against mandated 12 meetings. Prescribed records were not maintained to monitor tree cutting; subsequent compensatory plantation and survival of saplings; and use of security deposits.

Forest Department and other Greening Agencies planted 28.12 lakh trees during 2014-17 against their target of planting 36.57 lakh trees leaving a shortfall of 23 *per cent* (8.45 lakh trees). The reported tree plantation of 28.12 lakh during 2014-17 however could not lead to commensurate increase in area under tree and forest cover putting a question mark on the efficacy and performance of GNCTD's tree plantation programme. NCT of Delhi could marginally increase the forest and tree cover during 2009-2017 from 299.58 Sq. Km (20.20 *per cent* of its total geographical area) in 2009 to 305.41 Sq. Km (20.59 *per cent* of its total geographical area) in 2017. With this pace, it seems the Department would nowhere be achieving the target of 25 *per cent* or 33 *per cent* in the foreseeable future.

There was failure on the part of the Forest Department and institutional permit-holders to adequately monitor and fulfill their respective obligation for compensatory tree plantation. In violation of permit conditions, lops and tops arising out of pruning/felling of trees were not supplied free of cost to the public crematoria.

## Department of Health and Family Welfare

### 3.5 Functioning of Blood Banks

**Thirty two out of 68 blood banks in the National Capital Territory of Delhi were functioning without valid licenses due to delay in processing applications for their renewal. There were several deficiencies in management of blood banks. Thirty two blood banks were not updating authentic information pertaining to blood/blood components in National Health Portal depriving the common people of the National Capital Territory of Delhi about information regarding availability of blood and blood components in the blood banks. Voluntary blood collection declined from 54.55 per cent during 2014-15 to 45.20 per cent during 2016-17. No blood bank of Government of National Capital Territory of Delhi and Municipal Corporations of Delhi were performing NAT screening affecting the quality of blood. Oversight and monitoring over the functioning of blood banks was inadequate.**

#### 3.5.1 Introduction

Government of India (GoI) had adopted the National Blood Policy (NBP) in April 2002 to ensure easy access and adequate supply of safe and quality blood and blood components. National Blood Transfusion Council (NBTC) is the policy formulating apex body in relation to all matters pertaining to operation of Blood Banks. State Blood Transfusion Council (SBTC) is responsible for implementation of Blood Programme at the State level as per the recommendations of NBTC. SBTC organizes blood transfusion service through a network of blood banks run by the Government, Indian Red Cross Society, and Non-Governmental Organisations (NGOs).

As of March 2017, availability of blood in Delhi is ensured through a network of 68 Blood Banks of which 11 are managed by the Government of National Capital Territory of Delhi (GNCTD), nine by the GoI, three by Delhi Municipal Corporations (MCD), six by voluntary organizations, 39 by private blood banks including 35 blood banks run by private hospitals. Out of these 68 blood banks, twenty<sup>14</sup> get support from National Aids Control Organization (NACO), Ministry of Health and Family Welfare, GoI in the form of additional manpower and financial assistance for organizing blood donation camps.

Audit of functioning of blood banks covering the period 2014-15 to 2016-17 was conducted from April to June 2017. Main audit objectives were to assess the adequacy and effectiveness of:

<sup>14</sup> Six under GoI, nine under GNCTD, three under MCD and two under voluntary organizations.

- (i) The system of licensing, renewal, inspection and monitoring of Blood Banks;
- (ii) Mechanism of extraction, testing, and storage of blood in hygienic conditions to ensure optimal availability and use of quality blood; and
- (iii) Manpower and infrastructure to deliver Blood Bank services.

Audit test-checked the records of Drugs Control Department (DCD), State Blood Transfusion Council, Delhi State AIDS Control Society (DSACS)<sup>15</sup> and five<sup>16</sup> blood banks selected through Simple Random Sampling Without Replacement out of 14 blood banks (eleven of Government of NCT of Delhi and three of MCD).

### Audit findings

#### 3.5.2 Non-issue/renewal of license

Blood banks are regulated under the “Drugs and Cosmetics Act, 1940” and Rules made thereunder and require license from the State and Central License Approving Authorities for functioning. The license is issued after ensuring availability of prescribed infrastructure and manpower and requires renewal after five years based on fresh inspection when applied by the licensee.

Audit of records of Drugs Control Department (DCD) relating to issue/renewal of license to 68 blood banks revealed that 32 out of 68 blood banks (10 Government blood banks, 16 of Private Hospitals, three Private and three of Voluntary organizations) were functioning without renewing their licenses as of March 2017. Of these, two<sup>17</sup> blood banks had been functioning without renewing license for more than four years, three<sup>18</sup> for periods ranging from six months to one year and the remaining 27 for 25 days to six months. It was further seen that license of two<sup>19</sup> blood banks were renewed after six years and one<sup>20</sup> blood bank after ten years of expiry.

Reasons for non-renewal/delay in renewal of licenses were non-compliance of deficiencies by the blood banks, delays in conducting inspection/re-inspection and delays in issuing renewal after satisfactory inspections. In the absence of

<sup>15</sup> DSACS is an autonomous body under Department of Health and Family Welfare responsible for implementing National Aids Control Programme including blood safety programme ensuring uninterrupted supply of safe blood in the state through voluntary blood donations and rational use of blood.

<sup>16</sup> (i) Guru Teg Bahadur Hospital (GTBH), Lok Nayak Hospital (LNH), Sanjay Gandhi Memorial Hospital (SGMH), Deen Dayal Upadhaya Hospital (DDUH) and Swami Dayanand Hospital (SDNH).

<sup>17</sup> 1. Central Polyclinic 2. Sushruta Trauma Centre; validity of licence of these two Blood Banks were 05.11.2011 and 31.12.2012 respectively.

<sup>18</sup> 1. Bhagat Chandra Hospital, 2. Lions Blood Bank, Shalimar Bagh, and 3. Fortis Hospital, Shalimar Bagh.

<sup>19</sup> Hindu Rao Hospital and Blood Bank Organisation.

<sup>20</sup> Swami Dayanand Hospital.

valid licenses, Audit could not derive assurance that these blood banks were having the required manpower and infrastructure for their functioning.

DCD stated (June 2017) that all the blood banks had applied for renewal of license within the stipulated period and the blood banks are permitted to continue to operate till orders on their application were communicated to them as provided under Rule 122-F of Drugs and Cosmetics Rules, 1945. The reply is not tenable since the purpose of licensing is to ensure availability of adequate infrastructure and manpower for supply of quality blood, and delay in conducting inspections and compliance of deficiencies by blood banks may compromise the quality of blood. Provisions of Rule 122-F are only to facilitate uninterrupted supply of blood and DCD should have established a timeline for completing inspections and renewal of licenses after receipt of application from the blood banks.

### **3.5.3 Non-establishment of Metro Blood Bank**

National Aids Control Organization (NACO) envisaged (December 2010) setting up of four Metro Blood Banks-Centre of Excellence (MBB-COE) in Transfusion Medicine<sup>21</sup> in four Metro Cities including NCT of Delhi. The objective of setting up of MBB-COE inter alia included to cater to the demand for blood as well as promote 100 *per cent* collection through voluntary donation and automated screening of donated blood through state of art equipment and skilled manpower, to create state of art referral Blood Transfusion Centre for the region, and to prepare the State and the region for Transfusion Services during disasters. The MBB-COE was to be attached to one Medical College for starting academic course in transfusion medicine. The project was to be supported by GoI through provision of cost for building, manpower, equipment, consumables and annual recurring grant for five years. It was estimated that the construction of the facility would be completed in about two years and subsequently, the Central Government would operate the facilities for a period of five years.

In May 2013, NACO forwarded a concept note on the MBB-COE to the Delhi Health Secretary. The Cabinet, GNCTD approved setting up of Metro Blood Bank at Dwarka Hospital in July 2016. But no action was taken for signing the MoU with NACO till April 2017 when NACO decided to postpone the project to subsequent phase and shifted the project to Kolkata (10 April 2017) as GNCTD took four years for selection of site, cabinet approval, and approval of Lieutenant Governor. Thus, delay in decision making by GNCTD resulted in shifting of the project thereby depriving the people of NCT of Delhi from the benefits of MBB-COE. Besides GNCTD failed to

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<sup>21</sup> Transfusion Medicine is the branch of medicine that is concerned with transfusion of blood and blood components. It includes issues of blood donation, immune-hematology and other laboratory testing, transfusion practices, therapeutic aphaeresis, stem cell collections, cellular therapy and coagulation.

avail Central assistance for setting up of MBB-COE along with operation and maintenance for a period of five years.

### **3.5.4 Human Resource Management**

#### **3.5.4.1 Shortage of staff in State Blood Transfusion Council**

The National Aids Control Board approved (May 2009) 12 posts including one Director, two Deputy Assistant Directors, and one Section Officer/Superintendent for each of the 34 State Blood Transfusion Councils (SBTCs) and all these posts were to be created by the respective State Government. Further, SBTCs were authorized to recruit one Office Assistant and one Junior Assistant on contractual basis till regular posts were filled by the State Government. Audit observed that as of March 2017, SBTC, Delhi was looked after by the Senior Pathologist from GTB Hospital on officiating basis and only one Office Assistant and one Junior Assistant were posted on contractual basis to SBTC from May 2012 by Delhi State Aids Control Society (DSACS).

SBTC had submitted a proposal (March 2015) to DSACS for providing additional manpower which was turned down stating that a proposal for establishment of Delhi State Blood Services by merging of SBTC with Blood Safety Division of DSACS had already been moved for approval of Planning Department, GNCTD. The matter was still under process as of June 2017.

#### **3.5.4.2 Shortage of staff in blood banks**

Drugs and Cosmetics Act, 1940 and Rules made thereunder provide that operation of blood banks shall be conducted under the active direction and personal supervision of competent technical staff consisting of at least one full time Medical Officer, blood bank Technicians and Registered Nurses.

Audit noticed that selected GNCTD/MCDs run blood banks were functioning without adequate personnel as under:

- (i) There was no full time Medical officer in Swami Dayanand Hospital (SDNH) and Lok Nayak Hospital (LNH) during 2014-17. The Medical Officer posted in blood bank of SDNH on regular basis was also looking after the administrative work of Pathology and Microbiology.
- (ii) There was shortage of six Technicians in Deen Dayal Upadhyay Hospital (DDUH) and one in SDNH against sanctioned posts as of March 2017.
- (iii) There was no sanctioned post of Staff Nurse in blood banks of SDNH and GTBH during 2014-17. However, one Staff Nurse in SDNH and nine Staff Nurses in Guru Teg Bahadur Hospital were posted in the blood bank. Further, information relating to sanctioned posts of Staff Nurse and Technician was not available in LNH.

### 3.5.5 Shortcomings in Blood collection and processing

The National Blood Policy (NBP) reiterates commitment of the GoI to provide safe and adequate quantity of blood, blood components and blood products to encourage appropriate clinical use of blood and blood products. Audit examined compliance to the conditions prescribed in the Drugs and Cosmetics Rules, 1945 and NBP regarding collection and processing of blood and noticed various cases of deviations as discussed in succeeding paragraphs.

#### 3.5.5.1 Voluntary Blood Collection

Objective 1.2.1 of NBP provides that the practice of replacement donors<sup>22</sup> shall be gradually phased out in a time bound programme to achieve 100 *per cent* voluntary non-remunerated blood donation programme. Further, NACO fixed a target of 90 *per cent* for voluntary blood collection (VBC) for the years 2014-17 but the percentage of VBC collected by 68 blood banks of GNCTD were 54.55, 46.60 and 45.20 *per cent* during 2014-15, 2015-16 and 2016-17 respectively. Details of VBC collected by five selected blood banks are given in **Table 3.5.1**.

**Table 3.5.1: Year wise blood collection**

(in no. of units)

Name of Blood Banks	Blood collected during 2014-15			Blood collected during 2015-16			Blood collected during 2016-17		
	VBC*	TBC	VBC (per cent)	VBC	TBC	VBC (per cent)	VBC	TBC	VBC (per cent)
LNH	1,872	18,945	9.74	1,326	19,541	6.79	348	17,939	1.94
SGMH	675	4,166	16.20	452	4,268	10.59	643	3,840	16.75
SDNH	1,372	2,046	67.06	1,418	2,255	62.88	1,632	2,666	61.22
DDUH	11,626	19,582	59.37	10,347	20,044	51.62	9,887	18,079	54.69
GTBH	24,454	30,928	79.07	23,334	30,560	76.35	17,117	28,605	59.84
<b>Total</b>	<b>39,999</b>	<b>75,667</b>	<b>52.86</b>	<b>36,877</b>	<b>76,668</b>	<b>48.10</b>	<b>29,627</b>	<b>71,129</b>	<b>41.65</b>

VBC\* Voluntary Blood Collection, TBC- Total Blood Collection, LNH- Lok Nayak Hospital, SGMH- Sanjay Gandhi Memorial Hospital, SDNH- Swami Dayanand Hospital, DDUH- Deen Dayal Upadhyay Hospital, GTBH- Guru Teg Bahadur Hospital

It can be seen that in none of the five selected blood banks, the target of 90 *per cent* VBC was achieved. Collection of VBC in blood bank of LNH and SGMH was insignificant and they mainly depended on replacement blood collection.

DDUH stated (June 2017) that shortfall in VBC was due to lack of education, awareness and religious/health issues among public. GTBH stated (June 2017) that shortfall in VBC was due to shortage of manpower, equipment, counselors and social workers. LNH stated (June 2017) that blood bank vehicle had been condemned one and half years ago and due to non-

<sup>22</sup> "Replacement donor" means a donor who is a family friend or a relative of the patient-recipient.



availability of any vehicle, blood donation camps could not be organized. Delhi State AIDS Control Society stated (November 2017) that the total Voluntary blood donation is one of the goals of National Blood Policy but is constrained by various factors such as awareness, episodic/ periodic requirement, availability of resources as well as number of patients coming to Delhi for their treatment from other states. Replies are not tenable as solutions to the issues pointed out, fall within the domain of hospital management and should have been progressively addressed. Instead, dependence on replacement blood collection had increased due to decline in collection of VBC from 52.86 *per cent* in 2014-15 to 48.10 *per cent* in 2015-16 and further to 41.65 *per cent* in 2016-17.

### 3.5.5.2 Screening of blood

The blood banks are screening blood for Syphilis, Malaria, HIV (I and II), Hepatitis B and Hepatitis C by using various methods. Out of these, screening for HIV and Hepatitis B and C is done through Nucleic Acid Amplification Test (NAT), Elisa-IV and Elisa-III, etc. All these tests have varying sensitivity to detect infections, some can detect infection within a shorter period of the donor getting infected (window period). NAT is the best method with least window period. Elisa-IV is better than Elisa-III as it effectively reduced the window period by average of 14 days and can be performed on a large number at one time.

(i) **NAT screening:** NAT is the best method as it enables identification of sero-reactive blood donors at an early stage and reduction in the risk of transfusion transmitted infections. In November 2009, GNCTD decided to introduce NAT screening of blood in blood banks of GNCTD initially by outsourcing in four major blood banks<sup>23</sup> through Public Private Partnership and by attaching other smaller blood banks to these four blood banks. It was however, not adequately followed up and none of blood banks under the GNCTD and MCD hospitals have NAT screening facility as of March 2017 whereas five out of nine blood banks under GoI and 17 out of 39 Private blood banks were using NAT for screening blood.

(ii) **Elisa-IV kits:** GNCTD issued instructions (April 2011) that all blood banks located within NCT of Delhi were required to carry out screening of blood for HIV (I and II), Hepatitis-B and Hepatitis-C by using either fourth generation ELISA kits or NAT screening with effect from 15 May 2011. All five blood banks selected for audit progressively implemented this during May 2011-June 2015, blood bank at Swami Dayanand Hospital however continues using Elisa-III generation test kits for screening blood for Hepatitis-C as of March 2017. Delay in adherence to instructions of GNCTD put the recipients of blood susceptible to infection.

<sup>23</sup> Guru Teg Bahadur Hospital, Lok Nayak Hospital, Deen Dayal Upadhyay Hospital and Institute of Liver and Biliary Sciences (ILBS).

### 3.5.5.3 Separation of Blood into its Components

Objective 5.6 of National Blood Policy states that the availability of blood components should be ensured through a network of blood banks by creating adequate number of Blood Component Separation Units (BCSU). Such facilities are required for separation of whole blood into its constituent components viz. Packed Red Blood Cells (PRBC), Platelets Concentrates and Plasma, for use in cases where only one of these components is required. Scrutiny of records of Delhi State Aids Control Society showed that 60 blood banks (17 NACO supported and 43 others) in Delhi had Blood Component Separation Units (BCSU). Three hospitals of NCT of Delhi and two MCD hospitals do not have BCS unit. Operations of BCSU has been analyzed below.

(i) **Non-achievement of targets for separation:** National Aids Control Organization (NACO) fixed a target of 80 *per cent* for separation of Whole Human Blood into components for NACO supported blood banks. Audit noticed that percentage of blood separated into components by these blood banks ranged from 64.12 *per cent* to 75.81 *per cent* during 2014-17. Performance of four selected blood banks of NCT of Delhi (Swami Dayanand Hospital did not have permission for operating BCSU) in separation of Whole Human Blood into components is given in **Table 3.5.2**.

**Table 3.5.2: Separation of Whole Human Blood into blood components by Blood Banks**

(in units)

Name of blood bank	2014-15			2015-16			2016-17		
	Blood collected	Blood separated	%age	Blood collected	Blood separated	%age	Blood collected	Blood separated	%age
LNH	18,945	9,098	48.10	19,541	10,043	51.40	17939	10,300	57.41
SGMH	4,166	3,259	78.23	4,268	3,869	90.65	3840	3,510	91.41
DDUH	19,582	17,226	87.97	20,044	17,607	87.84	18079	16,042	88.73
GTBH	30,928	13,198	42.67	30,560	17,880	58.51	28605	13,404	46.86

While performance of Deen Dayal Upadhyay Hospital (DDUH) and Sanjay Gandhi Memorial Hospital (SGMH) was appreciable, separation of blood into components by Lok Nayak Hospital (LNH) and Guru Teg Bahadur Hospital (GTBH) ranged between 42.67 and 58.51 *per cent* which was well below the target fixed by the NACO. LNH stated (June 2017) that target could not be achieved due to non-availability of well-trained, experienced, and dedicated staff in the blood bank for component separation work whereas GTBH stated (June 2017) that separation of Whole Human blood could not be increased to 80 *per cent* due to lack of storage of space, low demand, and no facility for plasma fractionation. Reply is not tenable as solution to the issues pointed out in their replies falls within the domain of hospital management and should have been addressed. These hospitals do not have any action plan to progressively achieve these targets.

(ii) **Operation of BCSU without permission:** As per provisions of Drugs and Cosmetics Rules, 1945, blood banks require permission from Drugs Control Department (DCD) for separation of blood components. It was observed that the blood bank at Swami Dayanand Hospital (SDNH) had a BCSU functioning w.e.f. September 2014 without permission from the DCD as it did not have trained staff at the time of inspection in October 2012. Though the blood bank got one technician trained for the purpose in January 2014, it did not apply for permission till December 2016 and permission was yet to be granted by DCD as of June 2017. Blood bank at SDNH stated (June 2017) that the process of separation of blood components was started in public interest. The Drugs Control Department stated (September 2017) that Central Licensing Authority inspected the blood bank at SDNH in February 2017 and pointed out deficiencies for which compliance had not still been made by the blood bank.

Reply of SDNH is not tenable as DCD grants approval to operate BCSU after ensuring the prescribed standards for procedures, equipment and manpower. Operating a BCSU without DCD approval is irregular and also there could be validity issues for outcomes obtained from separation of blood components.

#### 3.5.5.4 Discard of blood and its components

During 2014-17, the five selected blood banks prepared 4,47,279<sup>24</sup> units of blood and its components out of which 66,368<sup>25</sup> units (14.84 *per cent*) were discarded. These were discarded on account of expiry of shelf life (19,882 units), sero-reactive cases (8,572 units), lack of storage facility (16,812 units), leakage (9,409 units) and other reasons like clotting, haemolysed, lip emic/split, microbiology, RTS etc. (11,693 units). Discarding of blood and its components entails avoidable expenditure on collection, screening, and separation of blood, except in case of sero-reactive cases as in this case Blood Banks were bound to discard the blood units being found positive. Audit noted that these hospitals did not establish quantitative norms for holding the blood and blood components so that excess blood and blood components over the norms could be timely transferred to other blood banks to minimize discard/wastage due to expiry of shelf life and inadequate storage facility.

#### 3.5.5.5 Plateletpheresis

“Plateletpheresis” is the process in which the blood drawn from a donor is transfused back after taking out platelet concentrates. It was observed that Swami Dayanand Hospital procured equipment for Plateletpheresis at a cost of ₹ 27.82 lakhs in February 2015 and installed it in March 2015. The equipment was made operational from September 2015 and Plateletpheresis

<sup>24</sup> 4,47,279 (Whole Human Blood-78,451 units, Packed Red Blood Cells- 1,35,142 units, Plasma- 1,34,585 units and Platelets- 99,101 units).

<sup>25</sup> 66,368 (Whole Human Blood -7,169 units, Packed Red Blood Cells - 4,874 units, Plasma- 32,750 units and Platelets- 21,575 units).

was performed on 39 blood donors till March 2017 without applying for permission to Drugs Control Department (DCD), till May 2017, as required under Drugs and Cosmetics Rules, 1945. Swami Dayanand Hospital while accepting the facts and figures stated (June 2017) that the blood bank would apply for permission of Plateletpheresis after permission for separation of blood component is granted by DCD. Operating equipment for Plateletpheresis without DCD approval is irregular and also there could be validity issues for outcomes obtained from Plateletpheresis process. The DCD stated (September 2017) that a memo had been issued to the blood bank to explain its position.

#### **3.5.5.6 Inadequacies in maintenance of records:**

The Drugs and Cosmetics Rules, 1945 (DCR) provides for maintenance of various records in blood banks relating to blood collection, separation etc. Audit noticed the following deficiencies in maintenance of records in the selected blood banks:

(a) DCR prescribed a Master Record for blood and blood components which should be maintained by blood banks. Master Record should indicate name and health profile of every donor; the results of serology tests to check the usability of blood collected and separated; and details of issue and discard, with reasons. Scrutiny of records of blood bank of Guru Teg Bahadur Hospital (GTBH) for 2014-17 revealed that master record was not maintained in complete form and vital information like name and health profile of every donor; and the results of serology tests to check the usability of blood collected and separated were not recorded in the Master Record Register. GTBH stated (October 2017) that Master Records was an additional register and every aspect of the donor was recorded on Donor Register form/Donor Record Register. Reply is not tenable because maintenance of Master Register was mandatory under the Drugs and Cosmetics Rules.

(b) In terms of DCR, each blood bank is required to maintain Blood Donor Record indicating donor particulars like age, weight, haemoglobin, blood pressure etc., duly authenticated by the Medical Officers, to ensure that blood is collected from only healthy donors within the age group of 18-65 years, weight not less than 45 kg, and haemoglobin not less than 12.5 gm/dl. Audit observed that weight, haemoglobin, blood pressure, signature of Medical Officer were not recorded in blood donor records in case of 17,933 donors who donated blood through 342 voluntary donation camps during 2014-17 in respect of two<sup>26</sup> selected blood banks. In the absence of complete information, Audit could not verify whether blood was collected from eligible donors.

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<sup>26</sup> Guru Teg Bahadur Hospital (15,149 donors in 295 camps) and Lok Nayak Hospital (2,784 donors in 47 camps).

(c) In Swami Dayanand Hospital, age, weight, blood pressure and quantity of platelets of the donor was not shown in the donor register of plateletpheresis.

(d) In four<sup>27</sup> of five selected blood banks, time of preparation and finishing of blood components were not recorded in the blood component register. As this important information was not furnished in the relevant column, audit was unable to ascertain whether the component was being separated within the stipulated period of 6 hours of collection of blood and of requisite quality as required under DCR. Deen Dayal Upadhyay Hospital stated (June 2017) that there was no compromise by blood bank with respect to quality. However, due to shortage of staff and excessive work load at times, the documentation part had been overlooked.

Drugs and Cosmetics Act, 1940 provides a list of records to be maintained by Blood Banks and these records are inspected by Drug Inspectors during inspections. These records collectively are to provide assurance relating to the quality of blood and its components, promote transparency and also follow up in sero-reactive cases. Thus non-maintenance of such records would entail the risk of compromising with the quality of blood and its components and transparency in blood collection and processing.

#### **3.5.5.7 Post donation counselling of the sero-reactive donors**

To bring infected (HIV, Hepatitis B and Hepatitis C) but unaware blood donors under the ambit of treatment, National Blood Policy envisaged appointment of a Counsellor in each blood bank for pre and post donation counselling. Audit found that two<sup>28</sup> of five selected blood banks detected 2,031 sero-reactive cases during 2014-17. As no counselor was posted in these blood banks, none of the sero-reactive donors could have received the professional counselling. There was no indication of cases being referred for onward treatment. However, the blood banks claimed that they contacted almost all the sero-reactive donors, but this could not be verified in audit in the absence of any record in this regard.

#### **3.5.5.8 Absence of Quality Assurance Manager**

Objective 3.2.1 of the National Blood Policy provides that a Quality Assurance Manager (QAM) shall be designated at each regional blood center/ blood bank collecting more than 15,000 units per year to ensure quality control of Blood and its components in the region assigned. QAM shall be exclusively responsible for quality assurance only by preparing and regularly updating Quality Manual, internal audit of labs, reviewing documentation

<sup>27</sup> Deen Dayal Upadhyay Hospital, Lok Nayak Hospital, Swami Dayanand Hospital and Guru Teg Bahadur Hospital.

<sup>28</sup> Lok Nayak Hospital (1883 sero-reactive cases) and Swami Dayanand Hospital (148 sero-reactive cases).

periodically, ensuring calibration of equipment and taking corrective action, if required.

Audit observed that the annual collection of blood in three<sup>29</sup> of the five selected blood banks were more than 15,000 units every year during 2014-17. However, it was observed that the post of QAM was not sanctioned in two<sup>30</sup> of these blood banks and in one of these (Deen Dayal Upadhyay Hospital), the technical assistant designated as QAM was not exclusively responsible for Quality Assurance due to shortage of staff. Thus, there were risks that quality of blood was not ensured.

#### **3.5.5.9 Inadequate maintenance of equipment**

(i) **Non-functional equipment:** Drugs and Cosmetics Rules, 1945 (DCR) prescribe that the equipment used in the collection, processing, testing and storage of blood and its components shall be maintained in a clean and proper manner and so placed as to facilitate cleaning and maintenance. Audit noticed that in three of five selected blood banks, 17 equipment were lying out of order. Of these, five equipment were lying out of order for periods ranging from 17 days to six months as on 31 March 2017. Further, four equipment were lying out of order for six months to one year, seven equipment were lying out of order ranging from one to two years and one equipment was lying out of order for 38 months (**Appendix 3.5.1**). These equipment were either under process of repair or were un-repairable.

The position was indicative of insufficient attention of the blood banks towards repair and maintenance of vital machinery and equipment in the blood banks, which has the potential to affect the performance level of the blood banks.

(ii) **Calibration of equipment:** The DCR inter alia require that equipment used in blood banks for collection, processing, testing, storage and sale/distribution and transfusion of blood and blood components are to be observed, standardized and calibrated on a regular and scheduled basis. Audit observed that 25 equipment (**Appendix 3.5.2**) of three<sup>31</sup> of the five selected blood banks which were to be calibrated annually were not calibrated during 2014-17. Deen Dayal Upadhyay Hospital stated (July 2017) that the equipment were calibrated in April 2017. Swami Dayanand Hospital stated (May 2017) that the equipment were calibrated in May 2017.

Non-calibration of equipment at prescribed intervals is fraught with the risk of inaccurate and unreliable results/reading which might result in unreliable quality of blood collection, storage and issue, ultimately putting patients at risk.

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<sup>29</sup> Deen Dayal Upadhaya Hospital, Lok Nayak Hospital and Guru Teg Bahadur Hospital.

<sup>30</sup> Deen Dayal Upadhaya Hospital and Lok Nayak Hospital.

<sup>31</sup> Swami Dayanand Hospital, Lok Nayak Hospital and Deen Dayal Upadhaya Hospital.

### 3.5.6 Non-availability of real time information to end users

The National Blood Policy envisaged development of computer based information and management systems for use by all blood banks regularly to facilitate networking. This was to provide public with information about the quantity of different groups of blood and blood components available in blood banks at any time without approaching the blood banks.

The National Blood Transfusion Council/National Aids Control Organization launched a mobile blood locator app in June 2015 in partnership with Centre for Health Informatics, Ministry of Health and Family Welfare. All licensed blood banks were enrolled on the National Health Portal (NHP) and were requested to provide authentic information pertaining to blood/blood component, stock status and the same were required to be updated regularly as this information was to be in public domain and had to be fruitful to the end user. A perusal of NHP revealed that although all the blood banks were enrolled, 32 blood banks had not been updating the relevant information on the NHP as on 31 March 2017. Out of these, five did not provide information on NHP whereas 22 did not update the information for 12 to 19 months prior to March 2017. These 22 included three<sup>32</sup> of five selected blood banks also which had not been updating the information due to lack of infrastructure. Non-updation of information by blood banks defeated the purpose of providing real time information to the end user.

Delhi State Aids Control Society stated (June 2017) that all the major blood banks were updating data on the NHP. Appropriate action would be taken to facilitate the remaining blood banks to enter the data on the NHP. SBTC stated (October 2017) that instruction had been issued to all blood banks to update information on NHP.

### 3.5.7 Non-adherence to National Blood Policy

State Blood Transfusion Council/ Delhi State Aids Control Society/Blood Banks did not adhere to the following objectives of National Blood Policy:

- (a) Proficiency test (Objective 3.2.4) for all technical staff was not conducted in two<sup>33</sup> of five selected blood banks. Sanjay Gandhi Memorial Hospital stated (May 2017) that there was no guideline issued by competent authority to conduct proficiency test and the same was also not pointed out during inspection conducted by Drugs Control Department and Delhi State Aids Control Society.
- (b) Department of Transfusion Medicine (Objective 6.1.1) has been established in only one<sup>34</sup> of the five<sup>35</sup> Government run Medical Colleges of

<sup>32</sup> Sanjay Gandhi Memorial Hospital, Swami Dayanand Hospital and Lok Nayak Hospital.

<sup>33</sup> Sanjay Gandhi Memorial Hospital and Swami Dayanand Hospital.

<sup>34</sup> All India Institute of Medical Sciences (AIIMS).

NCT of Delhi as of March 2017. DSACS stated (June 2017) that no direction had been received from National Aids Control Organization for creation of Department of Transfusion Medicine in Medical Colleges so far.

(c) Separate cadres for Medical and Para Medical staff (Objective 6.7) were not created for blood transfusion services. It was observed that in a meeting (July 2015) held under the chairmanship of Health Minister, GNCTD, it was decided that separate cadre for blood bank was not required as creation of parallel system is not practical.

(d) Corpus fund (Objective 7.1) to facilitate research in transfusion medicine and technology related to blood banking was not created. DSACS stated (June 2017) that funds for this purpose were not allocated to DSACS.

(e) Rules for registration of nursing homes for affiliation with a licensed blood bank for procurement of blood for their patients (Objective 8.6) were not enacted by GNCTD.

Thus, objectives of National Blood Policy (NBP) were not achieved even after fifteen years from the date of formulation of NBP.

### **3.5.8 Efficiency and Effectiveness in Inspection and Monitoring**

#### **3.5.8.1 Inadequate number of inspections of Blood Banks**

(a) As per Rule 52 of the Drugs and Cosmetics Rules, 1945, Drugs Inspectors have to inspect all premises licensed for manufacture of drug not less than once a year, interalia to satisfy that all provisions of Drugs and Cosmetics Act and Rules framed there under are complied with. The Central License Approving Authority, while issuing license to blood banks, instructed that the blood bank may be inspected periodically at least once in a year from the date of renewal by a team of Drugs Inspectors of Central Drugs Standard Control Organization (CDSCO) and State Licensing Authority. Audit observed that besides joint inspection by Drugs Inspectors (DIs) at the time of issue/renewal of license, no periodic inspection was carried out by them during 2014-15 and 2015-16. Drug inspectors had accompanied the team of Delhi State Aids Control Society and inspected only eight out of 68 blood banks during 2016-17. In the absence of regular inspections, deficiencies in the blood banks such as non-availability of equipment, inadequate personnel etc. could not be brought to the notice of authorities concerned for corrective action.

Drugs Control Department (DCD) stated (June 2017) that the Department was making efforts to get the vacant posts of DIs filled by UPSC and the

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<sup>35</sup> 1. All India Institute of Medical Sciences (AIIMS), 2. Vardhaman Mahavir Medical College, Safdarjung Hospital, 3. Lady Hardinge Medical College, 4. Maulana Azad Medical College, 5. University College of Medical Sciences and GTB hospital.



Department shall carry out routine inspections once it gets its full complement of DIs.

Audit also observed that

(b) As per National Blood Policy (Objective 3.1) Vigilance Cell was to be created under DCD to ensure minimum standards for testing, processing and storage of blood and its components. However, Vigilance Cell was not set up till March 2017. DCD stated (June 2017) that NBP does not provide the details of constitution, role of functioning of vigilance cell in furtherance of Drugs and Cosmetics Rules, 1945. It further stated that the department shall follow the guidelines if made available for uniform application in the country. Thus effective monitoring of blood banks as required under NBP was not ensured.

(c) A separate blood bank cell with trained officers and inspectors was not created in the NCT of Delhi for proper inspection of blood banks and enforcement of conditions mentioned in the license as requirement under objective 8.4 of NBP. DCD stated (June 2017) that a separate blood bank cell would be created after the vacant posts of DIs are filled by UPSC.

#### **3.5.8.2 Blood Donation Camps not inspected**

Guidelines for organizing Blood Donation Camps (BDCs) stipulates requirement of premises with sufficient hygienic area, trained personnel, equipment, other facilities, etc. for these camps. It was observed that 3.90 lakh units of blood was collected by 31 blood banks during 2014-17 through 7,428 BDCs, out of which 32,464 blood units were collected by the five selected blood banks through 652 BDCs. However, State Blood Transfusion Council did not inspect any of these 652 BDCs due to shortage of staff and thus, failed to ensure compliance of above stated guidelines for BDCs.

#### **3.5.8.3 Incomplete information in Strategic Information Management System**

As per instructions issued by Delhi State Aids Control Society (February 2008), all blood banks were to upload information relating to blood units collected during the month, status of testing, details of blood and blood components, stock position of test kits, stock of consumables, quantity of units supplied, number of blood units discarded and reasons thereof, staff and status of equipment on monthly basis to Strategic Information Management System (SIMS). Audit observed that many blood banks had not been uploading complete information such as number of blood units discarded and reasons thereof, stock position of test kits and bags, staff and status of equipment. SIMS was introduced by DSACS to ensure monitoring the blood banks and absence of complete data defeated the purpose of creating the same.

DSACS stated (June 2017) that most of the National Aids Control Organization supported blood banks as well as non-NACO supported blood banks were not receiving kits and consumables from DSACS and therefore, blood banks did not provide the above information but other information were regularly updated by blood banks. Reply of DSACS is not tenable as the instructions were to be adhered to by all the blood banks.

#### **3.5.8.4 Shortfalls in meetings of Hospital Transfusion Committees in hospitals and Governing Body and Executive Committee of State Blood Transfusion Council**

In pursuance to the objectives of National Blood Policy, Delhi State Aids Control Society (DSACS) issued instructions (January 2010) to all hospitals for constitution of Hospital Transfusion Committees (HTCs) to guide, monitor and audit clinical use of blood. HTC was to meet once a month. Audit of records of five selected blood banks showed that in Deen Dayal Upadhyay Hospital, no meeting of HTC was conducted. In the remaining four hospitals, only 11 meetings were conducted during 2014-17 against the target of 144 meetings. Hospitals attributed (June 2017) short/non conducting of meetings to heavy work load/busy schedule and assured to conduct meetings in future.

Similarly, as per Rules and Regulations of the State Blood Transfusion Council, Governing Body of SBTC was required to meet at least twice a year and the Executive Committee every month. However, the Governing Body met only three times and Executive Committee only two times during 2014-17. SBTC stated (June 2017) that meetings could not be held due to frequent changes in incumbents of Chairman, Governing Body and absence of agenda for discussion. Reply is not tenable as there were many issues like shortage of staff, inspection of blood banks, licences, voluntary donations, wastage of blood and its components etc. which required attention of the Governing Body and the Executive Council.

#### **3.5.9 Conclusion**

Audit observed that 32 out of 68 blood banks in Delhi were functioning without valid licenses. Metro Blood Banks - Centre of Excellence, a centrally funded project of GoI could not be setup in Delhi and was moved to other State due to delayed action from Government of NCT of Delhi. Adequate staff was not available in State Blood Transfusion Council and blood banks. There were several shortcomings in blood collection and its processing such as non-achievement of targets of voluntary blood collection and separation of blood into its components; delay in adoption/non-adoption of Nucleic Acid Amplification Test and Elisa-IV for screening of blood; deficiencies in maintenance of records etc. Maintenance of equipment by blood banks were also deficient as many of them were non-functional and those which were functional were not calibrated during 2014-17. End users could not be provided with complete information about availability of blood as 32 blood

banks were not updating related information to National Health Portal. Adequate action to achieve several objectives of National Blood Policy such as establishment of Department of Transfusion Medicine in Medical Colleges, creation of separate cadres for medical and para-medical staff in blood banks, affiliation of nursing homes with licensed blood banks etc. was not taken. Oversight and monitoring over the functioning of blood banks was inadequate.

The matter was referred to the Government in August 2017 and their reply is awaited as of January 2018.

### **3.6 Irregular payment of Learning Resource Allowance and Academic Allowance by Institute of Human Behaviour and Allied Sciences**

**Institute of Human Behaviour and Allied Sciences made irregular payment of Learning Resource Allowance of ₹ 60,000 per annum amounting to ₹ 71.71 lakh and academic allowance of ₹ 60,000 per annum amounting to ₹ 1.73 crore to its faculty members as it was in violation of extant government instructions/rules governing the sanction of grants.**

Institute of Human Behaviour and Allied Sciences (IHBAS) was established in July 1993 in Delhi under the Societies Registration Act 1860. IHBAS is funded jointly by Ministry of Health and Family Welfare, Government of India (GoI) and Government of National Capital of Delhi (GNCTD). The Executive Council (EC) of IHBAS approved (November 2008) the payment of Learning Resource Allowance (LRA) to its Faculty Members from 2008-09 at the rate of ₹ 20,000 per annum which was enhanced to ₹ 60,000 per annum from 2012-13 (October 2012). During the period from 2008-09 to 2015-16, IHBAS paid ₹ 71.71 lakh as LRA to its faculty members. With the approval of the EC, IHBAS also paid academic allowance (AA) of ₹ 30,000 per annum to its faculty members which was enhanced to ₹ 60,000 per annum with effect from September 2008. Further, enhancement of AA to ₹ 1,20,000 per annum with effect from July 2010 was referred to GNCTD which has not been granted but IHBAS continued to pay AA at the existing rate of ₹ 60,000 per annum. Total academic allowance paid to the faculty member from April 2008 to August 2017 was ₹ 1.73 crore. The payment of LRA and AA, however, was irregular due to the following reasons:

1. Payment of LRA and AA to the faculty was ab-initio irregular. More than 50 *per cent* of its recurring expenditure are met out of grants-in-aid from the GNCTD. GFR 209(6) (iv) (a) states- 'all grantee institutions which receive more than fifty *per cent* of their recurring expenditure in the form of grants-in-aid should ordinarily formulate terms and conditions of service of their employees which are, by and large, not higher than those applicable to similar categories of employees in Central Government. In exceptional cases, relaxation may be made in consultation with the Ministry of Finance. Finance Department of the GNCTD reiterated these instructions vide Government Order dated 18 July 2011. Audit found that similarly placed GNCTD funded medical institutions namely, GB Pant Institute of Post Graduate Medical Education and Research, Dr. Baba Saheb Ambedkar Medical College and Hospital and Maulana Azad Institute of Dental Sciences do not pay LRA to its faculties.
2. Terms and conditions of sanction of grants required the IHBAS to observe all economy instructions and complete all other codal formalities. Standard patterns of assistance governing the grants states that the salary and

allowances would be decided by the grantee institute in consultation with the GNCTD, which was not done in this case.

3. GNCTD despite having their representatives in the EC failed to ensure adherence of government instructions governing the sanction of grant-in-aid by IHBAS which persisted with the violation of these instructions.

IHBAS replied (January, September and November 2017) that they are following pay scales and allowances as applicable in NIMHANS, Bangalore. IHBAS has paid LRA/AA with the approval of the EC which is competent to approve the same. AIIMS has also paid LRA to its faculty and NIMHANS follows AIIMS for all its rules and regulations governing faculty salary and allowances. However, in view of the audit observation, the payment of LRA for the year 2016-17 was stopped. Enhancement of AA to ₹120,000 per annum was referred to GNCTD which has not been granted.

The reply is not tenable and should be seen in the light of the following facts.

(i) GFR stipulates that the pay and allowances of staff of grantee institution should be similar to the rate applicable in Government organizations and relaxation can be granted only in consultation with the Finance Department.

(ii) Ministry of Health and Family Affairs, GoI vide its letter no. V-16020/919/2004-Desk-I Dated 20 July 2004 instructed to stop the payment of LRA in AIIMS and in lieu, allowed the faculty members (Only Group A) to send requisitions to the Library for purchasing the books and journals for exclusive use by the concerned faculty members until their retirement. Faculty members can also seek professional membership to enlisted professional bodies through the institute. These instructions were reiterated by a Circular No. PMSSY-07 dated 8 August 2014. Therefore, payment of LRA to the faculty members in AIIMS and NIMHANS was also irregular and should not be cited for making similar payments to the faculty members of IHBAS.

Thus, Institute of Human Behaviour and Allied Sciences made irregular payment of Learning Resources Allowance of ₹ 60,000 per annum amounting to ₹ 71.71 lakh and academic allowance of ₹ 60,000 per annum amounting to ₹ 1.73 crore to its faculty members as it was in violation of extant government instructions/rules governing the sanction of grants.

The matter was referred to the Government in September 2017 and their reply was awaited as of January 2018.

### **3.7 Irregular payment of transport allowance amounting to ₹ 14.79 crore**

**Non-adherence to Government orders by 26 hospitals/directorates of GNCTD resulted in irregular payment of transport allowance amounting to ₹ 14.79 crore.**

The Ministry of Finance, Department of Expenditure through its Office Memorandum dated 29 August 2008 prescribed the rates of Transport Allowance on the basis of recommendations given by the Sixth Central Pay Commission. According to this, rate of transport allowance to employees drawing grade pay of ₹ 5,400 and above was fixed as ₹ 3,200 plus Dearness Allowance (DA) thereon. Further, as per para 3 of the OM, officers drawing grade pay of ₹ 10,000 and ₹ 12,000 and those in the Higher Administrative Grade + scale who are entitled to the use of official car in terms of O.M. dated 28 January 1994, shall be given the option to avail themselves of existing facility or to draw the transport allowance at the rate of ₹ 7,000 per month plus D A thereon.

Ministry of Finance vide O.M. dated 19 August 2016 further clarified that the officers who are not entitled for the use official car for commuting between residence to office and back are not eligible to opt for drawal of Transport Allowance @ ₹ 7,000 p.m. + DA even though they are drawing Grade pay of ₹ 10,000 in PB-4 under Dynamic Assured Career Progression (DACP) Scheme.

In order to examine compliance of the above orders of Ministry of Finance by hospitals under GNCTD, details of the doctors drawing Transport Allowance at ₹ 7,000 p.m. + DA in grade pay of ₹ 10,000 under DACP was sought from all the 40 hospitals/colleges, Directorate of Health Services and Directorate of Family Welfare of Government of NCT of Delhi out of which 34 hospitals and the Directorates provided the information. Out of these, 24 hospitals and the two Directorates have been paying transport allowance at ₹ 7,000 per month plus DA in violation of the above Government Orders (August 2008 and August 2016) to officials promoted under DACP from September 2008 instead of transport allowance at ₹ 3,200 per month plus DA. The total irregular payment of Transport Allowance thus made by these 26 hospitals/Directorates till July 2017 worked out to ₹ 14.92 crore (**Appendix 3.7.1**). After audit pointed out this irregularity, Maulana Azad Institute of Dental Sciences (MAIDS), Sanjay Gandhi Memorial Hospital, Acharya Shri Bhikshu Hospital, Guru Teg Bahadur Hospital and Directorate of Family Welfare have discontinued payment of TA at enhanced rates from November 2016, April 2016, July 2016, July 2016 and September 2017 respectively, and Dr. NC. Joshi Memorial Hospital stated they will stop it from December 2017

onwards. Recovery of the excess payment already made, however, is pending. Maulana Azad Medical College had recovered ₹ 12.77 lakh.

Thus, non-adherence to Government orders by 26 hospitals/Directorates of GNCTD resulted in irregular payment of transport allowance amounting to ₹ 14.79 crore.

The matter was referred to the Government in October 2017 and their reply was awaited as of January 2018.

### **3.8 Irregular use of grant-in-aid of ₹ 60 crore by Institute of Liver and Biliary Sciences**

**Action of ILBS to create a Corpus Fund of ₹ 60 crore during 2012-16 for funding the proposed scheme of revenue sharing with the hospital staff was irregular as the Scheme was approved on 1 September 2017 with prospective effect and transfer of funds to the Corpus Funds effectively came from the grant-in-aid and not from revenue generated from services rendered by Institute. It also resulted in loss to the Government on account of differential interest paid on borrowings.**

The Institute of Liver and Biliary Sciences (ILBS or Institute) was set up (registered in 2002 and inaugurated in 2010) as an autonomous institute of the Government of National Capital Territory of Delhi (GNCTD). As per the approved Pattern of Assistance, ILBS receives recurring grant from GNCTD to the extent of excess of total expenditure over its income generated by levying charges for services rendered by the ILBS and non-recurring grants for capital assets. ILBS is to observe the terms and conditions of the grant and the directions/advice of GNCT of Delhi while utilizing the grant. The Council of Ministers of GNCTD (the Cabinet) approved (May 2006) the business model for ILBS which inter alia states that ILBS would receive grant-in-aid annually for meeting running cost till such time as it starts making profit. The Cabinet also approved that a percentage of revenue sharing be in-built in the remuneration package to all the professors/assistant professors/associate professors and the consultants.

During 2012-2016, ILBS received ₹ 302.49 crore as Grant-in-Aid. Though the revenue sharing scheme envisaged in May 2006 was not formulated, the Governing Council of ILBS decided (October 2013) to create a Corpus out of the revenue earned every financial year for meeting the expenditure on the revenue sharing. ILBS accordingly transferred total ₹ 60 crore (i.e. ₹ 10 crore each year in 2012-13, 2013-14 from Income and Expenditure Account and ₹ 40 crore from accumulated Capital Funds during 2014-15 and 2015-16) to this Corpus. The accumulated amount of Corpus Fund as of February 2017 was ₹ 67.97 crore including interest of ₹ 7.97 crore. This action of ILBS was irregular as there was no approved revenue sharing scheme during the 2012-16 and there was no surplus revenue earnings during 2012-16.

ILBS replied (July and August 2017) that the Bye-laws of ILBS and pattern of assistance approved by the GNCTD allow the Governing Council to utilise the funds generated from the services rendered by the Institute for benefit of staff; the grant-in-aid was not utilised for creation of the aforesaid Corpus Fund; and as a remedial measure on issues raised by the audit, funds to the Corpus Fund has not been transferred after 31 March 2016. Reply is not acceptable and should be seen in the light of the following fact:

1. The Corpus Fund was to be created out of the revenue earned by ILBS but there was no surplus revenue earnings of its own during 2012-16. As per audited accounts of ILBS, excess of total revenue expenditure over total revenue income (excluding grant-in-aid) was ₹ 59.24 crore, ₹ 21.38 crore, ₹ 30.65 crore and ₹ 41.19 crore during 2012-13, 2013-14, 2014-15 and 2015-16 respectively. Therefore, funds used for creating the Corpus Fund effectively came out of the grant-in-aid which was not envisaged in the approved Pattern of Assistance governing the grants, decision of the Governing Council, and the approved business plan.
2. Revenue sharing Scheme was approved on 1 September 2017. Therefore, using the funds out of any receipt of past years for creation of the Corpus Fund and/or its utilisation for revenue sharing scheme approved on 1 September 2017 to be operative with prospective effect is irregular. ILBS should therefore refund the Corpus Fund along with interest earned thereon to the GNCTD.
3. While releasing quarterly grants, Department of Health and Family Welfare (DHFV), GNCTD objected (November 2015) to parking of the corpus funds as fixed deposits by ILBS and stated that there was a certain cost attached to the grant-in-aid as GNCTD borrowed the money and advised ILBS to desist from such activities. But DHFV did not follow up to demand refund/adjustment of grant-in-aid irregularly used by ILBS for maintaining the Corpus Fund, and thus allowed idling of the government funds of ₹ 68 crore in the fixed deposit with bank.

Thus, action of ILBS to create a Corpus Fund of ₹ 60 crore during 2012-16 for funding the proposed scheme of revenue sharing with the hospital staff was irregular as the Scheme was approved on 1 September 2017 with prospective effect and transfer of funds to the Corpus Funds effectively came from the grant-in-aid and not from revenue generated from services rendered by Institute. Creation of corpus fund also resulted in loss to the Government on account of the difference between the interest paid by the Government on its borrowings and interest earned by ILBS on the Corpus Fund.

The matter was referred to the Government in July 2017 and their reply is awaited as of January 2018.



### 3.9 Procurement of hospital equipment without ensuring availability of adequate manpower in Delhi State Cancer Institute

**Due to delay of four years in sanctioning staff for DSCI (West) by the GNCTD, the IPD planned for commissioning by November 2014 was not made operational as of October 2017 depriving treatment facility to cancer patients. Fifty hospital beds (₹ 96.89 lakh) and Photon Beam Accelerator (₹ 12.28 crore) are also lying idle since November 2015 and July 2016 respectively.**

Delhi State Cancer Institute (DSCI) of the Government of National Capital Territory of Delhi (GNCTD) was set up (August 2006) in Dilshad Garden, as DSCI (East) to provide comprehensive diagnostic and treatment facilities for cancer patients. Due to heavy workload at this facility and absence of cancer treatment facility in West Delhi, GNCTD entrusted (August 2012) DSCI to set up DSCI (West) in Oncology Block of the Janakpuri Super Specialty Hospital. Outdoor Patients and Day Care Services at DSCI (West) commenced in March 2013 by redeploying staff from DSCI (East). Indoor Patient Department (IPD) was to commence by November 2014. Audit findings are as under:

DSCI had requested staffing from the GNCTD in May 2013 prior to inviting tender for hospital beds in October 2013. Tender finalisation for other equipment was either in progress and/or completed/ordered up to August 2014. Issue of sanction of staffing however has been shuttling between the relevant departments of the GNCTD and DSCI and remained unresolved as of October 2017.

In the meantime, equipment valuing ₹ 16.55 crore purchased for DSCI (West) are either idling or diverted to DSCI (East) for want of sanctioned staff from the GNCTD. Fifty hospital beds (₹ 96.89 lakh) and Photon Beam Accelerator (₹ 12.28 crore) are lying idle since November 2015 and July 2016 respectively at DSCI (West). Equipment valuing ₹ 3.30 crore purchased for DSCI (West) were diverted to DSCI (East) and of this, equipment valuing ₹ 66.33 lakh remain under installation since delivery of equipment in October 2014.

DSCI stated (June and October 2017) that there has been a mismatch in completion of interlinked facilities due to multiple administrative bottlenecks of the system and not due to any lapse singly on the part of DSCI. Audit observed that delays in setting up IPD was due to inadequate supervision of the Governing Council (GC) headed by the Chief Secretary of the GNCTD and indecisiveness at all relevant levels of the GNCTD as commented below:

- (i) The GC is to meet every three months and considering its composition, it was to expedite operationalization of DSCI through timely intervention within the GC and the Departments of NCTD. The GC considered (28 December 2012) 310 posts as absolutely necessary to make DSCI (West)

fully operational and approved 117 posts to start OPD, Day Care, and Diagnostic Services but thereafter, it did not meet during next 42 months.

(ii) DSCI's persistent request to the GNCTD for sanctioning of staffing since May 2013 continues to be deliberated for four years among the Departments of Administrative Reform, Health and Family Welfare and Finance of the GNCTD and DSCI, and no decision in this respect has been taken as of October 2017 despite intervention of Lieutenant Governor, Delhi.

(iii) Procurement of equipment of ₹ 4.30 crore and US Dollar 46.90 lakh essential for IPD remains on hold and may have to be re-tendered when staffing sanction is available. This means full operation of DSCI (West) would be further delayed.

Thus, due to four years' delay in sanctioning staff for DSCI (West) by the GNCTD, the IPD planned for commissioning by November 2014 was not made operational as of October 2017 depriving treatment facility for cancer patients. Fifty hospital beds (₹ 96.89 lakh) and Photon Beam Accelerator (₹ 12.28 crore) are lying idle since November 2015 and July 2016 respectively.

The matter was referred to the Government in September 2017 and their reply was awaited as of January 2018.

## Department of Urban Development

### 3.10 Construction of toilets under Swachh Bharat Mission in National Capital Territory of Delhi

**Not a single toilet was constructed under the Swachh Bharat Mission in two and half years since its inception on 2 October 2014; all the funds totaling ₹ 40.31 crore allocated for this purpose remain idling in banks; and monitoring and evaluation mechanism prescribed in the Scheme to monitor the progress of work did not function effectively. This shows that the GNCTD did not give adequate importance to implementation of the Swachh Bharat Mission Scheme.**

#### 3.10.1 Introduction

The Government of India (GoI) launched the Swachh Bharat Mission (Mission) on 2 October, 2014 with 25 per cent State share to improve sanitation and cleanliness in the country with a vision to create a clean India by 2 October, 2019 by eliminating open defecation; eradication of manual scavenging, management of solid waste etc. There are six components under the Mission namely (i) Household toilets (ii) Community toilets (iii) Public toilets (iv) Solid waste management (v) Information, education, communication and public awareness programme (vi) Capacity building and Administrative and Office expenses. During the years 2015-16 and 2016-17, GNCTD made provision of ₹ 1.01 crore and ₹ 212.30 crore respectively under the Mission. In 2015-16, GoI allocated central assistance of ₹ 50.16 crore for Household toilets and ₹ 5.15 crore for construction of Community Toilets in NCT of Delhi, whereas Public Toilets were to be constructed by State and Urban Local Bodies (ULBs) through Public Private Partnership. In this audit, the three components viz. Household Toilets, Community Toilets and Public Toilets were covered against which an amount of ₹ 40.31 crore (Central share of ₹ 30.23 crore and State share of ₹ 10.08 crore) were released (January 2016) to the implementing agencies.

Mission guidelines require each State to prepare City Sanitation Plan and State Sanitation Strategy. In order to give a quick start to the Mission and release first installment of grant, the GoI asked the States to submit a brief concept note on State Sanitation Strategy including physical and financial targets based on Census-2011 by 30 January 2015. This was to be followed by City Sanitation Plan and State Sanitation Strategy based on house-to-house survey/ applications received from individuals so as to assess requirement of construction of Individual Household toilets (Household toilets) including conversion of insanitary latrines into pour-flush latrines, Community toilets and Public toilets.

The GNCTD constituted (March 2015) a High Powered Committee (HPC) under the chairpersonship of the Chief Secretary to oversee the implementation of Mission through the four ULBs within their respective jurisdictions viz. South Delhi Municipal Corporation (South DMC), North Delhi Municipal Corporation (North DMC), East Delhi Municipal Corporation (East DMC) and New Delhi Municipal Council (NDMC) and Delhi Urban Shelter Improvement Board (DUSIB), and Delhi Cantonment Board (DCB). DUSIB was responsible to implement the scheme in the JJ clusters.

Audit covered the period from inception of the scheme i.e. 2 October 2014 to March 2017. Audit examined the records of Urban Development Department (UDD), GNCTD and information collected from the implementing agencies.

### **3.10.2 Audit Objectives**

The broad objectives of the audit were to assess whether:-

- (i) the planning for the implementation of the scheme at different level was adequate and effective,
- (ii) funds were released, accounted for and properly utilized,
- (iii) the targets set under various components were sufficient to achieve and sustain the vision of the Mission, and
- (iv) Mission was implemented and monitored efficiently.

### **Audit findings**

#### **3.10.3 Planning, Implementation and Reporting**

##### **3.10.3.1 Inadequacy in Planning**

As per Census-2011, urban population of NCT of Delhi was 1.14 crore and there were 23,15,906 urban households. By using this data and Mission parameters, GNCTD enlisted physical target of constructing 1,25,398 Household toilets, 1982 Community Toilets and 7602 Public Toilets by six implementing agencies and requested (March 2015) GoI for funding under the Mission. The GoI extrapolated the population up to year 2019 and fixed (September 2015) implementing agencies-wise targets as given in **Table 3.10.1** along with toilet requirements later assessed by the implementing agencies.

**Table 3.10.1: Agency-wise GoI targets, funds released, and requirement projected for construction of toilets**

Sl. No.	Implementing agency	GoI targets for 5 years			Requirement projected by implementing agencies (5 years)			Funds released (₹ in Lakh) by GNCTD		
		IHHTs	CTs	PTs	IHHTs	CTs	PTs	IHHTs	CTs	Total @
1	North DMC	32,663	1,027	4,116	0	8,886	205	800	0	800
2	East DMC	56,734	191	1,972	11,117	5	120	1,386	267	1,653
3	South DMC	25,515	718	2,729	0	0	0	616	0	616
4	NDMC	399	13	111	0	156	280	0	0	0
5	DCB	11,694	408	229	0	0	0	276	0	276
6	DUSIB	*	*	*	0	16,050	0	0	686	686
	<b>Total</b>	<b>1,27,005</b>	<b>2,357</b>	<b>9,157</b>	<b>11,117</b>	<b>25,097</b>	<b>605</b>	<b>3,078</b>	<b>953</b>	<b>4,031</b>

@ Up to March 2017 and includes GNCTD's share of ₹10.08 crore. \*Not fixed.

As shown in the **Table 3.10.1**, the total requirement of Household toilets, Community toilets and Public Toilets assessed (September 2015) by the implementing agencies was far less than the number of toilet construction projected by GoI based on Census-2011. North DMC, South DMC, NDMC, DUSIB and DCB did not see the necessity of constructing the Household toilets in their area whereas East DMC found necessity of constructing only 11,117 Household toilets against 56,734 Household toilets projected by the GoI. South DMC and DCB did not project to construct Community Toilets though GoI estimated requirements of 718 and 408 Community Toilets respectively. South DMC, DCB and DUSIB did not project construction of Public Toilets at all whereas North DMC, and East DMC found the necessity of constructing only 205 and 120 Public Toilets against 4,116 and 1,972 respectively projected by GoI. Though no targets were fixed for DUSIB by GoI, GNCTD released ₹ 6.86 crore to DUSIB for construction of Community Toilets as it is the nodal agency for construction of Community Toilets in NCTD.

Audit noticed that South DMC did not project any requirement for construction of Community Toilets and Public Toilets under the Mission citing space constraints. South and North DMCs did not consider unauthorized colonies for projecting requirement of Individual Household Toilets stating that they do not have jurisdiction over them thereby leaving unauthorized colonies out of Mission coverage with regard to Household Toilets.

Audit also noticed that a total of only ₹ 2.03 crore was spent on public awareness programme against ₹ 5.17 crore released. East DMC and DCB spent ₹ 23 lakh and ₹ 5 lakh against ₹ 186 lakh and ₹ 27 lakh released to them by GNCTD. This was indicative of inadequate efforts on the part of these implementing agencies to educate the households to avail the benefit of Household toilets.

Thus, inability to target individual households for construction of Household toilets and to identify sites and blocks for construction of Community Toilets and Public Toilets, and ignoring the toilet requirements in unauthorized colonies shows implementing agencies' scant concerns for public convenience facilities generally used by common people of Delhi.

### **3.10.3.2 Not a single toilet was constructed under the Mission**

As per file record dated 17 April 2015, the ruling party in its manifesto had promised to construct two lakh toilet blocks in slums/JJ clusters and unauthorized colonies. In the meeting (June 2015) of the High Powered Committee, DUSIB was asked (June 2015) to identify the sites and blocks for constructions. GNCTD however assessed only requirements of 11,117 Household toilets, 25,097 Community Toilets (including 16,050 for slums and JJs) and 605 Public Toilets to be constructed under the Mission scheme up to October 2019. Under the Mission, GoI released ₹ 30.23 crore for construction of toilets. Not a single toilet, however, was constructed under the Mission by any of the six implementing agencies between the period since inception of the scheme on 2 October 2014 and 31 March 2017.

While confirming the above status, North, East, and South DMCs further stated that they have constructed some toilets out of their own resources under their own sanitation programme, and they may now consider adjusting them as constructed under the Mission. Showing expenditure incurred on construction of toilets under their existing sanitation scheme as expenditure incurred under the Mission and enlisting the same as physical target achieved under the Mission is not as per the Mission guidelines.

## **3.10.4 Financial Management**

### **3.10.4.1 Delay in releasing funds to the implementing agencies**

GNCTD received ₹ 2.26 crore in March 2015 and ₹ 27.97 crore in November 2015 from GoI for construction of toilets and released ₹ 40.31 crore to the implementing agencies including State share of ₹ 10.08 crore in January 2016, i.e. after two to ten months of receiving funds from GoI. As per guidelines, funds were to be released to ULBs within 30 days of receipt of the Central share along with State share. The Secretary, Urban Development, GoI had commented (October 2015) on this stating delay in releasing funds by more than six months as a serious matter. Audit noted that due to delay in disbursal of fund to the implementing agencies, no amount of Mission funds was used in 2015-16.

Government stated (October 2017) that the proposal of opening of new Head of Account was to be placed before the Assembly for necessary approval. It further stated that a number of requests were made through internal accounts functionaries to the Finance Department, GNCTD to expedite the same and the funds were released after opening of new Head of Account. The reply is

not acceptable, as the instructions in Mission guidelines for release of funds were not followed.

**3.10.4.2 Implementing agencies did not use Mission funds to construct toilets**

The implementing agencies received total ₹ 40.31 crore under the Mission including ₹ 10.08 crore as State share and the entire fund remained unutilized as of March 2017. DUSIB refunded the entire amount of ₹ 6.86 crore of Mission funds to GNCTD in April 2017 whereas funds given to other implementing agencies were lying idle in their saving bank accounts. These agencies initially kept these funds in non-interest bearing current accounts resulting in loss of interest amounting to ₹ 33.93 lakh during the period from 29 January 2016 to 31 March 2017.

While confirming the audit finding, it was stated by DUSIB that it had returned the entire amount of ₹ 6.86 crore as additional State share demanded was not provided by the Government. However, the fact remains that funds were not used for construction of toilets.

**3.10.4.3 GNCTD did not allocate Mission funds to implementing agencies as per their requirement**

GNCTD did not allocate Mission funds to implementing agencies as per their requirement. North DMC, South DMC, and DCB did not assess the requirement of Household toilets but Mission funds totaling ₹ 16.92 crore was released to them for construction of Household toilets. North DMC and DUSIB assessed requirement of 8,886 and 16,050 Community Toilets for which they requested (September 2015) funds of ₹ 23.10 crore and ₹ 41.49 crore respectively. North DMC, however, did not receive any funds for Community Toilets and DUSIB received only ₹ 6.86 crore. NDMC projected construction of 156 Community Toilets but it did not receive any funds.

Government stated (October 2017) that it had circulated prescribed format of the guidelines and same was required to be submitted by the implementing agencies for onward submission to GoI for release of funds. But information was not submitted by implementing agencies in the said format. It further stated that the information available with the UD, GNCTD was furnished to MoUD, GoI and after receipt of funds from GoI in March/November 2015 it was released to implementing agencies. The reply is not acceptable as GNCTD was aware of the funds requirement of agencies before release of funds but funds were released without considering actual requirement.

**3.10.4.4 DUSIB did not receive State share from GNCTD**

DUSIB was responsible to make slums and JJ clusters open defecation free (ODF) by implementing the Mission. For this, DUSIB received (January

2016) ₹ 6.86 crore including State share of ₹ 1.71 crore (25 per cent of the total cost) against ₹ 41.49 crore required by them. Later, in July 2016, GoI enhanced the basic unit cost of CTs from ₹ 65,000 to ₹ 98,000 and also reduced the central share from 75 per cent to 40 per cent. Thus, the State was to bear 60 per cent of the cost of construction of CTs.

Though DUSIB actively followed up with the GNCTD for State share (60 per cent) for construction of community toilets, GNCTD did not release the State share during 2016-17. Therefore, DUSIB refunded the entire fund of ₹ 6.86 crore it received under the Mission. As Community toilets were not constructed under the Mission during first two and half years of its implementation despite receiving Central share, there is risk that the DUSIB's target of making the JJ basties/clusters ODF by the end of 2017-18 may not be achieved.

While accepting the audit finding, Government stated (October 2017) that on the request of DUSIB, it released (June 2017) ₹ 12 crore. However, the fact remains that funds were not released in time for utilization.

### **3.10.5 Oversight and Monitoring Mechanism was not effective**

The Mission guidelines provides for the oversight and monitoring mechanism at all levels of scheme implementation. The State level High Power Committee (HPC) headed by the Chief Secretary is responsible for approval of plan and projects, sanction of allocation of resources, and monitoring of outcome of the Mission. Audit noted that the HPC met four times since inception of the scheme; discussed about identification of beneficiaries; sought action plan for scheme implementation, ordered timely release of fund received from GoI as well as the State share to the implementing agencies; and requested timely submission of utilization certificate. Many of these issues were discussed repeatedly in every meeting without much progress thereon. Issue relating to release of State share for construction of Community Toilets though discussed in HPC meeting could not be resolved which led to DUSIB surrendering Mission funds back to GNCTD. The HPC directed the DMCs to identify the beneficiaries in unauthorized colonies to cover them under the Mission but DMCs decided not to consider these colonies as their jurisdiction.

The Scheme also provides for District Level Monitoring and Review Committees, and monthly/quarterly progress reports showing target and achievement are to be prepared and to be furnished to GoI. Audit however found that the District Level Review and Monitoring Committees were not even constituted.

Government stated (October 2017) that the implementation and execution of Mission activities in Delhi is headed by State Mission Director with limited manpower and the entire staff have also been assigned additional charge of



other departments/branches which are equally important. It further stated that the observations of audit would be considered for improving the work under Mission. The reply is not specific to audit finding. Moreover, reply is silent about the non constitution of District Level Review and Monitoring Committees.

### 3.10.6 Conclusion

There were inadequacies in assessing the number of toilets required. As per Economic Survey of Delhi, 2016-17, there are 3.5 lakh households in Delhi (about 10.5 *per cent* of all the households) which do not have any toilet facility. 22 *per cent* slums did not have any latrine facility. The GNCTD however did not give adequate importance to implementation of the Mission. Not a single toilet was constructed under the Mission in two and half years since its inception on 2 October 2014. As per Census-2011 extrapolated to 2019, NCT of Delhi needed 1,27,005 Household toilets, 2,357 Community toilets (other than Community toilets required in slums and JJs) and 9,157 Public toilets whereas GNCTD assessed only 11,117 Household toilets, 25,097 Community toilets (including 16,050 for slums and JJs) and 605 Public toilets to be constructed under the Mission up to October 2019. Beneficiaries of unauthorized colonies were not considered for construction of Household Toilets under the Mission which means most of habitats known for lack of toilet facilities were excluded from the Mission at the planning stage itself. Adequate efforts were not made to educate the households to avail the benefit of Household toilets. GNCTD did not allocate Mission funds to implementing agencies in accordance to the assessed requirement. There were delays in releasing funds to the implementing agencies and all the funds totaling ₹ 40.31 crore released for the Mission remain idling in banks. Oversight and Monitoring Mechanism was not effective.

The matter was referred to the Government in August 2017 and their reply is awaited as of January 2018.

**3.11 Sewer work remains ongoing for 10 years after spending ₹ 10.85 crore by Delhi Jal Board**

**Due to lack of due diligence and respect for timelines coupled with ad hoc planning and inadequate management oversight, the sewer laying work which was supposed to be completed by September 2007 remains work in progress as of 30 June 2017 and the completed portion could not be put to use since July 2011 even after spending ₹ 10.85 crore.**

Jagriti Sewage Pumping Station (SPS) under Shahdara Drainage Zone of Delhi Jal Board (DJB) receives flows from other pumping stations of the area. DJB decided (August 2006) to lay 1000-1200 mm dia sewer from Vivekanand Mahila College to Jagriti SPS to augment the existing sewer line of 1200-1400 mm dia trunk sewer. The main objective was to stop sewage water overflow near Vivekanand Mahila College and surcharge of existing sewers in catchment area, and to abate pollution level in river Yamuna. This work of 'Providing, Laying and Jointing 1000-1200 mm dia sewer was awarded (August 2006) to a contractor at a cost of ₹ 3.76 crore to be completed by September 2007.

DJB rescinded (August 2009) this contract after the completion of 25 per cent work valuing ₹ 1.24 crore out of which ₹ 1.01 crore was paid to the contractor. An amount of ₹ 6.88 crore was also paid by DJB as road restoration charges to road owning agencies. DJB re-awarded (September 2010) the balance work to another contractor at a total cost of ₹ 4.78 crore at the risk and cost of ₹ 2.01 crore to be recovered from the first contractor. The second contractor completed the work within the contracted time in July 2011 except gaps at four road crossings<sup>36</sup> which the contractor could not carry out due to high density of traffic and absence of permission from the road owning agencies. DJB short-closed the contract and paid ₹ 2.96 crore to the second contractor for their work. The sewer laying work which was supposed to be completed by September 2007 remains ongoing as of 30 June 2017 and after spending ₹ 10.85 crore<sup>37</sup>, the completed portion could not be put to use since July 2011.

The Executive Engineer (C) Drainage-X Division of DJB replied (March 2016 and July 2017) that DJB rescinded the contract with the first contractor as per provisions of the contract agreement due to his non-performance. Contract with the second contractor was short-closed because the work on gaps at four road crossings could not be taken up as excavation of about 16 feet depth for laying sewer was not possible through open cut method due to high traffic on these crossings, presence of underground utilities, and sub-soil conditions. It

<sup>36</sup> Crossing of Road No. 75B opposite Deepak Memorial Hospital and under Metro line, Crossing of Road No.58 near Karkardooma District Court, Crossing of Road No. 72 extension and sullage Nallah near MCD Zonal Office and Crossing of Main Chowk near Vivekanand Mahila College.

<sup>37</sup> Payment to first contractor - ₹ 1.01 crore, Payment to second contractor - ₹ 2.96 crore and road restoration charges - ₹ 6.88 crore.

was decided (May 2011) to lay the sewer across these crossings by using trenchless technology which was not in the scope of work of the second contract. Work order for gap portion of sewer by trench technology has been issued on 3 March 2017 at a cost of ₹ 2.42 crore. DJB reply is not tenable and should be seen in the light of the following facts.

1. DJB failed to provide encumbrance free site to the first contractor in terms of Para 4.2 of CPWD Manual which stipulates that preparation of detailed estimate and drawing and design should be taken up only after obtaining an assurance that the site is available without any encumbrances or likely to be made available within a reasonable time.

2. The work was to be executed in the busy and crowded areas and required road cutting permission from civic bodies. Risk of delays in getting the permissions should have been adequately managed by consulting these civic agencies about sewer laying plan in advance and the permissions should have been obtained prior to awarding the contract which was not done.

3. As per Clause 32 of the General Conditions of Contract, the contractor was to pursue the required permissions with these authorities. DJB, however, was to issue formal letters seeking permission and to actively follow up. This was not done. We noticed that there were five road sites where road cutting permissions were required. DJB applied for road cutting permissions for two sites to DDA on 1 August 2006 and 6 February 2008, two sites to PWD on 18 April 2006 and 14 March 2008 and one site to MCD on 14 February 2008. DJB deposited the road restoration charges to these civic agencies between March 2007 and March 2011. DJB could get road cutting permission for only one site, i.e. Road no. 71 and 58 from Mahila College to Jhilmil chowk.

Further, presence of impediments like high traffic on these crossings, presence of underground utilities, and sub-soil conditions for laying sewer on gaps at four road crossings through open cut technology should be known to the DJB in 2006 when they first awarded the contract as well as when they re-awarded the contract in September 2010. Therefore, appropriate technology including use of trenchless technology should have been considered. But DJB realized this only in May 2011 when a team of DJB Senior Management visited area. Having decided to use trenchless technology in May 2011, DJB took another six years to award the contract in March 2017. The work which was supposed to cost ₹ 3.76 crore will now cost ₹ 6.62 crore.

DJB stated (December 2017) that the delay in execution of work was due to change in alignment of the sewer line which necessitated obtaining fresh road cutting permissions from DDA, PWD and MCD. However, PWD refused permission due to increased traffic on the road. The reply is not acceptable as fresh road cutting permission was required due to change in alignment indicating lack of proper planning in the initial stage. Besides, DJB has not done any analysis as to how much of work already completed up to August 2011 at ₹ 10.85 crore could be used when sewer laying work on gaps at four road crossings is completed in September 2018.

Thus, due to lack of due diligence and adherence to timelines coupled with ad-hoc planning and inadequate management oversight, the sewer laying work which was to be completed by September 2007 remains work in progress as of 30 June 2017 and the completed portion could not be put to use since August 2011 after spending ₹ 10.85 crore including road restoration charges of ₹ 6.88 crore. Further, actual expenditure on road restoration by the road owning agencies was also not known to DJB. Besides, intended objective to address the problem of overflow of sewage water near Vivekanand Mahila College and surcharge of existing sewers in catchment area and to abate pollution level in river Yamuna could not be achieved for last 10 years.

The matter was referred to GNCTD in July 2017 and their reply was awaited as of January 2018.

### **3.12 Idling of equipment worth ₹ 3.18 crore**

**Failure of Delhi Jal Board in synchronizing procurement of Electrical and Mechanical equipment with civil works resulted in idling of equipment costing ₹ 3.18 crore. The fact that these equipment were lying unused for over six years also cast a doubt about their utility.**

The work of renovation of coagulation and filtration system at Chandrawal Water Works No. 1 was awarded to a contractor in October 2007 on turnkey basis at a cost of ₹ 38.20 crore (₹ 28.00 crore for Civil Works and ₹ 10.20 crore for Electrical and Mechanical works). The work included design, construction, supply, installation, testing, commission, trial run and one year operation and maintenance during defect liability period. Besides, renovation of filter house comprising 20 filters built in 1911 and 10 filters in 1916 was included in this work. The work was to be completed in 27 months i.e., by 6 February 2010 including three months' trial run.

Execution of work was inordinately delayed and Member (Water Supply), Delhi Jal Board (DJB) directed (May 2014) to examine the issue of foreclosing the contract by excluding balance works as requested by the contractor. The work was eventually foreclosed in September 2016, i.e. after taking 16 months to examine the issue. DJB imposed maximum penalty of five *per cent* of the contract cost on the contractor for the delay. Construction of filter house has now been included in the scope of another project which was under tendering process as of June 2017.

At the time of foreclosure, construction work of filter house had not even started. Though the civil construction of filter house was not taken up, the contractor procured Electrical and Mechanical equipment valuing ₹ 3.22 crore for filter house between November 2009 and July 2011 and DJB made payment of ₹ 2.58 crore being 80 *per cent* of the contract cost of these items. Foreclosure of work rendered these equipment unusable in the project and the same are idling since purchases.

DJB replied (July 2017) that these equipment are similar to those being used all over DJB, especially in Water Works Divisions and most of them are being

well utilized after foreclosing the contract. The Reply is not tenable as on verification, audit found that though these equipment were transferred to other Divisions, only one 1000 mm dia Butterfly Valve costing ₹ 3.9 lakh has been put to use as of July 2017 and all other equipment were lying unused for more than six years since their procurement. Further, since these equipment were not installed by the contractor, the defect liability to be provided by the contractor also lapsed.

Thus, failure of DJB in synchronizing procurement of Electrical and Mechanical equipment with civil works resulted in idling of equipment costing ₹ 3.18 crore. The fact that these equipment were lying unused for over six years also cast a doubt about their utility. Foreclosing the work without constructing the filter house also resulted in compromising the efficiency of the filtration system as the problem of uneven air and water pressure development affecting back washing and filtering operations remained unresolved.

The matter was referred to the Government in October 2017 and their reply was awaited as of January 2018.

### **3.13 Non-levy of liquidated damages and irregular payment of cost escalation to the contractor**

**Extension of Time (EOT) without levy of liquidated damages of ₹ 4.48 crore and payment of cost escalation of ₹ 3.86 crore beyond the date of scheduled completion not envisaged in the contract amounted to giving irregular benefits to the contractor which also resulted in increase in the overall cost of project by ₹ 8.34 crore.**

Delhi Jal Board (DJB) awarded (March 2007) the ‘Construction of 25 Million Gallons per Day (MGD) Sewage Treatment Plant (STP) and other related associated/allied appurtenant works on Design, Build and Operate Basis’ at Yamuna Vihar, Shahdara to a contractor for a lump sum cost of ₹ 62.05 crore comprising of ₹ 15.07 crore for civil work, ₹ 29.75 crore for Electrical and Mechanical (E&M) work and ₹ 17.22 crore for 10 years Operation and Maintenance (O&M). The STP was to be commissioned within 24 months i.e. by March 2009. However, the STP was commissioned on 2 September 2015 after a delay of six and half years and some civil works remain in progress as of August 2017.

As the contract was delayed much beyond the stipulated date of completion, the contractor requested for EOT with cost escalation in November 2010 for extension till June 2011 and again in July 2013 for extension till December 2013. The reasons for delay quoted by the contractor were non-availability of clear site, delay in approval of design and drawings, abnormal increase in cost of materials, shortage of labour, flooding of site due to rain etc.

The contract provided for compensation to the contractor for cost escalation in the price of materials and/or wages of labour up to the scheduled date of completion of work i.e. March 2009 and not thereafter even if EOT is granted

without levying liquidated damages for delay in completion of the work. In violation of the said contract provision, the DJB chose to grant EOT with payment of cost escalation of ₹ 3.86 crore to the contractor up to 30 June 2014 i.e., for 1,921 days beyond the date of scheduled completion. They also chose not to levy the liquidated damage of ₹ 4.48 crore being 10 per cent of total contract price (excluding cost of O&M) for six and half years' delay in commissioning of the STP.

Audit observed that a case for allowing successive EOT with cost escalation beyond the date of scheduled completion without levying liquidated damage was made citing work hindrance not attributable to the contractor who required a little help from DJB to complete the work as their tendered lowest price bid was lower than the average cost of similar projects making it difficult for them to complete the work at the approved cost. The Executive Engineer replied (August 2017) that the EOT with payment of escalation was extended validly by the then Chief Executive Officer after deliberations at all levels at DJB and for the period of delays for which the contractor was not responsible. Management reply is not tenable and should be seen in the light of the following facts.

1. Delegation of powers in DJB did not permit changing the terms of contract by any authority. The Finance Branch of DJB which concurs to the financial proposal specifically stated (August 2011) in this case that deviating from the contract agreement does not seem proper.
2. The lowest bid of this contractor was obtained in open tender out of five technically qualified bidders whose price bids were opened. While seeking approval of the Board (DJB) for award of this contract, the Chief Engineer categorically stated that past performance of this contractor was satisfactory as they had successfully completed the STP works of 20 MGD at Pappan Kalan, 5 MGD at Mehrauli for DJB; 30 MLD<sup>38</sup> at Gurgaon, 93.3 MLD at Panipat in Haryana; 222 MLD at Bhattian and 304 MLD at Balloke in Punjab. Therefore, with so much experience of STP construction, it is unreasonable to accept that this contractor erred in quoting the lowest price bid and therefore needs supports from DJB. If this contractor chose to take risk of submitting a low bid to get the contract, they should assume the cost of their decision and should not be compensated out of DJB funds.
3. It is factually incorrect to state that the cost escalation was paid for the period of delays (1,921 days) for which the contractor was not responsible. DJB maintained a Hindrance Register from the start of the work in March 2007 to August 2013 in which net days of hindrance and nature/items of hindrance are recorded. This register shows total 601 days of hindrance against delay of 1,921 for which cost escalation was paid by DJB. This means that payment of cost escalation for delay of 1,320 days cannot be attributed to any work related hindrance.

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<sup>38</sup> Million Liters per Day.

4. The contract was for 24 months (inclusive of monsoons) encompassing two rainy seasons and scheduled parliamentary/assembly election and therefore likely hindrance (186 days) on account of rains and elections should be known to the contractor. 46 days' delay in receiving electric connections and 40 days' hindrance on realigning the digesters as a tree was coming in its alignment also cannot be attributed to DJB as getting electric connection to execute the contract was the responsibility of the contractor and presence of tree should be known to the contractor as they visited the site prior to submission of bid. Inability of the contractor to buy sufficient material for the project due to high material price during 2007-08 and shortage of labour during the crop seasons also cannot be attributed to DJB. Therefore, citing these hindrances during the scheduled completion period to grant EOT without imposing liquidated damage for delay and with payment of cost escalation was not justified.

Thus, EOT without levy of liquidated damage of ₹ 4.48 crore and payment of cost escalation of ₹ 3.86 crore beyond the date of scheduled completion not envisaged in the contract amounted to giving irregular benefits to the contractor which also resulted in increase in the overall cost of project by ₹ 8.34 crore.

The matter was referred to the Government in September 2017 and their reply was awaited as of January 2018.



New Delhi  
Dated: 21 March 2018

(SUSHIL KUMAR JAISWAL)  
Accountant General (Audit), Delhi

Countersigned



New Delhi  
Dated: 22 March 2018

(RAJIV MEHRISHI)  
Comptroller and Auditor General of India

