

**Chapter 6**  
**Other Issues**



## Chapter 6: Other Issues

*In addition to the irregularities, deficiencies and non-compliances in Planning, Operations, Finance, and Manpower, Audit also found delays in completion of Deposit work, non-compliance of Codal provisions, inability to evict unauthorized occupants, etc. indicative of the ineffective approach adopted by the Corporation in dispensing off their functions.*

### 6.1 Loss of subsidy and underperformance of Solar Power Energy Units

The Corporation installed Solar Power units in three of its Depots in 2015 at a total cost of ₹ 3.18 crore through *Delhi State Industrial and Infrastructure Development Corporation Ltd. (DSIIDC)*. The project also included Comprehensive Annual Maintenance (CAM) for five years w.e.f. 8 April 2015, i.e. the date from which these Units started functioning. After completion of CAM period, no agency was appointed by the Corporation for maintenance of these solar power plants.

Ministry of New and Renewable Energy (MNRE), Government of India provided subsidy for Solar Power Plants and paid the first instalment of subsidy amounting to ₹ 12.50 lakh. The balance subsidy of ₹ 29.14 lakh was not paid, as MNRE on Inspection (19 February 2020), found various deficiencies in Installation and Maintenance of these Units which compromised the Units efficiency. However, the Corporation did not take any action to rectify the deficiencies pointed out by MNRE for claiming the balance subsidy. It also did not take any action against the agency which was responsible for maintenance of the plants as there was no provision in the contract to penalise the agency for its underperformance.

Further, as per MNRE's assessment, these plants were expected to generate, on an average, three Units per day per KW of installed capacity. At the prevalent tariff rate, the expected payback period was five to six years from the start of operations. Audit observed that these plants could generate only 12.50 lakh units of power against the expected generation of 26.85 lakh units, i.e., less than 50 per cent of the expected power generation, during the period from April 2015 to March 2022. The cost recovered from the plants as per prevailing tariff during this period (almost seven years) was ₹ 1.36 crore which was only 42.77 per cent of the capital cost of ₹ 3.18 crore of the project. Thus, failure of the Corporation in ensuring proper maintenance of the plants rendered a major portion of the expenditure unfruitful.

***Recommendation 6.1: Corporation should address the deficiencies in Maintenance of Solar Power Units to ensure maximum generation of power.***

## **6.2 Loss of ₹ 221.28 crore to the Corporation due to unauthorised occupation of Staff Quarters**

In 1978, the Corporation transferred Ownership Rights of 4,844 out of 5,144 Residential Quarters to the Employees who were residing in these Quarters. However, ownership of 150 Quarters each at Hari Nagar and G.T. Road colonies was not transferred at that time. In 1979, the Corporation decided to sell out these tenements to the occupants but rescinded this decision in 1981. From then, matter had been under litigation until Hon'ble Supreme Court decided the ownership right in favor of the Corporation in November 2006. However, the Corporation could not get these Quarters vacated.

Although the Corporation Board directed (2016) to get these Colonies vacated from the occupiers immediately but the Corporation started Eviction process only in November/December 2020. Even then, it could not do so due to un-availability of Police force. Since then, no action has been taken by the Corporation to evict the unauthorised occupants of the Staff Quarters.

As of March 2023, 287 Staff Quarters continue to be under unauthorised occupation and an amount of ₹ 221.28 crore<sup>1</sup> was recoverable as on 31 March 2022 in the form of Rent and Water Charges from the occupants.

The Management accepted the Audit Observation and assured for taking corrective action.

## **6.3 Delay in completion and discrepancies in execution in respect of work of Ghuman Hera Bus Depot and Mundela Kalan Bus Depot**

Corporation awarded separate Works for construction of two Bus Depots by PWD as Deposit Work, at Ghuman Hera and Mundela Kala on 8.05.2018 and 7.05.2018 respectively and same were to be completed within six months. However, both the Works were completed on November 2021 and January 2022 respectively. The Expenditure incurred by PWD on these Projects was ₹ 28.93 crore (Ghuman Hera) and ₹ 15.38 crore (Mundela Kalan) respectively. Examination of records available at the Corporation revealed that Extra items costing ₹ 8.10 crore in case of Ghuman Hera and ₹ 5.50 crore in case of Mundela Kalan were got done by PWD without the prior approval of the Corporation which was irregular as CPWD Manual clause 24.2.3 (1) stipulates that prior sanction of the Competent Authority is required for extra or Substituted items. The Corporation without assuring the reasonability & detail of Extra items accorded ex-post-facto approval for both the Works on 7 October 2021. The Finance Wing of the Corporation observed that Civil Engineering Department of the Corporation should have ensured prior approval in such cases. Further, although there were delays of three years or more in completion of both the

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<sup>1</sup> Rent of ₹107.34 crore & ₹112.94 crore and Water Charges of ₹48.14 lakh ₹52 lakh for Hari Nagar Colony and G.T. Road Colony respectively totaling to ₹221.28 crore till 31.03.2022.

Projects, the Penalty levied on the Contractors by PWD for the delay was not evident from the records of the Corporation.

The Management stated (May 2023) that PWD did not levy any Penalty on Contractor despite delay of Work and Extra work was within the limit of Administrative approval. However, reply did not address the reasons for including Extra items and delay in work which eventually escalated the contract value and delayed in operation of Depots in time.

#### **6.4 Oxygen Tankers worth ₹ 17.84 crore lying idle**

GNCTD decided (June 2021) to procure 25 Oxygen Tankers of 350 MT capacity for preparing Delhi for a potential 3<sup>rd</sup> wave of Covid-19 and a budgetary provision of funds of ₹ 31 crore was made for the same. The requirement was later revised to 12 Tankers. Further, it was directed that the Corporation can also figure out an optimal usage model by leasing these Tankers to other States or Institutions as per requirement in normal course.

After following due procedure, the Supply Order was placed on bidder (technically qualified single tender) on December 2021 for ₹ 17.84 crore. In this regard, Audit observed that 12 Oxygen tankers had been delivered to the Corporation from March 2022 till January 2023. However, all these Tankers were not utilized despite explicit direction of GNCTD for leasing out. They remained idle, parked in the open and exposed to natural elements rendering them liable to deterioration. Thus, the Corporation failed to utilise any Tanker by leasing them out commercially.

The Management accepted (May 2023) the Audit Observation and stated that they had initiated the process of leasing out in March 2023, however, no response was received.

