

Overview

OVERVIEW

This Report comprises two chapters containing audit findings pertaining to Revenue, Economic, Social and General Sectors and Public Sector Undertakings (PSUs). Chapter I relating to Revenue Sector contains three compliance audit paragraphs involving ₹ 1,873.28 crore. Chapter II relating to Social, General and Economic Sectors contains one Performance Audit and eight compliance audit paragraphs involving ₹ 327.36 crore. Some of the major findings detailed in the Report are summarised below.

Chapter I: Revenue Sector

Introduction

The total revenue receipts of the Government of National Capital Territory of Delhi (GNCTD) for the year 2021-22 were ₹ 49,312.98 crore as compared to ₹ 41,863.60 crore in the year 2020-21. Out of this, 83 *per cent* in 2021-22 was raised through tax revenue ₹ 40,018.68 crore and non-tax revenue ₹ 826.99 crore. The balance 17 *per cent* was received from the Government of India as Grants-in-Aid (₹ 8,467.31 crore).

(Paragraph 1.1.1)/Page-1

Test-check of the records of 14 units relating to Goods and Services Tax, Value Added Tax, Stamp Duty and Registration Fees, Motor Vehicles Tax and State Excise conducted during the year 2021-22 revealed non/short levy of tax/fees and other irregularities involving ₹ 1,930.11 crore in 93 cases. The concerned Departments accepted underassessment and other deficiencies of ₹ 95.62 crore.

(Paragraph 1.1.6)/Page-8

Compliance Audit Paragraphs

Department of Excise

Short levy of license fee amounting to ₹ 43.41 lakh for grant of L1 License -
The license fee of ₹ 56.00 lakh instead of ₹ 99.41 lakh for the registered brands of Wine/Liqueur/Alcopop/ Mixed Alcoholic Beverages was levied on M/s Bacardi India Pvt. Ltd. resulting into short levy of license fee amounting to ₹ 43.41 lakh.

(Paragraph 1.2)/Page-10

Department of Trade and Taxes

Department's Oversight on GST Payments and Returns Filing

Compliance Audit on Department's Oversight on GST Payments and Return Filing was conducted predominantly based on data analysis, which highlighted risk areas, red flags and rule-based deviations and logical inconsistencies in GST returns filed for 2017-18. Audit entailed assessing the oversight functions of Department at two levels – at the data level through global data queries and

at the functional level with a deeper detailed audit both of the Wards and of the GST returns, which involved assessing taxpayer records.

The Department did not formulate a Manual/Standard Operating Procedure (SOP) for scrutiny of returns by the Proper Officers under Section 61 of the Act during the period from July 2017 to March 2021. The Department issued SOP for scrutiny of returns for the financial years 2017-18 and 2018-19 in April 2022. The Department had not initiated timely action on late-filers and non-filers of return, there was inadequate follow up on non-filing of GSTR 10. There was lack of action on reports given by Business Intelligence Unit/MIS reports.

Out of the 308 high value cases selected for Audit, the Department responded in 267 cases. Of these, 85 cases had compliance deficiencies with revenue implication of ₹ 1,702.53 crore. A relatively higher rate of deficiencies were noticed in unsettled liabilities, Input Tax Credit (ITC) mismatch, short/non-payment of interest, excess Reverse Charge Mechanism (RCM) ITC availed, mismatch in turnover declared etc.

There were 97 compliance deficiencies with a revenue implication of ₹ 163.82 crore in 47 cases. Out of these, the Department reported ITC reversal of ₹ 92.25 crore in one case and recovery of ₹ 0.16 crore in two cases. The main causative factors were availing of excess ITC due to mismatch in returns, non-payment of interest, non-reversal of ITC shown reversed in annual return (GSTR-9), non-reversal of ITC as per Section 17(2) of DGST Act 2017 read with Rule 42 of DGST Rules, 2017, wrong apportionment of credit, short discharge of Tax liability, incorrect discharge of tax under RCM etc.

(Paragraph 1.3)/Page-11

Irregular claim of Input Tax Credit - The Assessing Authorities failed to verify the tax deposited by the selling dealers during assessment resulting in short levy of tax of ₹ 2.34 crore. In addition, interest of ₹ 1.82 crore and penalty of ₹ 2.34 crore were also leviable.

(Paragraph 1.4)/Page-46

Chapter II: Economic, Social and General Sectors and PSUs

Introduction

During the year 2021-22, the office of the Principal Accountant General (Audit), Delhi conducted the compliance audit of 105 units out of total 769 auditable units under 48 Departments of Government of NCT of Delhi. Chapter-II of this Report contains one Performance Audit on Public Health Infrastructure and Management of Health Services – Primary Healthcare, Compliance Audits on Advertisement and Publicity expenditure of the Government of National Capital Territory of Delhi and Ladli Scheme implemented by Government of National

Capital Territory of Delhi and six compliance audit paragraphs pertaining to seven Departments.

Performance Audit

Department of Health and Family Welfare

Public Health Infrastructure and Management of Health Services – Primary Healthcare

A performance audit on Primary Health Care provided by the Government of NCT of Delhi covering the period from 2016-17 to 2021-22 was conducted for assessing whether the schemes and programmes were adequately planned and implemented effectively and efficiently. Major Audit findings are as under:

Directorate General Health Service (DGHS) failed to plan its activities to utilize the allocated amount for construction of Primary Health Centers as it could spend only ₹ 9.78 crore (28 *per cent*) vis-à-vis budget of ₹ 35.16 crore under Capital Head. There was an overall savings ranging from 31.44 *per cent* (2022-23) to 86.36 *per cent* (2018-19) in the Aam Aadmi Mohalla Clinic (AAMC) project which indicates that planning and implementation of the project was deficient.

(Paragraph 2.2.5)/Page-56

Against a target of 1000 AAMCs by 31 March 2017, Department could set up only 523 AAMCs (31 March, 2023), including 31 Evening shift AAMCs. Only 38 AAMCs were set up after 31 March 2020. Audit noted that 41 out of 218 AAMCs in the selected four districts remained closed for a period ranging from 15 days to 23 months due to de-empanelment, resignation, leave etc. of doctors. Out of the 74 selected AAMCs, ten AAMCs were lacking drinking water facility, 21 were lacking toilet facilities, 12 were not disable friendly and 31 were lacking sufficient space for storage of drugs. Besides, AAMCs were lacking basic medical equipment and tools such as Pulse oximeters, glucometers, X-ray viewers, thermometers, BP apparatus etc. Further, joint physical inspection of 74 AAMCs (out of 81 selected) revealed that, in 39 AAMCs (53 *per cent*), less than 75 *per cent* of essential drugs were available. It was also observed that 70 *per cent* of the patients who visited AAMCs during the period from October 2022 to March 2023 received less than one minute of consultation. Inspections of AAMCs were almost non-existent with only 175 inspections of 218 AAMCs of selected districts conducted against a requirement of 11,191 inspections from March 2018 to March 2023.

(Paragraph 2.2.5.2)/Page-58

There were shortages of Doctors, Public Health Nursing Officer (PHNO)/Auxiliary Nurse Mid-wife (ANM) and Pharmacists in the Mobile Health Scheme (MHS) and School Health Scheme (SHS). 76 out of 100 medicines in the Essential Drug List (EDL) in MHS were not available in

the Central Stores. As a result the MHS was functioning without essential medicines. During 2016-20, out of 17 lakh (approx.) school children, only 2.81 lakh to 3.51 lakh school children were covered under School Health Scheme.

(Paragraphs 2.2.6 and 2.2.7)/Page- 68 and 71

The objective to reduce the OPD load in Government hospitals by setting up of Polyclinics through upgrading existing Dispensaries as Secondary health provider could not be achieved. Only 28 Polyclinics were functional out of 150 polyclinics planned by the end of year 2018-19. There was also shortage of Doctors (23 *per cent*), Nursing staff (16 *per cent*) and Paramedics (37 *per cent*) in Allopathic Dispensaries (March 2023). Disproportionate deployment of doctors within the district was also noticed.

(Paragraph 2.2.8)/Page- 75

There was lack of space for storing of medicines in all the selected District Drug Stores (DDS). DDS, South was located in the basement without provision for proper ventilation or air conditioning required for maintaining appropriate temperature. Medicine boxes were kept on floor/toilet premises and staircase. 26 essential medicines of AAMC were not available for periods ranging from one to 16 months in the North East District drug store during January 2022 to April 2023. Similarly, 10 to 37 *per cent* essential medicines of Dispensaries were not available in the selected District Stores during the period from 2016-17 to 2022-23.

(Paragraphs 2.2.5.2(v) and 2.2.9)/Page- 64 and 78

There was shortage of space, ramp/lift, waiting area, drinking water etc. in the Ayush dispensaries. 67 *per cent* of Ayurvedic dispensaries, 72 *per cent* of Unani dispensaries and 14 *per cent* of Homoeopathic dispensaries did not function all six days a week due to shortage of doctors and other paramedical staff. Number of OPD patients decreased by 19 *per cent* from 34.72 lakh in 2016-17 to 28.13 lakh in 2022-23.

(Paragraph 2.2.10)/Page- 80

During 2018-20 (till December 2019), most of the Ayurvedic and Unani medicines remained out of stock due to incorrect purchase policy adopted by the Directorate. Only 17 out of 104 Unani essential drugs and three out of 110 Ayurvedic essential drugs were available throughout the entire period from 2018 to 2023. During Joint Physical Inspection, it was noticed that an average of 42 *per cent* of Ayurveda medicines and 56 *per cent* of Unani medicines were not available in the selected 27 Dispensaries.

(Paragraphs 2.2.5.2(v) and 2.2.10)/Page- 64 and 80

GNCT of Delhi has not implemented the Ayushman Bharat Scheme in Delhi and hence it could not avail the funds for upgradation of dispensaries into AYUSH Health Wellness Centres. GNCTD has not created the post of Yoga

Instructor in its dispensaries and none of the Ayush Dispensaries were providing Yoga and Naturopathy services.

(Paragraph 2.2.10.4)/Page-83

Compliance Audit Paragraphs

Department of Health and Family Welfare

Lackadaisical approach of the Guru Teg Bahadur Hospital leading to avoidable payment of ₹ 70.21 lakh - Non-adherence of Delegation of Financial Power Rules, 2008 before award of work led to cancellation of contract and avoidable payment of ₹ 70.21 lakh to the contractor for breach of contract.

(Paragraph 2.3)/Page-90

Directorate of Information and Publicity

Advertisement and Publicity expenditure of the Government of National Capital Territory of Delhi –

Compliance audit on ‘Advertisement and Publicity expenditure of the Government of National Capital Territory of Delhi’ was conducted to assess economy, efficiency and effectiveness in expenditure incurred on publicizing the policies, programs and activities of the GNCTD and adherence to the principles approved by Hon’ble Supreme court on content regulation.

During the period 2018-22, there was an exponential increase in advertisement and publicity expenditure of GNCTD by more than 12 times from ₹ 46.90 crore in 2018-19 to ₹ 612.81 crore in 2021-22. Test check of records revealed that Directorate of Information and Publicity (DIP), GNCTD released advertisement campaigns in violation of guidelines of Hon’ble Supreme Court of India on content regulation of Government advertising and General Financial Rules as these were found to be unverifiable and unjustified.

(Paragraph 2.4.1 and 2.4.2)/Page-94 and 103

The budget control was weak as liability was incurred without availability of budget. During 2019-20 to 2021-22, rush of expenditure was noticed in the month of March which ranged from 25.60 *per cent* (2021-22) to 51.88 *per cent* (2019-20). Mechanism to address complaints received against Government advertising of GNCTD was either deficient or non-existent.

(Paragraph 2.4.1.1)/Page-96

The monitoring mechanism for evaluation of works done by agencies engaged from private sector for Public Relations, Social and Digital media management and Live-streaming of press conferences and events of GNCTD was lax. Payments were released to agencies, despite agencies not adhering to RFP conditions.

(Paragraph 2.4.1.2)/Page-99

Audit observed that in 19 cases, print advertisements were released outside NCT of Delhi and were not for informing the populace of NCT Delhi about Government schemes and initiatives and hence were in violation of Hon'ble SC guidelines. DIP incurred liability of ₹ 77.91 crore (payment made: ₹ 57.81 crore) for print advertisements released outside NCT of Delhi during July 2020 to March 2022.

(Paragraph 2.4.6)/Page-112

Public Works Department

Irregularities in works of Providing Additional Accommodation at 6 Flag Staff Road and in Addition and Alteration in the Camp Office and Staff Block

In the work of Additions/alterations to the residence of the Chief Minister (CM) at 6 Flag Staff Road, the Public Works Department (PWD) prepared preliminary estimates (PE) of ₹ 7.91 crore by adopting the Plinth Area Rates, published by Central Public Works Department for Type VII and VIII accommodation/Bungalows. The work was declared urgent by the PWD. The said work although awarded at ₹ 8.62 crore being 13.21 *per cent* above the estimated cost, was finally completed at ₹ 33.66 crore being 342.31 *per cent* above the estimated cost.

Audit noted that in respect of award of the consultancy work, PWD did not make available to Audit the basis for selecting three consultancy firms for restricted bidding. Besides, while working out the justification cost, PWD adopted one year old rates of consultancy work and enhanced it by 50 *per cent*.

During the execution of work, PWD again resorted to restricted tendering and selected five contractors for bidding on the basis of their financial status, resourcefulness and experience in executing similar works in VIP areas. Audit however observed that only one contractor, to whom the work was awarded, had the requisite experience indicating that the selection for bidders for restricted tendering was arbitrary.

Audit observed that during execution, PWD increased the built up area from 1,397 sq.m to 1,905 sq.m (36 *per cent*) and also altered the applicable specifications of the work by executing several items of superior specifications, artistic and antique items, ornamental works (both Civil and Electrical/Services). For covering the cost, PWD had to revise the PEs four times. Besides, PWD also did not explore the possibility of tendering for additional AA&ES and works amounting ₹ 25.80 crore (2nd to 5th PE) were got executed by the existing contractor. Audit noted that ₹ 18.88 crore was incurred by PWD in execution of items of superior specification, artistic, antique and ornamental items which were executed by PWD as extra items. Moreover, AA&ES for 5th PE amounting to ₹ 9.34 crore was issued more than two months after completion of the work, thus creating a liability without any approval.

The second work of additions/alterations in Staff Block/Camp Office, was awarded at ₹ 16.54 crore against the estimated cost of ₹ 18.37 crore. The said work was also awarded through restricted tendering. The reasons for resorting to restricted tendering could not be ascertained as the related records were not made available to Audit.

Audit noted that, out of ₹ 19.87 crore sanctioned for construction of Staff Block and Camp Office, funds were diverted for other works. Besides, the Staff Block was not constructed and out of the funds, seven servant quarters were constructed at another location not related to the original work. Besides, the nature of Camp Office was altered from Permanent to Semi-Permanent Structure (SPS) rendering the AA&ES and the estimates totally unrelated to the actual work executed. Ultimately, only raw structure of the Camp Office was completed as the funds for the same were exhausted and foreclosure of the work was initiated by PWD in June 2023.

(Paragraph 2.5)/Page-122

Unfruitful expenditure of ₹ 1.47 crore - Failure of the Department to ensure hindrance free site before awarding of work led to foreclosing of the work of construction of drainage system of Main Burari Road rendering an expenditure of ₹ 1.47 crore on the work unfruitful.

(Paragraph 2.6)/Page-141

Department of Revenue

Unfruitful expenditure of ₹ 1.81 crore due to failure to convert vehicles for quick response - DDMA/Department did not install the necessary equipment in procured vehicles nor carried out any fabrication work, which was a pre-condition to convert them into Quick Response Vehicles (QRVs), even after a lapse of 25 to 42 months of purchase resulting in unfruitful expenditure of ₹ 1.81 crore.

(Paragraph 2.7)/Page-142

Blockade of funds of ₹ 2.38 crore on purchase and installation of nine V-SAT terminals - Failure of the department in ensuring timely procurement and installation of nine V-SAT terminals resulted in blockade of funds amounting to ₹ 2.38 crore.

(Paragraph 2.8)/Page-143

Department of Social Welfare

Delay in construction of Old Age Homes - Failure of the Department of Social Welfare (DSW) in constructing much needed Old Age Homes at three locations even after a lapse of seven to eight years of possession of the land, deprived the destitute, old and infirm persons of Delhi who are in the age group of 60 years of the much required social support, besides infructuous expenditure of ₹ 2.92 crore.

(Paragraph 2.9)/Page-144

Urban Development Department

Delhi Jal Board

Excess payment of ₹ 2.65 crore due to non-payment of property tax in time
Indecisiveness of the department to pay property tax in time resulted in failure to avail benefit of 15 *per cent* rebate of ₹ 2.59 crore on property tax besides avoidable payment of interest of ₹ 5.41 lakh for the delay in payment.

(Paragraph 2.10)/Page-146

Department of Women and Child Development

Ladli Scheme implemented by GNCTD

Compliance audit of 'Ladli Scheme implemented by GNCTD' was conducted to assess whether scheme was implemented in accordance with Delhi Ladli Rules framed by GNCTD, funds were adequate and utilized in efficient manner and adequate monitoring existed for effective operation and management of the scheme

During the period 2018-22, Department of Women and Child Development (DWCD) did not conduct any survey or prepared any data of intended beneficiaries nor fixed any annual financial or physical targets for covering beneficiaries under the Ladli Scheme. No advertisement campaign or publicity activities for promoting awareness of Ladli Scheme was conducted by DWCD.

(Paragraph 2.11.2)/Page-149

Enrolment of new beneficiaries had decreased by 69 *per cent* from a peak of 1,39,773 in 2009-10 to 43,415 in 2020-21 during the period 2008-09 to 2020-21 whereas enrolment of girl child at birth decreased from 23,871 in 2009-10 to 3,153 in 2020-21.

(Paragraph 2.11.4)/Page-154

DWCD fixed timelines (2022) for registration, renewal and payment of maturity amount to the beneficiaries after a delay of 14 years after inception (2008) of the Scheme.

(Paragraph 2.11.2.3)/Page-150

Despite introduction of online mode for submission of Application, District level offices/DWCD were not using the facility for processing and sanctioning of financial assistance to the beneficiaries.

(Paragraph 2.11.2.4)/Page-152

16,546 duplicate and 131 triplicate Registrations with same Name, Father's name, Mother's name and Date of Birth were noticed in the scheme database which resulted in excess payment of ₹ 11.49 crore to State Bank Life Insurance Company Limited.

(Paragraph 2.11.4.2)/Page-155

78,065 beneficiaries had attained 18 years at the time of enrolment in the scheme, due to which ₹ 180.92 crore (including interest) were lying in the accounts of these beneficiaries.

(Paragraph 2.11.4.3)/Page-156

Further, fund amounting to ₹ 618.38 crore of 3,20,272 beneficiaries was lying unspent/unused with SBIL (31st December 2022) where the beneficiaries had attained the maturity age.

(Paragraph 2.11.5.3)/Page-162

