

## CHAPTER V : MINISTRY OF URBAN DEVELOPMENT

### 5. Delhi Development Authority

#### Construction and Allotment of Houses by Delhi Development Authority

##### Highlights

- The DDA did not prepare budget estimates on realistic basis. The DDA also incurred expenditure in excess of administrative approval and expenditure sanction.
- Works were awarded without ensuring appropriate land use and also without obtaining prior approval of design from local bodies.
- Award of works without ensuring availability of structural designs and materials in time resulted in escalation charges of Rs. 6.83 crore.
- The DDA routinely included normally inadmissible clause 10CC in the lump sum contracts resulting in undue benefit of Rs. 10.71 crore to the contractors.
- Due to improper costing and non-finalization of costing, funds to the tune of Rs. 11.98 crore were blocked.
- There were inordinate delays in disposal of constructed houses to public. Besides, houses were allotted without ensuring basic amenities to people.
- There was no practice in DDA to obtain required certificate from the architect to ensure that the work was executed as per approved drawings and designs.

##### Summary of recommendations

- The revised AA&ES should be obtained from competent authority before incurring expenditure beyond original sanction in excess of 10 per cent of original sanction.
- Works should be awarded after ensuring appropriate land use and unencumbered site.
- Structural drawings and designs and materials should be timely made available to the contractors.

- **Works should be awarded in accordance with relevant codal provisions ensuring that undue benefit is not extended to the contractors.**
- **The DDA should periodically review the cost of construction of houses and take remedial measures so as to control cost of construction.**
- **Houses should be expeditiously sold after their completion. However, allotment of houses should be commenced only after ensuring basic amenities.**
- **Concerted efforts should be made to recover the outstanding dues from defaulter allottees.**
- **Certificate from the architect should be obtained to ensure that the work was executed as per approved drawings and designs.**

## **5.1 Introduction**

The Delhi Development Authority (DDA) was established in 1957 under the provisions of Delhi Development Act to promote and secure the development of Delhi. One of the primary functions of DDA is the development and construction of housing colonies and complexes to meet the housing needs of various sections of the population. Since inception, DDA has undertaken 41 Housing Schemes of which 36 have been closed and five are underway. Houses are constructed for various economic strata such as High Income Group (HIG), Middle Income Group (MIG), Lower Income Group (LIG), Economically Weaker Section (EWS) besides schemes targeted for certain disadvantaged and needy sections such as widows/dependents of soldiers killed in battle, rehabilitation of migrants, jhuggi resettlement, housing for retiring government servants etc.

## **5.2 Organizational set-up**

The DDA is headed by the Lt. Governor of Delhi who is ex-officio Chairman of the Authority. The day to day administration of the Authority is vested in the Vice Chairman, who is assisted by the Member (Finance) and the Member (Engineering). Housing projects/ schemes are planned by the Commissioner (Planning) who is assisted by zone wise Directors (Planning). Structural drawings and designs are prepared and finalized by the Chief Architect & Chief Engineer (Designs).

## **5.3 Audit objectives**

The performance review of the working of the DDA was conducted to assess whether

- adequate financial controls were in position to ensure that works were being executed in accordance with sanctions.
- the works were awarded in accordance codal provisions and after ensuring appropriate land use and unencumbered site.
- execution of works and costing of houses were carried out according to prescribed procedures and specifications.
- allotment of houses was made to the intended allottees as per rules after adequate civic amenities.

#### **5.4 Audit criteria**

Audit criteria for the evaluation of the performance review were derived from the following:

- CPWD Manual and CPWD Code
- Government directives and management instructions/guidelines
- Delhi Schedule of Rates (DSR)
- Government Costing and allotment rules.

#### **5.5 Audit Scope**

Performance audit was conducted to assess the performance of DDA during the period 2002-03 to 2006-07 in the respect of construction and allotment of houses.

Out of six zones, three zones viz., Dwarka, Rohini and East Zone incurring highest expenditure during the period 2002-03 to 2006-07 were selected. All the 20 Works having expenditure more than Rs. 10 crore and 10 works having expenditure less than Rs. 10 crore were selected.

#### **5.6 Audit Methodology**

The performance audit of the DDA commenced with an entry conference on 16 April 2007 with the management in which the audit objectives, scope and criteria were explained. Audit examined the records relating to selected works executed during the period from 2002-03 to 2006-07 in the respective zones along with costing and housing records of DDA. Memoranda containing audit observations were issued to various levels of management, and audit findings were discussed in detail in an exit conference.

#### **5.7 Financial Management and Control**

##### **5.7.1 Budget allocation and expenditure**

The budget allocation, budget estimates and actual expenditure on housing schemes during 2002-03 & 2006-07 are stated below:

(Rupees in crore)

Financial Year	Budget Estimates	Revised Budget Estimates	Actual Expenditure	Percentage of shortfall in actual expenditure vis-à-vis Budget Estimates
2002-03	476.27	295.47	290.58	39
2003-04	607.43	426.52	327.84	46
2004-05	627.13	414.16	344.30	45
2005-06	455.22	282.73	278.15	39
2006-07	506.01	272.34	237.05	53

It would be seen from the above table that the actual expenditure was significantly less than the budget estimates over the last five years. This indicated that the budget estimates were being prepared on an unrealistic basis.

### 5.7.2 Expenditure incurred in excess of Administrative Approval & Expenditure Sanction (AA&ES)

Codal provisions prescribe that expenditure in excess of administrative approval and expenditure sanction should not be incurred without approval of the competent authority, and the revised expenditure sanction should be obtained as soon as the expenditure exceeds 10 *per cent* of the original sanction.

Audit scrutiny brought out the following:

- The competent authority in DDA accorded (February 2000) AA and ES of Rs. 18.86 crore for the work of construction of 102 three-bedroom and 312 two-bedroom houses at Sector-18 A, Dwarka. Audit observed that the DDA got the work of Rs. 24.05 crore executed by the contractor and made payment of Rs. 20.60 crore against Rs 18.86 crore in anticipation of obtaining the revised AA& ES. It was also noticed that the technical sanction from the competent authority for the excess expenditure of Rs. 5.19 crore was also not obtained. This was not only disregard of codal provisions but also diluted the assurance regarding quality of works as well as accuracy of estimates. The revised AA&ES as well as technical sanction were not obtained as of July 2007.
- The DDA incurred an expenditure of Rs. 5.04 crore against the AA&ES of Rs. 4.08 crore for the work relating to construction of 320 LIG houses in Pkt.-2, Block-C, Sector-17, and Rohini. Although the excess expenditure was more than 10 *per cent* of the original AA&ES, the revised AA&ES were not obtained from the competent authority as of July 2007.
- Against the AA&ES of Rs. 23.99 crore for the work relating to construction of 2016 One Room Tenements (ORT) for EWS & 504 shops in Sector-4, Rohini in March 99, the DDA incurred an expenditure of Rs. 26.73 crore, which was in excess of 10 *per cent* of

the original AA&ES. But the revised AA&ES had not been obtained as of July 2007.

### Recommendation

- *Approval of competent authority should be obtained before incurring expenditure in excess of AA&ES and the revised AA&ES should be obtained.*

## 5.8 Targets and Achievements

**5.8.1** Annual plan for construction of houses is formulated by the DDA and accordingly the targets are fixed. Targets and achievements of the Authority regarding construction of new projects/houses and ongoing projects/houses for the last five years up to 2006-07 in respect of all categories of houses (HIG, MIG, LIG and Janta) are stated below:

Year wise summary

Year	New Projects /Houses			Ongoing Projects/Houses		
	Target	Achievement	Shortfall per cent	Target	Achievement	Shortfall per cent
2002-03	18966	2370	16596 (88)	6623	5521	1102 (17)
2003-04	14511	3988	10523 (72)	5919	1676	4243 (72)
2004-05	7943	3356	4587 (58)	12662	9896	2766 (22)
2005-06	10676	1670	9006 (84)	8695	2570	6125 (70)
2006-07	25556	2936	22620 (88.5)	5070	3081	1989 (39)

It is evident from the above table that the DDA could not achieve the targets in any of the year during the last five years. The shortfall ranged from 58 per cent to 88.5 per cent in respect of new projects/houses and in respect of ongoing project/houses schemes, it ranged from 17 per cent to 72 per cent despite the fact that the DDA was having adequate budgetary provisions for construction of houses. No reasons for shortfall were furnished by the DDA.

### 5.8.2 Delay in completion of works

Audit noticed delays in execution of all the 30 works test checked as stated below:

- Although the latest date of completion of these 30 works was June 2006, only 27 works had been completed whereas three had been rescinded.
- None of the 27 completed works was completed in time and the delay ranged from 5 months to 87 months.
- The delays in completion of works led to payment of price escalation charges during the extension period as per clause 10 CC amounting to Rs. 6.83 crore. Besides price escalation charges of Rs. 10.71 crore were paid in case of lump sum contracts.

- Delay in construction led to postponement of benefit of housing to the public.

## **5.9 Award of works**

### **5.9.1 Award of works without proper land use**

Works are awarded by the DDA in accordance with the provisions of the CPWD Manual<sup>1</sup>. Proper planning requires that land is provided to executing agencies after ensuring proper land use and unencumbered site so that execution of works may be carried out efficiently and effectively.

Audit noticed that during the year 2001 and 2002, 29.55 hectare (ha) of land was earmarked for construction of 2756 houses (1424 HIG, 727 MIG and 605 LIG) in South West Zone. The land use of the land earmarked was different from the housing purposes. The DDA awarded the work of construction of these houses without changing land use for housing purposes. As the land was earmarked for other than housing purposes, the Hon'ble High Court of Delhi imposed (September 2002) stay order on construction of houses. Land use was got changed for housing purposes in January 2004. In 2003-04 the executing agencies were asked to restart the works, but the executing agencies did not agree to start the works without revision of terms and conditions. The works were rescinded in 2004-05, and have not been rewarded as of July 2007. Thus, taking up work without obtaining permission for changing the land use, work of construction of 2756 houses could not be commenced as of July 2007.

### **5.9.2 Award of works before submitting plan to local bodies.**

Codal provisions<sup>®</sup> stipulate that to avoid any infringement of building and health bye laws of local Municipal Committee/corporations, building plan should be prepared keeping in view provisions and requirements of these bye laws and before approval of NIT, approval of local bodies to the plan should be obtained. The Senior Architect (Architect) and Executive Engineer (EE) are to furnish the required drawings to concerned local bodies for their approval prior to commencement of the work.

Test check of records revealed that the DDA commenced 13 works out of 21 works (excluding 9 works awarded on lump sum basis) before submitting plan to local bodies. Commencement of work without obtaining approval of the local bodies not only violated codal provisions but could have created complications if designs had been objected to by local bodies.

### **5.9.3 Delay in award of works**

According to provisions of the Manual<sup>©</sup>, work should be awarded within 90 days of the opening of tenders.

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<sup>1</sup> Sections 14 to 19

<sup>®</sup> Para 5.9 of CPWD Manual, Vol.II, 1998 and Section 15.2.1.3 of CPWD Manual 2003)

<sup>©</sup> Clause-22 of Form PWD-6

Test check of records pertaining to 30 works disclosed that the DDA made a delay ranging from 39 to 160 days in awarding nine works. Delay in award of the works *ab-initio* resulted in postponing the time schedule for execution of works. The details are exhibited in **Annex I**.

#### **5.9.4 Award of work without ensuring availability of structural drawings and material**

According to codal provisions<sup>®</sup>, no tender shall be invited unless stipulated materials are available or are likely to be received before the work commences and essential architectural and structural drawings together with specifications are ready for being made available to the contractor at the time of invitation of tenders.

Audit examination of 30 works in 18 divisions revealed that there had been delays ranging from 5 to 87 months in case of 15 works (**Annex II**) due to delay in making available structural drawings and/or materials. As a result, the time extension had to be granted to the contractors and the DDA had to pay Rs. 6.83 crore as price escalation charges during the extension period beyond stipulated date of completion.

#### **Recommendations**

- *Works should be awarded after ensuring appropriate land use and unencumbered site.*
- *The DDA should ensure timely availability of drawings, designs and materials to contractors.*

#### **5.10 Contract management**

Sound contract management stipulates that works are executed in accordance with contractual provisions and the prescribed specifications so that the possibility of undue delay in completion of works, poor quality of works as well as undue payments to the contractors may be eliminated.

##### **5.10.1 Inclusion of clause (10 CC) in the lump sum contract resulted in cost escalation charge of Rs. 10.71 crore to the contractors**

As per the provisions of CPWD code, in case of lump-sum contracts, the contractor agrees to execute a complete work with all the contingencies in accordance with drawings and specifications for a fixed sum, and clause 10CC is not included in the format prescribed for entering into lump-sum contracts (CPWD Form No.12).

Audit scrutiny revealed that out of 30 works, 9 works were awarded on lump-sum basis and in 7 works, clause 10CC was included. Due to incorporation of

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<sup>®</sup> Section 15.2.1.3 of CPWD Manual

clause 10CC in the agreement the DDA had to pay cost escalation charge of Rs 10.71 crore as exhibited in **Annex-III**.

DDA (one division) stated (May 2007) that the works were awarded after obtaining approval of Works Advisory Board which was chaired by the Vice Chairman (DDA). The reply is not tenable as prior specific approval of the Vice-chairman for inclusion of 10CC in the lump-sum contract should have been obtained before inviting tenders.

Thus, routine inclusion of 10 CC clause in 7 works awarded on lump sum basis resulted in undue benefit of Rs 10.71 crore to the contractors.

### **5.10.2 Acceptance of improper document as bank guarantee**

The provisions of the Manual<sup>®</sup> prescribe the format in which bank guarantee bond is to be furnished by the contractor wherever applicable.

Audit observed that as per agreement, the contractor was to provide bank guarantee bond for an amount equal to 5 *per cent* of the contract amount in respect of the following two cases:

<b>Name of the work</b>	<b>Tendered cost</b>
C/o 490 MS HIG in Sector-18B, Dwarka {490 dwelling units}	Rs. 41.63 crore
C/o 457 MS HIG in Sector-18B, Dwarka {457 dwelling}	Rs. 39.79 crore

It was noticed that the contractor furnished the so-called bank guarantee bonds of Rs. 2,07,48,475 and Rs. 1,98,45,915 dated 29 January 2002 issued by State Bank of Saurashtra, New Delhi which were valid upto 3 November 2003. It was noticed that the DDA accepted bank guarantee bonds though these were not in the prescribed format. When the Executive Engineer (EE), WD-8 directed (November 2003) the contractor to extend the validity of bank guarantees, the bank clarified (December 2003) that those were not bank guarantees and denied to bear any type of liability in this regard. But no action was taken by the DDA against the contractor. Again, the contractor furnished (January 2004) bank guarantees of Rs. 1,34,50,000 in place of Rs. 2,08,15,904 and Rs. 1,39,00,000 in place of Rs. 1,98,93,175 issued by UTI bank. UTI Bank confirmed (May 2005) that they had issued only a certificate in the form of a solvency certificate normally issued by the bank and no guarantees were issued by them. The work was rescinded on 5 December 2006. To safeguard its interest of ensuring performance guarantee, the DDA recovered an amount of Rs. 2 crore only from the bills of contractor against the required bank guarantee of Rs. 4.07 crore and no further amount could be recovered as the works had been rescinded on 5 December 2006.

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<sup>®</sup> Para 22.7.1 and Appendix-33 of the CPWD Manual Vol.II

Thus, due to not ensuring the receipt of bank guarantees in prescribed format from the contractor, genuine bank guarantees could not be obtained by the DDA.

### **5.10.3 Extra expenditure due to absence of provision of pro-rata deduction for less consumption of cement**

For preparing NIT, estimates for items of reinforced cement concrete (RCC), works are prepared on the basis of Delhi Schedule of Rates basis.

Scrutiny of records revealed that in case of 4 works out of the 30 works test checked, the NIT included the use of 410 kg and 383 kg cement for M-25 and M-20 grade RCC works. However the works were to be executed as per design mix prepared by the IIT, Delhi. It was noticed that the design mix of the 4 works (**Annex-IV**) approved by the IIT provided for lesser quantity of cement as compared to the schedule of quantities as per NIT. Therefore, provision for prorata deduction for lesser quantity of cement should have been made in the agreements. As no provision for lesser quantity of cement was made in agreements, the contractors were granted undue benefit of Rs 59.43 lakh.

While the (EE), RPD-6 stated (June 2007) that recovery on this account would be made at the time of finalization of bill, other EEs replied that actual weight was worked out taking into consideration the cement requirement as per design mix. Reply is not tenable as cement actually used was less than that considered in the item of estimate for which rates were tendered by the agency.

### **5.10.4 Vitiating of tendered rates on account of significant variation in quantities**

Indian Standard Code (ISC), 1893 for making structures earthquake -resistant was notified by the Indian Standard Institute in November 2002, and provisions of ISC,1893 were to be incorporated in NITs for construction of structures/building works after November 2002.

The DDA invited (February 2005) tenders for construction of 260 LIG houses in Block 'J', Sector 16, Rohini, Phase II, and the work was awarded (June 2005) to the first lowest bidder (L1) at a cost of Rs. 6.01 crore. The second lowest bidder (L2) had been evaluated at an amount higher by Rs. 10000 as compared to the L1.

During the course of execution of work, significant variations in the estimated quantities were noticed by the DDA due to change in design and adoption of ISC, 1893. As a result, the entire tendering process was vitiated as the rates quoted by L1 when compared with L2 were found higher by Rs. 33.18 lakh. Had the DDA prepared the estimates correctly after incorporating provisions of ISC, 1893 in the NIT, Rs. 33.18 lakh could have been saved by awarding the contract to actual lowest tenderer.

### 5.10.5 Irregular payment of Rs. 1.98 crore

Before finalization of the contractor's bill, all the deviated items should be approved by the competent authority. It was, however, noticed in audit that the bills of the contractors were finalized without obtaining approval of the competent authority for the deviated items in case of the following works:

*(Rupees in crore)*

Sl. No.	Name of the work	Amount paid
1.	C/o198 HIG houses in sector-12 , Dwarka	1.41
2.	C/o 448 No. SRT in Sector-16A, Gr.I, Dwarka.	0.38
3.	C/o 480 No.SRT in Sector-16A, Gr.III, Dwarka	0.19
	<b>Total</b>	<b>1.98</b>

Due to finalization of bills of the contractors without the approval of the competent authority, the DDA made an irregular payment of Rs 1.98 crore to the contractors.

### 5.10.6 Non recovery of cess of Rs. 51.66 lakh

The Building and Other Construction Workers' Welfare Cess Act, 1996 provides for the levy of a cess at a rate not exceeding two *per cent* but not less than one *per cent* of the cost of construction incurred by an employer engaged in any construction work.

It was, however, observed that 6 divisions did not recover cess amounting to Rs 51.66 lakh from the final bills of contractors in respect of 8 works.

### Recommendations

- *The DDA should draw up agreements keeping in view codal provisions. Exceptions like inclusion of clause 10CC in lump sum contracts should be made only for exceptional reasons and after proper authorization. Adequate provisions should be made in the agreements for safeguarding interest of the DDA.*
- *Approval of competent authority for extra/deviated items executed should be expeditiously obtained.*

### 5.11 Costing of constructed Houses

After completion of houses by the Engineering Wing, costing of houses is done by the Housing Finance Wing with the approval of Finance Member and the Vice- Chairman as per standard practice adopted by the DDA. Following shortcomings were noticed in finalization of costing of houses:

### **5.11.1 Non inclusion of element of costing of car parking and scooter garages resulted in blocking of funds of Rs. 7 crore**

Before allotment of houses, all the elements of cost of the housing project/scheme should be finalized and included in the cost so that total cost of scheme could be recovered from the allottees.

It was observed that in three housing schemes of Dwarka Zone, costing of car parking space and scooter garages was not finalized before making allotment of houses. It could not be decided whether the car parking space should be allotted on common basis or specific basis i.e., to be attached to a particular house. The rate of recovery of cost of scooter garages was fixed as Rs. 7, 200 per square meter whereas no rate of recovery of cost of car parking space allotted on specific basis existed in the costing procedure adopted by the DDA. If rate of recovery of cost of car parking is treated at par with the rate of recovery of cost of scooter garage, an amount of Rs. 7 crore was blocked due to non-finalization of cost of car parking space and scooter garages in three schemes.

FA (Housing) stated (August 2007) that disposal cost of car parking would be finalised at the time of allotment and issue of demand cum allotment letters to the allottees by the Housing Wing.

The reply of FA (Housing) is not tenable as allotment of these houses commenced in January 2007 and disposal cost of car parking and scooter garages were not included in demand letters.

### **5.11.2 Blocking of funds of Rs. 4.98 crore due to non finalization of the costing.**

The cost of 72 LIG houses which were part of the housing scheme consisting of 504 MIG and 360 LIG in Sector-18-B, Dwarka, could not be finalized as the plinth area of LIG houses was more than the plinth area of MIG houses constructed in the same scheme. Due to non-finalization of cost, these 72 LIG houses could not be put up for disposal and an expenditure of Rs. 4.98 crore remained blocked.

FA (Housing) stated (August 2007) that costing of these flats was not finalized as there was no category or rates to deal with such type of flats in the standard costing. He further added that decision of management wing to re-categorise these flats was still awaited.

### **5.11.3 Increasing trend of construction cost**

The cost of construction and land rates constitute two major cost components for fixation of disposal cost of houses. While cost of land for various categories of houses is taken at predetermined rates (PDR) fixed by the Ministry of Urban Development on 1 April of each year, construction cost is worked out as per standard costing adopted by DDA. As per standard costing,

the Plinth Area Rate (PAR) of construction cost is reviewed/ revised on half yearly basis effective from 1 April and 1 October of each year on the basis of actual costing data of construction received from Engineering Wing. In case no data is received from Engineering Wing in respect of a particular category, PAR for the previous half year is taken as base and increase in the ratio of cost index of CPWD in the relevant period is added to it. No element of profit is added in the disposal cost.

Scrutiny of data pertaining to PAR fixed by the DDA during the period April 2002 to September 2007 revealed that PARs for Janta, LIG, MIG and HIG/SFS category houses increased upto 17 *per cent*, 39 *per cent*, 67 *per cent* & 76 *per cent* respectively. There was increase of 44 *per cent* in CPWD PAR cost index during the period April 2002 to September 2007. Thus in respect of MIG, HIG and all categories of houses, increase in PAR was much higher than the increase in CPWD PAR cost index (44 *per cent*). No efforts were made by DDA to analyse reason for the increase in the cost of houses or to control it.

### **Recommendations**

- *All the elements of cost of the housing project/ scheme should be finalized and included in the cost so that total cost of scheme could be recovered from the allottees.*
- *The DDA should periodically review the increasing trend of cost.*

## **5.12 Allotment of houses**

### **5.12.1 Non-disposal of constructed houses**

After construction of houses by the Engineering Wing and finalization of costing by the Financial Advisor (Housing), houses are allotted by the Commissioner (Housing). The constructed houses are required to be disposed of as early as possible to avoid blockade of funds as well as dilapidation of constructed houses with the passage of time. Audit scrutiny brought out the following:

- As on 31 March 2007, 11650 houses of different categories located at Dwarka, Rohini, Vasant Kunj, Paschim Vihar, Kondli Gharoli and Narela constructed upto 2001-02 were pending for disposal.
- The Housing Department of DDA failed to furnish the information about number of houses of different category pending for disposal as of 31 March 2007 or as of a later date. It was, however, noticed that out of 3721 constructed houses of test checked 10 new housing works completed during 2002-03 to 2005-06, 592 houses were pending for disposal as of 31 August 2007.
- As on 31 March 2006, 7396 HIG/MIG houses (2981 HIG and 4415 MIG) were available for disposal. DDA launched (2006) the “DDA Housing Scheme 2006” but placed for disposal only 3,500 HIG/ MIG

houses out of the available 7396 houses. DDA has launched the following major housing schemes during the period 2002-03 to 2006-07:

Sl. No.	Name of the scheme	Houses proposed for sale in the scheme	No. of applications received.
1.	Dwarka and Sarita Vihar HIG Scheme-2002	1100	5722
2.	Two bed room housing scheme-2004	1500	93775
3.	Festival Housing Scheme – 2004	2500	164177
4.	DDA housing scheme-2006	3500	200506
<b>Total</b>			<b>464180</b>

It is evident that there was tremendous response for allotment of houses from the general public. Despite this, only 3,500 HIG and MIG houses out of the available 7396 houses were placed for disposal in the housing scheme-2006.

Thus inordinate delay in disposal of constructed house not only deprived the public of benefit of housing, but the DDA's funds which would amount to more than Rs 1000 crore also remained locked up while the properties created suffered dilapidation. For instance, possession of six expandable houses at Nasirpur/ Bindapur that were part of "DDA Housing Scheme 2006" was refused by the allottees on the grounds that the houses were very old and were in dilapidated conditions and sufficient infrastructural facilities commensurate with the cost of houses were not available.

#### **5.12.2 Non allotment of houses to long awaiting applicants**

DDA launched New Pattern Registration Schemes, 1979 (NPRS 79) for various categories of houses. As there was no sufficient reservation for Scheduled Caste and Schedule Tribe registrants in NPRS 79, Ambedkar Awaas Yojana, 1989 (AAY 89) was launched. It was observed that while 1043 and 449 applicants in respect of NPRS 79 and AAY 89 respectively were waiting for allotment, there was a closing stock of 9644 LIG houses as on 31 March 2007. Thus, despite sufficient number of houses available for allotment, the intended beneficiaries could not be allotted houses even after waiting for more than 27 years in case of NPRS 79 and 17 years in case of AAY 89.

#### **5.12.3 Non-allotment of constructed houses to the targeted group**

Housing scheme relating to construction of 34 work places and 34 tenements at Mangolpuri was launched with the objective of allotting work places and houses to the Gadia Lohar Community. The scheme was completed on 04 April 2003, and the disposal cost of these houses/shops worked out to Rs. 60.01 lakh as on March 2007. These houses/shops have not been allotted to the community even after an expiry of more than 4 years.

#### **5.12.4 Unnecessary conversion of houses to staff quarters**

75 Type-III Staff quarters were lying vacant as on 30 August 2003. Yet, 79 two bedroom houses having the cost of Rs. 14.27 lakh per house were

converted into category of Type-III staff quarters in September 2003. Out of these 154 quarters, 88 were lying vacant as on 31 March 2007. This indicates that the decision to convert the above houses into staff quarters was not based on proper assessment of need. This led to the blocking of funds amounting to Rs. 11.27 crore.

#### **5.12.5 Allotment of houses without completion certificate**

As a measure of safety, the houses should be allotted after the completion certificate has been recorded by the competent authority. It was observed that in respect of six schemes, 1515 houses were allotted and possessions given to general public without the completion certificate of competent authority, which suggested that safety considerations were grossly overlooked. The details are given in **Annex-V**.

#### **5.12.6 Construction of houses of unacceptable design under Janta category**

Audit test check brought out that the DDA had constructed 7412 one/single room tenements houses in Dwarka and Rohini Zone for the benefit of the economically weaker section of society. The houses were allotted to the wait listed registrants of the Janta category. The allottees of these houses expressed their displeasure/unwillingness to accept these houses as they had different designs as compared to the regular Janta houses. Besides, no kitchen was provided in these flats and the area of these houses was also less than the specified area of the Janta houses. As a result, the DDA amalgamated two units into one unit, and allotted them to Government departments, and economically weaker sections of society were deprived of the benefit of housing facilities.

#### **5.12.7 Allotment of houses without basic amenities**

- To ensure supply of potable water in the housing colonies developed by the DDA, infrastructure fund, calculated on the basis of average water requirement of the area, is required to be deposited with the Delhi Jal Board. It was observed that despite depositing infrastructure fund of Rs. 4.71 crore for seven schemes at Bakkarwala and Rohini with the Board from August 2004 to March 2007, no supply of water was made available by the Board to the housing complex. The water was being supplied through tankers and bore water to the allottees of houses by the DDA.
- The work relating to construction of 2016 ORT in Sector-4, Rohini was awarded with stipulation to complete it by 14 December 1999. The work was still in progress, and only two pockets were completed in 2002 and allotment of houses was made to rehabilitate the Jhuggi Dwellers of Motia Khan. It was noticed that a deposit of Rs. 79.67 lakh was made to Delhi Jal Board as infrastructure fund for supply of water, but water supply was not received from Delhi Jal Board and water was

being supplied through tankers for which an expenditure of Rs. 41.30 lakh had been incurred during the period 2002-03 to 2006-07.

- Five housing projects covering construction of 5496 LIG houses were taken up by the East Zone (Eastern Division 2 & 3) at Bakkarwala. Allotment of houses commenced in March 2007 and up to June 2007, 376 houses were allotted to the general public without ensuring availability of electricity.

#### 5.12.8 Non recovery of installment of houses

According to allotment rules, if an allottee fails to deposit the dues within a period of six months, his allotment may be cancelled. There were huge overdues against the allottees as detailed below:

Year	Amount (in crore of Rs.)
2002-03	874.63
2003-04	941.94
2004-05	858.80
2005-06	909.06
2006-07	836.28

As may be seen from the table, there had been no substantial decrease in the outstanding amount of arrears over the last five years upto 2006-07 indicating that effective efforts were not made to recover the outstanding amount or to cancel the allotment of houses as per prescribed rules. It was also noticed that the exact number of allottees from whom the dues were recoverable was also not available with the DDA.

#### Recommendations

- *Houses should be allotted after their completion without delay.*
- *Allotment of houses should be commenced after ensuring all basic amenities*
- *Concerted efforts should be made to recover the outstanding dues from defaulter allottees.*

#### 5.13 Quality Assurance

As per provisions of the Manual, the Architect of the work should certify on completion of a particular building that it has been constructed according to approved design and specifications. It was, however, observed that out of the 30 housing works test checked in performance audit, no certificate was obtained in respect of 12 works involving construction of 6417 houses from the Architect. DDA did not furnish information in respect of the 18 works. The DDA stated that no such practice was being followed by them.

The reply is not tenable as the certificate is a significant tool for providing reasonable assurance regarding quality of works.

**Recommendation**

- *Certificate from the architect should be obtained to ensure that the work was executed as per approved drawings and designs.*

**Acknowledgement**

Audit acknowledges the co-operation and assistance extended by different levels of management of the DDA at various stages of conducting the performance audit.

The matter was referred to the Ministry in September 2007; their reply was awaited as of December 2007.

**New Delhi**

**Dated:**

**(A.K. THAKUR)**

**Director General of Audit**

**Central Revenues**

**Countersigned**

**New Delhi**

**Dated:**

**(VINOD RAI)**

**Comptroller and Auditor General of India**