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Government of NCT of Delhi

Report No. 2 of the year 2015



Report of the  
Comptroller and Auditor General of India  
on  
Social, General and Economic Sectors  
(Non-Public Sector Undertakings)  
for the year ended 31 March 2014



Government of National Capital  
Territory of Delhi

*Report No. 2 of the year 2015*

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## PREFACE

This Report for the year ended 31 March 2014 has been prepared for submission to the Lieutenant Governor of National Capital Territory of Delhi under Article 151(2) of the Constitution of India.

The Report contains significant results of performance audit and compliance audit of the departments of the Government of National Capital Territory of Delhi under the Social, General and Economic Sectors (Non-Public Sector Undertakings).

The instances mentioned in the Report are those which came to notice in the course of test audit of accounts during the year 2013-14 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; instances relating to the period subsequent to 2013-14 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued (March 2002) by the Comptroller and Auditor General of India.

# Overview



## OVERVIEW

This Report contains five performance audits, i.e., Mid-Day Meal Scheme, Management of Jails, Schemes for Welfare of Persons with Disabilities, Member of Legislative Assembly Local Area Development Scheme and Mechanization of Conservancy and Sanitation Services and 15 paragraphs involving ₹ 189.66 crore relating to excess/ wasteful/ unfruitful/ infructuous/ avoidable expenditure, idle investment, loss, blocking of funds etc. Some of the major findings are mentioned below.

The total expenditure of the State Government increased from ₹ 24319.45 crore to ₹ 32726.31 crore, the revenue expenditure increased by 60.90 *per cent* from ₹ 13900.88 crore to ₹ 22366.52 crore, Non-Plan revenue expenditure increased by 62.74 *per cent* from ₹ 9158.12 crore to ₹ 14904.24 crore and capital expenditure decreased from ₹ 4717.27 crore to ₹ 4707.42 crore during the period 2009-14.

## PERFORMANCE AUDIT

### Mid-Day Meal Scheme

- Out of 18000 children studying in Education Guarantee Scheme and Alternative and Innovative Education centres supported under Sarva Shiksha Abhiyan, only 1154 children were covered during the period 2013-14.

*(Paragraph 2.1.2.1)*

- The enrolment, attendance and retention of children in schools could not be enhanced. In selected primary schools, the average attendance decreased from 74 *per cent* in 2009-10 to 66 *per cent* in 2013-14.

*(Paragraphs 2.1.4.1 & 2.1.4.3)*

- Mid day meals were not served for the prescribed number of days in both Primary and Upper Primary Schools. Out of 2102 samples of cooked meals, a total of 1876 samples (89 *per cent*) failed tests for nutritive value during 2010-14.

*(Paragraph 2.1.5.2 (ii) & (iii))*

- Service providers did not obtain mandatory license from the Food Safety Department and were running their kitchens without 'NOCs' from civic agencies and Fire Department.

*(Paragraph 2.1.5.2 (iv))*

### Management of jails

- Jails were grossly overcrowded as there were 14209 prisoners against the capacity of 6250. Proposals for new jails at Narela, Baprola and Ghitorni could not materialise due to delay or non- acquisition of land. Construction

of Mandoli jail could not be completed due to frequent changes in concept, design and requirements.

*(Paragraphs 2.2.1, 2.2.4.1 (i) and (ii))*

- Control over entry of prohibited items was inadequate, despite incurring huge expenditure on security items such as CCTVs.

*(Paragraphs 2.2.3.5 and 2.2.6.1)*

- The ratio between guarding staff and prisoners was 1:11 to 1:14 as per the sanctioned strength and 1:16 to 1:21 as per actual men in position, against the ideal ratio of 1:6.

*(Paragraph 2.2.3.6)*

- Due to shortage of doctors, medical staff and laboratory facilities, prisoners were referred to outside hospitals on 93224 occasions during 2009-14, out of which, 77232 were only for OPD treatment.

*(Paragraph 2.2.4.4)*

- The accounts for factory operations were not maintained. There were cases of avoidable losses on account of irregularities in award of contracts and costing.

*(Paragraph 2.2.5.1)*

### **Schemes for Welfare of Persons with Disabilities (PwD)**

- The Department did not conduct any independent door to door survey to have a comprehensive database of Persons with Disabilities, residing in Delhi, but relied on census statistics. It did not develop the State Disability Policy to address the issues of PwD.

*(Paragraphs 2.3.2.1 and 2.3.2.2)*

- The Department did not conduct verification of beneficiaries as prescribed and extended undue benefit to ineligible persons.

*(Paragraph 2.3.4.1)*

- Asha Kiran Complex, meant for mentally retarded persons, is over-burdened with 970 inmates against its capacity of 350, whereas it has only 215 caring staff against a requirement of 502.

*(Paragraph 2.3.5(i) and (iii))*

- The State Co-ordination Committee and the State Executive Committee were not regular in holding prescribed meetings. SCC held only four meeting against the prescribed 20 since its inception in November 2004, and SEC met only once against 40 meetings prescribed under the Act.

*(Paragraph 2.3.7.1)*

- The Department runs only six schools with a capacity of 1250 for 52330 disabled children in Delhi. Even these schools were facing shortage of academic staff upto more than 50 *per cent*.

*(Paragraph 2.3.7.3)*

- Government buildings and public places lacked facilities for PwD.

*(Paragraph 2.3.7.6)*

#### **Member of Legislative Assembly Local Area Development Scheme (MLALADS)**

- Guidelines of MLALADS suffered from many deficiencies, leading to absence of clarity and transparency in implementation of the scheme. Several revisions resulted in gradual dilution of MLALADS guidelines.

*(Paragraphs 2.4.2 & 2.4.2.1)*

- UDD sanctioned 248 works of ₹ 39.90 crore without ensuring essential pre-requirements.

*(Paragraphs 2.4.4.2 & 2.4.5.4)*

- Works under the Scheme were primarily intended to create new durable assets. However, 60 *per cent* of the funds in 3160 works involving expenditure of ₹ 277.36 crore was incurred in upkeep and improvement of existing assets and 585 works involving expenditure of ₹ 61.94 crore were not specified in guidelines.

*(Paragraph 2.4.5.1)*

- Works executed by the implementing agencies were marred with several irregularities such as excess expenditure, unauthorized cancellation/ closing of sanctioned works, delay in award and completion of works, award of works without calling of tenders.

*(Paragraph 2.4.7)*

- The UDD did not maintain asset register and stock register for assets created under the scheme. It did not institute any system for the audit of the scheme funds and submission of UCs by the implementing agencies. There was no monitoring mechanism to ensure internal checks and controls for efficient utilization of funds by implementing agencies.

*(Paragraphs 2.4.8.1, 2.4.8.2 & 2.4.8.3)*

#### **Mechanization of Conservancy and Sanitation Services**

- There was no long term planning in the MCsD, with defined objectives of Sanitation Services to be achieved within prescribed timelines. Annual plans were not based on actual requirements.

*(Paragraph 2.5.2)*

- Achievement of MCsD in efficient collection and segregation of garbage was only 17.44 and 25.30 *per cent* during 2013-14.

*(Paragraphs 2.5.3.2 and 2.5.3.3)*

- During 2013-14, only 41 *per cent* of the garbage and 47 *per cent* of construction and demolition waste was processed, while the rest was dumped at Sanitary Land Fills.

*(Paragraphs 2.5.3.6 (i) and (ii))*

- Against a requirement of 600 acres of land for SLFs, only 324.60 acres were allotted by the DDA, out of which only 150 acres of land was found suitable for SLFs.

*(Paragraph 2.5.3.6 (iv))*

- The MCsD failed to provide quality urinal facilities to the general public, inspite of constructing 567 waterless urinals at approximately ₹ 22.96 crore.

*(Paragraph 2.5.3.10)*

- MCsD did not have any system for monitoring its day to day sanitation activities like - sweeping of roads, de-silting of drains, cleaning of urinals, etc.

*(Paragraph 2.5.7 (i))*

## COMPLIANCE AUDIT

### **Integrated Infrastructure Improvement of Government Schools (Roopantar)**

The project was assigned by Directorate of Education (DoE) to Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) without any formal Agreement and detailed scope of work in the absence of which DoE could not ensure that DSIIDC carried out all the work envisaged under the project. Effective monitoring mechanism was absent. Out of 183 schools where works were claimed as completed by DSIIDC, DoE found only 78 completed, 50 under progress, and 55 yet to be verified by Principals of schools. DoE released ₹ 343.13 crore to DSIIDC although the Cabinet approved only ₹ 272.94 crore for the project.

*(Paragraph 3.2)*

### **Department of Health and Family Welfare**

Four newly constructed residential bungalows in Guru Teg Bahadur Hospital were not occupied for more than five years, rendering ₹ 1.26 crore incurred on construction of these bungalows, unfruitful.

*(Paragraph 3.3)*

### **Institute of Liver and Biliary Sciences**

The Institute deviated from its own Business Model, as it was paying regular pay scales and allowances to its faculty members, instead of lump sum package. House Rent Allowance and annual increment, were allowed to the staff at higher than admissible rates and Non-Practicing Allowance to faculty members was paid as against revenue sharing model.

*(Paragraph 3.4)*

### **Department of Labour**

Inaction on the part of the Board and Deputy Labour Commissioners in taking prompt action to recover the cess amount of dishonored/returned cheques, resulted in loss of interest of ₹ 37.10 lakh. Board recovered ₹ 3.95 crore out of ₹ 4.80 crore pointed out in audit.

*(Paragraph 3.6)*

### **Public Works Department**

Public Works Department, GNCTD, entrusted a work costing ₹ 1.77 crore without obtaining prior approval of the Competent Authority and without calling open tenders in violation of the prescribed rules. The work was completed with a delay of 551 days.

*(Paragraph 3.7)*

The Chief Engineer (MZ-3) and Superintending Engineer (M-35) of PWD, irregularly accepted bids of ₹ 13.54 crore for three split-up parts of a single work, in violation of the delegated financial powers.

*(Paragraph 3.8)*

### **Working of Land Acquisition Collectors**

Land Acquisition Collectors failed to complete acquisition processes within prescribed time and to pay compensation before taking possession of land, resulting in avoidable interest payment of ₹ 12.68 crore. Urgency clause was invoked in a routine manner. Prescribed committees for regular monitoring of land acquisition process, were not constituted.

*(Paragraph 3.10)*

### **Department of Transport**

Expenditure of ₹ 9.85 crore was rendered unfruitful, as Department of Transport (DoT) did not initiate any action on feasibility reports for PRT system, as prepared by Delhi Integrated Multi-Modal Transit System Limited (DIMTS).

*(Paragraph 3.12)*

Inadequate planning for the project of e-challaning in the Enforcement Branch of the Department of Transport (DoT), resulted in blockade of funds to the tune of ₹ 1.47 crore in purchase of equipment, which were lying idle for more than three years.

*(Paragraph 3.13)*

#### **Operation of Multilevel Car Parking-cum-Commercial Complexes, by the New Delhi Municipal Council.**

NDMC did not follow the codal provisions in appointing consultant. Undue benefit was extended to the Concessionaire by allowing change in retrieval methodology. Concessionaire short- deposited concession fee of ₹ 96.36 lakh. Non-adherence to statutory regulations led to stalling of Kasturba Gandhi Marg Multilevel Car Parking cum Commercial Complex, blocking of ₹ 9.13 crore and loss of ₹ 11.71 crore due to closed surface parking. NDMC incurred a wasteful expenditure of ₹ 1.22 crore as IE's fee for the stalled project.

*(Paragraph 3.14)*

**Chapter-I**  
**Introduction**

## CHAPTER-I

## INTRODUCTION

## 1.1 Budget Profile

There are 66 departments and 74 autonomous bodies in the NCT of Delhi. The position of budget estimates and actuals there against by the State Government during 2009-14 is given in **Table 1.1**.

**Table-1.1**  
**Budget and expenditure of the State Government during 2009-14**

(₹ in crore)

Particulars	2009-10		2010-11		2011-12		2012-13		2013-14	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
<b>Revenue expenditure</b>										
General services	1304.63	3629.67	1273.48	3728.95	1589.55	4347.23	3128.74	5738.57	5792.69	5597.48
Social services	8370.95	8103.58	9345.57	8718.80	11567.05	10717.11	12616.68	11737.43	13134.81	12314.54
Economic services	1703.20	1650.28	1542.56	1392.46	2253.06	2172.22	2611.64	2350.82	3783.08	3650.00
Grants-in-aid and contributions	521.44	517.35	555.84	541.53	736.23	728.29	833.77	832.53	804.50	804.50
<b>Total (1)</b>	<b>11900.22</b>	<b>13900.88</b>	<b>12717.45</b>	<b>14381.74</b>	<b>16145.89</b>	<b>17964.85</b>	<b>19190.83</b>	<b>20659.35</b>	<b>23515.08</b>	<b>22366.52</b>
<b>Capital expenditure</b>										
Capital Outlay	4883.55	4717.27	4433.08	3984.80	4209.53	4004.27	4835.80	4176.63	4889.22	4707.42
Loans and advances disbursed	5702.05	5701.30	6378.47	6364.73	3404.58	3345.42	4082.37	3734.83	5694.00	5652.37
Repayment of Public Debt	699.50	606.47	800.00	793.06	1090.00	1087.88	1288.00	1287.99	1325.29	1325.29
Contingency Fund	0	0	0	0	0	0	0	0	0	0
Public Accounts disbursements	0	0	0	0	0	0	0	0	0	0
Closing Cash balance	0	3387.70	0	7713.20	0	4636.28	0	1985.75	0	880.65
<b>Total (2)</b>	<b>11285.10</b>	<b>14412.74</b>	<b>11611.55</b>	<b>18855.79</b>	<b>8704.11</b>	<b>13073.85</b>	<b>10206.17</b>	<b>11185.20</b>	<b>11908.51</b>	<b>12565.73</b>
<b>Grand Total (1+2)</b>	<b>23185.32</b>	<b>28313.62</b>	<b>24329.00</b>	<b>33237.53</b>	<b>24850.00</b>	<b>31038.70</b>	<b>29397.00</b>	<b>31844.55</b>	<b>35423.59</b>	<b>34932.25</b>

Source: Annual Financial Statements and Finance Accounts of the State Government.

## 1.2 Application of resources of the State Government

The total expenditure<sup>1</sup> of the State Government increased from ₹ 24319.45 crore to ₹ 32726.31 crore during 2009-14 and the revenue expenditure increased by 60.90 per cent from ₹ 13900.88 crore in 2009-10 to ₹ 22366.52 crore in 2013-14. Non-Plan revenue expenditure increased by 62.74 per cent from ₹ 9158.12 crore to ₹ 14904.24 crore and capital expenditure decreased from ₹ 4717.27 crore to ₹ 4707.42 crore during the period 2009-14.

The revenue expenditure constituted 57.15 to 68.34 per cent of the total expenditure during the years 2009-14 and capital expenditure, 19.40 to 14.38 per cent. During the period, total expenditure increased at an annual average rate of 8 per cent,

<sup>1</sup> excluding repayment of Public debt and cash balances



whereas revenue receipts grew at an annual average rate of 8.87 per cent during 2009-14.

### 1.3 Persistent Savings

In six cases, there were persistent savings of more than ₹ 1.00 crore during the last five years as per the details given in Table-1.2.

**Table-1.2**  
**List of grants with persistent savings during 2009-14**  
(₹ in crore)

Sl. No	Grant number and name	Amount of Savings				
		2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue (Voted)</b>						
1.	Grant No. 3: Administration of Justice	8.49	6.50	8.69	5.00	6.04
2.	Grant No.5: Home	2.56	2.85	6.49	4.89	3.41
3.	Grant No.7: Medical and Public Health	12.22	2.04	7.45	1.93	3.50
4.	Grant No. 11: Urban Development and Public Works Depart	198.93	64.45	300.93	189.87	325.16
<b>Capital (Voted)</b>						
5.	Grant No. 8 : Social Welfare	30.00	10.00	240.75	8.39	97.21
6.	Grant No. 11: Urban Development and Public Works Depart	14.59	8.16	23.32	19.54	20.18

Source: Appropriation Accounts

Reasons for persistent savings under these heads were attributable to non-filling of vacant posts, purchase of less store items, non/less release of grant to MCD under the scheme, non-performance by municipalities, bifurcation of grant, non-implementation of schemes and slow progress of work owing to non-receipt of sanctions in time.

### 1.4 Grants-in-aid from Government of India

The Grants-in-aid received from the GoI during the years 2009-10 to 2013-14 have been given in Table-1.3.

**Table-1.3**  
**Year-wise details of Grants-in-aid from GoI**  
(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Non-Plan Grants</b>	1913.12	2338.71	978.85	333.57	326.91
Grants for State Plan Schemes	1430.94	1743.49	728.54	861.81	581.03
Grants for Central Plan Schemes	60.92	144.81	86.22	57.92	136.78
Grants for Centrally Sponsored Schemes	131.10	130.39	167.03	249.22	358.14
<b>Total</b>	<b>3536.08</b>	<b>4357.40</b>	<b>1960.64</b>	<b>1502.52</b>	<b>1402.86</b>
Percentage of increase (+)/decrease (-) over the previous year	(+) 89.02	(+) 23.23	(-) 55.00	(-) 23.37	(-) 6.63
Revenue Receipts	20451.34	25024.10	22393.17	25560.97	27980.69
Percentage of Revenue Receipts	17.29	17.41	8.76	5.88	5.01

Total grants-in-aid from GoI increased from ₹ 3536.08 crore to ₹ 4357.40 crore during the period 2009-11, but there was significant decrease from ₹ 4357.40 crore to ₹ 1402.86 crore during 2011-14. Its percentage to revenue receipts ranged between 5.01 and 17.41 *per cent*.

### **1.5 Planning and conduct of audit**

Audit process starts with risk assessment of various departments, autonomous bodies, schemes/projects, etc., criticality/complexity of activities, level of delegated financial powers, internal controls and concerns of stakeholders and previous audit findings. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Report containing audit findings is issued to the head of the office with request to furnish replies within four weeks. Whenever replies are received, audit findings are either settled/ or further action for compliance is advised. Important audit observations pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India, which are submitted to the Lieutenant Governor of Delhi under Article 151 of the Constitution of India.

During 2013-14, compliance audit of 142 drawing and disbursing officers of the State and 10 autonomous bodies was conducted by the office of the Principal Accountant General (Audit), Delhi. Besides, five Performance Audits were also conducted.

### **1.6 Response of Government to Audit Report**

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/activities as well as on the quality of internal controls in selected departments, which have negative impact on the success of programmes and functioning of the departments. The focus was on auditing specific programmes/schemes and to offer suitable recommendations to the executive for taking corrective action and improving service delivery to the citizens.

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Principal Accountant General (Audit), Delhi to the Principal Secretaries/Secretaries of the Department concerned, drawing their attention to audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the departments/Government is invariably indicated at the end of such paragraphs included in the Audit Report. Five Performance Audits and 21 paragraphs proposed to be included in the Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) Sectors for the year ended 31 March 2014 were sent to the Principal Secretaries/Secretaries of the respective departments. Of these, replies in respect of two Performance Audits and 21 Audit Paragraphs were not received (April 2015).

## 1.7 Recoveries at the instance of Audit

Audit findings involving recoveries that came to notice in the course of test audit of accounts of the Departments of the State Government, were referred to various departmental Drawing and Disbursing Officers (DDOs) for confirmation and further necessary action under intimation to audit.

Against recovery of ₹ 170.61 crore pointed out in 199 cases during 2013-14, the DDOs concerned had effected recovery of ₹ 1.60 crore (including recovery of previous years) in 28 cases during 2013-14.

## 1.8 Lack of responsiveness of Government to Audit

The Principal Accountant General (Audit), Delhi conducts periodical inspection of Government Departments by test-check of transactions and verifies the maintenance of important accounting and other records as per the prescribed rules and procedures. These inspections are followed by issue of Audit Inspection Reports (IRs). When important irregularities, etc., detected during audit inspections are not settled on the spot, these IRs are issued to the heads of offices inspected. The Heads of offices and next higher authorities are required to report their compliance to the Principal Accountant General (Audit) within four weeks of receipt of IRs.

Based on the results of test audit, 6679 audit observations contained in 1548 IRs outstanding as on 31 March 2014, are given in **Table 1.4**.

**Table-1.4**  
**Outstanding Inspection Reports/Paragraphs**

(₹ in crore)

Name of sector	Inspection Reports	Paragraphs	Amount involved
Social Sector	774	3129	219.56
General Sector	616	3000	256.34
Economic Sector (Non PSUs)	158	550	4682.75
	<b>1548</b>	<b>6679</b>	<b>5158.65</b>

Pendency of large number of paragraphs even after being pointed out in audit, indicated lack of response of the Government departments to Audit.

It is recommended that the Government may take necessary action to ensure prompt and proper response to the audit observations from the departments in a time-bound manner.

## 1.9 Follow-up on Audit Reports

### 1.9.1 Non-submission of suo-moto Action Taken Notes and discussion of paragraphs in PAC

To ensure accountability of the executives to the issues dealt with in various Audit Reports, the administrative departments were to initiate, *suo-moto* Action Taken Notes (ATNs) on all Audit Paragraphs and Performance Audits featuring in the Audit Reports irrespective of the fact that these are taken up for discussion by

the Public Accounts Committee (PAC) or not. These ATNs are to be submitted to the PAC duly vetted by the Principal Accountant General (Audit), Delhi within a period of three months from the date of presentation of Audit Reports in the State Legislature.

It was, however, noticed that out of 29 Performance Audits and 88 Audit Paragraphs featuring in the Civil Chapters of Audit Reports from 2005-06 to 2012-13, *suo-moto* ATNs in respect of 13 Performance Audits and 33 Audit Paragraphs have not been received, while only four Performance Audits and 29 audit paragraphs have been discussed by the PAC, up to 31 March 2014.

**1.10 Year-wise details of reviews and paragraphs appeared in Audit Report**

The year-wise details of Performance Audits and Audit paragraphs that appeared in the Audit Report for the last two years along with their money value are given in **Table-1.5**.

**Table-1.5**  
**Details regarding Performance Audit and Audit paragraphs appeared in Audit Reports during 2011-13**

Year	Performance /Thematic/ CCO Audit		Audit Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Draft paragraphs
2011-12	11	8951.52	7	12.15	3	0
2012-13	7	94.77	8	226.57	4	5

During 2013-14, five draft Performance Audits and 21 draft Audit Paragraphs were issued to the State Government. However, replies in respect of only three Performance Audits were received from the Government/Departments.

Five Performance Audits involving money value of ₹ 43.40 crore and 15 Audit paragraphs involving ₹ 146.26 crore have been included in this Report. Replies, wherever received, have been incorporated at appropriate places.

**Chapter-II**  
**Performance Audit**

## CHAPTER-II

### PERFORMANCE AUDIT

#### Department of Education

#### 2.1 Mid-Day Meal Scheme

Mid-Day Meal Scheme is implemented independently by six implementing agencies in Delhi. The Directorate of Education is the Nodal Agency for implementation of the Scheme and coordinates with the Ministry of Human Resource Development (MHRD), GoI and all other agencies. The significant audit findings are given below:

##### Highlights

- *Out of 18000 children studying in Education Guarantee Scheme and Alternative and Innovative Education centres supported under Sarva Shiksha Abhiyan, only 1154 children were covered during the period 2013-14.*

*(Paragraph 2.1.2.1)*

- *The enrolment, attendance and retention of children in schools could not be enhanced. In selected primary schools, the average attendance decreased from 74 per cent in 2009-10 to 66 per cent in 2013-14.*

*(Paragraphs 2.1.4.1 & 2.1.4.3)*

- *Mid day meals were not served on the prescribed number of days in both Primary and Upper Primary Schools. Out of 2102 samples of cooked meals, a total of 1876 samples (89 per cent) failed tests for nutritive value during 2010-14.*

*(Paragraph 2.1.5.2 (ii) & (iii))*

- *Service providers did not obtain mandatory license from the Food Safety Department and were running their kitchens without 'NOCs' from civic agencies and Fire Department.*

*(Paragraph 2.1.5.2 (iv))*

#### 2.1.1 Introduction

The National Programme of Nutritional Support to Primary Education (Mid-Day Meal Scheme) was launched as a Centrally Sponsored Scheme in August 1995, to boost the universalisation of primary education by increasing enrolment, retention and attendance and simultaneously impact the nutrition of primary students. In Delhi, the scheme is implemented by the Directorate of Education (the Directorate), and by five local bodies<sup>1</sup> independently. The Directorate is the nodal agency and coordinates with other implementing agencies in matters of

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<sup>1</sup> North Delhi Municipal Corporation (NDMC), South Delhi Municipal Corporation (SDMC), East Delhi Municipal Corporation (EDMC), New Delhi Municipal Council and Delhi Cantonment Board (DCB)

allocation and release of budget and liaisons with the Ministry of Human Resource Development (MHRD), GoI. Supply of cooked Mid Day Meal (MDM) to schools in Delhi has been outsourced to various NGOs for which they are supplied with food grains by the Food Corporation of India (FCI).

#### **2.1.1.1 Organisational Structure**

The MHRD acts as the nodal ministry for overall implementation of the scheme in the country and a Programme Approval Board (PAB) of MHRD reviews the status and progress of the scheme in all States. The Principal Secretary (Education) GNCTD, oversees the implementation of the scheme in Delhi and Director, Additional Director, DDE (MDM), ADE (MDM), DDEs (Districts), Education Officers (Zones) of the Directorate, assist him. Head of the School (HoS) and in-charge MDM in the school looks after the implementation of the scheme at the school level.

#### **2.1.1.2 Audit scope and methodology**

The Performance audit, covering the period 2009-14, was conducted between August 2014 and January 2015 by examining the records of two out of 13 districts (East and South) selected through PPSWOR<sup>2</sup> method (with size measure as number of schools in the district) and 60 schools (40 primary schools of EDMC and SDMC and 20 upper primary schools of the Directorate) selected through SRSWOR<sup>3</sup> method. Audit test checked the records of the MDM Branch in the Directorate, Education Departments of EDMC and SDMC. A performance audit of 'Implementation of Mid-Day Meal Scheme in Delhi' was included in Volume II of the Audit Report of C&AG for the year ended March 2006 (Previous Report).

An entry conference was held (October 2014) with the Director of Education to discuss the audit scope and methodology. Exit Conference was held (March 2015) and the reply of the Government received subsequently have been incorporated in the report suitably.

#### **2.1.1.3 Audit objectives**

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

- the scheme was being implemented in a planned manner as to cover all the eligible primary and upper primary level school children,
- funds allocated were being utilized in an economic and efficient manner,

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<sup>2</sup>Probability Proportionate to Size Without Replacement

<sup>3</sup>Simple Random Sampling Without Replacement

- the scheme achieved its objective of enhancing enrolment, retention and attendance in primary education, and improving the nutritional status of children in the primary and upper primary classes, and
- implementation of the scheme was being effectively monitored.

## Audit findings

### 2.1.2 Planning

#### 2.1.2.1 Coverage of EGS/AIE centres and *Madarsas*

Audit observed that there were deficiencies in coverage of EGS<sup>4</sup>/AIE<sup>5</sup> centres and *Madarsas* as Programme Approval Board (PAB), in its meeting (May 2009), directed GNCTD to cover all 18000 children studying in EGS and AIE centres supported under Sarva Shiksha Abhiyan (SSA), during the year 2013-14, however, only 1154 children of three AIE centres and five Deaf and Dumb schools, were covered under the scheme. This was also mentioned in the Previous Report, however, no substantial improvement was noticed.

Government stated (April 2015) that only 2047 children are studying in 19 centres being run by NGOs/*Madrasas* and they will be covered under the scheme from April 2015. The reply indicates flawed planning of the Directorate for identifying and covering all children of EGS and AIE centres. The reply was silent regarding coverage of children under SSA.

#### 2.1.2.2 Non-formulation of plan to create awareness of MDM scheme

The MHRD circular (22 July 2013) provides for creating awareness of MDM scheme among the stakeholders, particularly children and community members, through TV, Radio, Print Media etc. Audit noticed that the Directorate had not formulated any plan for creating awareness of the scheme among the stakeholders. Government stated (April 2015) that efforts would be made to create awareness about the scheme.

#### 2.1.2.3 Delay in implementation of scheme in upper primary schools

The MHRD directed GNCTD in September 2007 to extend the scheme to upper primary schools from the year 2008-09. But, the Directorate extended the scheme to upper primary schools with effect from 29 September 2009 i.e. with a delay of 18 months.

The Government stated (April 2015) that the process for empanelling the Service Providers took a long time which delayed implementation of the scheme in Upper Primary schools.

### 2.1.3 Scheme finances

#### 2.1.3.1 Persistent savings under the scheme funds

The details of funds approved and released by MHRD and GNCTD, and actual

<sup>4</sup>Education Guarantee Scheme

<sup>5</sup>Alternative and Innovative Education



expenditure incurred during 2009-14, were as enumerated in **Table 2.1.1**.

**Table 2.1.1: Funds allocated, released and actual expenditure (2009-14)**

(₹ in crore)

Year	Unspent balance of MHRD funds	Funds released by MHRD	Funds released by GNCTD	Total funds available	Expenditure	Savings (percentage)
2009-10	33.27	19.80	20.32	73.39	61.60	11.79 (16)
2010-11	11.79	85.53	20.69	118.01	94.96	23.05 (20)
2011-12	23.05	65.62	22.21	110.88	107.83	3.05 (3)
2012-13	3.05	85.24	20.67	108.96	99.35	9.61 (9)
2013-14	9.61	99.48	37.72	146.81	117.09	29.72 (20)
<b>Total</b>	<b>80.77</b>	<b>355.67</b>	<b>121.61</b>	<b>558.06</b>	<b>480.83</b>	<b>77.23 (14)</b>

Source: Information furnished by Directorate

Thus, there were persistent savings during last five years, ranging up to 20 per cent.

Government stated (April 2015) that delay in grant of instalment of funds on the part of MHRD resulted in under-utilisation of funds.

### 2.1.3.2 Late receipt and utilisation of funds

As per MDM guidelines, second instalment of funds should be released by MHRD during September/October of each year, based on the progress of expenditure incurred out of first instalment and the State Finance Department should release scheme funds expeditiously. In Delhi, the Directorate proposes agency-wise allocation to the Finance Department for approval and after getting the approval, releases funds to all the implementing agencies. Audit scrutiny showed late receipt of funds from MHRD and non-release/delayed release of funds to the implementing agencies by the State Government, as discussed below:

- (i) The Finance Department, GNCTD received funds of ₹ 30.49 crore for the year 2010-11 in the month of April 2011 from MHRD, which could not be utilized during 2010-11. Similarly, ₹ 5.83 crore for the year 2011-12 and ₹ 27.32 crore for 2012-13, received in February 2012 and March 2013 respectively, could not be utilised during the respective financial years.
- (ii) Funds of ₹ 10.45 crore for the year 2013-14, received by the Finance Department in January 2014, were not released to implementing agency as of 31 March 2014.
- (iii) The Directorate released ₹ 10.11 crore, ₹ 78.80 lakh and ₹ 4.98 lakh to MCD, NDMC and DCB on 29 March, 31 March and 30 March 2011 respectively, but these were received by the agencies after closing of the financial year (April 2011).

Government stated (April 2015) that there are several steps involved in release of funds after receipt of funds from MHRD which causes unavoidable delays. It further stated that efforts would be made to obtain timely funds from MHRD as well as Finance Department, GNCTD.

### 2.1.3.3 Under-utilization of the Management, Monitoring and Evaluation Fund

As per MHRD circular (June 2010), 50 per cent grant of central assistance for Management, Monitoring and Evaluation (MME) should be utilized by schools on purchase of stationery and soaps etc. and 50 per cent by the implementing agencies on hiring of manpower, external monitoring and evaluation and publicity etc. Audit observed that the implementing agencies utilised only ₹ 4.69 crore against ₹ 12.01 crore released by MRHD under MME. The underutilisation was between 35 and 84 per cent of the funds during 2009-14.

Government stated (April 2015) that instruction would again be issued to the implementing agencies for utilisation of MME funds and Directorate would also take more care in the matter. However, the fact remains that the Department did not address this issue despite being pointed out in the Previous Report.

### 2.1.4 Impact on enrolment of children in schools

#### 2.1.4.1 Children enrolled and covered

The details of children enrolled and who availed the benefit of MDM during the period 2009-14, are shown in **Table 2.1.2**.

**Table 2.1.2: Details of children enrolled and who availed the benefit of MDM**

(Nos. in lakh)

Year	Enrolment of children			Number of children availed MDM			Percentage covered
	Primary	Upper Primary	Total	Primary	Upper Primary	Total	Total
2009-10	11.75	6.98	18.73	8.23	4.89	13.12	70
2010-11	11.31	4.90	16.21	8.14	3.53	11.67	72
2011-12	11.53	6.68	18.21	7.84	4.54	12.38	68
2012-13	11.61	7.13	18.74	7.55	4.64	12.19	65
2013-14	11.34	7.12	18.46	7.37	4.63	12.00	65

As is evident from the table, total enrolment decreased from 18.73 lakh in 2009-10 to 16.21 lakh in 2010-11, then it increased to 18.74 lakh in 2012-13 and again decreased to 18.46 lakh in 2013-14. The percentage of children who availed the benefits of MDM declined from 70 per cent in 2009-10 to 65 per cent in 2013-14 except in 2010-11 when it was 72 per cent. This issue was pointed out in the Previous Report also.

Further, Audit noticed that the Directorate neither fixed any target for increasing the enrolment of children in schools nor initiated concrete steps to create awareness for increasing the enrolment. Twenty one out of 40 primary schools organised *Pravesh Mela*<sup>6</sup> and *Prabhat Pheri*<sup>7</sup> etc. in the month of July, for increasing the enrolment.

Government stated (April 2015) that only those students who are present in the school are served the MDM. Further, continuous efforts are being made for increasing enrolment by issuing advertisement in the month of April for “*Dakhila Abhiyaan*”<sup>8</sup> in MCD/Directorate schools and members of School Management Committee are sensitized to increase enrolment.

#### **2.1.4.2 Drop out of children from schools**

In case of selected primary schools, 5749 children dropped out, while 1235 children dropped out from selected upper primary schools, during 2009-14. Yearly drop out of children ranged from 1306 to 1007 in selected primary schools and 97 to 362 in upper primary schools. The issue was also pointed out in the Previous Report.

Out of the total 60 selected schools, Heads of 29 primary and one upper primary schools attributed the reasons for drop out, to poverty, liability of caring siblings, change of residence, etc. Government stated (April 2015) that maximum reported drop outs were most probably due to migrant issues.

#### **2.1.4.3 Impact on attendance of children in schools**

The data provided by the Directorate showed that the scheme had a mixed impact on attendance of children in schools. In selected primary schools, average attendance decreased from 74 *per cent* in 2009-10 to 66 *per cent* in 2013-14 whereas it increased from 74 *per cent* in 2009-10 to 78 *per cent* in 2013-14, in upper primary schools. Since the main objective of the scheme was to increase enrolment, retention and attendance of children in primary education, the decreasing trend in attendance in primary schools indicated that the scheme could not achieve the desired impact on attendance. The issue of decrease in attendance was pointed out in the Previous Report also.

Government stated (April 2015) that there is no minimum attendance criteria as per Right to Education (RTE) Act 2009. The reply is silent with regard to action taken to arrest decreasing trend.

### **2.1.5 Appraisal of activities relating to improving the nutritional status of children**

#### **2.1.5.1 Allocation, lifting and utilisation of food grains**

**(i) Utilization of food grains:** Scheme provides for supply of food grains

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<sup>6</sup>Admission camp

<sup>7</sup>Morning procession of teachers with students

<sup>8</sup>Enrolment drive

free of cost by GoI at a rate of 100 grams per child per school day for primary students and 150 grams for upper primary students. The food grains are allotted by the MHRD on the basis of plan approved by the PAB. The overall position of food grains allocated, lifted and utilized by all the six agencies in Delhi during 2009-14, is given in **Table 2.1.3.**

**Table 2.1.3: Food grains allocated, lifted and utilized**

(Quantity in Metric Tonnes)

Year	No of children (as on 30 <sup>th</sup> Sep. of previous year)		Opening Balance		Food grains allocated		Food grains lifted		Food grains utilised	
	Primary	Upper Primary	Primary	Upper Primary	Primary	Upper Primary	Primary	Upper Primary	Primary	Upper Primary
2009-10	1175365	698118	-2021.57	0	20290.86	21162.84	17929.22	7666.43	16124.67	7452.37
2010-11	1131264	489944	-217.02	214.06	18899.98	17935.94	15051.95	13330.67	15312.96	12831.84
2011-12	1152596	668204	-478.025	712.89	18900	15787.1	16388.6	14148.24	16094.25	13724.69
2012-13	1161129	713378	-183.67	1136.45	17262	14722.22	15696.4	11805.32	14692.55	13479.11
2013-14	1133901	711763	818.18	-535.48	14390.58	14748.52	13621.57	14703.1	14330.58	13369.17
<b>Total</b>	<b>5754255</b>	<b>3281407</b>	<b>-2082.105</b>	<b>1527.92</b>	<b>89743.42</b>	<b>84356.62</b>	<b>78687.74</b>	<b>61653.76</b>	<b>76555.01</b>	<b>60857.18</b>

Source: Directorate of Education.

It can be seen from the above table that during the period 2009-14, only 140341.50 MTs of food grain (81 *per cent*) was lifted by the six implementing agencies against an allocation of 174100.04 MTs. Government stated (April 2015) that the observation is a matter of record. It was also stated that food grains are lifted as per the actual requirement based on the attendance of children. The contention of the Government is not correct as negative figures in opening balance indicate that service provider had to utilise his own food grains.

**(ii) Non-availability of buffer stock of food grains:** As per MDM guidelines, district administration should ensure that every consuming unit maintains a buffer stock of food grains required for a month to avoid disruption due to unforeseen exigencies. Audit noticed that service providers did not maintain prescribed buffer stock for one month as they received food grains after 30 to 50 days of serving the meals. The Directorate attributed (January 2015) delay in lifting of food grains to administrative reasons. The reply is not acceptable as the availability of buffer stock for one month is a codal requirement under MDM norms. Besides, use of own food grains by the service providers raises questions on quality of food grains used.

Government stated (April 2015) that now food grains are lifted and distributed among the service providers in advance every month and directions will be issued to Service Providers to maintain buffer stock.

**(iii) Sub-standard food grains in Kitchens:** The PAB in its meeting (April 2012) took note of the outcome of field visit by the CSDS<sup>9</sup>, which found that the food grains at the time of lifting were being received as grade 'A' but the same

<sup>9</sup>Centre for Study of Development Societies

quality of food grains did not reach the MDM kitchen. The available stock of food grains at Central Kitchen of a service provider (M/s Maitri Research and Development Foundation) in South West Delhi was not of Fair Average Quality (FAQ). The rice was found substandard, infested with worms and contained non-grains elements requiring extensive cleaning. Special Secretary (Education), GNCTD informed in a meeting (3 April 2012) that matter was under examination and appropriate action would be taken. Audit, however, observed that the Directorate took no action against the defaulter.

Government stated (April 2015) that empanelment of the testing lab through e-tender is under process. The reply is, however, silent on action taken on the findings of CSDS.

### **2.1.5.2 Cooking and supply of meals in schools**

**(i) Interruption/stoppage in supply of cooked meals:** Scrutiny of records in selected schools showed following cases of interruption in supply of cooked meals:

- Due to supply of contaminated meal by a service provider (M/s Rao Raghubeer Singh Sewa Samiti) on 25 November 2009 in SKV School, Trilok Puri, 126 children were hospitalized and the supply of meals remained suspended for 10 days.
- Cooked meal was not supplied on four days in the GBSS School, Village Dera. The Principal attributed the non-supply of meals to damage of vehicle of service provider who made no alternative arrangement.
- In selected schools, the cooked meal was returned on eight occasions in 2009-10 and on one day in 2010-11, due to sub-standard quality of cooked meal.
- During the period from May 2012 to May 2013, a total of 55216 (45 *per cent*) cooked meals were not taken by the students of the Government Co-Education Senior Secondary School, Bhati Mines, though the total attendance of students was 123275. The Principal attributed the reasons for not taking the MDM to the supply of sub-standard meals by the supplier.

Government stated (April 2015) that Service Provider (M/s Rao Raghubeer Singh Sewa Samiti) has been suspended from the panel. Further, in case of non-supply of MDM in Village Dera School, payment of four days was deducted from the bill. In cases of return of food in eight schools, it was stated that MDM Committee was vigilant before serving the meal, thus sub-standard food was not served to children. In case of Bhati Mines School, it was stated that students were not interested to take the MDM, but now all the students are taking meals. The reply is silent as to the action taken to prevent disruption in supply of MDM.

**(ii) Supply of meals on less than prescribed days:** Against a target of 210 working days in a year fixed by PAB, meals were served on 179 to 209 working days, in 169 out of 200 test checked cases<sup>10</sup>. In upper primary schools, against a target of 220 days (210 for 2009-10), supply of meals ranged from 160 to 206 days, in all 76 test checked cases. This issue was also pointed out in the Previous Report.

Government stated (April 2015) that sometimes MDM is returned due to different reasons which, in turn, reduce the number of days MDM was supplied. It further stated that EDMC and SDMC had achieved the target of 200 days in a year. The fact, however, is that the target set by the PAB was not achieved.

**(iii) Failure of cooked food samples:** As per guidelines for engagement of NGOs, performance of NGOs should be assessed through a credible system of evaluation and renewal of MoU for the next year, should depend on performance. As per agreements, Service Providers were to supply cooked meal of prescribed nutritive value<sup>11</sup>. It further stipulated that if sample report of MDM fails in nutritive value in a particular menu continuously, agreements were liable to be cancelled. Audit scrutiny showed that 2102 samples of cooked food from 37 service providers were tested by SRIIR<sup>12</sup> during 2010-14, out of which 1876 samples (89 *per cent*) failed. In case of the selected districts of the Directorate for 2013-14, the failure rate was 100 *per cent*. The Directorate levied a total penalty of ₹ 77.25 lakh on these 37 defaulting service providers. Out of these it extended the supply orders of 31 service providers on 31 March 2014. This included 12 service providers who were penalised every year for the past four years, thereby indicating continuous failure.

In SDMC, 44 out of 137 samples failed during 2012-14 whereas, in EDMC, 113 out of 249 samples failed to meet the prescribed values of calories and protein during 2011-14. EDMC and SDMC neither levied any penalty nor discontinued the services of service providers for supplying substandard meals.

Government stated (April 2015) that EDMC has issued show cause notices to all service providers for failure of samples and action would be taken against the service providers on the analogy of policy adopted by the Directorate. However, the reply is silent regarding reasons for extending supply orders of defaulting service providers.

**(iv) Non-obtaining of required licenses and certificates by service providers:** As per the Food Safety and Standard Act, 2006, Service Providers are required to obtain license from the Food Safety Department, GNCTD. Further, as per conditions of agreements, service providers had to obtain 'No Objection Certificates' from the Health Department of MCD and from the Fire Department,

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<sup>10</sup> 40 selected primary schools x 5 years =200 cases.

<sup>11</sup> (i)450 K calories and 12 grams of protein in primary schools (ii) 700 K calories and 20 grams of protein per meal in upper primary schools

<sup>12</sup>Shriram Institute for Industrial Research

GNCTD. Other clearances and health certificates for its employees were also to be obtained. Audit observed that the required licenses and clearances/certificates were not obtained by any service provider during 2009-14 inspite of being pointed out in the Previous Report.

Government stated (April 2015) that 23 Service Providers (out of 31) have obtained the required Food Safety Licenses and fresh directions would be issued to the Service Providers for obtaining the requisite certificates. However, the fact is that the licenses were obtained after being pointed out in audit.

**(v) Non-compliance of general instructions issued by the Directorate:**

The Directorate issued (December 2009, September 2010 and January 2012) general instructions to be followed for implementation of the MDM scheme. Audit observed that these instructions were not being followed as detailed below:

**(a)** Scrutiny of inspection reports of EO (Zone-I)<sup>13</sup> and EO (Zone III)<sup>14</sup> of East district showed that either pest control was not carried out or records in this regard were not maintained by service providers. Thus, audit could not derive an assurance on regular fumigation and pest control in the kitchens.

**(b)** As per agreement, service providers were required to install and maintain water purification systems in their kitchens. Test check of inspection reports of respective DDEs and EOs showed that water purification systems were either not installed or not working in the kitchens of - (i) M/s Jan Chetna Jagriti Shaikshan Vikas Manch, (ii) M/s Dalit Prahri, and (iii) M/s Bhartiya Manav Kalyan Parishad.

**(c)** During visits to selected primary and upper primary schools, Audit observed that food distributors did not wear aprons, headgears and gloves in some of the schools. Also, identity cards were not issued to them in 24 primary and four upper primary schools.

**(d)** Training to Cook-cum-Helpers (CCH) was not being provided by the Directorate.

With regard to issues raised at (a) to (c), the Government stated (April 2015) that necessary instructions would be issued. As regards Training to Cook-cum-Helpers, it was stated that a list of 60 CCHs engaged by Service Providers, for training through Ministry of Tourism, GoI, had been forwarded to MHRD in February 2014, but no response was received.

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<sup>13</sup> November and December 2010 and November 2011

<sup>14</sup> April and August 2013

**2.1.5.3 Issues relating to nutrients, nutritional level and health check-ups**

(i) **Non-use of double fortified salt in meals:** It was observed in audit that service providers were not using double fortified salt for cooking of MDM as stipulated in guidelines. Government stated (April 2015) that instructions to all Service Providers would be issued afresh.

(ii) **Provision of micro-nutrient for children:** The MDM guidelines (2006) provide for appropriate interventions for micro-nutrient supplementation and de-worming through administration of (a) six monthly dose for de-worming and Vitamin-A supplementation, (b) weekly supplement of Iron, Folic-Acid, and Zinc, and (c) other appropriate supplementation depending on common deficiencies.

The School Health Programme is run in the schools of Directorate under Chacha Nehru Sehat Yojana. In MCsD schools, it is run by respective Health Departments. Under these programmes, health check-up of the students is done in the schools and micro-nutrients, Vitamin A, de-worming tablets, Iron, Folic-Acid and Zinc tablets, are distributed to the students. Audit scrutiny of records showed that -

(a) In nine selected upper primary schools, tablets of Iron and Folic-Acid were provided only 1 to 5 times during the period 2009-14, whereas in four schools, records of distribution of tablets were not available. In 13 schools, tablets of de-worming were provided only 1 to 5 times and in four schools, record was not available.

(b) In 16 selected primary schools, tablets of Iron and Folic-Acid were provided only 1 to 5 times during the period 2009-14, whereas in four schools these were not distributed. In 32 schools, tablets of de-worming were provided only 1 to 5 times during 2009-14. In six schools, records of distribution of tablets were not available.

Government stated (April 2015) that weekly Iron folic acid supplementation programme is being implemented through class teachers/Nodal teachers of the school and records in this regard are maintained in registers as well as online. Reply does not reflect factual position as audit observation is based on the registers maintained by the concerned schools and information furnished by the HoSs.

(iii) **Health check-up of the children:** As per information furnished by 60 selected schools for the period 2009-14, a total of 513 health check-up camps were held, covering 66524 children. It was seen that in two primary and four upper primary schools, no health check-up camp was held. In two primary schools and 16 upper primary schools, camps were not held even once a year. Records relating to these health camps further showed that 412 children of five primary schools were found underweight and 1187 children of 10 primary schools were anaemic. Particularly in MCP School, Chhatarpur, number of anaemic children was as high as 40 *per cent* (360 out of 900) in 2012-13 and 28 *per cent* (224 out of 801) in 2013-14.



Government stated (April 2015) that under Chacha Nehru Sehat Yojana, total 17.66 lakh students were screened of any disease, deficiency and disability in various Delhi Government and Government Aided schools from November 2011 to December 2014. The reply does not address the issue of non-conducting of regular health check-up.

## **2.1.6 Monitoring and evaluation**

### **2.1.6.1 Formation of Steering-cum-Monitoring Committee and its meetings**

The MHRD circular (30 August 2010), envisages setting up of Steering-cum-Monitoring Committees (SMCs) at the State, district and school levels to oversee the implementation of MDM scheme.

Audit observed that the State SMC met only four times during 2009-14, as against a minimum of ten meetings (once in six month). Similarly, against the target of 50 meetings of Zonal SMC during 2009-14, only 18 and 5 meetings were held in Zone 23 and Zone 24 of South District respectively. In three zones of East District, only 18, 16 and 7 meetings were held. No SMC was constituted at Zonal or district level in EDMC and SDMC.

Out of 60 selected schools, SMCs were not formed in three primary and four upper primary schools. In seven primary and seven upper primary schools, though SMCs were formed, no meeting was held. In 28 primary schools, number of monthly meetings was between five and 120 and in three upper primary schools, it was between one and thirty.

Government stated (April 2015) that state SMC meetings would be held in every six months and instructions will be issued for holding regular meetings of Zonal and School SMCs. Further, it also stated that EDMC and SDMC have adopted a mechanism for discussing the issues related to implementation of MDM at schools level. However, the fact remains that EDMC and SDMC did not have any Zonal SMCs.

### **2.1.6.2 Non-preparation of monthly monitoring reports**

DDEs were required to monitor the working of the Committees of MDM at zonal and school level, and submit monthly reports in this regard, to the Additional Director of Education (MDM), through e-mail. Audit observed that monthly reports were not sent to Headquarters by the DDEs.

Government stated (April 2015) that instructions would be issued to all Deputy Directors of Districts in this regard.

### **2.1.6.3 Non-compliance of measures regarding quality of raw food grains:**

The MHRD circulated instructions (February 2010) to be followed by all States with a view to ensure quality of raw food grains to be lifted from FCI godowns and timely payment to the FCI for the same. Audit observed that :

- No such joint inspection with FCI was conducted by the Directorate and EDMC during 2009-14.

- No system was in place for lifting of samples jointly in the presence of officials of GNCTD and FCI.
- Regular meetings with FCI regarding lifting, payment and quality of foodgrains were not conducted.

Issues relating to joint inspections and joint lifting of samples were pointed out in the Previous Report also.

Government stated (April 2015) that according to need, efforts would be made to conduct joint inspections and meetings as prescribed.

#### **2.1.6.4 Non-conducting of regular monthly visits to schools**

As per general instructions issued by the Directorate, all EOs were to visit each school of their zone at least once in a month at the time of distribution of MDM for monitoring purpose. On being asked about the periodicity of such visits, EOs (Zone 23 and 24) of South District and EOs of Zone 1, 2 and 3 of East District stated (December 2014 and January 2015) stated that they visited schools as and when required. However, school-wise details of visits were not available with EOs. Government stated (April 2015) that instructions shall be issued to all the DDEs of the districts and EOs of zones to adhere to the general instructions.

#### **2.1.6.5 Short visits to kitchens by DDEs and EOs**

DDEs were required to visit kitchens of service providers in their areas at least once a month and EOs once a fortnight. Against a target of 60 visits during 2012-14, only seven visits were made whereas records of visits for 2009-12 were not available. DDE (South) visited kitchens only five times during the period 2009-14. Records of visits by EOs (Zone 23 and 24) of South District and EOs of Zone 1, 2 and 3 of East District were not available. Government stated (April 2015) that instructions shall be issued to all the DDEs of the districts and EOs of zones to visit the kitchens as per extant orders.

#### **2.1.6.6 Redressal of grievances**

As per the Directorate circular (13 September 2010), all Heads of Schools should maintain a register for redressal of complaints/grievances/suggestions. Audit scrutiny, however, showed that 13 out of 40 selected primary and 10 out of 20 selected upper primary schools, did not maintain such registers.

Government stated (April 2015) that instructions has been issued in April 2014 and January 2015 to constitute a committee under the chairmanship of Districts Deputy Director for redressal of grievances relating to MDM.

#### **2.1.7 Conclusion**

The Directorate failed to cover children studying in AIE/EGS centres as targeted by the PAB. It also did not formulate any plan for creating awareness about the scheme. There were persistent savings in overall allocated budget and delays in release of funds by MHRD. In selected primary schools, average attendance

decreased and coverage of children under MDM also declined. Service providers did not maintain prescribed buffer stock of food grains for one month. There were cases of interruption/stoppage of supply of cooked meal or its non-acceptance by the students due to various reasons like – suspended supply, damage to the vehicle of service providers, and supply of sub-standard meals. Majority of the samples of cooked food failed to meet the standard nutritive value. The Directorate extended the supply order of MDM suppliers, who had been repeatedly penalised. In schools, health check-up of children was not done regularly. The monitoring and inspection of lifting and transportation of food grains, kitchens, and distribution of cooked meals, at the level of DDEs and EOs, was lacking.

### **2.1.8 Recommendations**

The Government may -

- (i) conduct yearly review of the status of enrolment of children studying in the AIE and EGS centres,*
- (ii) conduct more programmes like 'Dakhila Abhiyan' and 'Prabhat Pheris' to create awareness amongst the general public to enhance enrolment,*
- (iii) ensure that the food supplied by the service providers conforms to the prescribed standards of nutritive value, and*
- (iv) strengthen the monitoring mechanism by regular inspections of schools, kitchens and holding of SMC meetings at State, Zonal and School levels.*

## Department of Home

### 2.2 Management of jails

The Central Jail Delhi at Tihar, consisting of nine jails and district jail at Rohini with a total capacity of 6250 prisoners, is one of the largest prison complexes in Asia. Jails are administered under the Delhi Prisons Act, 2000. The significant audit findings are as under:-

#### *Highlights*

- *Jails were grossly overcrowded as there were 14209 prisoners against the capacity of 6250. Proposals for new jails at Narela, Baprola and Ghitorni could not materialise due to delay in or non- acquisition of land. Construction of Mandoli jail could not be completed due to frequent changes in concept, design and requirements.*

*(Paragraphs 2.2.1, 2.2.4.1 (i) and (ii))*
- *Control over entry of prohibited items was inadequate, despite incurring huge expenditure on security items such as CCTVs.*

*(Paragraphs 2.2.3.5 and 2.2.6.1)*
- *The ratio between guarding staff and prisoners was 1:11 to 1:14 as per the sanctioned strength and 1:16 to 1:21 as per actual men in position, against the ideal ratio of 1:6.*

*(Paragraph 2.2.3.6)*
- *Due to shortage of doctors, medical staff and laboratory facilities, prisoners were referred to outside hospitals on 93224 occasions during 2009-14, out of which, 77232 were only for OPD treatment.*

*(Paragraph 2.2.4.4)*
- *The accounts for factory operations were not maintained. There were cases of avoidable losses on account of irregularities in award of contracts and costing.*

*(Paragraph 2.2.5.1)*

#### 2.2.1 Introduction

The Central Jail, Delhi at Tihar consists of nine jails with a total capacity of 5200 prisoners and is one of the largest prison complexes in Asia. The district jail at Rohini (DJR) has a capacity of 1050 inmates. The jails are administered under the provisions of the Delhi Prisons Act, 2000 (the Act), which came into effect from 25 October 2004, superseding the Prisons Act, 1894. There were 14209 prisoners against the capacity of 6250, including 10849 under trials, 3354 convicts and 06 detainees, lodged in jails as on 31 March 2014.

##### 2.2.1.1 Organizational structure

The Delhi Prisons functions under the overall administrative control of the Home Department of the Government of National Capital Territory of Delhi. The

Director General of Prisons is the Head of the Prison Department, who is assisted by Additional Inspector General and Deputy Inspector General of Prisons. Jail Superintendents head each of the nine jails and Deputy Superintendents, Assistant Superintendents, Head Warders and Warders assist them. A Resident Medical Officer heads the Medical Administration of all jails.

The Jail staff perform the custodial duty of the prisoners, while the Tamil Nadu Special Police, Indo Tibetan Border Police and Central Reserve Police Force take care of external security, patrolling, search etc. A battalion of Delhi Armed Police handles the escorting of prisoners to the courts, hospitals etc.

#### **2.2.1.2 Audit objectives**

The audit objectives were to ascertain whether:

- financial management was efficient,
- custody and detention of the prisoners was safe and secure,
- facilities and privileges as envisaged in Delhi Prisons Rules, were being provided to the prisoners ,
- reformative and rehabilitative activities were consistent with the objectives of the Act and the Rules, and
- schemes and projects were implemented with economy, efficiency and effectiveness.

#### **2.2.1.3 Scope of audit**

The Performance Audit covering the period 2009-14 was conducted between April and September 2014. Four out of nine jails in the Tihar Jail Complex (Jail number 1, 2, 3, and 6) and DJR, which contain main store, factory units, armoury and central jail hospital, were selected for detailed audit scrutiny. Records of the Prison Department and five PWD divisions entrusted with the construction and maintenance of jails were also scrutinized. The Public Accounts Committee (PAC) recommendations on previous Performance Audit printed in the Report for the year ending March 2005 (Previous Report) discussed the problem of overcrowding in jails. An entry conference was held (May 2014) with DIG (Prisons) to discuss the scope, objectives and methodology of performance audit.

The draft performance audit report was referred to the Government and discussed in an exit conference (March 2015) with the Director General (Prisons) and comments subsequently received from the DG (Prisons), have been suitably incorporated in the report.

#### **2.2.1.4 Audit criteria**

The audit criteria have been derived from the following sources:

- The Delhi Prisons Act, 2000,
- The Delhi Prisons Rules,
- The General Financial Rules, and
- Instructions and orders issued by GNCTD from time to time.

## Audit findings

### 2.2.2 Financial management

The budget allocation and expenditure of the Delhi Prison for the period 2009-14, were as given in **Table 2.2.1**.

**Table: 2.2.1 Budget allocation and expenditure (Revenue)**

(₹ in crore)

Year	Plan			Non Plan		
	Allocation	Expenditure	Saving	Allocation	Expenditure	Saving
2009-10	3.15	3.03	0.12	111.75	111.02	0.73
2010-11	4.48	4.45	0.03	114.73	114.33	0.40
2011-12	8.36	8.29	0.07	132.58	132.08	0.50
2012-13	14.50	13.57	0.93	155.89	155.30	0.59
2013-14	12.10	10.27	1.83	164.16	139.27	24.89

Source: Information provided by Prisons Headquarter

During the period 2009-13, almost all the allocated funds were utilised. However, there was a saving of 15 per cent during the year 2013-14.

Financial irregularities observed by Audit are discussed in the succeeding paragraphs.

**(i) Excess payment of ₹ 1.30 crore for water charges:** As per the December 2009 notification of the Delhi Jal Board, Government offices are eligible for 15 per cent rebate on water bills, if they have adopted measures for rain water harvesting and/or recycling of waste water. Though, rain water harvesting system and sewage treatment plant were functioning in Tihar Jail Complex, the Department did not claim rebate from DJB, resulting in excess payment of ₹ 1.30 crore (15 per cent of ₹ 8.64 crore) during 2010-14.

DG (P) stated that the Department has obtained necessary certificate from PWD and submitted the case to DJB (January 2015) for grant of rebate w.e.f. January 2010.

**(ii) Incorrect treatment of penalties:** During 2009-14, the Prison Department imposed penalties of ₹ 1.41 crore on suppliers for delayed supplies. However, instead of treating the penalty separately as receipts, the department booked net expenditure (gross amount payable minus penalty) under the concerned head i.e. 2056 Jails-Supplies and Materials.

DG (Prisons), accepting the observation, stated (March 2015) that procedure suggested by Audit would be followed in future.

**(iii) Irregular credit to Prisoners Welfare Fund (PWF):** Rule 13 of the Delhi Jail Manual provides that any prohibited article found on any person after his admission into any jail, shall be confiscated and all moneys so confiscated or realised from the sale of any article so confiscated, shall be credited to the Government under proper head. Test check of records of search and seizure,

showed that an amount of ₹ 3.39 lakh, confiscated from inmates of Jails 1, 2 and 3 and receipts from the sale of 'old rotis' was deposited in PWF, instead of Government account.

DG (Prisons) accepted the audit observation and assured (March 2015) to keep confiscated money separately and not in PWF.

**(iv) Avoidable liability of ₹ 13.73 crore on water charges:** The PWD constructed the building of DJR, which started operating in October 2004. As the building had a temporary water connection, the Executive Engineer (PWD) applied to DDA in March 2006 for issue of completion-cum-occupancy certificate (Form D), in order to get permanent water connection, which was awaited as of September 2014. As such, DDA kept raising water bills at three times the normal rates as penalty. However, DJR has been paying water bills at normal rates. Thus, inability of DJR in obtaining permanent water connection resulted in avoidable liability of ₹ 13.73 crore (up to December 2013)<sup>15</sup> on account of penalty.

DG (P) stated (March 2015) that in the absence of NOC from the Chief Fire Officer, completion-cum-occupancy certificate could not be obtained. It was further stated that tender document for fire extinguishers was sent to the Divisional Officer, Delhi Fire Service, for vetting in September 2012, but the same was awaited. However, the reply is silent about the follow up action taken by the Department to expedite the NOC.

### **2.2.3 Custody and detention of prisoners**

As per Section 55 of the Act, the Jail Superintendent is responsible to ensure safe custody and security of the prisoners. The conditions for detention of the prisoners and procedures to be followed are to be in accordance with the orders of the Court and the provisions of Delhi Prisons Rules. Deficiencies noticed in the custody and detention of prisoners, are discussed in succeeding sub-paragraphs:

#### **2.2.3.1 Non-implementation of MHA's advisory for detention of under-trials**

Section 436A of Cr. PC prescribes, subject to provisions, that where a person has, during the period of investigation, inquiry or trial of an offence under any law (not being an offence for which the punishment of death has been specified), undergone detention for a period extending up to one half of the maximum period of imprisonment specified for that offence under that law, he shall be released by the Court on his personal bond with or without sureties. Ministry of Home Affairs (MHA) also issued an advisory (May 2011) in this regard with a view to reduce overcrowding.

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<sup>15</sup>Period up to which bills were raised during the audit period

As per information provided by the Delhi Prison, 51 UTPs<sup>16</sup> (as on 31 August 2014) had been detained for periods exceeding half of the maximum punishment prescribed under the law for the offence for which they had been charged. Detention of UTPs for prolonged periods without review was not consistent with the provisions of the Cr. PC and MHA's advisory.

In reply, DG (P) stated (March 2015) that the matter does not come under the purview of the jail authorities and courts have to take a decision. Reply is not acceptable as jail authorities submitted the list of UTPs to courts only in September 2014, inspite of specific advisory of MHA in May 2011.

#### **2.2.3.2 Board of Visitors**

The Delhi Prisons (Visitors of Prisons) Rules, 1988, specifically provide for constitution of a Board of Visitors with District Magistrate as its ex-officio Chairman, an institutional arrangement by which civil society can keep a watch on jail administration and jail conditions. However, no such Board was constituted.

DG (P) stated (March 2015) that the Board had been constituted in March 2014. However, the reply does not give any details of Board meetings, action taken etc.

#### **2.2.3.3 Lack of safe custody and detention**

As per information supplied by Delhi Prisons, during 2009-14 (calendar years), there were 146 cases of death due to illness, suicide, attack by fellow inmates, accidents within the jail premises etc. Thus, prison authorities were not able to ensure safe custody and detention of inmates in jails.

DG (P) stated (March 2015) that in comparison to population of inmates in Delhi Prisons, only 146 cases of death (0.01 *per cent*) occurred during a period of five years, and only a few of them were due to suicide or attack by fellow inmates. It was assured to make best efforts to avoid such occurrences in future.

#### **2.2.3.4 History tickets of inmates**

In terms of Rules 17 and 19 of the Delhi Prisons (Prisoners Property, History Ticket etc.) Rules, 1988, every prisoner shall be provided with a history ticket containing, among others, particulars like receipt of the copy of judgement, date of despatch of submission of appeal in the Court, every interview allowed, receipt or despatch of private letters, substance of the order of the Appellate Court, fact of the appeal not having been made before the expiration of the term allowed for appealing, the result of the appeal etc. During test check of history tickets available with the inmates of five jails (CJ-1, 2, 3, 6 and DJR), complete details including updated position, were not found recorded. Therefore, Audit could not ascertain whether legal assistance was provided to every prisoner who sought it.

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<sup>16</sup>Under Trial Prisoners



DG (P) stated (March 2015) that all relevant entries regarding sentence awarded along with fine, medical details, utilities provided, labour allotted, remission and expected date of release etc., are entered in the history tickets. However, details of parole/furlough are mentioned in a separate file for each convict. The reply does not reflect factual position as history tickets available with the prisoners did not contain such details.

#### **2.2.3.5 Inadequate control over entry of prohibited items**

Test check of search and seizure registers maintained in 6 out of 10 jails, and information provided to Audit, showed that prohibited items like mobile phones, country made pistols, currency, drugs, blades, ropes, etc., were seized from prisoners. The seizures indicated that prohibited items had reached the prisoners despite prescribed security procedure for inmates and the visitors.

DG (P) stated (March 2015) that prohibited articles are brought into the jail by prisoners, concealing them in their body cavities or by gulping down the same. To check the inmates and staff thoroughly, trials of X-ray based full body scanner is under process, which would further reduce the chances of concealing articles in body cavities.

#### **2.2.3.6 Inadequate security measures and arrangements**

Audit appraisal of security procedures showed that procedures and practices being followed by jails were not commensurate with the needs of security and vigilance in present environment, as detailed below:

- There was no communication facility (intercom or telephone) between the wards, Wards and Deodi (main entrance to jail) and Ward to Chakkar (control room), which could seriously delay swift response to emergencies.
- Model Prison Manual prepared by the Ministry of Home Affairs, GoI states that the ideal ratio between guarding staff and prisoners should be 1:6. However, the ratio as per sanctioned strength was 1:11 to 1:14, while as per actual men in position, it was 1:16 to 1:21.

DG (P) stated (March 2015) that a proposal for creation of additional posts across all cadres of prison staff, had been forwarded to Home Department. Disproportionate ratio of staff and inmates was attributed to over-crowding of prisons and shortage of staff. The issue was highlighted in the last Performance Audit (March 2005) but the ratio between guarding staff and inmates continued to be disproportionate.

## 2.2.4 Facilities and privileges of prisoners

### 2.2.4.1 Space and accommodation for prisoners

(i) **Grossly over-crowded jails:** A comparison of actual prison population in Tihar Complex and the Rohini Jail as on 31 December of each year, with the designated capacity of jails, indicated gross over-crowding ranging from 174 to 217 *per cent*.

DG (P) accepted (March 2015) and stated that necessary steps to construct more jails are being taken by the Prison Department.

(ii) **Creation of additional jail space:** The only way of substantially tackling the problem of over-crowding in jails, was by expeditiously creating and taking over new jail space. However, it was observed that against an allocation of ₹ 491.50 crore during the period 2009-14, the expenditure was ₹ 305.32 crore with savings ranging up to 68 *per cent*.

New jails were proposed (January 1981) for construction at Mandoli, Narela, Baprola and Ghitorni. However, despite availability of funds, none of them could be completed/ constructed as of August 2014, even after lapse of long periods, ranging up to 33 years, due to delay in/non-acquisition of land (Narela, Baprola and Ghitorni) and frequent changes in concepts, designs and projected requirements (Mandoli). Thus, the problem of overcrowding continued unabated.

During exit conference (March 2015), DG (P) expressed their inability to expedite the construction of new jails as other agencies like LAC, DDA and PWD are involved in the process. However, the fact remains that the jails continued to be overcrowded despite being pointed out in the Previous Report.

### 2.2.4.2 Provision of food for prisoners

As per Rule 74 of the Delhi Prisons (Transfer of Prisoners, Food, Clothing and Sanitation) Rules, 1988, the Director General (Prisons), with the previous sanction of the Delhi Administration, shall fix the scale of prison diet to be provided in respect of each class of prisoners. Audit observed that there were irregularities in diets provided and accounted for in the records of the Prison Department as discussed below:

(i) **Non deduction of diets of prisoners taken to courts:** The Langar Stores of respective jails were required to deduct proportionate raw materials for lunch and evening tea, in respect of those prisoners, who were to be produced in the Court on a particular day. Test check of records of Langar Store and Daily Diet Sheets for the month of March of each year 2009-14, showed that raw material was not deducted in respect of prisoners taken to court in Jails 1, 3 and DJR which resulted in overstatement of consumption of raw materials by 6196 Kgs. of vegetables, 640.08 Kgs. of tea leaf, 1068 Ltrs. of milk and 534.08 Kgs. of sugar.

In its reply, DG (Prisons) accepted (March 2015) that for the years 2010 to 2013, tea leaves, milk, sugar and biscuits were not deducted for prisoners, who were produced before the courts. It was further stated that for the year 2014, tea leaves, milk and sugar were not drawn in such cases. However, the Department could not produce records in support of their claim of non-deduction of ration for the year 2014, when Audit revisited the Jail for verification of reply in March 2015.

**(ii) Difference in milk consumed and quantity received:** During test check of records of Langar for the month of March of each year 2009-14, it was observed that there was a difference of 46331 litres of milk consumed, valuing ₹ 9.44 lakh, as per the diet chart and quantity of milk received in the Jails 1, 2 and 3, as per bills raised by the vendor (**Annexure 2.1**).

DG (Prisons) stated (March 2015) that Audit has not taken into account milk drawn for convicts doing hard labour, who are provided 300 ml milk per day. It was accepted that there was no administrative order in this regard and that the matter had been brought to the notice of competent authority for necessary orders. However, the fact remains that this additional quantity of milk was not shown in the daily diet sheet.

#### **2.2.4.3 Non verification of Agmark purchases of pulses and Atta**

During 2009-14, Delhi Prisons Authority purchased *Agmark* quality wheat flour (19644.73 qtls.) and pulses (12696.51 qtls.) under rate contract from different suppliers. However, audit observed that main store of Delhi Prisons did not have any record to ensure that the flour and pulses were of *Agmark* quality. *Agmark* laboratory reports on pulses received by jails did not contain the name of recipient/packer. Even, forms in respect of laboratory reports were found blank in the records. In respect of *Atta*, no laboratory report was furnished to Audit. In the absence of proper records, Audit was not able to cross verify jail records with the records of *Agmark* issuing authority.

In reply, DG (P) stated (March 2015) that this was a procedural shortcoming on the part of Directorate of Agricultural Marketing, and Delhi Prisons is not concerned with this. Reply is not acceptable as jail authorities were required to verify the quality of material as per the agreement.

#### **2.2.4.4 Provision of medical facilities to inmates**

The medical needs of the inmates of Tihar jail are met through a 150 bedded Hospital within the jail premises. In addition, there are dispensaries in each jail. However, Audit observed that the Hospital was not equipped to face any emergency situation as there was shortage of doctors and other medical staff ranging from 18 to 62 *per cent*. The Hospital was lacking in facilities like ultrasound machines, endoscopy, echo-cardiograph, 24 hour pathology laboratory, and well- equipped Operation Theatre.

As a result, the Hospital was forced to refer inmates to outside hospitals even for OPD. During 2009-14, prisoners were referred to outside hospitals on 93224

occasions, out of which 77232 cases were for OPD treatment, constituting over 82 per cent of total cases referred. Such reference involved ambulances as well as armed escorts, entailing both additional cost as well as security risks.

Further, there was no proper system of keeping medical records/reports of the patients. Medical records were packed in bags making it impossible to retrieve records of a patient swiftly.

DG (P) stated (March 2015) that Central Jail Hospital is providing health care services at primary level. The reply is in confirmation of the audit observation.

### 2.2.5 Reformation and Rehabilitation of inmates

For reformation and rehabilitation of prisoners and to teach them various skills with which they could earn their livelihood on release from jail, the Delhi Prisons operates various factory units, like Carpentry, Chemical, Paper, Weaving, Tailoring, Bakery School, Toiletry and Fabric Care Products, etc., within the jail premises.

Audit observed various shortcomings in the management of such reformation and rehabilitation activities as enumerated in the succeeding paragraphs:

#### 2.2.5.1 Administration of factories

During scrutiny of records of the factories at CJ-2, Tihar jail, Audit observed the following shortcomings:

**(i) Shortage of factory staff:** Due to shortage of staff, factory units i.e. carpentry, chemical, tailoring and paper, etc. were being operated by the inmates and non-technical staff themselves, without any technical guidance.

DG (P) stated (March 2015) in exit conference that Ministry of Micro, Small and Medium Enterprises, Government of India and NGOs have been requested to provide technical staff to train inmates.

**(ii) Non-preparation of Accounts:** In Jail-2, neither Final Accounts (Receipt and Payment Account, Income and Expenditure Accounts and Balance Sheet) nor Proforma Accounts were maintained for factories operations to indicate opening balance, purchase and sale of material and closing balance. In the absence of proper records, audit could not verify reconciliation of closing stock of raw materials and semi-finished and finished goods.

In its reply, DG (P) stated (March 2015) that basic records were being maintained and wastage is on higher side. Reply is not acceptable as factories did not have figures of unit-wise purchase of raw materials and other expenditure, to calculate overheads charges. Further, during verification of reply, no records, in support of reconciliation of closing stock, were furnished to audit.

**(iii) Loss due to adoption of incorrect method of costing:** Scrutiny of records showed that costing of all items, except Dual Desk of Mirandi Wood, was done by first adding the cost of labour and then charging manufacturing, Administrative and contingencies overheads. However, in the case of Dual Desk

of Mirandi Wood, department adopted a different method of costing. Under this method, cost of desk was reduced by ₹ 54.13 to ₹ 375 per desk. During 2009-14, 230048 dual desks were sold to Government departments at reduced rates, which resulted in a loss of ₹ 5.41 crore to the Jail.

In reply, DG (P) (March 2015) stated that order for dual desks was a bulk order from the Education Department, GNCTD. As per provisions of Delhi Prisons Rules, costing was to be done as applicable for government departments. Reply is not acceptable as costing was done on no profit and no loss basis and there was no scope for changing the factors included in the overheads.

**(iv) Non-verification of supply:** Para 91 of the Delhi Jail Manual mandates that sufficient description of every article i.e. name, number, or weight, as the case may be, and such other particulars as may be necessary of all goods, tools, stores or other articles, passed into or out of the jail, should be recorded.

Test check of challans of supplies for the factory and main store, showed that quantity of material, truck number or mode of transporting the goods to the jail factory, were invariably not mentioned on challans. In the absence of such information, Audit could not verify the same from Register-16A, which was maintained by the jail authorities at the entrance of the jail.

In its reply, DG (Prisons) stated (March 2015) that instructions had been issued to ensure that all challans should bear the truck numbers and other essential details.

**(v) Avoidable expenditure of ₹ 3.78 crore:** The Prison department invited e-tenders (November 2010) in two bids system, for supply of various items including Mirandi wood of different specifications<sup>17</sup>. The Prison Department placed orders for supply of these items, to M/s Jagdamba Sales, being the lowest bidder. However, the firm refused to submit security deposit and agreement for wood on the plea that, it had quoted for supply of silly/planks of three feet length or its multiples whereas the Notice Inviting Tender (NIT) and later, the letter of acceptance specified supply of three/six feet long silly and three feet long planks. Consequently, the entire tender was cancelled and the Prison Department forfeited the EMD of ₹ 35.85 lakh which was submitted by the firm.

The tenders were again called in July 2011 for only those items in which M/S Jagdamba Sales had been the lowest bidder in the previous NIT, including the wood. In the fresh NIT, the Department changed the required specifications to six/nine feet long silly and planks of three feet length or its multiples which were similar to that offered by M/s Jagdamba in the first bid. In the fresh tender, M/s Dynasty was the lowest bidder for supply of Mirandi wood, to whom orders were placed.

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<sup>17</sup> (i) supply of Mirandi wood- (Dry Silly)- 10000 cft. (6' or 3'x11"x9"), (ii) 1,00,000 Planks of Mirandi wood (3'x11"x1"), and (iii) 3,00,000 planks of Mirandi wood (3'x9"x1") with density of 550 kg/per cft.

Audit observed that the total cost of wood procured from M/s Dynasty after retendering was 67 per cent above what it would have been, had the Department accepted the bid of M/s Jagdamba. Thus, rejecting the bid of M/s Jagdamba citing difference in specifications and procuring wood of the specifications similar to that offered by them after retendering resulted in excess expenditure of ₹ 3.66<sup>18</sup> crore to the exchequer being the difference between cost at which the items were procured and the cost at which they were offered by M/s Jagdamba. Further scrutiny showed that the case of forfeiture of EMD of M/S Jagdamba Sales was referred to the arbitrator who gave award in favour of the firm. The Prison Department had to return the EMD of ₹ 35.85 lakh along with interest of ₹ 12.19 lakh. Thus, the Department incurred avoidable expenditure of ₹ 3.78 crore in procurement of wood.

In reply, DG (P) stated (March 2015) that the loss worked out by Audit was not correct as the award of tender was based on the prevailing market rates and due process was followed to ensure transparency, competitiveness and fair bidding process. The reply, however, does not justify procurement of wood with similar specification at higher rates.

#### 2.2.5.2 Victim Welfare Fund

According to Rule 39-A of the Delhi Prisons (Transfer of Prisoners, Labour and Jail Industry, Food, Clothing and Sanitation) Rules, 1998 a 'Victim Welfare Fund' (VWF) is to be created in every Jail, in which 25 per cent of wages earned by the prisoners, is to be deposited, for payment of compensation to the deserving victims of offences or their legal heirs (in case of death). However, two out of ten jails (Jail 8 and 9) were not maintaining the VWF. Claims for compensation is considered and approved by a Victim Welfare Committee. In the eight meetings of Victim Welfare Committee, only 172 claims were considered and 137 claims, mainly of jail no. 2 were approved by the Committee during the period from July 2010 to June 2013.

DG (Prisons) accepted the audit observation and stated (March 2015) that Prison authorities have taken up the matter of identification of eligible victims with Police Department and also through participation of Welfare Officers/NGOs and advertisement in the national dailies.

#### 2.2.5.3 Administration of Prisoners Welfare Fund

The objective of PWF is to give aid to prisoners for various items of collective welfare activities in the jail during their imprisonment, such as education, recreation, vocation etc. and to deserving prisoners as money grants or for equipment for trade or clothing, at the time of release. Funds for PWF were to be collected from voluntary contributions from prisoners, donations from public or any other source approved by the LG of Delhi.

<sup>18</sup>(10000x1050- 10000 x 595)=₹ 45.50 lakh, (22916 x 1025-100000x138) = 96.89 lakh & (56250 x 1010-300000 x 115) = ₹ 2.23 crore. Total = ₹ 3.66 crore

**(i) Unauthorised modification of sources of raising the PWF:** Audit observed that the Department modified (September 2011) the sources of raising PWF by including 'profit from canteen' and changed the definition of competent authority from 'Administrator' to 'the Executive Committee', without the approval of the Administrator.

The PWF is administered by the Executive Committee consisting of jail staff and inmates, under the chairmanship of the Superintendent. The Committee was to meet once in every month, but it was noticed that during 2009-14, no meeting of the Committee was held and matters were decided at the level of Superintendent/Director General (Prisons).

DG (P) accepted the audit observation and stated (March 2015) that necessary steps had been taken by the Department for separation of Canteen activities from PWF. Orders have again been issued for conducting timely meetings of the Executive Committee of PWF by each Jail.

**(ii) Maintenance of accounts and Internal Audit:** Rule 8 of the Delhi Prisons (Prisoners Welfare Fund, Appeals, Petitions, Interviews and Communications) Rules, 1988, provides that the accounts of PWF shall be audited every year by the Directorate of Audit, GNCTD. It was, however, noticed that final accounts of PWF in Jails 1, 2, 3 and DJR were compiled only up to 2012-13 and in Jail 6 up to 2010-11. The accounts have not been audited by the Directorate of Internal Audit for the period 2009-14, except accounts of CJ-2, where audit has been done up to the year 2012-13.

DG (P) stated (March 2015) that matter of audit of PWF of all jails would be taken up with the Directorate of Audit, GNCTD. The reply is, however, silent on the arrears in the maintenance of accounts of PWF by all jails.

**(iii) Irregular utilisation of Fund:** Scrutiny of records showed that expenses such as conveyance to NGOs, repair and maintenance, advances to other jails/staff/PWD/DAP officials, salary to Data Entry Operators/para-medical staff, yoga, computer, lab technician, office expenses etc., were booked in PWF which were not as per the objectives of the Fund. Some instances are:

- A sum of ₹ 3 lakh was paid for the work of construction of fountain at Gate No.1 of Prison Headquarters in September 2013,
- An amount of ₹ 22.17 lakh was paid for renovation of various bathrooms of Prison Headquarters and kitchen work, and
- A TATA Star Bus costing ₹ 14.42 lakh was purchased.

DG (Prisons) stated (March 2015) that directions had been issued to Jail Superintendents to use fund strictly for defined objectives.

**(iv) Operation of canteens without approval:** Jails have been running two types of canteens - Wet and Dry. Audit observed that there was neither any provision in the Delhi Jail Manual nor approval of the Home/Finance Department of GNCTD,

for running these canteens. Section 18 (2) of the Delhi VAT Act (Chapter-IV) provides that taxable quantum of a dealer shall be ₹ 10 lakh (revised to ₹ 20 lakh w.e.f. 28 March 2013). It was observed that annual turnover of every canteen running in the Tihar Jail Complex and Rohini Jail, was more than ₹ 20 lakh, but none of these was registered with the Trade and Taxes Department, under the Act. DG (Prisons) stated (March 2015) that the Department did not have the documents/files to provide data regarding approval of the Government in this regard. But, the matter of registration with Trade and Taxes department was under process.

#### **2.2.5.4 Unauthorised collection and operation of Staff Welfare Fund**

The Department was collecting money for depositing mobile phones and other items of relatives and visitors of inmates at Central Public Relation Office (CPRO) Gate No. 3 and 4 of CJ Tihar and CPRO gate of DJ Rohini at the rate of ₹ 5 per item and amount so collected was deposited in the Staff Welfare Fund (SWF). Scrutiny of records revealed that in DJ Rohini, ₹ 23.21 lakh was collected since March 2007 and ₹ 32.19 lakh was collected in Tihar Jail, since July 2009. There was neither approval of the competent authority for maintaining Staff Welfare Fund nor any executive order for charging of money for depositing mobile phones and other items and crediting the same to the SWF.

DG (P) while accepting the observation stated (March 2015) that necessary orders for discontinuation of collection of fee from visitors at CPRO 1, CPRO 4 and DJR, had been issued.

#### **2.2.5.5 Drug De-addiction Centre**

The Department opened a 120 bedded Opioid Substitution Therapy Centre in Jail-3 in collaboration with the United Nations Office on Drugs and Crime and AIIMS, to address the problem of substance abuse in prisoners. Audit observed the following shortcomings:

(i) Case history, details of counselling provided to the patients, information about patient participation in the whole treatment programme and progress, feedback and discharge counselling forms, were not found on record. Secondly, no system for dispensing medicines to the patients and keeping the account of every medicine was followed in the DAC.

(ii) Essential medicines were not available for periods ranging from one to 34 months.

In reply, DG (P) stated (March 2015) that record and registers are kept as per the Jail Hospital Policy. Reply is not acceptable as during verification of replies, copy of the Jail Hospital policy was not provided to Audit. Further, the reply is silent on the issues raised in audit.



## **2.2.6 Implementation of schemes and projects**

### **2.2.6.1 Delay in installation of CCTV system and lack of monitoring**

On the recommendations of the Committee of Security Experts, installation of CCTV system was initiated by the Prison Department in February 2007 to monitor the activities of jail inmates, visitors and jail staff round the clock. Phase-I of installation of CCTV system in CJ Tihar and DJ Rohini with 258 cameras at a cost of ₹ 2.63 crore, was completed in May 2008. Phase-II, initiated in September 2009 for 233 cameras at a tendered cost of ₹ 2.81 crore, was in progress as of March 2015. The following were observed:

- (i) The Prison Department made (March 2008) an excess payment of ₹ 9.26 lakh to the vendor for the first phase, on account of VAT/Sales Tax @ 12.5 per cent instead of four per cent on 20 items.
- (ii) Phase-I was completed (May 2008) with a delay of 212 days and Phase-II to be completed by 8 January 2013, was still in progress (March 2015). The Department did not take any action to recover liquidated damages of ₹ 24.23 lakh<sup>19</sup> as per conditions of the contracts.
- (iii) While inviting bids for the Phase-II, the Department did not include provisions for proper and seamless integration of new CCTV system with Phase-I, in the scope of work for resolving the compatibility issues, despite observations from Home Department in this regard.
- (iv) No records relating to schedule of training provided and number of jail staff trained to operate CCTV system, were produced to Audit. All 12 CCTV main and sub-control rooms at Prison Headquarters and in jails remained unoccupied and there was no round the clock monitoring by dedicated staff.

Thus, delay in completion of the project and lack of monitoring on the part of prison administration compromised the security and safe custody of prisoners.

DG (Prisons) stated (March 2015) that liquidated damages (LD) for delay in installation of Phase-I had been levied and approval of competent authority for levying LD for delay in Phase-II has also been obtained. The matter of CST has been taken up with the Trade and Taxes Department. It was also stated that due to shortage of staff, sub-control rooms were not manned round the clock, though the control room at Headquarters is manned with the help of TSP officials.

### **2.2.6.2 Unsatisfactory performance of Mobile Phone Jammer**

Phone jammers are restricted items and can be procured only from M/s Bharat Electronics Limited (BEL) and M/s Electronics Corporation of India Limited (ECIL). During 2008-14, M/s BEL installed 32 phone jammers in 10 jails of

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<sup>19</sup> ₹ 12.45 lakh (5 per cent of total value of contract i.e. ₹ 24900111) + ₹ 11.78 lakh (5 per cent of ₹ 23562747).

Delhi Prisons at ₹ 5.81 crore. Audit scrutiny showed that no feasibility study or field trial was done to ascertain the number of jammers required in each jail and whether the equipment would meet the requirement. In May 2014, while reporting to the Bureau of Police Research & Development, the Department stated that performance of jammers was not satisfactory as mobile phones were working even in the vicinity where jammers were installed. Thus, despite investment of ₹ 5.81 crore, the desired results of putting a check on the use of mobile phones in the jail premises remained unachieved, besides compromising on security.

DG (Prisons) stated (March 2015) that best available technology was selected by Prison Department, though the performance of jammers had not been satisfactory and the matter was taken up with M/s BEL in October 2013. The reply is in confirmation of audit observation, but it was silent on follow up action on the review of the system undertaken by M/s BEL.

### **2.2.6.3 Under-utilisation of Video Conferencing System**

In January 2001, MHA, GOI took an initiative for producing inmates before Courts through video conference system, by amending the provisions of Section 167(2) of Cr. PC to - (a) obviate the need for a large number of DAP personnel who had to be engaged daily for escorting 350 to 400 (out of total 1200 to 1400) inmates to and from the Courts under section 167(2) of Cr. PC for extension of remands and effect annual savings of ₹ 4.50 crore, and (b) enhance safety and security of prisoners and put a check on smuggling of prohibited items into jails.

Scrutiny of records of Jails 1, 2, 4, 5, 6 and DJR for the period 2009-14 revealed that percentage of production of inmates through VC system of total production, ranged from 7 to 10 *per cent* which was well below the expected 30 *per cent*.

DG (Prisons) stated (March 2015) that Jail authorities can produce prisoners before the court through video conferencing system only on courts' order and not on their own. Reply is not acceptable as audit noticed cases where the jail authorities could not produce prisoners through VC, despite court orders.

### **2.2.6.4 Smart card system**

In order to computerize and streamline the system of trading in canteens, Smart Card system was introduced in March 2012. The expenditure for installation of the system was met from PWF. Audit observed that the Department selected M/s One Card Solution Pvt. Ltd. on nomination basis without following codal formalities for implementation of the 'Smart E-Purse Card Framework System' and without prior approval of the Home/IT/Finance Departments of GNCTD. Further, in the proposed system, cards were to be secured by transaction password for each inmate, but this feature was not available in smart cards. As a result,

a lost or misplaced card could easily be used by any other inmate without any restriction.

In exit conference, DG (Prisons) stated that transaction password was not provided in smart cards to avoid mishandling of hand held device by the inmates. Reply is not acceptable as absence of password, leaves scope for misuse of lost cards.

## **2.2.7 Miscellaneous**

### **2.2.7.1 Construction and maintenance of Tihar Jail Complex**

The Civil, Electrical and Horticulture divisions of PWD look after the construction and repair works in the Tihar Jail complex. The Prison Department gave necessary administrative approval and expenditure sanction for works, but no proper monitoring was done. Audit observed the following:-

- **Delay in execution of works:** Test check of records of Electrical Division M-151/M-353 and Civil Division M-132/M-332 revealed that Section 29.1 of the CPWD Works Manual for completion of work in stipulated time was not adhered to as construction and maintenance works were delayed by 6 to 22 months.
- **Payment for works in excess of AA&ES:** Test check of records of Electrical and Civil Divisions showed that in 24 cases payments made to the contractors by divisions were 10 *per cent* in excess of the amount of AA&ES received from the Prison Department, in violation of the provisions of the CPWD Works Manual.
- **Improper maintenance of records of material received from PWD:** The jail authorities obtained materials from PWD for carrying out minor repairs and maintenance of the jail premises themselves. Test check of records revealed that various materials like cement, bricks, sand, synthetic enamel paint, etc. valued at ₹ 3.36 crore were supplied by Civil Division No. M-132 to the jails during 2009-14. However, no proper record of receipts or consumption of the material was found maintained by jails, rendering their end use unverifiable.

In reply, DG (Prisons) stated (March 2015) that relevant records were being maintained. However, on verification, it was seen that records were not complete as claimed by the Department.

**2.2.7.2 Human resource management**

The position of sanctioned strength and men-in-position in the Department as on 31 January 2014, was as given in **Table 2.2.2**.

**Table 2.2.2: Sanctioned strength and men-in-position**

Type of staff	Sanctioned strength	Men in-position	Shortfall	% of shortfall
Cadre Staff	1357	982	375	27.63
Doctors	110	64	46	41.82
Para Medical Staff	108	88	20	18.52
Class IV(Medical)	81	31	50	61.73
Teaching Staff	10	0	10	100.00
Wireless Staff	05	0	05	100.00
I T Staff	03	03	0	0.00
Ministerial Staff	154	109	45	29.22
Factory Staff	08	03	05	62.50
Class-IV Staff	116	72	44	37.93

Audit observed that vacancies in the cadres of Welfare Officer, Assistant Superintendent, Warder and Matron, ranged from 31 to 44 *per cent*. The shortfall in the cadres of Doctors, Para-medical, Ministerial, factory and class-IV staff was 18 to 63 *per cent*. All the posts of teaching and wireless staff were vacant.

DG (P) admitted (March 2015) vacancy position in different cadres and attributed it to non-filling of posts of direct recruits by DSSSB and non-availability/non posting of eligible officials by the concerned departments.

**2.2.7.3 Statutory and Internal Audit**

Effective internal control system provides reasonable assurance of adherence to laws, rules, regulations and orders, safeguards against fraud, abuse and mismanagement and ensures reliable financial and management information to higher authorities.

It was seen that six Inspection Reports with 26 paras of statutory audit conducted by the office of the Principal Accountant General (Audit), Delhi, in respect of Delhi Prisons, were outstanding as on 31 March 2014. This indicated weak internal control for prompt and timely compliance to audit observations. Further, the Directorate of Internal Audit, GNCTD did not conduct any internal audit of the Department during 2010-14.

DG (P) (March 2015) stated that the issue would be taken up promptly with Audit for settlement of outstanding paragraphs. Regarding internal audit, it was stated that the matter had been taken up with the Directorate of Internal Audit, GNCTD.

### **2.2.8 Conclusion**

Jails were grossly overcrowded which was mainly because of non-construction/ delay in construction of additional jail buildings/barracks. The Department was facing acute shortage of staff across all cadres. Shortage of technical staff at factories compromised the ability of jail administration to effectively develop the required skills in inmates for future rehabilitation. Despite incurring huge expenditure on security, cases of possession of prohibited articles with the prisoners in the jails were also noticed in six test checked jails. Dis-proportionate ratio of deployment of guarding staff against prisoners was a security risk. The jail hospital was lacking adequate staff and laboratory facilities and majority of cases referred to outside hospitals were for OPD treatment. Factory units and Welfare Funds were in operation without conforming to extant provisions.

### **2.2.9 Recommendation**

The Prison Department may consider the following:

- (i) speed up pending proposals for construction of new jails as well as ongoing works in close coordination with PWD and DDA,*
- (ii) sanctioned strength of staff in Delhi Prisons may be reviewed considering the actual population of inmates,*
- (iii) proper maintenance of records/accounts relating to factory units and welfare funds, and*
- (iv) facilities and infrastructure in the Jail Hospital may be upgraded and adequate medical staff and doctors may be posted.*

The matter was referred to the Government in December 2014, their reply is awaited (April 2015).

## Department of Social Welfare

### 2.3 Schemes for Welfare of Persons with Disabilities

The Department of Social Welfare is the nodal office for implementation of the provisions of the Persons with Disabilities Act, 1995, and it runs various schemes for Welfare of Persons with Disabilities (PwD). The significant audit findings are as under:

#### *Highlights*

- *The Department did not conduct any independent door to door survey to have a comprehensive database of Persons with Disabilities, residing in Delhi, but relied on census statistics. It did not develop the State Disability Policy to address the issues of PwD.*  
(Paragraphs 2.3.2.1 and 2.3.2.2)
- *The Department did not conduct verification of beneficiaries as prescribed and extended undue benefit to ineligible persons.*  
(Paragraph 2.3.4.1)
- *Asha Kiran Complex, meant for mentally retarded persons, is over-burdened with 970 inmates against its capacity of 350, whereas it has only 215 caring staff against a requirement of 502.*  
(Paragraph 2.3.5(i) and (iii))
- *The State Co-ordination Committee and the State Executive Committee were not regular in holding prescribed meetings. SCC held only four against prescribed 20 since its inception in November 2004, and SEC met only once against 40 meetings prescribed under the Act.*  
(Paragraph 2.3.7.1)
- *The Department runs only six schools with a capacity of 1250 for 52330 disabled children in Delhi. Even these schools were facing shortage of academic staff up to more than 50 per cent.*  
(Paragraph 2.3.7.3)
- *Government buildings and public places lacked facilities for PwD.*  
(Paragraph 2.3.7.6)

#### 2.3.1 Introduction

Parliament enacted the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (the Act), which came into effect from 7 February 1996. Subsequently, the Government of NCT of Delhi notified the Delhi Persons with Disabilities (Equal Opportunities Protection of Rights and Full Participation) Rules, 2001, in December 2001. The Department of Social Welfare (the Department) is the nodal department for implementation of welfare schemes for persons with disabilities (PwD).

### **2.3.1.1 Organisational set-up**

The Department is headed by the Principal Secretary, who is assisted by a Director, a Joint Director, nine Deputy Directors and 10 District Officers. A State Co-ordination Committee with the Minister (Social Welfare) as its chairperson looks after policy matters for PwD, and a State Executive Committee carries out the decisions of the Co-ordination Committee. An independent Commissioner (Disabilities) coordinates and monitors the implementation of programmes and schemes, besides looking into complaints relating to deprivation of rights of PwD. In addition, the Delhi SC/ST/OBC/Minority/Handicapped Finance & Development Corporation (the Corporation) finances, facilitates and promotes the economic development activities for PwD.

### **2.3.1.2 Audit objectives**

The broad objectives of the Performance Audit were to assess whether:

- a proper planning system existed for policy formulation, identification and verification of PwD,
- financial management was efficient,
- implementation of schemes and programmes was effective, and
- provisions of the Act were being properly implemented.

### **2.3.1.3 Audit scope and methodology**

The Performance Audit covering the period 2009-14 was conducted during April to June 2014 by examining the records at Department's headquarters, office of the Commissioner (Disabilities), District offices and Institutes run by the Department. Records relating to financial assistance extended by the Corporation to PwD, were also checked. Entry conferences were held (26 May 2014, 2 June 2014 and 13 June 2014) with the Principal Secretary, the Commissioner and the Manager (Finance) of the Corporation. Draft report on Performance Audit was issued to the Government on 09 October 2014, seeking their views on it. An exit conference was also held on 05 March 2015, wherein the Director (Social Welfare) was requested to send the Government views on the draft report, their reply is awaited (March 2015). A review on the same topic was printed in Audit Report for the year ended March 2003 (Previous Report).

### **2.3.1.4 Audit criteria**

Audit criteria were derived from the following sources:

- The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995,
- The Delhi Persons with Disabilities (Equal Opportunities Protection of Rights and Full Participation) Rules, 2001,
- Annual plans of the Department and annual reports of the Commissioner (Disabilities), and

- General Financial Rules and policies, directives, orders, instructions and guidelines issued by the Government/ competent authority from time to time.

## **Audit findings**

### **2.3.2 Planning**

#### **2.3.2.1 Non-conducting of survey of disabled persons**

According to the census of 2011, Delhi had a total population of 167.53 lakh, out of which 2.35 lakh persons (1.40 *per cent*) were suffering from one or other type of disabilities.

The 11<sup>th</sup> and 12<sup>th</sup> National Meeting (July 2012 and August 2013) of State Commissioners for PwD, recommended door to door survey every five years in all the States, to ensure a comprehensive data base for accurate targeting of individual beneficiary oriented schemes. The performance of the States with regard to issuance of disability certificates, should be with reference to the data obtained through door-to-door survey and not the census data. However, the Department did not conduct any independent door to door survey and was completely dependent on census statistics, which was expected only once every 10 years, for framing policies and plans for the welfare of PwD.

The Department, accepting audit observation, stated (March 2015) that parameters on which the census data was collected will be examined and thereafter, door to door survey will be taken up for avoiding duplication.

#### **2.3.2.2 State Disability Policy**

Section 18 (2) (b) of the Act stipulates that the State Coordination Committee should develop a State policy to address issues faced by PwD. However, the Department had not finalized the policy as of September 2014.

The Department stated (March 2015) that draft policy forwarded by Commissioner for PwD, is under examination and would be finalized shortly.

#### **2.3.2.3 Insurance scheme for PwD**

Section 67 of the Act provides that the Government should frame an insurance scheme for the benefit of its employees with disabilities. However, the Government has neither framed any policy nor had any plan in this regard.

In its reply, the Department assured (March 2015) to incorporate the Insurance Scheme in the State disability Policy to be formulated. The fact remains that, inspite of being pointed out in the previous report, this issue remains unaddressed.

### **2.3.3 Financial Management**

Year-wise budget provision and expenditure incurred by the Department for the welfare of PwD during 2009-14, was as under:



**Table 2.3.1: Budget allocation and actual expenditure for the welfare of PwD**

(₹ in crore)

Year	Plan				Non-plan			
	Budget Estimate	Revised allocation	Expenditure	Saving/ Excess	Budget Estimate	Revised allocation	Expenditure	Saving/ Excess
2009-10	5.50	9.48	9.10	0.38	14.01	13.05	11.73	1.32
2010-11	28.65	28.25	18.92	9.33	19.36	16.00	15.06	0.94
2011-12	30.45	34.67	28.38	6.29	15.90	17.06	15.32	1.75
2012-13	65.58	73.19	72.15	1.04	19.22	21.87	20.89	0.98
2013-14	95.20	98.36	91.58	6.78	25.94	25.61	21.66	3.95
<b>Total</b>	<b>225.38</b>	<b>243.95</b>	<b>220.13</b>	<b>23.82</b>	<b>94.43</b>	<b>93.59</b>	<b>84.66</b>	<b>8.93</b>

Source: Figures provided by the Department of Social Welfare

There was 9.76 per cent saving in the plan and 9.54 per cent in non-plan for the period 2009-14. The above table shows that there was substantial increase in the budget allocation from 2012-13. The main reasons for the increase as intimated by the Department were - (i) construction of five Half-Way Homes, (ii) increase in the financial assistance from ₹ 1000 to 1500 per month, and (iii) increase in the number of beneficiaries.

### 2.3.3.1 Non-execution of work - Building as Learning Aid (BaLA)

The Department released ₹ one crore to DSIIDC (February 2010) for implementation of the scheme of BaLA in its six schools, on the pattern of Government Schools. DSIIDC submitted (May 2010) estimates for two schools amounting to ₹ 61.74 lakh. A complaint was received (August 2010) that DSIIDC was doing works which were not covered under BaLA norms. The Department asked DSIIDC to stop the work (September 2010) and DSIIDC foreclosed the agreement relating to BaLA work (May 2011). Thus, due to failure of the Department in ensuring proper utilization of funds, the objective of issuing funds, could not be achieved.

The Department stated (March 2015) that DSIIDC had been asked (March 2015) to provide details of cost of works executed under BaLA scheme so that an assessment could be made about the funds to be demanded back.

### 2.3.4 Implementation of welfare schemes for PwD

The Department was running eight schemes for social security, protection and rehabilitation for differently abled persons. Status of the implementation of various schemes is discussed in the subsequent paragraphs:

#### 2.3.4.1 Financial assistance to persons with special needs

Under the scheme, an allowance at the rate of ₹ 1500 per month, is remitted quarterly in the bank accounts of PwD, provided they have more than 40 per cent disability, have residence proof in Delhi for minimum five years prior to application, and with family income less than ₹ 75000 per annum. Total number of beneficiaries under the scheme increased from 1988 in 2008-09 to 45471 in 2013-14, a net increase of 43483 beneficiaries. Expenditure on the scheme

during this period was ₹ 189.63 crore against an allotment of ₹ 190.01 crore (2009-14).

As per the scheme, the competent authority may verify five *per cent* of all sanctioned cases and doubtful cases, through departmental investigators or other officials specially deputed for the purpose. Audit observed that the Department did not carry out verification of beneficiaries as prescribed under the scheme. It merely selected 391 cases (five *per cent*), out of all cases sanctioned during three quarters (October 2011 to June 2012) and forwarded (October 2012) them to its 10 district offices for verification. The district offices reported verification only in 42 cases as of September 2014. On the basis of verification, financial assistance in 31 out of 42 cases (74 *per cent*) was stopped. The process of verification in remaining 349 cases, was stopped due to scarcity of staff. Thus, due to non-verification of cases, no assurance could be drawn about the genuineness of the cases.

The Department stated (March 2015) that physical verification of all beneficiaries had been completed from September to December 2014 and remittance to 18122 beneficiaries was withheld due to their not being found at the given address/shifted/not eligible/duplicate. The fact remains that, had the Department carried out the verification as per the scheme, it could have avoided extension of benefit amounting to ₹ 2.72 crore<sup>20</sup> per month to ineligible persons.

#### 2.3.4.2 National programme for rehabilitation of persons with disabilities (NRPD) scheme

The objective of this scheme is to set up a district rehabilitation centre for disabled persons and gear-up the activities for promoting community-based rehabilitation. Disability camps are also held under the scheme. Audit observed the following shortcomings:

i) **Non-setting up of the District Disability Rehabilitation Centre:** The objective of setting-up of District Disability Rehabilitation Centres (DDRCs), is to provide comprehensive services to PwD at grass root level. Creation of DDRCs was proposed in the State Coordination Committee meeting held in October 2007. Under the scheme, a nodal agency was to be identified in the District North on pilot basis, which would network with the NGOs and agencies working for disability related issues and would set-up a single window information-cum-facilitation centre for disabled persons. The Department also planned to set up four DDRCs in four Zones to cater to all the districts of Delhi for total rehabilitation of PwD in 2009-10. However, the Department neither identified nodal agency nor set-up any DDRC as of September 2014, though it allocated budget for setting up DDRCs. This issue was also pointed out in the Previous Report.

The Department stated (March 2015) that a proposal for starting DDRCs was sent

<sup>20</sup> 18122 x ₹ 1500 = ₹ 2.72 crore

to GoI, but was rejected since their priority was to start such centres in rural and remote areas.

ii) **Disability camps:** The Department organises Special Disability Camps for providing aids and appliances, and General Disability Camps for creating awareness, issuance of disability certificates, DTC bus passes and disability identity cards. Number of camps targeted to be held and actually held during the period 2009-10 to 2013-14 are given in **Table 2.3.2**.

**Table 2.3.2: Targets and achievement of camps**

Year	Special camps			General camps		
	Target	Actual	No. of Beneficiaries	Target	Actual	No. of Beneficiaries
2009-10	20	19	4391	14	6	Not available with the Department
2010-11	20	19	3281	10	Nil	
2011-12	20	11	1424	10	12	
2012-13	10	09	1431	12	9	
2013-14	10	09	703	12	6	
<b>Total</b>	<b>80</b>	<b>67</b>	<b>11230</b>	<b>58</b>	<b>33</b>	

The above table indicates that during 2009-14, only 67 special camps (84 per cent) were organized against a target of 80 and 33 general camps (57 per cent) were held against target of 58. Hence, despite the reduction in its annual target, the Department could not achieve them.

The Department stated (March 2015) that only limited number of camps were organized as it requires coordination between various departments and NGOs. The fact remains that the targets fixed by the Department could not be achieved.

#### **2.3.4.3 Upgradation of deaf and dumb schools**

Under this scheme, the Department planned to upgrade four schools (three Primary and one Secondary school) for deaf and dumb during 2009-14, for which, a provision of ₹ 1.15 crore was made and ₹ 0.89 crore was spent. However, only one school was upgraded from secondary to senior secondary school.

The Department stated (March 2015) that two more schools were upgraded (one upgraded to middle level and second to 10<sup>th</sup> standard) but nomenclature of these schools requires to be changed accordingly. However, reply was silent on functioning of these upgraded schools.

#### **2.3.4.4 State programme of events for socially and physically disadvantaged persons**

The objective of the scheme is to integrate the socially and physically disadvantaged groups with the community and enable them to display skills and expertise in their respective crafts or traditional occupational vocations. Under the scheme, exhibitions are to be held in stalls displaying goods prepared by these groups. However, Audit scrutiny showed that no activity was carried out under the scheme. Further, the Department spent ₹ 21 lakh out of ₹ 53 lakh available

under the scheme, during 2009-14, on advertisement for disability camps, which was not covered under this scheme.

In its reply, the Department assured (March 2015) to utilize funds properly under this head.

#### **2.3.4.5 Construction of Halfway Homes**

The concept of Halfway Home was envisaged to provide facilitating mechanism for rehabilitation of persons whose mental illness is to be treated and controlled after discharge from hospital. The scheme also includes vocational training and counselling for the beneficiaries and their families for their reintegration into the society and for medical advice or treatment.

Audit scrutiny showed that on the directions of the Government (December 2011), the Department was to construct five Halfway Homes (three at Rohini and one each at Dwarka and Narela). As per the agreement with DSIIDC, these homes, for which, the AA & ES of ₹ 47.63 crore was issued in July 2012, were stipulated to be completed by December 2013. However, they were not completed as of September 2014. Thus, disabled persons were deprived of facilities as envisaged.

The Department stated (March 2015) that three Halfway Homes had been completed and two were about to be completed by end of March 2015, adding that steps were being taken for formation of a society to run these homes.

#### **2.3.4.6 Free supply of text books and uniform subsidy to deaf & dumb students**

Under the scheme which started in academic session 2009-10, the Department provides free text books and uniform subsidy to all deaf and dumb students up to class XII (including pre-primary) in schools run by it. For each academic session, students up to class VIII, are given text books in kind, whereas students of class IX and X are given ₹ 600 each and of class XI and XII, ₹ 800 each in cash for purchase of text books. Uniform subsidy of ₹ 500 is given per student per academic session. Rates of uniform subsidy were revised w.e.f. June 2011 to ₹ 500 per annum for students of Nursery to V, ₹ 700 for class VI to VIII students and ₹ 900 for class IX to XII students. Total number of students covered ranged between 937 and 1140 during 2009-14. Against an allocation of ₹ 45.12 lakh, ₹ 40.90 lakh was spent during the period 2009-14.

Audit observed that text books were distributed to students in the month of July or August, whereas the academic session starts in April. The delayed distribution of books deprived the students of books for three to four months and ostensibly hampered their studies. Further, after disbursing the amount for books and uniform, there was no system to follow-up its utilization. The Department stated (March 2015) that instructions were being issued for purchase of books and uniforms and disbursing them to students by the end of April.

#### **2.3.4.7 Delay in Mid-Day Meal programme for deaf and dumb students**

The scheme provides for nutritional support to deaf and dumb students in the schools run by the Department to reduce the number of absentees in classes and for meals during school hours with a minimum content of 300 calories and 8-12 grams of protein each day for a minimum of 200 days in a year. Mid-day meal was to be provided to all students of classes up to XII and a budget of ₹ 5 lakh was provided every year for four years (2009-13), but the scheme could not take off. The scheme was finally started in November 2013 in collaboration with the Department of Education, GNCTD. The Department stated (March 2015) that the plan could not be implemented in 2009-13 due to non-finalization of vendors. The reply confirms that nutritional support was not provided to students during 2009-13.

#### **2.3.4.8 Sheltered Workshop Scheme**

The Sheltered Workshop for Physically Handicapped was established in the year 1976 with the sanctioned strength of 50 PwD workers, which was to be raised up to 100 by the end of the 5<sup>th</sup> five year plan. The objective of the scheme was to provide work opportunity to physically disabled workers by providing short term training<sup>21</sup> (10 to 15 days duration) after which workers attaining good proficiency were to be encouraged and helped in finding jobs in the open market. However, it was observed that the workshop was not providing any training and as of September 2014, there were only five workers in the workshop who were trained initially (30 years ago), while the Department spent ₹ 1.13 crore on salary, wages and other expenditure during the period 2009-14. Thus, the scheme was not implemented in its true character and lost its envisioned course.

The Department stated (March 2015) that the scheme would be reviewed and a decision on reframing it to suit the needs of PwD, would be taken.

#### **2.3.5 Management of Asha Kiran Complex**

The Department is running four Homes/Institutes<sup>22</sup> for mentally retarded persons at Asha Kiran Complex, Rohini. The status of management of facilities provided to inmates of the Complex are discussed in the following paragraphs:

**(i) Over-burdened occupancy:** The complex houses on an average 970 inmates against its designed capacity of 350. In the backdrop of 57 deaths that occurred in the complex during 2009-10, a Ministerial Committee recommended (February 2010) immediate de-congestion of these homes. Again, a decision was taken in the Chief Minister's meeting (February 2011) to shift the inmates of the Asha Kiran Homes to Beggar Homes at Lampur on urgent basis. But concrete steps were not taken by the Department for decongestion of the complex, except constructing two 80 bedded dormitories in the complex and shifting of 186 inmates to other

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<sup>21</sup> assembling of mechanical and electrical goods, cutting and tailoring, binding and packaging work etc.

<sup>22</sup> (i) Institute of Severally Profound Mentally Retarded (Adults and Children), (ii) Home for Mentally Retarded Persons (Adult) (iii) Home for Mentally Retarded Persons (Children), and (iv) School and Home for Mentally Retarded Persons (Adults).

locations (September to December 2013). Out of these, 26 inmates had to be shifted back due to medical reasons.

The Department stated (March 2015) that three new homes are under construction for mentally challenged persons, at Narela, Hari Nagar and Vasant Kunj. The fact remains that a total of 148 deaths occurred during 2009-14, indicating slackness on the part of the Department towards decongestion of the Asha Kiran complex.

**(ii) Availability of ambulance:** Audit observed that only one ambulance for 24 hours and two patient carrying vehicles for office hours, were available during 2013-14 for 949 residents of the complex, out of which 469 were severely and profoundly mentally retarded. Due to non-availability of ambulance, on 8607 occasions, patients/inmates were carried to different hospitals by auto rickshaws, cycle rickshaws etc. In its reply, the Department stated (March 2015) that MoU had been signed (September 2014) with CATS for providing ambulance services, whenever required.

**(iii) Shortage of staff:** There was 215 caring staff in position against the sanctioned posts of 260, with a shortage of 45 in the complex. Keeping in view the actual strength of inmates in the complex, the actual requirement of staff is 502, as worked out by the Department. There was no facility available for imparting education to inmates.

The Department stated (March 2015) that 391 posts were created in July 2013 and a proposal was sent to Administrative Reforms Department, for creation of 379 more posts.

**(iv) Non-availability of dietician:** Consequent upon a joint visit report (October 2012) on Asha Kiran Complex by the National Commission for Protection of Child Rights (NCPCR) and the Delhi Commission for Protection of Child Rights (DCPCR) which pointed high prevalence of malnourishment, skin diseases etc., the Governing Council of the Complex in its meeting (January 2013), discussed and decided that a nutritious diet to the inmates was important. Audit observed that despite these observations and decisions, there was no dietician available in the complex to monitor the quantity and quality of diet provided to the residents of the Complex.

The Department stated (March 2015) that special diet was provided to the residents as prescribed by the doctor. The prescribed dietary menu was being revised with inputs from the dietician of LNJP hospital and was in the final stage. Reply is not acceptable as there was no system either for inspection or verification of the quality and quantity of the diet supplied to inmates.

### 2.3.6 Delhi SC/ST/OBC/Minority/Handicapped Finance & Development Corporation

The GNCTD nominated (February 1998) the Delhi SC/ST/OBC/ Minority/ Handicapped Finance & Development Corporation (the Corporation) as the State Channeling Agency (SCA) of the National Handicapped Finance and Development Corporation (NHFDC), which started functioning from May 2003. The NHFDC runs various schemes of providing loans to target groups, such as - composite loan, education loan, loan for setting up small industry, transport loan, etc., besides scheme of imparting vocational training.

Scrutiny of the Corporation's record showed the following shortcomings:

- **Short achievement of target:** Achievement against annual targets during 2009-14, was only 6.33 *per cent* (physical) and 3.53 *per cent* (financial) under economic development schemes for PwD. It did not conduct any vocational training programme for PwD, during the same period. Reasons for short achievement of targets, though called for (June 2014), were not provided to Audit.
- **Lack of publicity and awareness creation:** The Corporation did not make any effort for publicity/awareness creation of NHFDC schemes. Even, a signboard was not installed for the guidance of PwD in its premises. In an action taken report in respect of points raised in the Commissioner's meeting held in February 2013, the Corporation stated that cost of one advertisement was ₹ 5 to 6 lakh and due to non-reimbursement of the same; it cannot issue individual advertisement only for the PwD category. Hence, there was lack of publicity and awareness creation about the schemes.

The Department stated (March 2015) that the Corporation was being requested (February 2015) to have provision for creation of awareness of the schemes of loan and ensure adequate performance in future.

- **Lack of coordination:** There was no coordination between the Department of Social Welfare and the Corporation, as there was no correspondence between the two agencies on identifying and approaching beneficiaries for schemes run by NHFDC. The Department assured (March 2015) to maintain coordination in future with the Corporation.

### 2.3.7 Implementation of the Persons with Disabilities Act, 1995

The status of implementation of provisions of the Act is discussed in the succeeding paragraphs.

#### 2.3.7.1 Shortfall in the meetings of the State Co-ordination Committee (SCC) and the State Executive Committee (SEC)

The State Co-ordination Committee (SCC) and the State Executive Committee (SEC) were constituted in November 2004, i.e. after three years of notification of Rules, 2001. As of June 2014, the SCC held only four meetings (April 2005,

November 2006, October 2007 and July 2012) since its inception, as against prescribed<sup>23</sup> 20 meetings. Similarly, the SEC held only one meeting in February 2013 as against prescribed 40. The Department accepted (March 2015) that Committees did not play an active role during 2007-11. As both the Committees were reconstituted in 2012, requisite number of meetings could not be held due to reconstitution of the committees/file proceedings.

### 2.3.7.2 Submission of annual report

Section 65 stipulates that the Commissioner (Disabilities) shall prepare and submit annual reports giving full account of its activities during the previous financial years to the State Government to be laid before the State Legislature. Audit scrutiny showed that the Commissioner (Disability) submitted annual reports for the period 2009-10 to 2012-13 to the Department only in August 2013 which was not placed before the Legislative Assembly.

The Department stated (March 2015) that due to model code of conduct; the reports could not be placed, and assured that the process would be initiated. The reply is not acceptable since this issue was also pointed out in the Previous Report.

### 2.3.7.3 Development of educational infrastructure for PwD

The Act require the Government to provide children with disabilities free education up to the age of 18 years, promote setting up of special schools for PwD and endeavour to equip the special schools with vocational training facilities. Audit scrutiny showed the following:

- Though required under section 27 of the Act, the Department did not initiate any non-formal education scheme for the children with disability. It also did not initiate any research for development of new assistive devices and teaching aids as envisaged under Section 28 and 29 of the Act.
- There was no comprehensive education scheme implemented by the Department as required in Section 30 of the Act. The Department runs only six schools for disabled students constructed and established more than two decades ago, with a total capacity of 1250 students against 52330 disabled children in Delhi (Census 2011). As of July 2014, these schools were facing acute shortage (50 *per cent*) of academic staff.
- The Department could not take possession of a plot measuring 4525 sqm at Usman Pur, allotted in May 2010, for a school for mentally challenged children as of June 2014, as it failed to make timely and complete payment, resulting in non-construction of the planned school.

The Department stated (March 2015) that as regard implementation of provisions of Section 27, 28 and 29 of the Act, Education Department was taking necessary

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<sup>23</sup>As per Section 17 and 21 of the Act, the SCC was to hold meeting at least once in every six months and the SEC in three months.



steps. On provision of Section 30, it was stated that comprehensive education scheme had not been formulated but some facilities were being provided to students with disabilities. The reply is not acceptable as it is the responsibility of the Department of Social Welfare to implement the provisions of the Act, and not of the Education Department. Further, these issues were pointed out in the Previous Report also.

#### **2.3.7.4 Provisions for employment of PwD**

Section 32, 33 and 61 of the Act provide for identification and reservation of three *per cent* of posts and appointment of PwD against them, in every establishment for which the Commissioner (Disabilities) shall co-ordinate with all the departments. Audit scrutiny showed that the Commissioner (Disabilities), reviewed (January 2013) the status of reservation only in eight major departments<sup>24</sup>. The review revealed that since 1996, against 2239 vacancies for PwD only 1253 were filled, leaving a backlog of 1336 posts (60 *per cent* of reserved posts). In its reply, the Commissioner (Disabilities) stated (July 2014) that the process of reviewing the remaining departments was under process. The Department stated (March 2015) that letter for identification and reservation of three *per cent* posts had been sent (February 2015) to the Secretary (Services), GNCTD. The fact remains that the Department has not taken adequate action on this issue inspite of being pointed out in the Previous Report.

#### **2.3.7.5 Complaint redressal mechanism**

Audit scrutiny showed that there was no system in place in the office of the Commissioner, to watch the receipt and disposal of complaints from PwD as envisaged under Section 62 of the Act and Rule 49. Scrutiny of complaint files provided to Audit showed that 119 out of 446 complaints/grievances received in the Commissioner's office (including repeated complaints) during 2009-14, were pending for decision (June 2014) with pendency ranging from 3 to 56 months. The Commissioner stated (July 2014) that complaints register has been prepared for the period 2014-15. The Department stated (March 2015) that online grievance monitoring system is being developed by Department of IT, GNCTD, to access the status of grievances online.

#### **2.3.7.6 Provisions of physical facilities for PwD in Government buildings and public places**

Sections 44 to 47 stipulate that State Governments and local authorities should make rules for providing facilities like easy access to rail compartments, buses, toilets, aircraft, waiting rooms, etc. for the benefit of PwD. To assess the extent of facilities available for PwD in public places/buildings, Audit conducted a survey

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<sup>24</sup> three MCSD, NDMC, H&FW, DTC, DoE and Services Department

of 10 Government schools<sup>25</sup>, four community halls<sup>26</sup>, two DC offices (Shastri Park and Kanjhawala), four public parks<sup>27</sup> and four banks/ATMs, located around two District Offices (East and North-West) of the Department. In addition, four Railway Stations<sup>28</sup> and two Inter-State Bus Terminuses<sup>29</sup>, were also visited. Findings of survey are summarized in the **Table 2.3.3**.

**Table 2.3.3: Findings of survey**

Sl.No.	Buildings/places surveyed	Facilities not available		
		Ramps	Elevators or lifts	Toilets for PwD
1	Schools -10	02	10	05
2	Banks/ ATMs- 04	04	-	04
3	DC offices- 02	-	01	01
4	Community Halls-04	03	04	04
5	Railway stations – 04	04	04	04
6	Bus Stands -02	-	-	01
7	Public Parks -04	04	-	04
<b>Total</b>	<b>30</b>	<b>17</b>	<b>19</b>	<b>23</b>

The above data indicate that 17 buildings/places did not have ramps, 19 did not have elevators/lifts and 23 did not have toilets accessible to PwD.

Further, it was noticed that the Department which is responsible for ensuring provisions of above facilities, did not have these facilities<sup>30</sup> in its own office buildings. The Department's newly constructed three storey building for Deaf and Dumb School at Kalkaji, did not have any provision for toilet. This only reflected laxity on the part of the Department in providing facilities to the PwD.

The Department stated (March 2015) that steps have been initiated to provide disabled friendly infrastructure at Headquarters and other locations. The fact remains that concrete steps in this regard are yet to be taken, despite being pointed out in the Previous Report.

### 2.3.8 Other Points

**(i) Inspection of Homes and Institutions:** During scrutiny of the inspection records for the period 2009-14, it was observed that no inspection was conducted up to April 2012 after which, only 32 inspections of 12 PwD Homes and Institutions were

<sup>25</sup> (i) R.S.K.V. Laxmi Nagar, (ii) GGSSS, Lalita Park, (iii) G.Co-Ed SSS, Shiv Puri (iv) R.P.V.V., Gandhi Nagar (v) Sarvodaya BV, Raigarh Colony (vi) SV, Sector 3 Rohini (vii) RPSKV Rithala (viii) Sarvodaya Vidyalaya, Sector - 2, Rohini (ix) GGSSS, Avantika and (x) SKV Avantika, Sector -1, Rohini.

<sup>26</sup> Community Halls at (i) Block 2, Geeta Colony (ii) Block 10, Geeta Colony (iii) Sector-5, Rohini and (iv) Sector-7, Rohini.

<sup>27</sup> (i) Visvakarma Park, Kishan Kunj, (ii) Veer Savarkar Park, 14 Block, Geeta Colony, (iii) Park, Sector-4, Rohini and (iv) Deenbandhu Chotu Ram Park, Sector – 6, Rohini.

<sup>28</sup> Railway stations – Kishan Ganj, Hazrat Nizamuddin, Narela, and New Delhi.

<sup>29</sup> Bus stand - Sarai Kale Khan and ISBT Kashmere Gate.

<sup>30</sup> elevators or lifts, Braille symbols, ramps etc.

conducted up to April 2014 (24 months), against targeted 576 inspections<sup>31</sup>, which works out to only six *per cent*.

The Department stated (March 2015) that DSWOs conducted regular inspection and monitoring of the institutions. The reply is not specific to Audit observation on non/short conducting of inspections.

**(ii) Use of the word ‘Handicapped’:** In reference to the letter (February 2012) from the Ministry of Social Justice and Empowerment, GoI, for discouraging and banning the use of the expression ‘handicapped’, at least in the context of official correspondence, official reports, Government institutions, organizations etc., the Department endorsed the letter to the Corporation in March 2012, for compliance of the instructions. However, the expression ‘Handicapped’ was continuously being used in the Corporation in its correspondences, official reports etc. In spite of the ban, the Department itself continued getting the grant from the Finance Department under the head ‘Welfare of Handicapped’ (Major Head - 2235 of Demand number 8).

In its reply, the Department stated (March 2015) that the Corporation is being asked (February 2015) to change its name and also proposal is being moved for changing the major head 2235 demand no.8 from ‘Welfare of Handicapped’ to ‘Empowerment of PwD’.

### **2.3.9 Conclusion**

The Government of NCT of Delhi did not conduct door to door survey to have a comprehensive database of PwD, residing in Delhi. It did not develop the State Disability Policy to address issues of PwD and also failed to set up the district disability rehabilitation centres. The Department did not have any policy for verification of beneficiaries to ensure their continued eligibility for financial benefits. The homes for mentally retarded persons were grossly overcrowded and lacked adequate patient care vehicles and caring staff. The Delhi SC/ST/OBC/Minority/Handicapped Finance & Development Corporation failed to achieve physical as well as financial targets under Economic Development Schemes for PwD. The State Coordination Committee and the State Executive Committee could conduct only four and one meeting against 20 and 40 meetings as required under the Act. Only six schools with a capacity of 1250 for 52330 disabled children are available, while there was no scheme for non-formal education. Facilities like ramps, accessible toilets, elevators or lifts etc., were not provided in the Department buildings and public places.

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<sup>31</sup>Required at least twice a month from April 2012, i.e. 12 Homes/institutions x 24 months x 2 inspections

### 2.3.10 Recommendations

The Government may -

- (i) *devise a system of periodical survey to ascertain number of persons with disabilities and their types and degrees,*
- (ii) *publicise schemes of loan facilities provided by NHFDC/SCA and take steps to encourage PwD to utilize them to become financially independent,*
- (iii) *decongest the homes for mentally retarded persons and provide adequate facilities to them, and*
- (iv) *ensure compliance to various provisions of the Act by setting up adequate number of schools for disabled children including their non-formal/comprehensive education and providing disabled friendly infrastructure in all places etc.*

The matter was referred to the Government in October 2014, their reply is awaited.

## Urban Development Department

### 2.4 Member of Legislative Assembly Local Area Development Scheme

On the analogy of MPLAD Scheme, the GNCTD also has a plan scheme 'Members of Legislative Assembly Local Area Development Scheme' (MLALADS) for strengthening and augmentation of infrastructure facilities in Delhi. Initially, ₹ 1.00 crore per year per Assembly Constituency, was earmarked, which was gradually increased to ₹ 4.00 crore. The significant audit findings are as under.

#### Highlights

- **Guidelines of MLALADS suffered from many deficiencies, leading to absence of clarity and transparency in implementation of the scheme. Several revisions resulted in gradual dilution of MLALADS guidelines.**

*(Paragraphs 2.4.2 & 2.4.2.1)*

- **UDD sanctioned 248 works of ₹ 39.90 crore without ensuring essential pre-requirements.**

*(Paragraphs 2.4.4.2 & 2.4.5.4)*

- **Works under the Scheme were primarily intended to create durable assets. However, 60 per cent of the funds in 3160 works involving expenditure of ₹ 277.36 crore was incurred on upkeep and improvement of existing assets which is not permissible under the guidelines and 585 works involving expenditure of ₹ 61.94 crore were not specified in guidelines.**

*(Paragraph 2.4.5.1)*

- **Works executed by the implementing agencies were marred with several irregularities such as excess expenditure, unauthorized cancellation/ closing of sanctioned works, delay in award and completion of works, award of works without calling of tenders.**

*(Paragraph 2.4.7)*

- **The UDD did not maintain asset register and stock register for assets created under the scheme. It did not institute any system for the audit of the scheme funds and submission of UCs by the implementing agencies. There was no monitoring mechanism to ensure internal checks and controls for efficient utilization of funds by implementing agencies.**

*(Paragraphs 2.4.8.1, 2.4.8.2 & 2.4.8.3)*

#### 2.4.1 Introduction

The GNCTD framed a plan scheme in the year 1994-95, namely, 'Members of Legislative Assembly Local Area Development Scheme' popularly known

as MLALADS (the scheme) and added this scheme in its annual plan with the title ‘Strengthening and Augmentation of Infrastructure Facilities in Assembly Constituencies’. The NCT of Delhi is divided into seven Parliamentary Constituencies and 70 Assembly Constituencies (ACs). Initially, ₹ 1.00 crore per year per Assembly Constituency (AC), was earmarked, which was gradually increased to ₹ 4.00 crore<sup>32</sup> per year per AC.

The salient features of the scheme were as under:

- Each MLA can recommend small capital works of ₹ 4.00 crore in a year with a ceiling of ₹ 2 crore for an individual work.
- The works under this scheme should primarily be for durable asset creation on Government or Local Body land.
- The works under this scheme are to be implemented by any of the Government Departments and agencies selected by MLA, including all the three electricity Distribution Companies of Delhi (DISOCMs).
- Funds required for implementation of works recommended by MLAs and estimated by implementing agencies, are released to the implementing agencies directly by the Urban Development Department (UDD), out of the yearly allocation for the scheme, under its budget.
- Funds under the scheme are considered and treated to be non-lapsable and unutilized funds can be utilized in subsequent years.

#### 2.4.1.1 Organisational set up

Funds for the scheme are allocated under the budget of UDD. The Secretary UDD, being the budget controlling authority, is the administrative head for the scheme, who is assisted by Additional Secretary (MLALADS) and Deputy Directors and Assistant Directors of Planning Branch of the UDD. The MCsD, Delhi Jal Board (DJB), Irrigation and Flood Control Department (I&FCD) and New Delhi Municipal Council (NDMC) are the main executing agencies for implementation and execution of works under the scheme.

#### 2.4.1.2 Audit objectives

The broad objectives of Performance Audit were to ascertain whether:

- guidelines are adequately robust for efficient and effective implementation of scheme,
- planning and sanction of the works were in accordance with the provisions of scheme guidelines and in true spirit of the scheme,
- management of scheme funds was effective and efficient ,
- execution of works was effective, efficient and within the frame work of extant rules, procedures and principles of financial propriety, and

<sup>32</sup>(i) 1994-1995 - ₹ 1 crore, (ii) 1999-2000 - ₹ 1.40 crore, (iii) 2000-2001 - ₹ 1.90 crore, (iv) 2004-2005 - ₹ 2 crore, and v) 2011-2012 - ₹ 4 crore.

- internal control mechanism including monitoring of physical and financial progress of the works, was in place.

#### **2.4.1.3 Audit scope and methodology**

The Performance Audit, covering the period 2009-14, commenced in May 2014 with an entry conference with the Secretary and officers of departments and agencies involved in the implementation of the scheme. Records were examined in UDD, Headquarters of MCsD, DJB, I&FCD and NDMC during May 2014 to October 2014. Audit selected top 59 divisions<sup>33</sup>, on the basis of utilization of funds. A sample of 933 works<sup>34</sup>, out of 10821 works was selected for detailed scrutiny.

Last review on the topic was included in Report for period ended March 2005 (Previous Report) but was not discussed in the PAC.

Audit findings, conclusions and recommendations were communicated to the Government in December 2014 and also discussed with the Special Secretary, UDD and officers of the implementing agencies in an exit conference held on 20<sup>th</sup> February 2015. Views of the Government expressed in the exit conference and received subsequently, have been considered and appropriately incorporated in the Report.

#### **2.4.1.4 Audit criteria**

The criteria applied in the performance audit were derived from the following:

- Provisions in the guidelines of the scheme and other administrative and executive instructions, issued by GNCTD from time to time,
- General Financial Rules, Civil Account Manual, CPWD Manual and other financial rules of the Government of India, and
- Relevant provisions of MPLADS.

### **Audit findings**

#### **2.4.2 Deficiencies in guidelines of MLALADS**

The MLALADS was introduced in NCT of Delhi on the analogy of MPLADS. The objectives of both the schemes are similar i.e. to enable public representatives (MPs and MLAs) to recommend works of development nature in their constituencies. In case of MPLADS, the Ministry of Statistics and Programme Implementation, GoI, deals with the policy matters and release of funds directly to District Heads in the States. A Department in each State is designated as Nodal Department for the supervision and monitoring of implementation of the scheme, whereas District Heads have been assigned the responsibility of sanctioning of works and

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<sup>33</sup> 100 per cent divisions of I&FCD and 50 per cent of total divisions of each of the remaining implementing agencies on the basis of money value.

<sup>34</sup> (i) Cost up to ₹ 5 lakh – top 2 per cent, (ii) More than ₹ 5 lakh and upto ₹ 20 lakh – top 10 per cent, (iii) More than ₹ 20 lakh and upto ₹ 50 lakh –top 50 per cent, and (iv) Above ₹ 50 lakh - 100 per cent

their execution at the constituency level. In contrast, in the NCT of Delhi, District Authorities are not involved in the implementation of MLALADS, but the UDD alone bears the entire responsibility of all the three components viz., (i) policy formulation, (ii) sanction and execution of projects, and (iii) supervision and monitoring of scheme implementation.

A comparison of guidelines of two schemes showed that guidelines of MLALADS have many deficiencies, leading to absence of clarity and transparency in implementation of the scheme. Comparison of some of the important issues with reference to provisions in the two sets of guidelines is shown in **Annexure 2.2**.

The Government stated (February 2015) that ideally it approves the policy and accords sanction. Monitoring of works should be done separately by executing agencies. It further added that guidelines would be revised keeping in view guidelines of MPLADS.

#### **2.4.2.1 Gradual dilution of MLALADS guidelines**

The MLALAD guidelines have undergone several revisions, and every revision had an effect of diluting them. A study of the provisions of the scheme guidelines-2012 and those of previous guidelines, showed that guidelines have lost their effectiveness with every revision, as certain important provisions were withdrawn which have affected the effective implementation and monitoring of the scheme. The details are as follows:

Sl.No	Provisions withdrawn	Effect
1.	The Local bodies/departments to certify that proposed works are not covered under any other scheme, to avoid any duplication. (Guidelines 2002-03).	Possibility of duplication of works.
2.	UDD to select the implementing agency for the work, in consultation with MLA (Guidelines 2002-2003). Preference to be given to those agencies on whose land/property/jurisdiction, works are to be executed, in order to avoid jurisdictional and specification problem (Guidelines 2006).	MLA selects the agency. In some cases, agencies do not have the mandate for the proposed work and ownership of land/jurisdiction, resulting in specification and jurisdictional problems.
3	Constitution of a Monitoring Committee under the Pr. Secretary (UDD) for monitoring the progress of works. (Guidelines 2000-2001).	No monitoring mechanism exists.
4	Before any work is taken up, provision for the maintenance and upkeep of the work by the concerned local body/agency, should be ensured. (Guidelines 2000-2001).	No assurance of future maintenance and upkeep of the assets created under the scheme

In the exit conference (February 2015), the Special Secretary assured that the audit observations would be placed before the competent authority for consideration and appropriate revision in scheme guidelines, keeping in view the guidelines of MPLAD scheme.



### **2.4.3 Absence of planning for works as prescribed under the scheme**

MLALADS guidelines provide that the works recommended under the scheme should conform to the general pattern of programmes and projects, being implemented by local bodies and departments of GNCTD. However, there existed no such mechanism either in local bodies or in the UDD, to plan works, under the scheme, in a manner prescribed in the guidelines. In practice, MLAs submitted proposals on 'work to work basis' in isolation as short term measures and UDD sanctioned them without ensuring their linkage to the priority sectors and programmes of the Government and the local bodies.

Issue regarding adhocism in selection of works was highlighted in the Previous Report also. UDD, however, did not initiate corrective action in this regard.

The Government stated (February 2015) that MLALADS is meant basically to solve local problems of area which could be better judged by MLAs. Reply is not acceptable as UDD should have sanctioned scheme works that conformed to the general pattern and programmes of the Government and local bodies.

### **2.4.4 Scrutiny and sanction of proposals**

#### **2.4.4.1 Absence of proper scrutiny of proposals**

The MLALADS guidelines stipulate that MLA would submit written requests to the Principal Secretary, UDD for release of funds to implementing agency selected by him, along with details of work, its location, detailed cost estimate and layout plan. Test check of records, however, showed that proposals submitted by MLAs, were not accompanied by the approved layout plan, specific location of work and detailed cost estimates. The UDD, instead of insisting on prescribed documents, absolved itself from the responsibility of scrutinizing the proposals and transferred the onus of such scrutiny to the implementing agencies, by incorporating following conditions in the sanction letters:

- (i) Implementing Agency has to check the location of the proposed work and ensure that it is not located in unauthorized colony.
- (ii) Implementing agency will be responsible for technical and financial scrutiny and approval of detailed estimate for each work.
- (iii) Funds are utilized by agencies strictly in accordance with the parameters of the scheme, on approved items of work, as amended time to time.

Further, UDD did not have any institutional mechanism to verify the compliance of these conditions by implementing agencies.

The Government stated (February 2015) that the system of examination of proposals in UDD would be further improved by deploying additional staff and by developing a system for MLALADS. Reply is a confirmation that proposals are not being adequately scrutinized in UDD before sanction is accorded.

#### 2.4.4.2 Sanction of works without ensuring essential pre-requirements

One of the salient features of the MLALAD scheme is that wherever required, technical and administrative sanction of works will be given after following departmental procedures applicable to the local bodies and other Government Departments. However, audit scrutiny showed that UDD did not comply with these provisions of the scheme, while sanctioning works. Some instances are given below:

- (i) 179 works for street lights costing ₹ 19.53 crore were sanctioned during 2012-14. Neither additional requirement of street lights nor specifications of lighting equipment to achieve required lux, were verified before according sanction.
- (ii) The I&FCD was sanctioned ₹ 94.70 lakh during the year 2009-13 for installing hand pumps without ensuring necessary clearances from local authorities. Consequently works were not executed as I&FCD could not get the clearances. Funds were lying unutilized with I&FCD.
- (iii) An amount of ₹ 2.83 crore was sanctioned for construction of two community halls in September 2013, without verifying the ownership of lands where these works were to be executed. Works could not be started as the land owning agency (DUSIB) did not permit construction of buildings on its land.
- (iv) The I&FCD does not have lanes, galis or lay out roads under its administrative control, but UDD sanctioned to it, 24 works of ₹ 5.73 crore of strengthening of roads, lanes and galis etc., without ascertaining the essentiality of the proposed works from land owning agencies.

The Government stated (February 2015) that as per sanction orders, executive agencies were to get clearance from land owning departments. The reply confirms that sanctions were issued without ensuring necessary clearances whereas it is silent on the other issues raised in the paragraph.

#### 2.4.5 Violation of guidelines in sanctions

##### 2.4.5.1 Sanction of works for upkeep and improvement

Scheme guidelines prescribe that works under the scheme should primarily lead to creation of durable assets on lands belonging to the Government or local bodies. Expenditure on repair and maintenance of the assets is not permitted except expenditure on special repair of the assets created in the previous years, subject to the production of a certificate to this effect by an officer not below the rank of Superintending Engineer of concerned executing agencies to UDD. Audit analysed the scheme expenditure sanctioned during the period 2012-14<sup>35</sup> and observed that on the recommendations of MLAs, UDD sanctioned total

<sup>35</sup>Details of works sanctioned during the period 2009-12 were not provided by UDD.

4832 works involving expenditure of ₹ 462.17 crore during this period. On the basis of nature and admissibility of works under the provisions of the scheme, Audit categorized these works in three mutually exclusive categories, as given in **Table 2.4.1.**

**Table 2.4.1: Break-up of works executed during 2012-14**  
(₹ in crore)

Sl No.	Item	No. of work	Expenditure	Percentage
1.	Permissible works	1087	122.87	26.59
2.	Works not specified in the guidelines	585	61.94	13.40
3.	Works for upkeep and improvement of existing assets	3160	277.36	60.01
	<b>Total</b>	<b>4832</b>	<b>462.17</b>	<b>100</b>

Audit observed that the pattern of works recommended and sanctioned, was same in all Assembly Constituencies across the board, i.e. instead of going for creation of new infrastructure, MLAs preferred to utilize scheme funds for maintaining and up-keeping of the existing ones. More than 60 *per cent* of sanctioned funds was utilised for the works for upkeep and improvement of existing assets (like repairs of lanes, roads, water lines, sewer, drains, etc.). More than 13 *per cent* of expenditure was on works which were not identified in scheme guidelines as permissible works. Only 26.59 *per cent* of funds was sanctioned for permissible works. Even under this category of permissible works, 561 works were sanctioned under one head – ‘Development of Parks’ at a cost of ₹ 35.79 crore (41 *per cent* of total cost of ₹ 122.87 crore of permissible works).

Issue regarding sanction of works for repair & maintenance was highlighted in previous report also. UDD, however, continued to sanction regularly works of similar nature.

The Government stated (February 2015) that relaying of roads, improvement of water lines, sewer and drains were considered as new work. Reply is not acceptable as guidelines provide creation of durable assets and works under reference were not for creation of assets, but improvement in existing assets of local bodies.

#### **2.4.5.2 Lop-sided sanction of permissible works**

MLALADS guidelines provide a list of permissible works containing 28 categories of works that can be recommended by MLAs. The intention of including specific categories of works in the list, was apparently to ensure that works are taken up in sectors which are needed to be strengthened by creation of additional infrastructures. However, Audit observed that, during 2012-14, out of 28 categories of works included in the list, no work from 12 categories (such as construction of school buildings, sub-ways, hostel for working women, public

libraries, computers to school, solar traffic lights, roads as per approved lay out, sports complexes, etc.) was recommended for any of the 70 ACs. Out of remaining 16 categories, 1087 works involving ₹ 122.87 crore, were recommended and sanctioned. Further, out of this sanctioned expenditure of ₹ 122.87 crore, a sum of ₹ 111.49 crore was incurred on only six categories of works of viz *Baratghars* or *Chaupals*, tube-wells, shifting of overhead power lines, street lights, development of parks and benches. These six categories works alone accounted for 90.66 per cent of the total expenditure on permissible works. Other 10 categories (such as construction of public toilets, crematoriums, bus stops, garbage collection centre, rain water harvesting systems, provision of ambulances and mobile vans for public libraries, etc.) got a marginal share of 9.34 per cent only.

The Government stated (February 2015) that MLAs were free to recommend any of the permissible works as per local need or on public demand and added further that the list was exhaustive which was used by MLAs. The reply of UDD may be appreciated, but Governments priorities should also be given due representation in the works under MLALADS.

#### **2.4.5.3 Sanction of works not included in the list of permissible works**

The UDD did not strictly follow norms prescribed in the scheme guidelines, as works not included in the list of permissible works, were also sanctioned as detailed in **Table 2.4.2**.

**Table 2.4.2: Sanction of works not included in list of permissible works**

(₹ in crore)

Sl No	Works not included in permissible list	No. of works	Amount sanctioned
1.	Gates, entry gates, welcome gates, designer gates, Swagat gate	258	14.43
2.	Boundary wall of localities	139	13.41
3.	Providing RMC for development of parking	54	3.71
4.	Providing and fixing concertina coil, barbed fencing on boundary walls of various localities	25	1.50
5.	Benches (other than for parks)	17	2.19
6.	Gymnasium	03	3.56
7.	Air-conditioned bus (Delhi Cantonment Board)	01	0.26
8.	Mastic layer on internal roads and lanes of colonies	82	21.70
9.	Development of ponds, lake and statue of Bhamashah in park	06	1.18
10	Semi High Mast Light	41	1.65
<b>Total</b>		<b>626</b>	<b>63.59</b>

The gates of varied categories having little utility were constructed. Semi High Mast Light (SHML)<sup>36</sup> and Benches<sup>37</sup> were sanctioned for the locations, other than the locations specified in the guidelines. It is worth mentioning that SHML are twenty times costlier than the commonly used street lights and consume electricity ten times more than commonly used street lights. UDD arranged neither for security and future maintenance for the benches nor for their handing over to any civic agency.

Despite being pointed out in the Previous Report, the UDD continued to sanction such works.

The Government stated (February 2015) that execution of Entry Gates, Boundary walls, RMC in parking lots etc. were taken under durable assets for public use. Reply is not acceptable as these works are not included in the list of permissible works.

#### **2.4.5.4 Irregular sanction of construction of *Barat Ghars/Chaupal***

The UDD sanctioned 41<sup>38</sup> works of ₹ 10.86 crore to I&FCD during the period 2009-14, for construction and/or repair of *Bharat Ghars*, *Chaupals*, and Community Centres, including ₹ 4.95 crore for re-construction of 11 buildings after demolishing the existing ones. The UDD was to ensure that either the executing agency should own the land/asset or prior consent of the land/asset owner should be obtained before entrusting the work. However, in the above cases, neither the land belonged to I&FCD nor was the consent of the land owning agencies obtained for construction, reconstruction or demolition of buildings.

The Government stated (February 2015) that the sanctions were accorded for projects which had to be executed only on the land of government/local bodies. Other formalities like permission from land owning department had to be completed by executing agencies. Reply is not acceptable as UDD should have ensured consent of the land owning departments before sanctioning of work.

#### **2.4.5.5 Other irregularities in sanction of works**

**(i) Streetlight works:** Scheme guidelines stipulate that work of street lights should be carried out by the MCsD, PWD or other road owning agencies. The requisition should first be placed before road owning agency and in case of no response within 10 days, the DISCOMs would be asked to get the work initiated and payment would be made directly to DISCOMs under intimation to the road owning agency. Audit scrutiny, however, showed that UDD entrusted 133<sup>39</sup> works directly to DISCOMs during 2009-2014, for street lighting through

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<sup>36</sup> At road crossing, near flyovers and under passes, stadium and golf ground, truck and bus terminals, parking lots and market complex developed by government.

<sup>37</sup> At road crossing, near flyovers and under passes, stadium and golf ground, truck and bus terminals, parking lots and market complex developed by government.

<sup>38</sup> As per figures provided by I&FCD

<sup>39</sup> As per information provided by DISCOMS

sanction letters only, without routing the requisition through the road owning agencies and making a formal agreement. The UDD also made advance payment of ₹ 23.86 crore directly to DISCOMs, without intimating road owning agencies.

The Government stated (February 2015) that each estimate was duly considered by an expert technical committee having a member from road owning agency, adding further that DISCOMs separately take permission/no objection from land owning agency. Reply is not acceptable as guidelines unequivocally define the procedure to be followed in case of street lights work and requires UDD to obtain permission of road owning agency before sanction of works. The reply was silent on non-execution of agreement and advance payment to companies.

**(ii) Shifting of HT/LT Lines:** Audit noticed the following violations of extant Rules and procedures in awarding of 58<sup>40</sup> works of shifting of electric lines to DISCOMs:

- The works were awarded through sanction letters only without any formal agreement or work order.
- Advance payment of ₹ 13.34 crore was made in violation of GFRs, based on the estimates prepared by them and these were never adjusted.
- Estimates submitted by DISCOMs were not based on DSR as stipulated by GNCTD orders.
- DISCOMs did not follow the provisions of open tender prescribed in the GFRs while awarding and executing the works as specified in the sanctions.
- UDD neither obtained completion reports of works sanctioned nor verified as to whether these works were completed as per approved specifications.

The Government stated (February 2015) that DISCOMs prepared estimates on schedule of rates based on competitive bidding, as stipulated by DERC. Reply is not acceptable as the estimates should have been as per DSR as stipulated in scheme guidelines. Moreover, UDD did not officially relax this condition for DISCOMs. Other issues raised in the paragraph remained unaddressed.

**(iii) Sanction for Porta Cabins:** Scheme guidelines allow provision of porta cabins, with durability more than 20 years, on Government land. During the period 2009-14, UDD sanctioned to NDMC, construction for 112 porta cabins at various locations, at a cost of ₹ 2.75 crore. No document was sought by UDD to certify that durability of proposed porta cabins was over 20 years. The criteria for allotment of porta cabins to RWAs was also not decided and these cabins were neither entered in the property register of NDMC nor officially allotted to users.

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<sup>40</sup>As per Information provided by DISCOMs

In its reply, NDMC stated (March 2015) that porta cabin structure was fabricated with MS steel and angles designed for 20 years and were handed over to RWA for their use. Reply is not acceptable as no certificate or document regarding life was submitted to UDD and porta cabins were not officially allotted to the users.

**(iv) Non-verification of sanctioned works:** The UDD released, in advance, ₹ 9.90 crore directly to a private company in violation of GFR 159 (I), for providing and installing 165 Renewal Energy Assisted Pumps at various locations during 2012-14. However, it did not verify whether the vendor had installed the pumps.

The Government stated (February 2015) that pumps had been installed and completion certificate received. The reply is a confirmation that UDD did not have its own means to verify completion of works.

#### **2.4.6 Funds management**

Year-wise budget outlay and amount actually released to implementing agencies by UDD under the scheme during the period 2009-14 is given in **Table 2.4.3**.

**Table 2.4.3: Year-wise budget outlay and actual release**

(₹ in crore)

Year	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Approved outlay	140.00	140.00	140.00	280.00	280.00	980.00
Revised outlay	198.00	140.00	280.00	330.00	280.00	1228.00
Actual release*	186.74	111.77	260.82	300.75	279.90	1139.98

*Source: Demand for Grants and as provided by UDD. \*information on actual expenditure was not available with UDD.*

##### **2.4.6.1 No mechanism to watch submission of accounts by the agencies**

Funds were released to implementing agencies on work to work basis, with the condition that the agency must render constituency wise accounts, along with details of works executed. It was, however, noticed that UDD did not have any institutional mechanism in place to ensure submission of these accounts and detail of works, by implementing agencies and further use of these reports.

##### **2.4.6.2 Failure of UDD to make MLALADS funds non-lapsable**

As per scheme guidelines, scheme funds should be considered and treated as non-lapsable and unreleased amount of one year can be utilized in subsequent years. However, UDD had not developed a mechanism to make the scheme funds non-lapsable, resultantly, unreleased budget allocation lapses at the close of a particular financial year. In the following year, budget allocation is limited to the total annual eligibility of 70 MLAs and no additional allocation is made on account of unreleased funds of previous years.

During the year 2013-14, MLAs submitted proposals for ₹ 315.17 crore. Though, proposals were well within the cumulative eligibility of the MLAs, but UDD could release only ₹ 279.90 crore, as there was an allocation of ₹ 280 crore only in the budget for that year. Thus, funds of ₹ 35.27 crore for 404 sanctioned works, could not be released. During the period 2009-14, implementing agencies refunded ₹ 43.30 crore to UDD, on account of non - execution of various works which was deposited, by UDD to the Government account, under the head 'Deduct Recoveries', expenditure from which is not allowed. This situation could have been avoided, had UDD followed the procedure prescribed in MPLADS guidelines in this regard and started transferring annual budget allocation and refunded money to a dedicated bank account and managed all financial affairs of the scheme through that account only.

In response, UDD stated (February 2015) that as and when more funds were required, the Finance Department allocated the required funds immediately. The reply confirms the audit observation that scheme funds are not non-lapsable.

#### **2.4.6.3 Inadequate system of transferring funds to implementing agencies**

Audit scrutiny showed that scheme funds were transferred through RTGS to main bank accounts of implementing agencies, by PAO on the directions of UDD on work to work basis. However, no data/record of work wise and agency wise release of funds was maintained and no formal intimation on such transfer of funds, was sent to implementing agencies by UDD. Implementing agencies too did not maintain record/data of work wise and date wise receipt of funds, as UDD did not convey such information to them. There was no system in UDD to reconcile the status of works sanctioned, funds released and funds received by implementing agencies. The MCsD even accepted that in the existing system, there is no assurance that all funds released by UDD were duly credited in their bank account and funds for every sanctioned work had been released by UDD.

In exit conference, UDD, MCsD and DJB assured to put in place an adequate system for systematic maintenance of data of sanctioned works, amount released and periodical reconciliation.

#### **2.4.6.4 No mechanism to utilize unspent fund lying with implementing agencies**

UDD did not have any information about unutilized funds lying with implementing agencies. However, information provided by implementing agencies, showed that ₹ 304.33<sup>41</sup> crore was lying unutilized with them as on 31 March 2014, out of funds

<sup>41</sup>This may include the amounts to be paid for the ongoing work



released by UDD during 2009-14, in addition to ₹ 30.80 crore earned as bank interest by MCsD, as detailed in **Table 2.4.4**.

**Table 2.4.4: Details of unspent balances with implementing agencies**

(₹ in crore)

Sl. No.	Agency <sup>42</sup>	Discretionary Funds		Mandatory Funds	
		Unutilized amount	Interest earned	Unutilized amount	Interest earned
1	North DMC	54.23	10.46	5.94	3.02
2	South DMC	92.40	8.32	14.06	3.51
3	East DMC	52.64	4.31	10.48	1.24
4	DJB	7.15	-	45.59	-
5	NDMC	7.76	-	4.00	-
6	DCB	2.20	-	2.19	-
7	DISCOMs	5.69	-	-	-
	<b>Total</b>	<b>222.07</b>	<b>23.09</b>	<b>82.26</b>	<b>7.71</b>

Unspent funds could have been utilized for other works, had UDD evolved a system to get back the unutilized funds immediately after completion of works.

Further, as on 31 March 2014, ₹ 147.20<sup>43</sup> crore (upto third Vidhan Sabha) was lying unproductive in non-operating bank accounts of MCsD. Similarly, ₹ 4.78 crore was also lying unutilized with DJB.

The Government stated (February 2015) that appropriate action in this regard would be taken.

#### **2.4.6.5 Non observance of prescribed system for banking of the scheme funds**

Scheme guidelines require implementing agencies to open separate bank accounts for each MLA. However, DJB, NDMC and DISCOMs did not open separate bank accounts for the scheme and receive funds in their main bank accounts. Though MCsD opened separate bank accounts but UDD was transferring funds in their main bank accounts. The I&FCD received scheme funds in Government account and DCB maintained common bank account for MLALADS and MPLADS. None of the agencies maintained work wise ledger accounts.

The Government stated (February 2015) that a circular had been issued to each executing agency, to open separate bank account for each MLA.

#### **2.4.6.6 Deficient system of incurring expenditure**

A study of the system for incurring expenditure for MLALADS works in MCsD showed that works were awarded by respective Divisions on the basis of sanction orders issued by UDD, without confirming whether the Finance Wing of MCsD

<sup>42</sup> The IFCD did not maintain separate bank account for MLALADS

<sup>43</sup> NDMC-₹ 52.86 crore, SDMC-₹ 59.97 crore, EDMC-₹ 34.37 crore

has received funds for that particular work from UDD. Further, on completion of work, funds for payment to contractor were released to the concerned Division by the Finance Wing without confirming actual receipt of fund for that particular work. For instance, during September to October 2013, UDD issued sanction orders for 404 works of ₹ 35.27 crore, but did not release funds and cancelled (June 2014) all these sanctions. Meanwhile, MCsD awarded 261 of these works and made payment of ₹ 13.77 crore to contractors, from funds released by UDD for other works.

In DJB, MLALADS funds were being allocated by the Finance Wing of DJB to concerned Divisions in advance, but no detail of actual expenditure against these allocations, was being submitted by concerned division to Finance Wing.

After being pointed out in audit, MCsD assured to improve the procedure.

#### **2.4.6.7 Improper management and utilization of mandatory fund**

The Council of Ministers approved in June 2010 that scheme funds of each MLA (₹ 2.00 crore per MLA per year at that time) would be divided into two parts - Mandatory Fund and the Discretionary Fund of ₹ 1.00 crore each. The Mandatory Fund was to be released directly to MCsD, NDMC, and Delhi Cantonment Board (DCB) and these agencies were required to issue sanction orders for the works recommended by MLAs and submit monthly expenditure reports to UDD. Subsequently, in September 2012, the Cabinet decided to release Mandatory Fund of ₹ 1.00 crore per MLA per year to DJB, instead of MCsD, for water and sanitation works, despite the fact that during the period from 2009-10 to 2011-12, the average demand for water and sanitation works was only ₹ 8.59 lakh per MLA per year. The component for NDMC and DCB remained unchanged. Accordingly, UDD released ₹ 136 crore to MCsD during 2010-12, ₹ 136 crore to DJB during 2012-14 and ₹ 4 crore each to NDMC and DCB during 2010-14.

MCsD and DJB utilized these funds for routine repair and maintenance of existing assets. NDMC did not utilize the fund and DCB utilized it to procure inadmissible inventory items, such as bus, air conditioners, e-toilets, tractor, gymnasium equipment, etc. which are not allowed under the scheme. Further, as per sanction orders, the agencies were required to open a separate bank account for mandatory portion of the scheme funds for each member and not to club mandatory funds with the accounts meant for discretionary portion. However, only MCsD complied with these orders. While DJB and NDMC deposited these funds in their common account, the DCB merged these funds with discretionary funds.

Government stated (February 2015) that the implementing agencies will submit replies to the audit observations. However, no reply has since been received from DJB and MCsD. (April 2015)

#### **2.4.7 Execution of works by implementing agencies**

Out of total 10821 works executed by the implementing agencies during 2009-14, Audit scrutinized 933<sup>44</sup> works in 59 divisions of I&FCD, MCsD, DJB and NDMC. Irregularities noticed in audit in execution of works are enumerated below:

**(i) Unauthorized expenditure:** As per scheme guidelines, the expenditure should in no case exceed the sanctioned amount. Sanctions issued by UDD for works were also subject to the condition that funds should not be diverted from one work to another, without approval of GNCTD. However, as per information provided to Audit, I&FCD and DJB spent ₹ 69.41 lakh in excess of sanctioned amount in 23 works<sup>45</sup>, without the prior approval of UDD.

In its reply, DJB stated (March 2015) that excess amount was paid from its own resources. However, the reply could not be verified as DJB did not maintain separate accounts for MLALADS.

**(ii) Cancelling/Closing of sanctioned works:** Scheme guidelines contain no provision regarding cancelling or closing of sanctioned works without approval of UDD. However, as per information provided to Audit, I&FCD and DJB either did not start or stopped 422 works of ₹ 33.17 crore after awarding, resulting in blockade of funds. Funds sanctioned for these works were lying with the agencies.

In its reply, I&FCD stated (March 2015) that works were closed or cancelled due to encroachment, courts cases and request of MLAs. However, I&FCD did not explain as to why the permission of the UDD was not obtained before closing/cancellation of these works.

**(iii) Delay in completion of works:** As per scheme guidelines, implementing agencies are required to take all preparatory steps as per established procedure and issue work order within a period of 60 days after funds are released by UDD. Scrutiny of records in IFCD, MCsD and DJB showed that 753 works were awarded after 62 to 804 days of receipt of sanctions from UDD. It was also noticed that 1049 works were completed or running with delays ranging up to 60 months as of September 2014. UDD, however, initiated no action to avoid delay in completion of works despite being pointed out in the Previous Report.

Implementing agencies stated (March 2015) that delay occurred due to administrative reasons, non-clearance from the land owning agencies, hindrances, dispute and court cases etc. Replies are not acceptable as guidelines stipulate that implementing agencies should take all preparatory steps as per established procedure before award of work.

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<sup>44</sup>I&FCD-232, MCsD-633, DJB-50 and NDMC-20

<sup>45</sup>DJB – ₹19.74 lakh for 10 works and I&FCD – ₹ 69.40 lakh for 13 works.

**(iv) Award of works without call of tenders:** As per the orders of MCD, urgent and important nature of work costing upto ₹ 5.00 lakh, can be awarded on Unit Rate Method (URM) without call of tenders. It was, however, noticed that 322 works of ₹ 13.83 crore for laying Ready Mix Concrete, Cement Concrete pavement in lanes and development of drains, were awarded through URM but no evidence or justification to treat these works as important and urgent was found on record.

MCsD intimated (March 2015) that URM system was under review and necessary instructions had been issued for using URM in urgent works only.

**(v) Unauthorised execution of works:** Five works of ₹ 58.71 lakh were executed by I&FCD, in unauthorized colonies, where scheme works were not permitted.

In its reply, I&FCD stated (March 2015) that works were executed in unauthorized regularized colony. Reply is not acceptable as these colonies have not yet been regularized by the Government.

**(vi) Unauthorised sanction and execution of works:** Works of office and residential buildings of the State or Central Government, are not allowed under the scheme. However, NDMC executed works of ₹ 3.24 crore in Government building complexes, such as CGHS dispensary, Teen Murti and Ashoka Police Lines and P&T Colony. In its reply, NDMC stated (March 2015) that works were executed in the common area of the Government building. Reply is not acceptable as works under reference were carried out in the central government office complexes.

It was further seen that work of CGHS dispensary in Laxmibai Nagar was sanctioned for ₹ 45.54 lakh in June 2013, on the recommendation of area MLA, but work was not awarded during the tenure of 4<sup>th</sup> Vidhan Sabha. As per scheme guidelines, in such a case, works were required to be awarded only with the consent of new MLA of the area. However, NDMC awarded these works in March 2014 without seeking consent of new MLA.

UDD stated that consent of present MLAs was not possible as 5<sup>th</sup> Vidhan Sabha was under suspension and President Rule was imposed. Reply is not acceptable as specific orders were issued by the GNCTD allowing MLAs to exercise their discretion under MLALADS even during suspended animation of 5<sup>th</sup> Vidhan Sabha.

#### 2.4.8 Internal control

Internal control provides reasonable assurance to the management about compliance to the applicable rules and regulations. Apart from the issues already pointed out in the report, the following shortcomings were noticed in internal control:

#### **2.4.8.1 Non-maintenance of record of works sanctioned**

The Public Accounts Committee of Delhi Legislative Assembly (2<sup>nd</sup> Vidhan Sabha) recommended in its ninth report that UDD should evolve a mechanism wherein proper maintenance of records is ensured and those should be made available to Audit, as and where required. In spite of directions from the PAC, UDD did not evolve any mechanism for systematic maintenance of recording input and output data of works sanctioned under the scheme and funds released. The UDD could not provide basic records such as register for recording dates of receipt of proposals from MLAs, details of sanction order number and date, works and release of funds (agency wise and date wise), which is indicative of its callous approach towards implementation of the scheme and disregard of the Legislature. Further, UDD neither maintained assets register for assets created under the scheme, nor directed implementing agencies to do so. Stock register for items procured out of scheme funds, was also not maintained.

The Government stated (February 2015) that MLA wise information was available on department's website and all executing agencies are maintaining the asset registers. Reply is not acceptable as only copies of the sanctions are uploaded on the department's websites whereas the data/record should be maintained by UDD in a systematic manner. As regards asset registers, it was noticed during field visits that no agency was maintaining the asset register.

#### **2.4.8.2 Absence of mechanism for audit**

Although sanction orders require implementing agencies to submit audited accounts, utilization certificates, and expenditure statements, duly certified by Audit as per GFRs, UDD did not prescribe any agency or procedure for audit of the scheme funds and submission of UCs.

The Government stated (February 2015) that GNCTD had its own Internal Audit Wing and that matter would be taken up with the Directorate of Audit GNCTD to conduct audit of the scheme separately on yearly basis.

#### **2.4.8.3 Monitoring mechanism**

Projects under scheme were being implemented by different implementing agencies in different part of the city. However, no institutional mechanism was found in place in UDD to monitor physical and financial progress of projects as described below:

- No system was developed to watch and ensure submission of required quarterly reports by the executing agencies to UDD and to evaluate these reports as prescribed under the scheme guidelines.
- Monthly physical and financial progress reports were not furnished by the UDD to the Planning Department, GNCTD as specified in the sanction letters.

- UDD never obtained details of works executed and MLAs' certificates for satisfactory completion of work from implementing agencies as prescribed in the sanctions. Instances were noticed that many sanctioned works were not taken on record by implementing agencies for execution. MCsD even confirmed that there was no assurance that each and every sanctioned work had been taken up for execution by them and that no sanctioned work was left un-marked.

Thus, there was no monitoring mechanism in existence for the scheme in UDD. Issue regarding inadequate monitoring of implementation of scheme was also brought out in the Previous Report. UDD, however, initiated no action to strengthen the monitoring mechanism.

The Government stated (February 2015) that proposals sanctioned under MLALADS are properly monitored by executing agencies. Reply is not relevant as it does not address any of the issues raised in the audit observation.

#### **2.4.9 Public information system**

##### **2.4.9.1 Incomplete public information system**

As per orders of the Central Information Commission, UDD and implementing agencies were required to upload on their websites, details of works sanctioned and executed under the scheme. Audit observed that UDD did not prescribe any format for uploading information either on its own website or on implementing agencies. The UDD was uploading only copies of sanction orders on its website. Though, MCsD and DJB were uploading some details on their websites, vital information of public interest, were not uploaded, such as, number of sanction orders, contractual amount and stipulated date of completion.

The Government stated (February 2015) that it was regularly up-loading the information of sanctioned works on its website. The executing agency have also been asked to up-date information regularly on their website. Reply is not acceptable as UDD only uploaded the copy of the sanctions on its website.

##### **2.4.9.2 Non-compliance of orders of Central Information Commission**

While disposing off a complaint, the Chief Information Commission (CIC) directed (February 2011) the GNCTD to install a sign board in each constituency, mentioning details of expenditure by respective MLAs under MLALADS and also to mention on the board the exact link/URL to the page of website of the Department, where the information could be viewed. The information on the boards was to be updated each year, within six months of the closure of the previous year. The UDD completed this work in January 2012 for the period 2009-11 only, at a cost of ₹ 86.80 lakh. However, details of expenditure for the period 2011-14 were not displayed and no link/URL to the page of the websites, was mentioned on these boards. In fact, no such page on the website of UDD was

available. In 32 cases, details of expenditure were displayed at places outside the area of constituencies.

The Government stated (February 2015) that the order of CIC would be complied with.

#### **2.4.10 Conclusion**

The UDD limited its role only to sanction and release of funds for whatsoever works recommended by MLAs. There was no scrutiny of proposals in UDD as regard to admissibility of recommended works. Thus, there was no check on sanction of inadmissible works under the scheme. Works under the scheme were primarily intended to create new durable assets, but 60 *per cent* of funds were utilized for routine repair and maintenance of existing assets, supposed to be maintained by local bodies. Unspent funds were lying with implementing agencies. Though scheme guidelines envisage scheme funds to be non-lapsable, no system was evolved to consider and make scheme funds non-lapsable. As a result, unutilized funds of one financial year were not available for the scheme in succeeding years. After release of funds, there was a total disconnect between UDD and implementing agencies. There was no mechanism to ascertain whether all works sanctioned by UDD, were taken-up for execution and completed. There was no mechanism in place to monitor financial and physical progress of works.

#### **2.4.11 Recommendations**

The Government may consider the following:

- (i) reviewing scheme guidelines taking into consideration the relevant provisions of MPLADS,*
- (ii) ensuring that selection of works under the scheme addresses the development priorities of the Government, along with local requirements in individual constituencies,*
- (iii) improving fund management, putting in place a mechanism to make the funds non-lapsable and handing over the assets created under the scheme to user agencies for subsequent maintenance, and*
- (iv) strengthening the internal control mechanism by setting up a MIS in UDD and implementing agencies for monitoring the execution of projects, maintenance of basic records, auditing of scheme funds, and ensuring timely submission of UCs.*

## Urban Development Department

### 2.5 Mechanization of Conservancy and Sanitation Services

GNCTD provides funds to Municipal Corporations of Delhi (MCsD), under the head 'Mechanization of Conservancy and Sanitation Services', for enhancing environmental quality by improving sanitation standards. The significant audit findings are as under:

#### *Highlights*

- *There was no long term planning in the MCsD, with defined objectives of Sanitation Services to be achieved within prescribed timelines. Annual plans were not based on actual requirements.*  
(Paragraph 2.5.2)
- *Achievement of MCsD in efficient collection and segregation of garbage was only 17.44 and 25.30 per cent during 2013-14.*  
(Paragraphs 2.5.3.2 and 2.5.3.3)
- *During 2013-14, only 41 per cent of the garbage and 47 per cent of construction and demolition waste was processed, while the rest was dumped at Sanitary Land Fills.*  
(Paragraphs 2.5.3.6 (i) and (ii))
- *Against a requirement of 600 acres of land for SLFs, only 324.60 acres were allotted by the DDA, out of which only 150 acres of land was found suitable for SLFs.*  
(Paragraph 2.5.3.6 (iv))
- *The MCsD failed to provide quality urinal facilities to the general public, in spite of constructing 567 waterless urinals at approximately ₹ 22.96 crore.*  
(Paragraph 2.5.3.10)
- *MCsD did not have any system for monitoring its day to day sanitation activities like - sweeping of roads, de-silting of drains, cleaning of urinals, etc.*  
(Paragraph 2.5.7 (i))

#### 2.5.1 Introduction

'Mechanization of Conservancy and Sanitation Services' (Sanitation Services) is a plan head of the GNCTD, under which funds are provided to Municipal Corporations of Delhi (MCsD) and New Delhi Municipal Council (NDMC), for activities, like enhancing environmental quality by improving sanitation standards, re-organization of sweeping, collection, transportation and disposal of garbage, solid waste management, minimization of emission of greenhouse gases,



etc. Delhi, on an average, produces 7172 ton of garbage per day. The garbage from Delhi Cantonment Board, fish markets, *subzimandis*, slaughter houses etc., is transported directly to the sanitary landfills (SLFs). Household garbage from MCsD areas is initially collected at 3204<sup>46</sup> *dhalaos*<sup>47</sup> and open sites before it is transported to SLFs or processing plants. In Delhi, there are only four garbage processing plants with total daily processing capacity of 2929 ton. In addition to garbage, Delhi produces 2773 ton of construction and demolition (C&D) waste and 664 ton of silt daily. Of the daily production of C&D waste, 1290 ton is processed at a processing plant at Burari, the remaining is dumped at SLFs.

#### **2.5.1.1 Organizational set-up**

The Urban Development Department (UDD), headed by the Secretary, is the administrative Department for MCsD. The Sanitation Wing of North DMC is headed by the Director-in-Chief (Sanitation), who is assisted by the Chief Engineer (DEMS) and Superintending Engineers (DEMS and Auto). In South DMC and East DMC, Sanitation Wings are headed by Additional Commissioners. In all the three Corporations, Deputy Commissioners are heads of their respective zones and are assisted by Sanitary Superintendents, Chief Sanitary Inspectors and other sanitation staff.

#### **2.5.1.2 Audit objectives**

The broad objectives of the Performance Audit, were to ascertain whether:

- annual plans were prepared with timelines to achieve the objectives of Sanitation Services,
- implementation and management of various components of Sanitation Services, were effective to achieve overall objectives,
- resources (finance, manpower and equipment) were utilized efficiently, effectively and optimally, and
- internal control mechanism was efficient and effective.

#### **2.5.1.3 Scope of audit and methodology**

Performance audit covering the period 2009-14, was conducted during February to September 2014. Records at headquarters of three Municipal Corporations, four zones<sup>48</sup> selected on the basis of solid waste generation, and divisions under these zones, were examined. Apart from this, records at Auto Divisions and Sanitary Landfills (SLFs) were also examined. In order to assess the public perception regarding sanitation services being provided by the MCsD, a survey was also conducted amongst 33 *per cent* of RWAs in selected zones. The selection of RWAs was carried out through Simple Random Sampling Without Replacement.

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<sup>46</sup>Figure of NDMC area is not included, as details were not available.

<sup>47</sup>Temporary storage for garbage

<sup>48</sup>Rohini Zone of North DMC, Central Zone of South DMC and Shahdara North and Shahdara South Zones of East DMC

The NDMC was initially included in the PA but they did not respond to any of the audit queries despite vigorous pursuance at the level of Chairman. Therefore, NDMC could not be covered in this audit.

Entry conferences were held (29 May and 25 and 26 June 2014) with the Commissioner (North DMC), Engineer in Chief (South DMC) and Additional Commissioner (East DMC), to discuss the scope, objectives and methodology of performance audit. The draft report was referred to the Government in January 2015 and discussed in an exit conference (4 March 2015) with the Additional Secretary, UDD and officers of the MCsD. Views of the Government expressed in the exit conference and received subsequently, have been incorporated in the report.

#### **2.5.1.4 Audit criteria**

The audit criteria were derived from the following sources:

- The Delhi Municipal Corporation Act, 1957 and the Municipal Solid Wastes (Management & Handling) Rules, 2000,
- Handbook on Service Level Benchmarking by the Ministry of Urban Development, GoI, and
- General Financial Rules, various orders and instructions issued by the competent authority from time to time.

#### **Audit findings**

##### **2.5.2 Planning**

In order to achieve the objectives of Sanitation Services, it is imperative that a perspective plan is prepared with long term targets under each component and details of activities to be undertaken to achieve them. The perspective plan is further broken down into actionable annual plans and targets, to achieve overall targets in a planned manner.

However, no such perspective plan was prepared either by the unified MCD before its trifurcation or any of the three MCsD after trifurcation in 2012. Nevertheless, as an exercise of a routine drill, MCsD have been submitting annual plans to the UDD. Audit observed that requirement of funds projected in these annual plans, was not based on any realistic assessment, as requirement of funds for each activity was not collected from field branches, to arrive at a consolidated annual requirement. In EDMC, only lists of activities and funds required there against, were annually sent as its annual plans to UDD, without committing any physical targets to be achieved against the proposed requirement of funds.

The North and East DMCs stated (March 2015) that they had a Master Plan prepared by COWI International in the year 2004 and action thereon continued till trifurcation of MCD in the year 2012. North DMC further stated that North Corporation Action Plan was under process for improving the environment in Delhi, whereas East DMC stated that annual action plans were prepared detailing

physical targets. The replies are confirmation of the fact that long term plans were not prepared by the MCsD. The contention of East DMC is also not acceptable as its annual plans contained only fund requirements, which were also not based on a realistic procedure of planning and assessment.

### **2.5.3 Implementation of Sanitation Services**

Annual plans of the Planning Department, GNCTD as well as of MCsD for the period 2009-14, contained major components<sup>49</sup> of Sanitation Services. The emphasis of most of the components was on improvement of solid waste management, which in turn would improve sanitation standards. Solid waste management basically involves collection, transportation and disposal of solid wastes, i.e. house hold and other garbage, silt from drains and C&D waste. Shortcomings noticed in solid waste management are discussed in the succeeding paragraphs:

#### **2.5.3.1 Shortcomings in the Sanitation Services**

The major objective of the Sanitation Services was to enhance environmental quality by improving sanitation standards. However, there was no standard/ benchmark on how to measure improvement in the quality of environment.

In reply, North DMC stated (March 2015) that there was improvement in sanitation standards due to the implementation of Sanitation Services, like collection and transportation of garbage. The reply is not specific to the audit observation on absence of a benchmark and a mechanism to measure the improvement.

#### **2.5.3.2 Inefficient waste collection**

As per Schedule II of Municipal Solid Wastes (Management & Handling) Rules, 2000 (MSW Rules), MCsD are to organize collection of solid wastes through community bin collection or house to house collection. At present, garbage is collected from door to door only in two zones (Rohini and Civil Lines) of North DMC. Though, in all the three MCsD, auto tippers (small vehicles) were deployed for garbage collection from narrow lanes and roads, waste was not being collected from doorsteps.

Thus, out of 7172 ton of garbage produced in Delhi per day, only 1251 ton (17.44 *per cent*) is collected efficiently from Rohini and Civil Lines Zones.

In response, North and East DMC stated (March 2015) that the MCD Act requires provisioning of only receptacles, dustbins etc. for temporary deposit of the garbage. East DMC further said that wheel barrows, cycle rickshaws, etc., were

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<sup>49</sup> (i) enhancing the environmental quality by improving sanitation standards including promotion of 'litter free culture', (ii) re-organization of sweeping, collection, transportation and disposal of waste, (iii) implementation of the Municipal Solid Waste (Management and Handling) Rules, 2000 (MSW Rules) and the Plastic Bill, (iv) minimization of greenhouse gas emission, (v) community and public partnership and participation of private entrepreneurs and NGOs to create awareness programmes, and (vi) implementation of e-governance in the field of solid waste management.

deployed for collection of garbage from houses/lanes. South DMC stated (March 2015) that there was door to door collection of garbage by informal sector. The replies are indicative of the fact that implementation of MSW Rules was not accorded due priority.

### 2.5.3.3 Non-segregation of waste

In terms of Schedule II of MSW Rules, land filling shall be restricted to non-bio-degradable, inert waste and other waste that are not suitable either for recycling or for biological processing. The first step towards this is segregation of waste into bio-degradable, re-usable/recyclable, etc. which enables recycling, reuse, treatment and scientific disposal of different components.

Audit examination showed that during 2013-14, the segregation of garbage was 57 *per cent* in North DMC and 17 *per cent* in South DMC. There was no segregation of garbage in East DMC or other agencies like NDMC, Delhi Cantonment Board, etc. Out of the total garbage of 26.18 lakh ton generated in 2013-14, only 6.62 lakh ton (25.3 *per cent*) was segregated into bio-degradable and other categories. Dumping of un-segregated garbage is detrimental to efficient solid waste management, as re-usable and recyclable garbage is also dumped at SLFs. Decomposition of bio-degradable waste at landfills pollutes environment and also produces greenhouse gases.

In its reply, North DMC stated (March 2015) that 90 *per cent* of the waste is segregated in an organized manner by the concessionaires engaged by them and the rest is segregated by the informal sector. Reply is not factually correct as there was no evidence to show that actual overall segregation was more than 57 *per cent*. South and East DMCs stated (March 2015) that segregation to a great extent was carried out by informal sector. A Waste to Energy Plant is being set up by Delhi Government which would receive 1300 tons of garbage per day from East DMC. The fact remains that present status of segregation is much below the required level.

### 2.5.3.4 Open storage facilities

In terms of the MSW Rules, in order to prevent temporary storage facilities from creating unhygienic and unsanitary conditions around, these should be so designed that waste stored therein is not exposed to open atmosphere. Scrutiny of information provided by MCsD showed that out of 3204 storage facilities in use for first stage collection of garbage, 499 (15 *per cent*) were open sites.

Collection and storage of garbage in open sites was not in accordance with the spirit of the MSW Rules and was detrimental to healthy environment, especially when most of these open sites are located within thickly populated areas.

In their reply, North and South DMCs stated (March 2015) that people dump garbage at open places, where there is no space for construction of *dhalaos*. It

was further added that regular cleaning and disinfection of these sites was being ensured and bins to check open dumping of garbage provided. Replies only confirm the audit observation.

### **2.5.3.5 Transportation of waste**

Scrutiny of records showed that East DMC started ‘e-Municipality Solid Waste Management System’ (October 2013) to ensure daily lifting of garbage from waste collection sites. Under the system, photographs of *dhalaos*/open sites/dustbins are taken and uploaded to the website before and after lifting the garbage. Shahdara (South) and Shahdara (North) Zones had 168 and 116 *dhalaos*/dustbins/open sites respectively which were equipped with devices facilitating uploading of photographs. Going by the number of *dhalaos*/dustbins/open sites, every day, 336 photographs should have been uploaded on the website (two photographs per day per site) from Shahdara South Zone and 232 from Shahdara North Zone. Audit scrutiny of records for July 2014, showed that the average number of photographs uploaded per day was 94 and 95 from Shahdara South and Shahdara North respectively, leaving out, 121 *dhalaos*/open sites in Shahdara South and 68 in Shahdara North. Thus, an assurance regarding daily lifting of garbage, could not be drawn.

In reply, East DMC stated (March 2015) that drivers were being trained and Sanitary Superintendents had been instructed to monitor uploading of photographs.

### **2.5.3.6 Disposal of waste**

Proper disposal of waste calls for processing of bio-degradable and re-usable waste to make compost, refuse derived fuel, etc. As of November 2014, there were only five waste processing plants, as detailed in **Table 2.5.1**.

**Table 2.5.1: Details of waste processing plants**

Sl. No.	Name of plant	Capacity (TPD)	Year of setting up	Input	Product
1	Waste to energy plant, Okhla	1950	2010-11	Garbage	Electricity
2	Engineered landfill at Narela-Bawana	NA*	2011-12	Garbage	Manure, and Refuse derived fuel
3	Compost plant, Okhla	200	2007-08	Garbage	Manure
4	Compost Plant Bhalswa (Closed)	500	1999-2000	Garbage	Manure
5	C&D Plant, Burari	1290	2009-10	C & D Waste	Bricks, tiles etc.
<b>Total</b>		<b>5190</b>			

*\*Capacity of this plant is not available, since it is run by a private agency, which processes total garbage from Rohini and Civil Lines Zones.*

Audit noticed various shortcomings in processing of waste in Delhi, as discussed in succeeding paragraphs.

**(i) Dumping of garbage without processing:** As per Rules 6(1), 6(3) and 7(1) read with paragraph 5 of Schedule II of the MSW Rules, municipal authorities shall adopt suitable technology to make use of wastes, so as to minimize burden on landfills. Schedule I to Rule 4 further required MCsD to set up waste processing and disposal facilities by 31 December 2003.

It was observed in audit that although the quantum of garbage processed increased from four *per cent* in 2009-10 to 41 *per cent* in 2013-14, it remained much below the desired level of 100 *per cent* as the capacity of plants was inadequate to process the entire garbage produced in Delhi. As of September 2014, Delhi had only four garbage processing plants. Of these, Bhalswa compost plant (capacity 500 TPD) was closed by the DPCC in March 2014, for non-adherence to environmental norms.

The Delhi Government entered into an agreement with M/s East Delhi Waste Processing Company Private Limited for establishing a waste to energy plant of 1300 TPD capacity, at Ghazipur, to be commissioned in August 2010. However, as of December 2014, the plant was not commissioned due to delay in handing over of site.

In reply, North and South DMCs expressed (March 2015) their inability to set up new facilities for want of land, inspite of their persistent efforts for getting the land from DDA. East DMC stated (March 2015) that the Waste to Energy Plant at Ghazipur was likely to be operational by the end of March 2015 and more such plants would be set up subject to availability of land. The replies are an acceptance by MCsD that the existing plants are inadequate to process the entire waste generated in Delhi. Further, the Waste to Energy Plant at Ghazipur, was not operational as of May 2015.

**(ii) Shortage of processing plant for C&D waste:** As of March 2015, there was only one plant for processing C&D waste at Burari which processed about 47 *per cent* of the total C&D waste generated in Delhi. Thus, more than 50 *per cent* of C&D waste was being dumped at SLFs, which were already filled beyond their permissible limits.

In their reply, North and South DMCs stated (March 2015) that some of the C&D waste was being sent to SLFs for covering garbage as required under the MSW Rules, adding that setting up new C&D waste processing plants (three in North and two in South DMCs) was under process.

**(iii) Non-reclamation of landfill sites:** All the three SLFs (Ghazipur, Bhalaswa and Okhla) have outlived their utility but were continued to be used due to paucity of land for new SLFs. As per the plan document for the 12<sup>th</sup> five year plan, reclamation of the Ghazipur SLF was to be carried out by the MCD, but action in this regard is yet to be initiated. The MCsD had been

proposing for reclamation of SLFs in their annual plans regularly since the year 2010-11, however, work on reclamation of any SLF, did not commence as of July 2014.

In reply, North DMC stated (March 2015) that a consultant was appointed for preparation of feasibility report, detailed project report and bid document for reclamation of SLF site at Bhalaswa in March 2014 and tenders would be invited for the project after preparation of the same. The East and South DMC stated (March 2015) that SLFs at Ghazipur and Okhla could not be reclaimed due to non-availability of site for filling the reclaimed material. Inability on the part of MCsD to reclaim the SLFs is a serious concern, especially when they are unable to get additional land from DDA, for new SLFs.

**(iv) Non-availability of land for processing plants and landfill sites:**

The Hon'ble Supreme Court observed (February 2000) that it is the duty of all concerned to see that landfill sites are provided in the interest of public health, and expressed concern that its directions of 1996 on construction of four additional compost plants, were not followed. The Apex Court directed DDA, GoI and other agencies to identify sites for landfills within a period of four weeks and hand over to local bodies. Audit observed that against a requirement of 600 acres of land by the MCD, only 324.60 acres were allotted by the DDA out of which 150 acres of land on Narela-Bawana Road could be utilized for engineered SLF as the rest were not suitable for SLFs. Out of these three locations, two have been proposed for installation of plants for processing C&D waste by South DMC. In pursuant to High Court directions (April 2014), a committee set up for identifying the land for SLFs approved eight sites under North DMC measuring a total of 785.5 acres and 14 sites under South DMC measuring 2138 acres which were yet to be handed over by the DDA.

Thus, for want of additional land, MCsD were unable to install new waste processing plants. As construction and commissioning of new plants take time, it is likely that garbage would continue to be dumped at the SLFs without processing, for years to come. The tests conducted by DPCC around the three SLFs in March 2012, showed that the total dissolved solutes, chlorine content, hardness and calcium content in drinking water, were much beyond the permissible limits and showed an increasing trend as compared to the test report of April 2009.

North and South DMCs intimated (March 2015) that a Committee chaired by the Secretary (UDD), GNCTD, constituted under the orders of the High Court of Delhi, identified 31 pieces of land but hardly any land had so far been allotted. East DMC stated (March 2015) that DDA had provided two pieces of land for setting-up processing plants for garbage and C&D waste.

### 2.5.3.7 Absence of landfill gas control and collection system at SLFs

Schedule III to MSW Rules provides for installation of landfill gas control and collection system at SLFs and utilisation of the gas for thermal applications or power generation and if not possible, burning of gases by flaring. The gas should not be allowed to directly escape to the atmosphere. This is to maintain ambient air quality at the SLF and in the vicinity.

As intimated by MCsD, there was no landfill gas control system at SLF Bhalswa, whereas the system at SLF Okhla, was damaged due to increase in its height to about 50 meters. The system at SLF, Ghazipur for trapping/extracting the landfill gas was not functional.

Absence of proper gas control systems at SLF sites, is not only hazardous to the environment, but could also pose a health hazard to the population living in the vicinity.

North and South DMCs stated (March 2015) that as soon as land becomes available, engineered SLFs would be set up with proper gas control systems. East DMC stated (March 2015) that as garbage was still being dumped at the Ghazipur SLF, landfill gas cannot be controlled and extracted.

### 2.5.3.8 Absence of mechanism for collection and treatment of leachate at SLF sites

Schedule II of the MSW Rules, prescribes that a non-permeable lining system should be constructed at the base and walls of waste disposal area, so that the leachate<sup>50</sup> generated therein, is contained within the landfill area. Mixing of leachate with groundwater could have serious consequences for local communities, particularly where leachate is toxic or contains harmful chemicals produced by decomposition of discarded batteries, electronics or household cleaners etc.

All the three SLFs are open dumping grounds for all kinds of waste like - household, C&D, waste from *subzimandis*, slaughter houses, etc. As the sites were in existence long before the Rules came into effect, no system for collection and processing of leachate is in place at SLFs.

In reply, North and South DMCs stated (March 2015) that leachate collected was sprayed over garbage. However, replies were silent on collection of leachate in the absence of a non-permeable lining at the SLFs. East DMC stated (March 2015) that a treatment plant would be installed for treating the leachate on the surface.

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<sup>50</sup> Landfill leachate is a liquid that moves through and drains out from a garbage dump or organized trash collection site, usually as a result of natural decomposition of household waste.



### **2.5.3.9 Inadequate e-governance in the management of solid waste**

Under Sanitation Services, MCsD were to implement e-governance in the field of solid waste management through Management Information System (MIS) and Geographic Information System (GIS).

Scrutiny of records and website of the MCsD showed that there was no MIS in any of the MCsD, where all the data relating to solid waste management could be collected to generate various reports. Similarly, a GIS could collect and process geographical information relating to waste collected, transported and dumped at the SLFs. However, only auto tippers deployed for collection of garbage, were equipped with GPS<sup>51</sup>. In East DMC, although departmental trucks were installed with GPS devices, the data was not being utilized for any purpose.

North and South DMCs stated (March 2015) that they were in the process of tendering for outsourcing waste management in all zones, which would also include MIS for solid waste management. East DMC stated (March 2015) that a number of information systems like bio-metric attendance, vehicle management, grievance management etc. were in place. However, no evidence of utilization of vehicle management system or solid waste management system was found during audit.

### **2.5.3.10 Management of waterless urinals**

In January 2011, MCD assigned the maintenance of 567 waterless urinals to two private concessionaires. Apart from carrying out day to day cleaning and maintenance of the urinals free of cost, the agencies were also required to pay the MCD a concession fee (a fixed amount per month per urinal) in lieu of advertising rights on the walls of the urinals. MCD cancelled the contracts in May 2011 after issuing show cause notices to the agencies, citing un-satisfactory services. However, the agencies obtained a stay order from the Delhi High Court, against the cancellation of agreements. MCD approached the court with a survey report of a Steering Group (June 2011) which found 379 out of 530 urinals not being maintained properly after which, the Court referred the case for arbitration (May 2013), while allowing the stay to continue. In pursuit, the MCD appointed an Arbitrator in December 2013.

Audit observed the following deficiencies in the management of contract:

- (i) As per the agreements with the agencies, a Steering Group, with members from MCD as well as concessionaires, was to be constituted within 15 days of the agreement by the MCD, for monitoring the services provided by the agencies. However, the Steering Group was constituted only in June 2011, i.e., after cancelling the agreement.

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<sup>51</sup>Geographical positioning System.

(ii) As per the agreements, Sanitation Superintendents were to be the Project in charge for their respective zones and were required to report the status of maintenance and cleaning of waterless urinals to the Steering Group. However, audit could not find any evidence in the records to the effect that such reports were submitted to the Steering Group at any time.

(iii) MCsD failed to realize the licence fee due from the concessionaires. In case of South DMC alone, licence fee of ₹ 2.72 crore was outstanding from concessionaires on this account (January 2011 to September 2014). Outstanding licence fee in respect of North and East DMCs was not available.

(iv) As is evident from the survey report of the Steering Group, most of the urinals were not properly maintained by the Concessionaire but MCD did not take any action to maintain these urinals. Thus these waterless urinals, constructed at a cost of approximately ₹ 22.96 crore,<sup>52</sup> remained unusable from January 2011.

In reply, North DMC stated (March 2015) that the urinals had now been taken over, converted into conventional types and are being maintained departmentally while being silent on the issue of licence fee. Reply establishes that the urinals remained unusable from January 2011 to March 2015. East DMC stated that calculation of dues was under process, whereas it was silent on the issue of maintenance of urinals.

#### 2.5.4 Financial management

The requirement of funds, funds allocated, funds received and expenditure in respect of MCsD (including for period before trifurcation of MCD) for the period 2009-14, are given in Table 2.5.2.

**Table 2.5.2: Budget allocation and expenditure**

(₹ in crore)

Year	Projected requirement	Funds allocation	Percentage allocated	Funds received	Actual expenditure
2009-10	378.15	170.00	44.96	170.02	170.02
2010-11	459.90	182.55	39.69	172.80	172.28
2011-12	480.00	255.80	53.29	256.32	246.32
2012-13	510.00	279.00	54.71	287.01	289.37
2013-14	591.60	344.99	58.31	345.00	331.34
<b>Total</b>	<b>2419.65</b>	<b>1232.34</b>	<b>50.91</b>	<b>1231.15</b>	<b>1209.33</b>

Source: As provided by the MCsD

As can be seen from the table, the funds allocated were much less than the requirement projected by MCsD. In North and South DMCs, liabilities of ₹ 43.26 crore and ₹ 52.95 crore respectively, were outstanding as on 31 March 2014. North and South DMCs also had committed liabilities of ₹ 27.11 crore and ₹ 50.71 crore respectively, as on the same date. Further, North DMC also had a liability of

<sup>52</sup> ₹ 22.96 crore = 567 waterless urinals x ₹ 4.05 lakh per unit (average cost)

₹ 4.75 crore as interest due on delayed payments as of September 2014.

In reply, the North and South DMCs stated (March 2015) that funds allocated were enough only for attending to works of emergent nature and proper implementation of Sanitation Services was not possible. However, replies did not address the issue of deficient budgeting process. As regards interest on delayed payments, North DMC stated (March 2015) that they have not made any payment on this account. However, the fact remains that the liability is outstanding.

## **2.5.5 Management of equipment**

### **2.5.5.1 Shortage of and non-functional machines and equipment at SLFs**

Machines and equipment, such as Bulldozer, Hydraulic Excavator, Backhoe Loader etc., are deployed for leveling and dressing of garbage at SLFs. Audit observed shortage of equipment at all the three SLFs, as given in **Table 2.5.3**.

**Table 2.5.3: Availability of equipment at SLFs**

Sl. No.	Equipment	Bhalswa SLF		Okhla SLF		Ghazipur SLF	
		Required	Functional	Required	Functional	Required	Functional
1	Bulldozers	6	3	5	1	6	2*
2	Excavators	2	1	2	0	3	0
3	Loaders	1	0	1	1	1	0

*\*Hired Bulldozers working in three shifts*

As can be seen, against a requirement of six bulldozers in Bhalswa SLF, only three were available whereas the availability in Okhla SLF was one against the required five. At Ghazipur SLF, two hired bulldozers were working in three shifts against a requirement of six. There were shortage of excavators and loaders also in all the three SLFs.

Further, status of machines and equipment deployed at SLF Bhalswa, showed that five Bulldozers, one Hydraulic Excavator and one Backhoe Loader remained non-functional for periods ranging from 5 to 26 months as of June 2013. Two Bulldozers broke down within a short period of two years of their purchase. Though, these machines were under Annual Maintenance Contract (AMC), North DMC failed to get the machines repaired.

Similarly, for managing garbage and other waste dumped at various SLFs, the MCD purchased nine bulldozers and five excavators from M/s BEML, at a total cost of ₹9.38 crore. All these machines were under comprehensive maintenance contract (CMC) for a period of six years, after which, M/s BEML was to hand over these to the MCD, in working conditions. After trifurcation of MCD, five bulldozers and three excavators came into the possession of EDMC for deployment at SLF, Ghazipur. One Bulldozer, which was test- checked, remained non-functional on an average 12 days per month from October 2011 to March 2014 and similarly one excavator remained non-functional for 12 days per month from July 2009 to March 2014. This indicated that these machines were non-functional for almost a third of the period of comprehensive maintenance contract. Further, after the

CMC period was over in May 2014, all the equipment were left by M/s BEML in non-functional condition.

In reply, North DMC stated (March 2015) that several show-cause notices were issued to the firm, but there was no improvement in the situation. The firm was not even ready to supply spare parts. It further stated that blacklisting the firm and calling open tenders for repairs of equipment were under process. East DMC stated (March 2015) that penalty was imposed on the firm as per agreement and a proposal for repairing equipment at the risk and cost of the firm, was under process. However, the fact remains that equipment were not available inspite of being under AMC/CMC.

#### **2.5.5.2 Non-verification of distance covered before making payment for hired trucks**

The East DMC was utilizing services of 73 hired trucks (38 in Shahdara North and 35 in Shahdara South Zone) for transporting garbage to SLF at Ghazipur, at the rate of ₹ 3268.50 for first 100 kilometers and ₹ 23.82 for every additional kilometer per truck per day. The total outgo on this account during the years 2012-14 was ₹ 22.66 crore. Audit observed that there was no system in place to measure the actual distance covered by hired trucks. Distance was worked out on the basis of number of trips made by each truck to the SLF. The claims were not accompanied by weighing slips issued by the SLF in support of number of trips made by them but gave only the serial number of weighing slips. It was observed that the Sanitation Wing insisted on weighing slips for issuing diesel to its own trucks, but it did not do so while certifying bills in respect of hired trucks.

In order to ascertain the correctness of the claims submitted by truck operators, Audit accessed the Web Based Solid Waste Transportation Management System (System) in which the details of trips made by each truck to SLFs were supposed to be available. Audit test checked details of trips made by five trucks for different months during 2012-14 and found discrepancies between claims and information available in the System as detailed below:

Some trucks covered distances of more than 200 kms in 6-7 hours, during which they also had to lift garbage from storage sites. For example, one truck made four trips (about 160 kms) in 4 hours 50 minutes including 28 minutes spent at SLF. Similarly, another truck completed eight trips (about 320 kms) in 10 hours 45 minutes, including 55 minutes spent at SLF. Keeping in view the traffic conditions in Delhi, the rush of trucks at the site, and time required for weighing both at entry and exit, covering long distances in such a short time is doubtful, especially when trucks owned by East DMC covered only 39 to 65 kms in a day.

Further, there was no information available in the web based system regarding three test checked trucks. One truck made 145 trips in the month of March 2014, covering a distance of 4163.5 kms and 162 trips in April 2014, covering a distance of 4630.50 kms (28 days). Similarly, two trucks made 132 and 152 trips, covering distances of 3960 and 4560 kms respectively in April 2013. In the absence of information in the System, there was no way for East DMC to verify the claims.

The above facts indicate that the monitoring of distances covered by these trucks was inadequate.

In reply, East DMC stated (March 2015) that there is a system where distances travelled by hired trucks are recorded in log books and duly verified by sanitation officials. Bills for hired trucks are required to be accompanied by weighing slips and supported by log book entries. It further intimated that GPS was being installed on hired trucks. The reply does not reflect factual position as log books or weighing slips were not found with the test checked bills.

## **2.5.6 Human resource management**

### **2.5.6.1 Shortage of staff**

Scrutiny of records and information furnished to Audit, showed that there were shortage of sanitation staff in various cadres, across all the three Corporations (**Annexure 2.3**). In North and South DMCs, two third of sanctioned posts of Sanitary Superintendents (SS) were vacant. The East DMC had two out of six posts of SS vacant as of 31 March 2014. The shortage in other cadres ranged from 10 to 64 *per cent* in North DMC, 4 to 42 *per cent* in South and 11 to 75 *per cent* in East DMC.

### **2.5.6.2 Non-assessment of staff requirement**

The Staff Inspection Unit of the Ministry of Finance, GoI carried out a study for ascertaining the requirement of sanitation staff in South Zone of the unified MCD in March 2012. The study recommended that similar studies may be carried out in other zones also by MCD itself. However, even after two years of the study, the MCsD have not taken any action on the report.

On being pointed out in audit, the North and South DMCs stated (March 2015) that although the report was discussed at various forums but its applicability did not materialize. East DMC stated (March 2015) that the report would be implemented once it is approved by the House of the Corporation. However, the fact remains that MCsD did not assess staff requirement for sanitation services.

## **2.5.7 Internal control**

Internal control provides reasonable assurance to the management about compliance to the applicable rules and regulations. Apart from the issues already pointed out in the report, the following shortcomings were noticed in internal control:

**(i) Absence of monitoring system for day to day activities:** Audit observed that there was no prescribed reporting mechanism at any level of hierarchy in the selected zones of South and East DMCs. Though, East DMC stated that *dhalaos*, CTC<sup>53</sup> etc. were inspected by supervisory staff, records of such inspections were not maintained. Further, there was no laid down system for reporting the status of *dhalaos*/CTCs/dustbins etc. so as to ensure regular repairs and maintenance of sanitation structures.

In reply, the North and South DMCs stated (March 2015) that they were in the process of awarding contracts for carriage and transport of solid waste. East DMC stated (March 2015) that a team of officers had been deployed to monitor sanitation and regular removal of garbage from *dhalaos*/dustbins. However, deployment of officers was part of the Swachh Bharat Mission and cannot be considered as a built-in monitoring system.

**(ii) Non-submission of physical and financial progress reports:** Scrutiny of records showed that MCsD did not submit any physical-cum-achievement report or monthly expenditure statements as specified in the sanction orders for grants from UDD. Only expenditure statements were sent to UDD, which included total expenditure incurred under Sanitation Services, without disclosing progressive expenditure under each activity. The UDD also did not insist on submission of progress reports by MCsD and restricted its role only to releasing of grants.

In reply, the North and South DMCs stated (March 2015) that it would be ensured in future. East DMC stated that regular reports were sent to the UDD with relevant information. But no such reports were made available during audit or with the reply.

**(iii) Complaint redressal mechanism:** Scrutiny of complaint registers in selected zones showed that all types of complaints were recorded in a single register. There was no segregation of complaints into different categories like sanitation, drainage, unauthorized constructions, etc. Test check of complaints in control rooms of selected zones, showed that, in 37 to 71 *per cent* of cases, action taken on complaints was not recorded. In the absence of proper records, no assurance could be derived whether all complaints were promptly attended to.

In reply, the North and South DMCs stated (March 2015) that complaints received were forwarded to the concerned field staff for redressal, whereas East DMC stated (March 2015) that a Grievance Management System was in operation. The replies were however silent on deficiencies in maintenance of records.

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<sup>53</sup>Community Toilet Complexes

### **2.5.8 Public perception on provision of sanitation services**

To ascertain public perception on the quality of sanitation services provided by MCsD, Audit sought views of 316 Residents Welfare Associations (RWAs) randomly selected out of 946, through a questionnaire seeking information on frequency of sweeping of roads and de-silting of drains, cleanliness of dhalaos, urinals, community toilet complexes etc. Responses were received from 80 out of 87 RWAs in Rohini Zones, 36 out of 61 in South Zone and 113 out of 168 in South and North Shahdara Zones. The results of survey, as summarized in **Annexure 2.4**, is analysed below:

- As per 43 *per cent* of RWAs in Rohini, roads were not swept daily. The figure was 44 *per cent* in Central Zone and 35 *per cent* in East DMC. Forty five *per cent* RWAs in Rohini, 58 *per cent* in Central Zone and 56 *per cent* in East DMC, were of the view that the waste material was not lifted immediately after sweeping.
- Eighty *per cent* of RWAs in Rohini, 82 *per cent* in Central Zone and 67 *per cent* in East DMC stated that drains were not cleaned daily. Seventy nine *per cent* respondents in Rohini, 92 *per cent* in Central Zone and 66 *per cent* in East DMC, stated that waste removed from drains was not lifted immediately.
- Thirty nine *per cent* in Rohini, 55 *per cent* in Central Zone and 32 *per cent* in East DMC, responded that garbage was not being collected from the door steps.
- According to 45 *per cent* of the respondents in Rohini, 33 *per cent* in Central Zone and 60 *per cent* in East DMC, garbage was dumped in open sites in their areas.
- Eighty *per cent* RWAs in Rohini, 81 *per cent* in Central Zone and 68 *per cent* in East DMC, stated that garbage was not lifted from dhalaos/open sites in their area daily. While 72 *per cent* in Rohini, 41 *per cent* in Central Zone and 73 *per cent* in East DMC, said that garbage was not covered during its transportation. More than 70 *per cent* RWAs from all selected zones also stated that the dhalaos were not cleaned and disinfected after garbage was lifted.
- Eighty four *per cent* in Rohini, 95 *per cent* in Central Zone and 64 *per cent* in East DMC stated that community toilet complexes in their area were not cleaned and disinfected daily.

The outcome of the survey is an indicator of the poor satisfaction level of the public about the sanitation services being provided to them by the Municipal Corporations. Nevertheless, it strengthens audit findings incorporated in preceding paragraphs and sub-paragraphs that sanitation services in Delhi presently are much below acceptable standards and need concerted efforts with a committed approach from all the three Municipal Corporations.

On this issue, East DMC stated (March 2015) that it is a common practice to blame the Corporation for lack of cleanliness, whereas reasons for this are continuous littering and dumping of garbage at places other than those provided by the Corporation. Reply is not acceptable as most of the audit findings are in line with public perception.

### 2.5.9 Conclusion

MCsD had no long term planning for sanitation services in Delhi. Annual plans did not project requirement of funds realistically. Only one fourth of garbage was segregated into bio-degradable and non-biodegradable waste whereas more than half of the garbage and C&D waste produced in 2013-14, was dumped at SLFs without processing. None of the three SLFs, had systems for gas control and leachate collection and processing. Non-availability of land is one of the main reasons for non-development of new SLFs and processing plants. Due to poor contract management, MCsD could not ensure maintenance of waterless urinals. The budget control was slack, as funds were not earmarked activity wise. There was acute shortage of equipment like bulldozers, loaders etc. at all the SLFs and a number of them were non-functional, though they were under maintenance contract. There was no laid down monitoring system for sweeping of roads, de-silting of drains, daily lifting of garbage from *dhalaos*, etc. In South and East DMCs, daily inspections carried out by officers at different levels, were not documented. Survey of RWAs also showed that public was not fully satisfied with the sanitation services provided by the MCsD.

### 2.5.10 Recommendations

The Government may consider the following:

- (i) *prepare a long term perspective plan for sanitation services, broken down into actionable plans with short term goals to be achieved annually,*
- (ii) *notify sanitation standards to be maintained by the MCsD,*
- (iii) *improve efficiency in collection and segregation of garbage.*
- (iv) *take immediate action to reclaim the existing SLFs and install gas control, leachate collection and processing systems at SLFs, and*
- (v) *implement e-governance in the field of sanitation, including solid waste management by establishing comprehensive MIS and GIS.*



**Chapter-III**  
**Compliance Audit**

## Chapter-III COMPLIANCE AUDIT

### Directorate of Agricultural Marketing

#### 3.1 Non-upgradation of laboratory equipment

**The envisaged up-gradation of the State Grading Laboratory (Fruits and Vegetables), was not achieved even after incurring an expenditure of ₹ 89.18 lakh.**

The State Grading Laboratory (Fruits and Vegetables), hereinafter called Laboratory, was set up (July 2006) and the Directorate of Agricultural Marketing (the Directorate) purchased and installed equipment, (GCMS,<sup>1</sup> HPLC<sup>2</sup>, UV-VIS<sup>3</sup> Spectrophotometer) in July-August 2006, for grading of fruits and vegetables, in accordance with prescribed parameters of 'Fruits and Vegetables Grading Rules, 2004' notified by the Ministry of Agriculture, Government of India, which could analyse 28 number of pesticide residues.

In January 2010, the Directorate proposed to upgrade the existing system of HPLC to LCMSMS<sup>4</sup>, with a view to analyzing more than 153 pesticides and fulfilling the requirements of the Directorate of Marketing and Inspection (DMI), Department of Agriculture and Cooperation, Ministry of Agriculture and other guidelines (USFDA<sup>5</sup> and EU<sup>6</sup> guidelines) for the export of fruits, vegetables and other agricultural commodities. It was claimed that after upgradation, the Laboratory (then recognized only for the South-East Asian countries) would be recognized by APEDA<sup>7</sup> to analyse and certify export items for all the countries. After getting the APEDA recognition, arrival of samples for testing would increase, meeting the demand of exporters and the Laboratory would be a prominent institute in the country. Based on these justifications, the Directorate purchased an equipment 'LCMSMS triple quadruple' costing ₹ 89.18 lakh, which was installed in June 2010.

Audit scrutiny of records showed that the new equipment was required to be run round the clock for its satisfactory performance. However, the Directorate could not arrange continuous power back up for running the equipment. Consequently, the Laboratory could not fully utilise the upgraded system as of March 2014, and the laboratory was identifying only 28 number of pesticide residues, as it was doing prior to purchase of the new equipment. The Directorate approved a

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<sup>1</sup>Gas Chromatography Mass Spectrometry

<sup>2</sup>High Pressure Liquid Chromatography

<sup>3</sup>Ultra Violet Visible Spectroscopy

<sup>4</sup>Liquid Chromatography Mass Spectrometry

<sup>5</sup>United States Food and Drug Administration

<sup>6</sup>European Union

<sup>7</sup>Agriculture and Processed Food Export Development Authority

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proposal for construction of a room and installation of a DG set through PWD only in August 2012. Even this was yet to be commissioned as of September 2014.

Thus, even after an expenditure of ₹ 89.18 lakh, the Directorate could not upgrade its existing system of HPLC to LCMSMS and get accreditation from various authorities such as ISO<sup>8</sup>, APEDA and NABL<sup>9</sup>, due to lack of necessary infrastructure required for its optimal running, thereby, not only defeating the very purpose of meeting the demands of the exporters, but also failing to achieve the envisioned higher status and prominence for the Laboratory.

The Directorate accepted the facts and stated (September 2014) that the equipment was in operation though not to its optimum capacity. Since, there was no surety of uninterrupted power supply, the equipment was not run round the clock to save it from any severe damage due to power breakdown. The reply of the Directorate only confirms the audit observation that the equipment could not be used as envisaged.

The matter was referred to the Government in August 2014, their reply was awaited (April 2015).

#### Department of Education

### 3.2 Integrated Infrastructure Improvement of Government Schools in Delhi (*Roopantar*)

**The project was assigned by Directorate of Education (DoE) to Delhi State Industrial and Infrastructure Development Corporation (DSI IDC) without any formal Agreement and detailed scope of work in the absence of which DoE could not ensure that DSI IDC carried out all the work envisaged under the project. Effective monitoring mechanism was absent. Out of 183 schools where works were claimed as completed by DSI IDC, DoE found only 78 completed, 50 under progress, and 55 yet to be verified by Principals of schools. DoE released ₹ 343.13 crore to DSI IDC although the Cabinet approved only ₹ 272.94 crore for the project.**

The Directorate of Education (DoE) assigned (November 2006) the maintenance and improvement of infrastructure in 198 government schools in three districts (East, North East and North West-A) under the project '*Roopantar*', to Delhi State Industrial and Infrastructure Development Corporation (DSI IDC). Estimates of ₹ 272.94 crore, submitted by DSI IDC for the project, were approved by the Expenditure Finance Committee (EFC) in February 2008 and by the Cabinet in March 2008.

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<sup>8</sup>International Organisation for Standardisation

<sup>9</sup>National Accreditation Board for Testing and Calibration Laboratories

A report on irregularities in bidding and execution of projects under Roopantar by DSIIDC was included in the C&AG's Report No. 1 of the year 2014. The present audit was conducted to assess as to how effectively the Directorate of Education (DoE) had discharged its role of monitoring the implementation of the project by DSIIDC. The audit was conducted during March to July 2014 by examining records at DoE headquarters and 39 schools<sup>10</sup> selected on the basis of approved estimates. Audit findings are discussed in the succeeding paragraphs:

### **3.2.1 Award of work without formal agreement and detailed scope of work**

The project was assigned to DSIIDC on a 'deposit work' basis without any formal agreement laying down terms and conditions covering various aspects of work. In the absence of any formal agreement, the DoE was not in a position to safeguard public interest as brought out in subsequent paragraphs. The DoE stated (June 2014) that agreement was not signed since DSIIDC was a part of the Delhi Government and the rates of construction/renovation were as per the CPWD schedule rates. The contention is not tenable as DSIIDC is a Government Undertaking and not a Government Department.

Audit scrutiny further showed that DSIIDC prepared estimates for each of the 198 schools on the basis of a survey conducted through M/s IL&FS Education and Technology Services. But these were merely financial projections without detailed scope of works *viz.* number and quantity of specific works to be carried out. Thus, scope of work for the project 'Roopantar' was not clearly defined.

The DoE stated (June 2014) that scope of work was not provided by the DSIIDC.

### **3.2.2 Non-conducting of Project Management Committee meetings**

A Project Management Committee (PMC), constituted in October 2008 under the chairmanship of the Secretary (Education), was to review the progress of project on monthly basis. As per minutes of the only PMC meeting (November 2008), DSIIDC was directed to show tenders for renovation of 101 schools to the Directorate, prior to floating them. However, no records relating to these tenders were made available to Audit.

In response, DoE stated (June 2014) that though meetings were held from time to time, their minutes were not prepared and records relating to presentation of tenders were not available. Reply substantiates the audit observation on lack of seriousness of PMC in monitoring the project.

### **3.2.3 Delay or non-completion of works**

In the absence of any formal agreement, there was no stipulated date of completion for the project. Audit observed that DSIIDC submitted completion reports in respect of 183 schools between January and March 2012. DoE directed all Principals to verify the works claimed by DSIIDC to be complete. Out of the

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<sup>10</sup> 50 per cent of schools with estimate of ₹ 2.00 crore and above (15 schools), 20 per cent of schools with estimate of ₹ 1.00 crore and above but less than ₹ 2.00 crore (15 schools) and 10 per cent of schools with estimate less than of ₹ 1.00 crore. (9 schools)

above 183 schools, only 128 schools were verified by Principals, out of which work was completed only in 78 schools and was in progress in the remaining 50, indicating that DSIIDC misrepresented the facts in completion reports. Thus, in 105 schools<sup>11</sup>, either work was in progress or verification from Principals was awaited as of June 2014.

DoE stated (June 2014) that despite repeated instructions, DSIIDC failed to complete the work and give reasons for the delay. However, the fact remains that DoE could not get the work completed due to absence of a formal agreement.

### **3.2.4 Irregular release of payment of ₹ 70 crore to DSIIDC**

The Cabinet approved the project with estimated cost of ₹ 272.94 crore, out of which 50 per cent payment was to be released at the time of sanction and remaining 50 per cent on receipt of Completion Certificates from HoS. However, records showed that payment of ₹ 194 crore was released to DSIIDC up to February 2011, without obtaining Completion Reports from HoS, in violation of Cabinet approval. It was further observed that, DSIIDC submitted a revised estimate of ₹ 371.64 crore in June 2011 and requested for release of balance payment of ₹ 177.64 crore. The DoE released ₹ 64.14 crore, limiting total payment to ₹ 258.14 crore (after deducting amount of ₹ 14.80 crore for 13 schools where work was not started) in October 2011. When DSIIDC requested again for release of balance of ₹ 98.70 crore, DoE released ₹ 85 crore in March 2012 with the approval of the Chief Secretary, GNCTD, though neither revised sanction of the Cabinet nor completion reports from all the HoS were available. Thus, release of ₹ 70.19 crore (₹ 343.13 crore - ₹ 272.94 crore) to DSIIDC without the approval of the Cabinet, was irregular.

In its reply, the DoE stated (June 2014) that approval for modified estimate could not be received at that time as Model Code of conduct was in force on account of MCsD elections. Reply is not convincing as more than two years have elapsed since the payment was released, but neither revised AA&ES, nor completion reports from all the HoS have been received.

### **3.2.5 Un-satisfactory provision of facilities and infrastructure**

DSIIDC was hired for up-gradation of infrastructural facilities in 198 government schools. Scrutiny of records, however, showed the following shortcomings:

i) According to an evaluation study of the project, conducted by the Planning Department in July/August 2011, 14 per cent of Principals reported that work was satisfactory, 33 per cent reported partial satisfaction and 53 per cent were not satisfied with the work executed in their schools.

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<sup>11</sup>50 schools work was incomplete and 55 schools verification was awaited.

ii) Out of 39 selected schools, records of 36 schools were provided to Audit. Examination of records and joint inspections conducted by audit party and HoS of the school showed numerous shortcomings (**Annexure 3.1**). Major deficiencies were noticed in areas of toilets, playgrounds, development works of storm water drains, pathways, fire safety arrangements and horticulture works. DSIIDC did not provide Reverse Osmosis systems (RO) for purification of water in any of the selected schools.

Thus, in the absence of formal agreement and detailed scope of work, DoE could not ensure that DSIIDC carried out all the work envisaged under the project even after releasing ₹ 343.13 crore. Out of this, ₹ 70.19 crore were released without approval of the Cabinet. Effective monitoring was absent as PMC did not meet regularly.

The matter was referred to the Government in January 2015, their reply was awaited (April 2015).

### Department of Health and Family Welfare

#### 3.3 Unfruitful expenditure of ₹ 1.26 crore

**Four newly constructed residential bungalows in Guru Teg Bahadur Hospital were not occupied for more than five years, rendering ₹ 1.26 crore incurred on construction of these bungalows, unfruitful.**

Rule 21 of the General Financial Rules, 2005, envisages that every officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety.

In August 2005, the PWD submitted to the Medical Superintendent (MS), GTB Hospital, a preliminary estimate amounting to ₹ 68.16 lakh, seeking Administrative Approval and Expenditure Sanction (AA&ES) for construction of four Bungalows (Type VI) in the hospital campus, for Director, Principal, Medical Superintendent etc. It was mentioned in the history report (forming part of the estimate) that requirement of the buildings was raised by the MS, GTB in various meetings held in his chamber. However, neither formal proposal/request from the hospital nor the minutes of the meetings wherein the MS, GTB raised the requirement of the buildings, were available on records. Nevertheless, the MS, GTB accorded (March 2006) AA&ES of ₹ 68.16 lakh, which was subsequently revised to ₹ 1.34 crore in December 2008, with the concurrence of the Finance Department. The construction of bungalows was completed in September 2008 at a total cost of ₹ 1.26 crore.

Audit scrutiny of records showed that in April 2009, the PWD requested MS, GTB to take over the possession of newly constructed bungalows. However, the Hospital took over bungalows only in February 2010, after an inspection done by a team nominated by MS, GTB.

It was further observed that the Principal, UCMS<sup>12</sup> and MS, GTB had shown their inability to shift to these bungalows due to personal reasons and the bungalows could not be allotted to other officers as there was no demand. Consequently, it was decided (February 2010) that two bungalows should be utilized as 'Faculty Club/De-stressing room' for faculty and the remaining two would be utilized as 'Guest House'. A proposal regarding change in use of bungalows was sent to the Department of H&FW in August 2011, for seeking approval of the Finance Department. The Finance Department returned (October 2011) the proposal, seeking some clarifications, but the file had since been reportedly missing (September 2014). Further, the Hospital did not ensure maintenance and watch and ward of these buildings and these are currently in poor condition.

Non-occupancy of the bungalows for more than five years only indicates that these bungalows were constructed without any actual need and the expenditure incurred on construction of these accommodations was rendered unfruitful.

The matter was referred to the Government in August 2014, their reply was awaited (April 2015).

### **Institute of Liver and Biliary Sciences**

#### **3.4 Deviation from the Business Model of the Institute**

**The Institute deviated from its own Business Model, as it was paying regular pay scales and allowances to its faculty members, instead of lump sum package. House Rent Allowance and annual increment, were allowed to the staff at higher than admissible rates and Non-Practicing Allowance to faculty members was paid as against revenue sharing model.**

The Institute of Liver and Biliary Sciences (the Institute) was registered in October 2002 as a society under the Societies Registration Act, 1860, with objectives of providing world class patient care at affordable cost, research on liver and biliary diseases, teaching and training at post graduate/doctorate level etc. The Institute is managed and administered by a Governing Council (GC) headed by the Chief Secretary, GNCTD. The members of GC include the Principal Secretary (Finance), Principal Secretary (H&FW) and eminent personalities of medical Institutions/Universities. The Institute is mainly funded by its own resources and grant-in-aid provided by GNCTD.

The Hospital Services Consultancy Corporation (HSCC) prepared a Business Model for the Institute, which was approved by the Cabinet in May 2006. As per this Business Model, all doctors and staff of the Institute would be hired on contract basis for four years, extendable based on performance and the salary structure would be comparable with that of All India Institute of Medical Sciences (AIIMS), excluding that of Consultants and Professors. For Consultants and Professors, it would be a lump sum package for the next level of post and not on

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<sup>12</sup>University College of Medical Sciences

a pay-scale. The package would be revised keeping in view the price index. The Business Model also provides for revenue sharing in the remuneration package to all the Consultants, Professors, Associate Professors and Assistant Professors.

Audit findings are given in the succeeding paragraphs:

**(i) Salary to faculty members:** Audit scrutiny showed that the Institute appointed Professors, Additional Professors, Associate Professors and Assistant Professors on consolidated monthly salary as per their appointment letters. However, they were paid salaries based on regular pay scales as prescribed in the Revised Pay Rules, 2008, along with other allowances like House Rent Allowance, Dearness Allowance, Non-Practicing Allowance (NPA) etc. Annual increment of 7.5 *per cent* to their basic pay (including grade pay and NPA) was also allowed. Audit scrutiny of four cases (one each in the cadres of Professor, Additional Professor, Associate Professor and Assistant Professor) out of the faculty members<sup>13</sup> showed that monthly gross amount paid in these cases, was more than what should have been paid according to the Business Model. The amount agreed to be paid as per the appointment letters, was also not followed. The actual salary included components such as basic pay, DA, HRA, NPA, Transport Allowance, CPF, Telephone Allowance, Internet Allowance, CEA, Medical Allowance, and Academic Allowance, in deviation of Business Model as given in **Annexure 3.2**.

Further, the faculty members were eligible for a share of revenue. Finance Committee of the Institute approved (November 2008) payment of Non Practicing Allowance (NPA) to faculty members till the revenue share as per the Business Model materialized. This was also ratified by the Governing Council in April 2009. However, the Institute had not worked out the revenue sharing as of September 2014 and continued to pay NPA in lieu of revenue share. The Institute paid ₹ 5.39 crore towards NPA and consequential increase in allowances to its faculty members, during 2009 to 2014.

**(ii) Higher rate of House Rent Allowance and annual increment:** In AIIMS, House Rent Allowance (HRA) is paid at the rate of 30 *per cent* of basic pay *plus* grade pay, as admissible to all Government servants under the Revised Pay Rules, 2008. However, the Institute was paying HRA to all its employees (faculty, non-faculty and administrative staff) at the rate of 50 *per cent* of basic pay *plus* grade pay instead of 30 *per cent*, resulting in excess expenditure of ₹ 10.12 crore for the period from April 2009 to February 2014. Similarly, AIIMS allows annual increment to its staff at the rate of three *per cent* of basic pay *plus* grade pay and NPA (where applicable). However, the Institute allows annual increment at the rate of 7.5 *per cent* of basic pay *plus* grade pay and NPA (where applicable) to its employees.

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<sup>13</sup>On an average, total strength of faculty members in the Institute ranged between 40 and 50, during the period 2011-12 to 2013-14.



Thus, the Institute paid the faculty members regular pay scales and allowances including NPA, and also allowed annual increments in contravention to the Business Model approved by the Cabinet. Further, it also paid HRA and annual increment at higher rates to staff. These decisions of the Institute were not justifiable, as these were not ratified by the Cabinet.

In its reply, the Institute stated (September 2014) that the Governing Council of the Institute is empowered to appoint faculty members, other officers and staff and fix their remuneration. It also stated that pay packages for all posts recommended by a Working Group were endorsed by the Principal Secretary (Finance). It was also contended that payment of NPA in lieu of revenue sharing, results in lower pay packages to faculty members and saving to the exchequer.

The reply is not acceptable as the Governing Council is expected to exercise its powers within the framework of Business Model as approved by the Cabinet. Further, the endorsement of Principal Secretary (Finance) was only for payment of lump sum package based on next level of post in AIIMS to faculty members and pay scales prevalent in AIIMS for remaining staff. Its contention that payment of NPA in lieu of revenue sharing, leads to lower pay package, is also not supported by facts as the Institute did not work out the revenue share.

The paragraph was issued to the Government in November 2014, the reply was awaited (April 2015).

### Department of Home

#### 3.5 Avoidable expenditure of ₹ 70.06 lakh on electricity bills

**Failure of the Forensic Science Laboratory to assess its contract load in consonance with its actual requirement, resulted in avoidable expenditure of ₹ 70.06 lakh.**

In Delhi, the North Delhi Power Limited (NDPL) levies demand charges on contract load at a fixed rate of ₹ 150 per KVA per month, for non-domestic electricity connections, irrespective of actual consumption.

The Forensic Science Laboratory (FSL), Rohini is having a non-domestic electricity connection (K No. 441026025300), energized on 07 August 2003, for its building, from the NDPL with sanctioned load as 1413 KW and contract load 1663 KVA. Scrutiny of electricity bills of the FSL for the period September 2008 to July 2012, showed that the actual consumption varied between 674 KVA and 192 KVA per month, with maximum consumption of 674 KVA being in the month of August 2010. However, the NDPL charged demand charges on contract load (1663 KVA) at the rate of ₹ 150 per KVA per month. Thus, FSL had been paying demand charges in excess of its requirement. Failure of the FSL to assess its contract load in consonance with its actual requirement, resulted in avoidable expenditure of ₹ 70.06 lakh<sup>14</sup>.

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<sup>14</sup>1038 KVA x ₹ 150 x 45 months

On this being pointed out by Audit (August 2012), the FSL intimated (May 2013) that it got its contract demand reduced from 1663 KVA to 625 KVA from 16 February 2013. This further substantiated that the FSL paid excess demand charges on 1038 KVA (1663 KVA - 625 KVA) for the period from September 2008 to February 2013.

The matter was referred to the Government in September 2014, their reply was awaited (April 2015).

**Department of Labour**

**Delhi Building and Other Construction Workers Welfare Board**

**3.6 Loss of interest of ₹ 37.10 lakh**

**Inaction on the part of the Board and Deputy Labour Commissioners in taking prompt action to recover the cess amount of dishonored/returned cheques, resulted in loss of interest of ₹ 37.10 lakh. Board recovered ₹ 3.95 crore out of ₹ 4.80 crore pointed out in audit.**

Under the Delhi Building and Other Construction Workers Welfare Cess Act, 1996, the Delhi Building and Other Construction Workers Welfare Board (the Board) is authorised to collect one *per cent* cess from construction agencies. The cess payers deposit the cess due, in the form of cheques in the respective office of Deputy Labour Commissioner (DLC) situated in their area. For the purpose, the Board has been operating 10 non-functional bank accounts, one at the headquarters and nine allotted to DLC offices which are linked with the main/master account of the Board. The cheques received in the DLC offices are deposited by them in their respective cess account. In case a cheque is dishonored due to any reason, a dishonored report is submitted by the Tis Hazari Branch of State Bank of India to the Board. The Board, thereafter, asks the DLC offices to recover the cess amount.

Audit scrutiny of records and information provided by the Board showed that during January 2010 to February 2014, 94 cheques amounting to ₹ 4.80 crore were dishonored by the bank. The cheques were generally dishonored due to insufficient funds in the account of the drawer or cheques having become time barred before they are presented to the bank for payment. Further, a few cheques were returned as they were drawn in favour of DLCs instead of Board. The Board did not take any concrete action to recover the amount corresponding to these dishonored/returned cheques.

At the instance of audit, the Board stated (November 2014) to have recovered ₹ 4.00 crore out of ₹ 4.80 crore. However, as per records made available to Audit, receipt of only ₹ 3.95 crore in respect of 35 cheques, could be verified. Though, the Board recovered ₹ 3.95 crore after it was pointed out by Audit in February

2014, it had suffered a loss of interest of ₹ 37.10 lakh<sup>15</sup> due to delay in initiating action to recover the amount.

The matter was referred to the Government in September 2014, their reply is awaited (April 2015).

### **Public Works Department**

#### **3.7 Irregular entrustment of work of ₹ 1.77 crore without calling of tenders**

**Public Works Department, GNCTD, entrusted a work costing ₹ 1.77 crore without obtaining prior approval of the Competent Authority and without calling open tenders in violation of the prescribed rules. The work was completed with a delay of 551 days.**

Section 14.1(1) of CPWD Works Manual, 2012 stipulates that normally tenders should be called for all works costing more than ₹ 50,000. In case the work is to be awarded expeditiously, the prescribed period of notice may be reduced in urgent cases, or when the interest of the work so demands, or where it is more expedient to do so, work may be allowed without call of tenders after approval of the Competent Authority as per powers delegated in Appendix-1. As per Appendix-I, the Chief Engineer, under his own authority, may award the work without calling of tenders up to ₹ 25 lakh, with prior approval of ADG – up to ₹ 100 lakh and with prior approval of DG – up to ₹ 180 lakh.

Scrutiny of records of Division M-112, PWD showed that the Chief Engineer (M-1) accorded Administrative Approval and Expenditure Sanction (AA&E/S) for ₹ 95.86 lakh in March 2012, for the work “Providing U Turn and elimination of Red Light on NH-10 (Delhi-Rohtak road from Peeragarhi to Mundka for smooth running of traffic”. The Executive Engineer (M-112) awarded (June 2012) the work at a tendered cost of ₹ 70.48 lakh with stipulated dates of start and completion of the work as 2 June 2012 and 1 July 2012 respectively. The actual date of completion was 3 January 2014.

Audit scrutiny further showed that the Chief Engineer (M-1) accorded a separate AA & ES for ₹ 1.77 crore for the work “Shifting of RCC drain for providing U-turn on NH-10 (Delhi Rohtak Road) from Peeragarhi to Mundka for smooth moving of traffic”. The stipulated period of completion of this work was shown as two months in the estimate. This additional work was entrusted to the existing contractor without floating open tenders on the plea of avoiding delay in completion of the work. An amount of ₹ 2.59 crore (including ₹ 1.48 crore for extra items) had been released, for the additional work. Department’s plea of avoiding delay in completion of the work is also not justified as the original work was actually completed with a delay of 551<sup>16</sup> days.

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<sup>15</sup> Calculated at 9 per cent per annum from the dates of dishonored/time barred cheques to the date of fresh cheques (amounting to ₹ 3.95 crore) and on remaining cheques, interest was calculated from date of cheque to 04 September 2014

<sup>16</sup> From 1 July 2012 to 2 January 2014

Thus, the Department entrusted a work costing ₹ 1.77 crore without obtaining prior approval of the Competent Authority and without calling open tenders, in violation of the prescribed rules, thereby, not only failing to get benefit of competitive rates, but also extending undue favour to the contractor.

The matter was referred to the Government in August 2014, their reply was awaited (April 2015).

### 3.8 Irregular acceptance of award of work

**The Chief Engineer (MZ-3) and Superintending Engineer (M-35) of PWD, irregularly accepted bids of ₹ 13.54 crore for three split-up parts of a single work, in violation of the delegated financial powers.**

Item No.20 of Appendix-I of CPWD Works Manual stipulates that tenders for split up portions of work or distinct sub-head costing more than ₹ 16 crore, shall be accepted by the Central Works Board. Notes and explanation given to this provision make it amply clear that tenders for split up works should be accepted by the authority which sanctioned the original work, irrespective of tendered value of split up components.

Audit scrutiny of records in two divisions<sup>17</sup> of PWD, showed that the Assistant Housing Commissioner, PWD conveyed (January 2012) the AA&ES of ₹ 18.72 crore<sup>18</sup> for the work - 'Up-gradation of Extra Ordinary Repair (EOR) of 802 No. DA Flat of Type- B, C and D at Timarpur, Delhi'. The Department split-up the work in two parts - Package I - 'SH-392 Nos. flats consisting of 360 Type B and 32 Type D Flats' and Package II - 'SH-410 Nos. flats consisting of 320 Type B and 90 Type C flats'.

Audit further observed that the Chief Engineer (MZ-3) sought the approval of the Delhi Works Advisory Board (DWA Board) for acceptance of the bid for Civil part of Package II, amounting to ₹ 9.09 crore, whereas bids for Civil part of Package I, was accepted (March 2013) by the Chief Engineer (MZ-3), at a tendered cost of ₹ 9.03 crore. For Electrical parts of both the Packages, bids were accepted by the Superintending Engineer (M-35), at negotiated cost of ₹ 2.25 crore and ₹ 2.26 crore in November and December 2012, respectively.

Thus, acceptance of bids of ₹ 13.54 crore for three split-up parts of a single work without approval of DWA Board, was in violation of the delegated financial powers and, hence, irregular.

On this being pointed out, EE (M-323) stated (June 2014) that in the DWA Board meeting, held on 14 March 2013, the Chief Engineer (MZ-3) explained that though the AA&ES for the work was single, it was split up into two Packages

<sup>17</sup>Civil Building Maintenance Division (CBMD M-323) and Electrical Maintenance Division (EMD M-351)

<sup>18</sup> ₹ 15.04 crore for Civil and ₹ 3.68 crore for Electrical work

and the acceptance of civil component of Package I, was within the competency of PWD engineers. It was further stated that the bid for Package I was accepted by the Chief Engineer with prior approval of the Additional Director General (ADG).

Reply is not acceptable as the Chief Engineer misrepresented the facts to the Board, on the powers of PWD engineers for acceptance of split-up works and irregularly accepted the bid of Package I, which was within the power of DWA Board only. The total cost of works being ₹ 18.72 crore, acceptance of bids for split-up works, was in the competency of the DWA Board only.

The matter was referred to the Government in August 2014, their reply was awaited (April 2015).

### **3.9 Avoidable expenditure on strengthening of roads -₹ 73.31 lakh**

**Use of hot straight run bitumen of VG-10 grade, instead of bitumen emulsion of low viscosity on bituminous surface and application of double tack coat instead of single coat, resulted in avoidable expenditure of ₹ 73.31 lakh.**

Audit test checked 11 works of improvement and strengthening of roads in two Civil Road Maintenance Divisions (M-212 and M-112) of PWD. As per general specifications included in contract agreements of these works, the work of 'tack coat' shall consist of application of a single coat of low viscosity liquid bituminous material to an existing road surface preparatory to another bituminous construction over it and the binder used for tack coat, shall be bitumen of suitable grade. The work shall be done strictly in accordance with clause 503 and sub clause thereto, of MoRTH<sup>19</sup> specifications for Road and Bridge works (IV<sup>th</sup> Revision), 2001.

Further, according to clause 503.2.1-'Binder', the binder used for tack coat shall be bituminous emulsion complying with IS 8887, of a type and grade, as specified in the contract or as directed by the Engineer. However, Audit scrutiny showed violation of prescribed specifications and procedures in the works, as discussed below:

(a) In five works of Division (M-212), while preparing detailed estimates for obtaining technical sanction, the division included 'Hot straight run bitumen of VG-10 grade' in place of 'bitumen emulsion' for tack coat work and the same was included in the schedule of quantity also. Consequently Hot

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<sup>19</sup>Ministry of Road Transport and Highways

straight run bitumen of VG-10 grade was used in all the five works as given in **Table 3.9.1.**

**Table 3.9.1: Application of Hot straight run bitumen of VG-10 grade**

(Amount in ₹)

Sl. No.	Name of work	Quantity executed (Sqm.)	Rate of bitumen emulsion as per DSR (*)	Rate of Bitumen (VG 10) as per DSR (*)	Extra expenditure
1	2	3	4	5	6 {(5-4)x3}
	<b>Improvement and strengthening of</b>				
1.	Khichripur Road from Kondli Bridge to Mother Dairy etc. (69/12-13)	98721.75	7.70	23.39	1548944
2.	Main Trilokpuri Road from Chilla Chowk to Noida T point etc. (70/12-13)	28826.39	7.70	23.39	452286
3.	Road from NH-24 to Khichripur Block No.1 etc. (71/12-13)	103182.85	7.77	23.60	1633385
4.	Road from NH 24 to Kondli bridge along Ghazipur drain etc. (72/12-13)	21600.77	7.77	23.60	341940
5.	Road from High Land Apartment to Sochna Apartment at Vasundhara Enclave etc.(81/12-13)	52939.41	7.94	24.10	855501
<b>Total</b>					<b>4832056</b>

(\*) Rate calculated DSR (-) 12%(+) 8.05% (+/-) percentage rates quoted by contractor

Audit observed that Hot Straight Run Bitumen of VG-10 grade is costlier as compared to cost of bitumen emulsion. However, justification for using costlier item was not recorded at the time of preparing the detailed estimates for seeking technical sanction. The deviation from MoRTH specification resulted in avoidable expenditure of ₹ 48.32 lakh.

(b) In M-112 Division, in the execution of six works of strengthening of roads, tack coat on road surfaces was applied for more than once, as against single coat prescribed in the contract. The details are in **Table 3.9.2.**

**Table 3.9.2: Application of extra tack coats**

(Amount in ₹)

Sl. No.	Name of the Road	Quantities executed (Sqm)	Excess tack coat executed (Sqm)	Rate	Avoidable expenditure
1	2	3	4	5	6=4x5
1.	Tanki Wala Marg, Tagore Garden, Tagore Garden, & Devki Nandan-Marg (65/CRMD/M-112/13-14)	48207.57	33146.65	8.25	273460
2.	Rohtak Rd. from Punjabi Bagh to Zakhira (73/CRMD/M-112/12-13)	192525.43	114232.91	6.81	777926

3.	Shivdasपुरी Marg from Ring Rd. to Moti Ngr. (76/CRMD/M-112/12-13)	161932.77	101593.61	6.65	675598
4.	No. 235 Extn. Tilak Ngr Main Rd. and Subhash Ngr drain to Patel Ngr Marg (88/CRMD/M-112/13-14)	55070.96	32331.46	7.39	238929
5.	Hans Raj Model School to Punjabi Bagh, NW Avenue Rd. to Punjabi Bagh, Paschim Puri Chowk to New Slum Qtr. (102/CRMD/M-112/13-14)	59057.64	32877.69	8.98	295242
6.	NG Rd. to NG Drain, Milan Cinema to House No. 19/289, H. No. H-1 to I-42, HIL to Milan Cinema Bus Trml., Smt. Ginni Devi Rd. (118/CRMD/M-112/13-14)	67426.79	30477.67	7.79	237421
<b>Total</b>					<b>2498576</b>

Thus, adoption of costlier specification (VG-10) and application of extra tack coats, resulted in avoidable expenditure of ₹ 73.31 lakh.

In its reply, the Department stated (July 2014) that the estimates were prepared on the basis of DSR-2012 for technical sanction and accordingly the work was executed. Reply is not acceptable as the Department adopted a costlier item without justification, especially when another division (M-112) used bituminous emulsion in six test checked similar works. The Department's contention that the estimates were prepared on the basis of DSR is not relevant to audit observation. The reply was silent on the issue of applying double tack coat.

The matter was referred to the Government in January 2015, their reply was awaited (April 2015).

### Department of Revenue

#### 3.10 Working of Land Acquisition Collectors

**Land Acquisition Collectors failed to complete acquisition processes within prescribed time and to pay compensation before taking possession of land, resulting in avoidable interest payment of ₹ 12.68 crore. Urgency clause was invoked in a routine manner. Prescribed committees for regular monitoring of land acquisition process, were not constituted.**

Acquisition of land is regulated under the Land Acquisition Act, 1894 and under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, w.e.f. 01 January 2014.

Audit of the 'Working of Land Acquisition Collectors', covering the period 2011-14, was conducted in 4 out of 11 districts, selected on the basis of area

of land acquired. Audit examined 48 cases<sup>20</sup> in selected districts and relevant records in the Land & Building Department.

### 3.10.1 Avoidable payment/liability of interest of ₹ 12.68 crore

Audit scrutiny showed that LACs paid/created liability of avoidable interest payment of ₹ 12.68 crore in 18 cases, as discussed below:

(i) As per Section 11 A of the LA Act, the Collector should make an award within a period of two years from the date of publication of the declaration regarding acquisition of land for public purpose. However, in five cases involving a compensation of ₹ 26.01 crore, the acquisition proceedings lingered on for periods up to 12 years. This delay resulted in avoidable interest payment/liability of ₹ 5.01 crore.

(ii) Under Section 34, if the compensation is not paid on or before taking possession of land, interest at the rate of 9 *per cent* is payable on the amount awarded, for one year from the date of taking possession and 15 *per cent* thereafter. However, in 13 cases, compensation of ₹ 158.10 crore was not paid on or before taking possession, resulting in avoidable payment of interest of ₹ 1.66 crore and liability of ₹ 6.01 crore.

In its reply (June 2014), LAC (NW) attributed the delay to shortage of staff and want of legal clarifications, whereas LAC (North) stated (August 2014) that delay was not on their part as LAC (NW) transferred the records to their District, only in December/January 2013. The reply is not acceptable as NW District declared very few (seven in all) awards during 2011-14 and the delay was on the part of the Department as a whole.

### 3.10.2 Excess acquisition of land

The Delhi Metro Rail Corporation (DMRC) requested (February 2012) the L&B Department for 129.24 sqm of land at village Okhla. Subsequently on 24 September 2013, DMRC intimated the LAC (SE) that only 77.71 sqm of land would suffice. However, the LAC (SE) in its award of December 2013, acquired 129.46 sqm of land, but DMRC was given possession of only 77.71 sqm of land. The status of remaining land and release of compensation to land owners, was not available on record. The LAC (SE) stated (December 2014) that the case was under process.

### 3.10.3 Unauthorised declaration of supplementary award

(i) As per OM No. 15519-33 dated 07 February 2012 issued by the L&B Department, no supplementary award was to be declared w.e.f. 01 January 2012. However, audit noticed that LAC (South) declared a supplementary award of ₹ 3.06 crore in respect of structures that were present at the land acquired in June 2011. The supplementary award was declared in August 2012, based on

<sup>20</sup> (i) District wise details - South - 19, South East - 9, North West - 7 and North - 13. (Total 48 cases)

(ii) Deptt./Agency wise details - DMRC - 18, DDA 14, DJB 6, PWD 5, MCD 3 and DESU - 2. (Total 48 cases)



earlier valuation report of July 2009. The violation of provisions, resulted in unauthorized payment of compensation of ₹ 3.06 crore.

(ii) Paragraph 2(v) of Standing Instructions issued by the L&B Department states that LACs should get the valuation estimates of the superstructures from PWD and the valuation estimate of only the authorized built-up structures approved by MCD or DDA, should be considered. However, Audit observed that in five cases, there was no information in valuation reports as to whether these structures were authorized by MCD or DDA.

#### **3.10.4 Inappropriate invoking of urgency clause of the Act**

As per Paragraph 1(m) of the Standing Instructions, urgency clause under section 17 of the LA Act should be used sparingly when the land is required for urgent and time bound projects. Audit scrutiny showed that urgency clause was invoked in 35 out of 48 selected cases. However, after issue of declaration, LAC (SE) took 3 to 7 months to finalise four out of eight such cases. In remaining cases, awards were announced after 17 months to over 12 years, whereas, farmers had only 15 days to appeal against publication of notice under section 9 of the Act. This showed that urgency clause was used in a routine manner though no urgency was seen on the part of LACs.

#### **3.10.5 Outstanding compensation**

(i) In 42 cases, compensation of ₹ 52.16 crore was yet to be released by L&B Department to the concerned LACs, with delays ranging between 11 and 49 months. The L&B Department, while furnishing reasons for delay, intimated (September 2014) that a period of 30 to 45 days is required to obtain approval of Principal Secretary. However, the reply does not justify delays as pointed out.

(ii) As per para 4 of Standing Instructions, on receipt of compensation amount from the requisitioning agency and on taking possession of the land, LAC should make payment to the land owner within 60 days. However, in six cases, three LACs (South, North and SE) did not release compensation amounting to ₹ 18.70 crore to land owners, despite receipt of the amount from L&B Department.

#### **3.10.6 Non-submission of Utilisation Certificates**

Paragraph 5(iii) of the Standing Instructions provides that the LAC shall submit Utilization Certificate (UC) in respect of payment of compensation, to the L&B Department within 15 days of the disbursement of the amount. However, audit scrutiny showed that as of December 2014, UCs were pending for ₹ 704.53 crore<sup>21</sup>, released during 2011-14. The Department stated (September 2014) that the matter had been taken up with LACs.

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<sup>21</sup> 2011-12- ₹ 496.95 crore, 2012-13- ₹ 149.79 crore and 2013-14 - ₹ 57.79 crore.

### 3.10.7 Other points

(i) **Internal audit:** The Directorate of Audit, GNCTD had conducted internal audit of only NW District, up to 2011-12, during the period under audit. Information in respect of other districts, were not made available to Audit.

(ii) **Non-constitution of prescribed committees:** As per Paras 8 and 9 of Standing Instructions, two committees – one headed by the Principal Secretary (L&B) and other by the Additional Secretary (L&B), were to be constituted for monitoring the land acquisition process. However, L&B Department intimated (May 2014) that no such committees were constituted but meetings with the officers of DDA and LACs were held regularly to clear complexities/ issues. Reply strengthens the audit observation and points to non-compliance of the Standing Instructions.

(iii) **Absence of mechanism to ensure end use of land acquired:** As per section 101 of the LARR Act, when any land acquired under this Act, remains unutilized for a period of five years, the same shall be returned to the original owner or to the Land Bank of the Government. To an audit query, LACs (North) and (North West) stated (July/August 2014) that LA Branch had no role to play after handing over the possession of land. From the reply, it is implied that there is no mechanism in the Department, to ensure proper utilisation of acquired land by the requisitioning department.

Delays in declaration of awards resulted in avoidable payment/liability of interest. There were delays in releasing the compensation by the L&B Department to LACs and further to land owners. There was lack of monitoring in the Department, as Committees required to be constituted under Standing Instructions of the L&B Department, were not constituted. LACs were not submitting UCs in respect of compensation to the L&B Department.

The matter was referred to the Government in October 2014, their reply was awaited (April 2015).

### Directorate of Training and Technical Education

#### 3.11 Infructuous expenditure of ₹ 75.94 lakh

**Non pursuance of the project of Science and Technology Park by Netaji Subhash Institute of Technology resulted in infructuous expenditure of ₹ 75.94 lakh on preparation of Detailed Project Report /Feasibility Report and advertisements.**

The Netaji Subhash Institute of Technology (NSIT) conceptualized a project - “Science and Technology Park” in April 2007, to be developed in its campus. NSIT appointed National Association of Software and Service Companies (NASSCOM) as a partner, who prepared and submitted the DPR/ Feasibility Report in December 2007 at a cost of ₹ 30 lakh.

The cost of the project was estimated to be ₹ 425 crore to be funded mainly by private developers with NSIT's contribution confined to the land usage rights. Revenue was projected in the form of lease rentals from tenants in the Park, which was estimated at about ₹ 200 crore yearly.

After 'in principle approval' of the Council of Ministers (July 2008) to the project., NSIT issued (September/October 2008) 'Request for Proposal' (RFP) for appointing architect and technical consultant as well as 'Expression of Interest' (EoI) for developer for the project through advertisements in Public Media, inviting international competitive bidding, on which ₹ 45.13 lakh was incurred.

In response to RFP, only one request was received. The matter was discussed in a meeting chaired by the Chief Secretary, GNCTD (February 2009) and it was observed that the poor response was due to severe global economic down turn which was badly affecting all PPP projects. NSIT was directed -

- (i) to ask the project Consultant to revise the project report, taking into consideration the current economic realities of severe down turn,
- (ii) to obtain advice of the Planning Commission as to whether the project should be deferred under the prevailing conditions of economic recession.

However, the NSIT did not take any action on the above points. Instead, the Board of Governors decided (9 April 2009) to defer the implementation of S&T project for the time being and reassess the project after economic recession was stabilized. Since then, the status of the project remained unchanged though more than five years have passed.

Even if the project is revived at this stage, the entire expenditure of ₹ 75.94 lakh<sup>22</sup> already incurred on DPR and advertisement, will have no relevance in the fast changing technology scenario. Thus, ₹ 75.94 lakh incurred on this project by NSIT proved to be infructuous.

The Directorate stated (December 2014) that the project was conceived to promote IT and IT enabled services in Delhi as well as in the country and knowledge and experience gained from the DPR would be very useful for NSIT and Government in undertaking such initiatives in future.

The fact remains that Directorate/NSIT did not reassess the project as directed (February 2009) by the Chief Secretary and the utility of the report remains doubtful.

The matter was referred to the Government in August 2014, their reply was awaited (April 2015).

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<sup>22</sup>DPR- ₹ 30.00 lakh, Advertisement- ₹ 45.13 lakh and Misc. expenses ₹ 0.81 lakh.

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**Department of Transport**
**3.12 Unfruitful expenditure of ₹ 9.85 crore on feasibility studies**

**Expenditure of ₹ 9.85 crore was rendered unfruitful, as Department of Transport (DoT) did not initiate any action on feasibility reports for PRT system, as prepared by Delhi Integrated Multi-Modal Transit System Limited (DIMTS).**

Audit scrutiny of records in the Department of Transport showed that DIMTS, a joint venture company, proposed (27 April 2009) to carry out a feasibility study on Personal Rapid Transit System (PRT)<sup>23</sup> in and around Vasant Kunj and Vasant Vihar/ Munirka area in Delhi. The proposal was approved by DoT in May 2009 and subsequently it released ₹ 1.63 crore<sup>24</sup> in four instalments (June 2009 to April 2010) to DIMTS, which submitted the Study Report in October 2009. The DoT did not take any further action on the report.

The DIMTS again proposed (2 May 2011) to take up a feasibility study on PRT system in five locations (Dwarka Sub-City, the North Campus, ITPO, Karol Bagh and East Delhi's link to Central Delhi) and a Detailed Progress Report (DPR) of one selected location for PRT in Delhi. The DoT approved (6 May 2011) the proposal and issued sanction for ₹ 7.45 crore in favour of DIMTS. As per the sanction order, the Delhi Transport Infrastructure Development Corporation (DTIDC), a Government Undertaking under DoT, was to release the funds for the study to DIMTS from its revolving fund. An agreement was also signed between DIMTS and the DoT in June 2011. An amount of ₹ 7.45 crore was released (10 May 2011) to DIMTS, and the Feasibility Report along with DPR was submitted in March 2013. As per the records made available to Audit, DoT did not take any further action on this Report or the DPR.

An expenditure of 9.85 crore, including service tax of ₹ 77 lakh, was rendered unfruitful, as DoT did not initiate any further action on the feasibility reports as of November 2014.

Further, the entire cost of second feasibility study (₹ 7.45 crore) was released in advance to DIMTS in contravention of Rule 159, which stipulates that advance up to 30 *per cent* only of the contract value can be released to a private firm. Further, concurrence of the Finance Department/ EFC was not sought by DoT prior to release of entire funds to DIMTS.

The matter was referred to the Government in October 2014, their reply was awaited (April 2015).

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<sup>23</sup>The PRT System is a Public Transit System designed to deliver similar level of flexibility as a taxi, with the privacy of a car. The system typically consists electric powered vehicles (Pods) with carrying capacity of 4-6 persons, with a central control system, running on either ground level or elevated guided ways with minimal waiting time and takes passengers non-stop to their destinations.

<sup>24</sup>The project was approved at a cost of ₹ 1.48 Crore plus service tax as applicable. The amount released was ₹ 1.63 Crore inclusive of service tax @ 10.3 *per cent*.

### **3.13 Blocking of funds of ₹ 1.47 crore**

**Inadequate planning for the project of e-challaning in the Enforcement Branch of the Department of Transport (DoT), resulted in blockade of funds to the tune of ₹ 1.47 crore in purchase of equipment, which were lying idle for more than three years.**

In view of the ever increasing vehicle population in Delhi, the DoT in consultation with DIMTS decided (June 2010) to equip enforcement vehicles for providing facilities like online challaning, connectivity with headquarters' server, printing of challans, electronic card readers, camera etc. Accordingly, it was decided to procure 40 sets of equipment for e-enforcement (e-challaning of defaulting vehicles/drivers) for 40 mobile vehicles. The proposed system was a computerised system enabled with 3G and capable of being connected to the central database. With the system, history of all earlier offences and penalties in respect of the violating vehicle, could be retrieved instantly by feeding its registration number. It was also capable of interfacing with other systems of the Department. For instance, if a motorist has failed to pay traffic fines or attend the Court, he would not be able to conduct other transactions about his challaned vehicle, such as, addition or cancellation of hire purchase entries, sale and transfer of vehicle, renewal of insurance policies etc.

Audit scrutiny of the records showed that the DoT associated DIMTS in the implementation of the project, though no formal agreement was signed between the two parties. On the advice of DIMTS, which was endorsed by the Enforcement Wing and the System Analyst, the DoT purchased 40 Tough books, 40 Printers, 80 Smart Card Readers, 40 UPSs, 40 Data Cards and two Plasma Screen (63"), at a cost of ₹ 1.47 crore during July to October 2010. Simultaneously, software for the system was developed by the DIMTS. However, contract for development of software and maintenance of the system, could not be finalized with DIMTS due to higher prices quoted by them. Consequently, on the request of DoT, the NIC developed the software in October 2013. Application of the system was launched in July 2014 on two vehicles. The system was still under trial phase as of September 2014.

Thus, due to inadequate planning, i.e. absence of formal agreement and non-timely finalization of contract for development of software and maintenance of the system, the project could not be implemented and the equipment purchased remained idle for more than three years, resulting in blockade of funds to the tune of ₹ 1.47 crore.

The matter was referred to the Government in December 2014, their reply was awaited (April 2015).

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**Department of Urban Development**
**3.14 Operation of Multilevel Car Parking-cum-Commercial Complexes**

**NDMC did not follow the codal provisions in appointing consultant. Undue benefit was extended to the Concessionaire by allowing change in retrieval methodology. Concessionaire short- deposited concession fee of ₹ 96.36 lakh. Non-adherence to statutory regulations led to stalling of Kasturba Gandhi Marg Multilevel Car Parking cum Commercial Complex, blocking of ₹ 9.13 crore and loss of ₹ 11.71 crore due to closed surface parking. NDMC incurred a wasteful expenditure of ₹ 1.22 crore as IE's fee for the stalled project.**

The New Delhi Municipal Council (NDMC) identified three locations for construction of multilevel car parking-cum-commercial complex (MLCP) at – (i) Baba Kharak Singh Marg (BKSM), (ii) Sarojini Nagar (SN), and (iii) Kasturba Gandhi Marg (KGM). The MLCPs were to be developed on Build, Operate and Transfer (BOT) basis under Public Private Partnership (PPP<sup>25</sup>) mode. NDMC was to provide the land and charge a yearly concession fee from the MLCP operator and the contractor (or Concessionaire) was to finance the entire construction, operations and maintenance costs of the projects. The NDMC appointed (January 2005) M/s Infrastructure Development Financial Corporation (IDFC) as consultant, for preparing Techno Commercial Study Reports and bid documents (including concession agreement), for award of contract for the projects. The scheduled project completion date (SPCD) for SN and BKSM MLCP was May 2010, but these were completed in May and September 2012 respectively. SPCD for KGM project was June 2010, but the project got stalled in May 2010.

Test check of the records of all the three projects during the period from May to November 2014, showed the following:

**3.14.1 Irregular appointment of project consultant**

Rule 176 of the General Financial Rules (GFRs) stipulates that for works costing more than ₹ 25 lakh, in special circumstances wherein a single source is to be selected, approval of the competent authority should be obtained with full justification.

Audit observed that NDMC signed (June 2004) an MoU with IDFC, under which IDFC was to assist the NDMC for development, up gradation and maintenance of service of urban infrastructures in various areas, including vehicles parking sites. Though the MoU did not specify the name of the work to be undertaken, yet

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<sup>25</sup>In a PPP project, a concession agreement is signed between the Government and a private company, for creating an infrastructure through management skills, delivering cost effective design and technology. PPP encourages rigorous governance over the selection of projects and competition for award of long term contracts, by following a fair and transparent selection process and makes private sector responsible for design, construction, finance, operation, ownership and transfer of assets at the end of the concession period.

NDMC appointed IDFC as consultant for three MLCP projects for which IDFC was to be paid ₹ 27 lakh (₹ 9.00 lakh for each activity). The selection of IDFC as consultant on nomination basis was irregular, lacked transparency and deprived NDMC of benefits of competitive rates.

The NDMC stated (January 2015) that IDFC was appointed after approval of the competent authority by following all codal procedures. The reply is not acceptable as no justification for single source selection was found on record.

### **3.14.2 Development of Multilevel Car Parking**

#### **3.14.2.1 Change of selected technology after award of contract**

The project works of MLCP at Sarojini Nagar and Baba Kharak Singh Marg were awarded to M/s DLF in September 2007 and the agreement was signed in November 2007. Audit observed that at the time of bidding for the project, DLF projected 'ECOSAFE Pallet Technology', of M/s Plaintiff (Netherlands) and provided by M/s Simpark Infrastructure (Kolkata) for operating the MLCP. However, DLF later ousted M/s Simpark Infrastructure and introduced M/s Precision Automation and Robotics India Ltd. (PARI), for installing its technology. This was in violation of conditions of Concession Agreement (CA), as DLF won the technical bid by quoting 'ECOSAFE pallet technology'. The NDMC did not provide records or information on whether the new technology used by DLF, was similar to the previous one and approved by the competent authority and TEC. Further, whether PARI had adequate technical experience for the project was also not found on record.

The NDMC stated (January 2015) that ECOSAFE pallet technology was a brand name of M/s Simpark and the same technology was provided by M/s PARI. Also, this change was approved by the TEC and the competent authority. The contention of the Department is not acceptable as CA on technology transfer and technical support, specifically mentioned that installation, testing and commissioning will be provided by M/s Simpark. Further, no deviation in technology was permitted in the CA. NDMC also did not provide any documentary evidence of approval by the competent authority/TEC for acceptance of technology provided by PARI.

#### **3.14.2.2 Change in retrieval methodology - undue benefit to the Concessionaire**

As per RFP document (item 2.2.2 of the technical proposal), retrieval time<sup>26</sup> for vehicle, should not be more than three minutes.

Audit scrutiny showed that M/s DIMTS, the appointed Independent Engineer (IE) (for reviewing, monitoring and ensuring compliance by Concessionaire with design, construction, operation and maintenance requirement etc.), witnessed the

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<sup>26</sup>As per CA, the retrieval time is described as "maximum retrieval time of a vehicle in the parking structure as time taken to bring a vehicle parked at the farthest point from the entry/exit area, to the entry/exit point from where the vehicle can be driven out of the building and not taking more than 3 minutes in fully automatic parking facility."

test carried out by DLF (November 2011) on the functioning of parking system and retrieval time at SN MLCP, and observed that the retrieval system was not installed as per provisions of the CA. The retrieval time during testing, varied from 3 to 14 minutes. In order to reduce the retrieval time to 3 minutes, DLF proposed (April 2012) a two staged modified technology which included swiping of proximity card at a Token Kiosk and waiting for retrieval command by the operator for adjusting above time variation, in contravention to the retrieval operation projected in the CA. M/s DLF claimed that as per tests carried out on 120 cars in April 2012, the retrieval time with modified methodology, was within three minutes. However, DIMTS commented that the time interval between the swiping of card at Token Kiosk and retrieval command by the operator, was not recorded in the system and was additional, which was likely to vary with parking load and may reach maximum, under full load condition. Notwithstanding views of DIMTS, the NDMC confirmed the modified methodology (April 2012) and directed DIMTS to issue the completion certificate, which the DIMTS issued in May 2012 with comments that the retrieval time was still not in conformity with the provisions of the CA. On adopting similar modified methodology, completion certificate for MLCP at BKSM, was also issued in September 2012.

Audit observed that provision of a 'Token Kiosk' where customer gets a token number and then waits for his turn to present the token to the operator for payment and retrieval of his car, was not the part of the CA. Thus, even with this modified methodology, retrieval time was not within acceptable limits of three minutes. But NDMC accepted the modified methodology for both the sites, extending undue benefit to DLF.

The NDMC stated (January 2015) that the retrieval time was within specified limit and the token kiosk was installed to avoid confusion between theoretical and actual retrieval time. The reply is not tenable as retrieval time was to be reckoned from swiping of card for retrieval till the delivery of the car to customer. The fact is that token kiosk was an escape route provided by NDMC to the Concessionaire, to achieve the said prescribed retrieval time, where token/waiting time is not taken into consideration while calculating the retrieval time.

#### **3.14.2.3 Non-monitoring of Concessionaire's performance of O&M work**

Schedule 5 to Article 4 of the CA clearly specifies that IE should review operation and maintenance (O&M) of project till the MLCP is handed back to NDMC. It further prescribes responsibility of IE to - (i) report physical, technical and financial aspects of the projects, and (ii) monitor the performance of the Concessionaire and report on incidence of material and persistent breach of O&M requirements.

For SN and BKSM projects, DIMTS was appointed (June 2008) as IE on a remuneration of ₹ 4.89 lakh per month with escalation @ 10 per cent per annum, for three years, with extension not exceeding two years at a time, allowed. Audit



scrutiny showed that NDMC retained the IE upto 15 October 2012, during which completion certificates for both the projects were issued (SN - May 2012 and BKSM-September 2012). However, after 15 October 2012, NDMC neither extended the services of DIMTS, nor appointed any new firm as IE, for O&M activities.

Thus, in the absence of IE or any other consultant, neither O&M activities of the projects were being reviewed nor performance of the Concessionaire was being monitored.

#### **3.14.2.4 Undue benefit to Concessionaire on account of late reimbursement of IE's fee**

As per Article 4.3 of CA, all fees payable to IE, should be shared by the Concessionaire and NDMC equally. The Concessionaire should reimburse its share to NDMC on the 1st day of each month. Article 10 further requires NDMC to take proper action against Concessionaire, in case of delay in payment for more than 90 days. Audit noticed that the Concessionaire reimbursed its share to NDMC with delays ranging from one to 17 months. Though the Concessionaire was not regular in paying his share of fee, NDMC did not take any action against the Concessionaire for the same, extending undue benefit to the Concessionaire.

The NDMC in its reply (January 2015), admitted the late reimbursement of IE's fee by the Concessionaire. However, the reply was silent whether any action was taken against the Concessionaire.

#### **3.14.2.5 Short realization of concession fee - ₹ 96.36 lakh**

As per Article 7 of CA, the Concessionaire was required to pay concession fee of ₹ 15.00 lakh and ₹ 22.00 lakh per annum with five *per cent* yearly escalation, for MLCP at SN and BKSM respectively. The concession fee was to be paid in advance on every anniversary of the scheduled project completion date (SPCD)<sup>27</sup> and the first concession fee was payable within seven days of the SPCD. As agreements for both sites were executed in November 2007, the Concessionaire was liable to pay concession fee w. e. f. June 2010. An analysis of information provided by the NDMC showed that the Concessionaire short deposited concession fee of ₹ 48.90 lakh for SN and ₹ 47.46 lakh for BKSM. Thus, a total amount of ₹ 96.36 lakh was short received by the NDMC.

The NDMC attributed (January 2015) the delay to late approvals from different Government agencies and extension of SPCD by the Project Management Committee with the approval of competent authority. The reply is not acceptable as six months were separately provided in CA for getting such approvals. Moreover, the NDMC did not furnish any documentary evidence of approval of extension of SPCD by the competent authority.

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<sup>27</sup>SPCD means the date 24 months from the effective date, and effective date means the date on which the approval has been completed in accordance with schedule 3 of CA or six months from the appointed date, whichever is earlier.

### **3.14.2.6 Non-inclusion of penalty clause in CA for delay in completion of projects**

According to section 33.1 (3) of CPWD Works Manual, compensation for delay in completion of work is recoverable from the contractor subject to a maximum 10 *per cent* of tendered value.

As per CA, the construction of MLCP projects at BKSM and SN were to be completed within 30 months (i.e. by June 2010) by DLF. Audit scrutiny showed that CA contained clauses fixing target dates and milestones to be achieved by the Concessionaire, but it did not have any penalty clause for non-achievement of milestones and completion of the projects within scheduled time. The completion certificates for projects at SN and BKSM, were issued in May 2012 and September 2012, indicating delay of 23 and 27 months respectively. The reasons for delayed completion of projects, were not provided by NDMC.

Thus, non-inclusion of penalty clause for the delay in completion of projects, in the CA deprived the general public of intended facilities for the period of delay and extended undue favour to the Concessionaire.

The NDMC stated (January 2015) that PPP concept being a new one, it could not recognize the need for inclusion of penalty clause in CA. The reply is not tenable as the guidelines of the Central Vigilance Commission provide that while awarding contracts, clauses pertaining to completion schedule, penalty for delayed completion, etc., should be incorporated in the bid documents.

### **3.14.3 Construction of MLCP at KG Marg**

#### **3.14.3.1 Non- fulfilling prior requirement of 'No Objection Certificate' from ASI**

The construction of MLCP at KG Marg was awarded to M/s DS Construction Ltd. (September 2007) and the CA was executed in December 2007 although NDMC did not own the land for the project which was allotted to NDMC only in January 2009. In terms of Article 3.4 of CA, the Concessionaire was to obtain all applicable permits for the project from the local bodies and authorities. As the project site was located within 203.85 mtrs from 'Uggra Sain Ki Baoli', a centrally protected monument, prior permission of ASI was needed for the project. On the basis of an intimation from M/s DS Construction (July 2008) that they had applied for the same, NDMC allowed them to commence excavation work at the site. Further scrutiny showed that M/s DS Construction misled NDMC on this issue and actually applied for permission from ASI only in March 2010. In the meanwhile, ASI lodged an FIR (May 2010) against unauthorized construction by NDMC and returned (July 2010) the application with remarks that due to implementation of the AMASR Act, 2010, NOC is to be obtained from National Monuments Authority of India (NMAI). Consequently, the work of MLCP was stalled w.e.f. 1 May 2010.

Thus, the NDMC rushed to award the work of MLCP in September 2007 whereas the land for the project was allotted in January 2009, i.e. after 15 months from the award of work. Even then, NDMC could not arrange the required NOC (by itself or through the Concessionaire) before start of the work. Failure of NDMC and the IE as well, to ensure that the Concessionaire had arranged the required NOC from ASI, prior to granting permission for excavation work, resulted in stalling of the project.



*Construction work of MLCP at KG Marg stalled for want of ASI clearance*

The NDMC stated (January 2015) that the Concessionaire approached the ASI for NOC but the matter could not be resolved as powers to issue NOC was transferred to National Monument Authority of India (NMAI) which was constituted w.e.f. 30 March 2010. The reply is not acceptable as Concessionaire could have applied for and obtained NOC in 2007 itself, i.e. before formation of NMAI.

### **3.14.3.2 Blockade of fund and loss of ₹ 11.71 crore due to non-adherence to statutory regulations**

(i) The MoUD allotted (January 2009) a plot (area 6143 sqm.) at KGM to NDMC, for construction of MLCP, at a cost of ₹ 9.13 crore<sup>28</sup>. As per allotment conditions, payment for the land became due from the date of allotment. The NDMC was required to construct building within a period of two years from the date of possession of land and pay ground rent in advance, whether demanded or not. Failure to adhere to conditions, would attract interest at the rate of 10 per cent per annum.

Audit scrutiny, however, showed that NDMC did not pay ground rent after January 2010, which had accumulated to ₹ 1.11 crore upto January 2015.

(ii) Before allotment, NDMC was using this plot as ‘surface parking facility’ and earning ₹ 14.11 lakh per month. In December 2007, the plot was handed over to Concessionaire for MLCP. However, the MLCP could not be completed as of January 2015. Thus, ₹ 9.13 crore remained blocked since April 2009 and NDMC

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<sup>28</sup>25 per cent of plot area at commercial rate (₹ 57,960 per sqm plus 2.5 per cent annual ground rent), and 75 per cent of area at un-remunerative land rate (₹ 11,000 per acre plus 5 per cent annual ground rent)

incurred loss of ₹ 11.71 crore<sup>29</sup> on account of closing of 'surface parking'. Also, a liability of ₹ 1.11 crore on account of ground rent has accumulated.

The NDMC, in its reply (January 2015), stated that efforts were made by Concessionaire and NDMC at the highest level but NOC from ASI could not be obtained. Reply is not acceptable as the NDMC and Concessionaire, before ensuring required permits, started excavation work, which also led to filing of the FIR.

### **3.14.3.3 Wasteful expenditure of ₹ 1.22 crore on account of payment to IE**

M/s Meinhardt Singapore Pvt. Ltd. India (MSPL) was appointed as IE for MLCP at KGM and contract agreement (IE contract) was signed in May 2008, on a remuneration of ₹ 7.09 lakh per month, for three years. Audit scrutiny showed that IE for the work was appointed before the allotment of land for the project (January 2009), which was not justifiable.

NDMC suspended IE contract in September 2010 and paid ₹ 2.12 crore (including ₹ 1.06 crore as Concessionaire's share) to M/s MSPL. However, the Concessionaire did not reimburse a sum of ₹ 0.16 crore pertaining to the period May to August 2010. As the project was stalled in May 2010, the expenditure of ₹ 1.22 crore (₹ 1.06 crore as NDMC share plus ₹ 0.16 crore) on account of payment to IE was wasteful.

The NDMC stated (January 2015) that the IE performed its prescribed responsibilities properly and payment made to him was not wasteful. The reply is not acceptable as the IE was appointed before the allotment of land, and the work was stopped in May 2010, when merely excavation work was completed.

Thus, it can be seen that NDMC did not follow the codal formalities in appointing consultant. Undue benefit was extended to the Concessionaire by allowing change of selected technology and retrieval methodology. No IE was appointed for monitoring of O&M. Concessionaire short deposited concession fee of ₹ 96.36 lakh overlooking the SPCD. Non-adherence to statutory regulations led to stalling of KGM MLCP, thereby, blocking of ₹ 9.13 crore and loss of ₹ 11.71 crore due to closed surface parking. NDMC incurred a wasteful expenditure of ₹ 1.22 crore as IE's fee for the stalled project.

The matter was referred to the Government in December 2014, their reply was awaited (April 2015).

### **3.15 Unfruitful expenditure of ₹ 73.85 lakh**

**Failure on the part of Delhi Jal Board in ensuring availability of clear site before approval of NIT and awarding of work, resulted in abandoning a project of laying of Sewage Rising Main midway and unfruitful expenditure of ₹ 73.85 lakh.**

<sup>29</sup>calculated at the rate of ₹ 14.11 lakh per month from December 2007 to October 2014.

Section 15.1(2) of CPWD Works Manual, 2012 envisages that before approval of Notice Inviting Tender (NIT), the following are desirable (i) availability of clear site, funds and approval of building plans from local bodies; (ii) confirmation that materials to be issued to the contractor would be available; and (iii) availability of structural drawings for the foundations, and (iv) lay out plan for all services.

Audit scrutiny of records for the period 2005-2014 of the Executive Engineer (C) Drainage-III, Delhi Jal Board, showed that the work of 'providing, laying and joining 350 mm dia DI/CI Rising main from Azadpur Sewage Pumping Station (SPS) to Coronation Pillar STP' was awarded at a cost of ₹ 1.25 crore against ₹ 1.02 crore put to tender in September 2007. The scope of work included providing and laying of 2910 meter length of 350 mm dia DI pipe to carry collected sewage from Azadpur SPS (command area – MCD colony Azadpur, Naniwala Bagh and Azadpur Commercial Complex) to the Coronation Pillar STP. The schedule dates of start and completion of work were 26 November 2007 and 25 May 2008 respectively. The work was actually taken up by the contractor from 01 February 2008. It was observed that after 2277.20 meter length of pipe was laid on available alignment, the work was stopped (August 2008) due to various hindrances i.e. objections by RWA, ongoing monsoon season, works executed by PWD/DMRC etc.

When the contractor requested (4 August 2008) for foreclosing the contract and clearance of balance payment along with security money of ₹ 6.25 lakh, DJB assured the contractor to hand over a clear site by August 2008, but failed to keep its assurance. Finally when the DJB gave clearance for the work in October 2008, the contractor demanded ₹ 2.45 crore against the initial cost of ₹ 1.25 crore (140 per cent above the tendered cost) to execute the balance work. The higher rates were not acceded to by DJB and it was decided (April 2009) to foreclose the contract. The contractor was paid ₹ 73.85 lakh for the work executed and security deposit of ₹ 6.25 lakh was also refunded. The balance work was not awarded as of January 2015, though more than five years have elapsed since work was foreclosed in April 2009.


Thus, failure on the the part of DJB in ensuring availability of clear site before approval of NIT and awarding of work, the project, had to be abandoned midway. This has not only resulted in unfruitful expenditure of ₹ 73.85 lakh but also the sewage from Azadpur SPS not being transported to the Coronation Pillar STP, as conceptualized.

The Department in its reply stated (October 2014) that the hindrances could not be anticipated, as the concerned agencies never informed them of likely developments. The delay, leading to ultimate foreclosure was due to development work being done on war footing during the period, preceding the Common Wealth Games 2010, in Delhi.

The reply of the Department is not tenable, as CPWD Manual, 2012 clearly stipulates that clear site should be available before approval of NIT for the work. Further, the Common Wealth Games were held in October 2010, but the balance work has not been awarded, even after four years of completion of the games.

The matter was referred to the Government in August 2014, their reply was awaited (April 2015).

New Delhi  
Dated: 01 June 2015

  
(DOLLY CHAKRABARTY)  
Principal Accountant General (Audit), Delhi

Countersigned

New Delhi  
Dated: 01 June 2015

  
(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India

# **Annexures**

**Annexure-2.1**  
**Difference in consumption and actual receipt of milk**  
**(Referred to in paragraph 2.2.4.2 (ii))**

(Qty. in litres.)

Month & Year	Central Jail-1		Central Jail-2		Central Jail-3		DJR		Diff- erence	Rates per litre	Amount (in ₹)
	Qty. received and paid	Qty. consu- med	Qty. received and paid	Qty. consu- med	Qty. received and paid	Qty. consumed	Qty. received and paid	Qty. consu- med			
Mar-10	7106	4708.60	11702	11152.63	12368	5853.25	6890	5765.30	10586.22	16.20	171497
Mar-11	7403	4923.25	10518	10191.18	13328	5365.45	6134	5283.00	11620.12	18.80	218458
Mar-12	6648	4370.90	10702	10333.65	8916	4765.75	5877	5132.00	7540.70	23.49	177131
Mar-13	7141	4488.15	10507	10090.13	9351	4532.45	6390	5910.00	8368.27	23.00	192470
Mar-14	6539	5418.45	9012	8628.70	10805	5383.20	8291	7000.65	8216.00	22.40	184038
<b>Total</b>	<b>34837</b>	<b>23909.35</b>	<b>52441</b>	<b>50396.29</b>	<b>54768</b>	<b>25900.10</b>	<b>33582</b>	<b>29090.95</b>	<b>46331.31</b>		<b>943594</b>



**Annexure-2.2**  
**Comparative statement of provisions of MPLADS and MLALADS**  
**(Referred to in paragraph 2.4.2)**

S.No.	Provisions of MPLADS	Status in MLALADS
<b>Submission of the Proposals</b>		
1	A well devised format for submission of the proposals indicating name and nature of the work, location and estimated cost is prescribed for MPs to submit the proposals to district authority for scrutiny and technical/ financial administrative sanction.	No specific format and procedure for submission of proposals is described in the scheme guidelines.
<b>Scrutiny and Sanction of Projects</b>		
2	District authority should get in advance a firm commitment about the operation upkeep and maintenance of the proposed assets by user agency.	There is no compulsion to obtain such assure from implementing agency/user agency before sanction of work.
3	Proposals should be sanctioned within 45 days from the date of receipt of recommendation.	In the scheme guidelines time limit is not fixed to be followed by sanctioning authority for sanction of proposals.
4	Sanction letter shall stipulate a time line for completion of work to the implementing agency with a penalty clause to be applied in the event of their failure to complete the work within stipulated time.	In the scheme guidelines there is no direction for sanctioning authority to fix timeline in sanction letter for implementation of work.
5	District authority should before sanctioning the work, ensure that all clearances for such works have been taken from the competent authorities.	It is not made mandatory in the scheme guidelines to ensure that all clearances for such works have been taken from the competent authorities.
6	On receipt of recommendation from MP and issue of work sanction, district authority would ensure that details of works sanctioned are entered in adequately devised input data format, input format for master data entry, input format for monthly data entry and format for entry of data by implementing agency.	Scheme guideline do not describe the necessity and procedure to maintain input/ output data by sanctioning authority as well as by implementing agency.
7	District authority shall follow the established procedure for scrutiny; technical estimation, approval and tendering for execution of works.	No specific procedure to scrutinize the proposals is defined.
8	District authorities identify the implementing agency.	MLA selects the implementing agency.
9	ID number is to be issued by District Authority to every sanctioned work.	No such provision exists.

<b>Funds released and Financial Management</b>	
10	Public and community contribution to the work recommended by the MP is permissible.
11	Bank interest earned on the funds released under the scheme is to be refunded to district authority for further utilization.
12	A Separate account for contingency expenditure incurred during a year under MPLADS shall be maintained and MP concerned shall be kept informed besides making available the details for scrutiny by audit.
13	Funds received by implementing agencies from ministry will be kept only in saving bank account of a nationalize bank.
<b>Accounting Procedure</b>	
14	District authority shall also maintain accounts of MPLADS funds MP wise. Cashbook and other books of accounts shall be maintained as per state/UT government procedure.
56	District authority shall also maintain different head wise list of works executed in the prescribed format in an assets register for all the MPLADS works.
16	Advance upto 50 per cent of estimated cost is released to implementing agency, and balance on utilization of 60 per cent of advance.
17	District authorities shall maintain accounts of funds MP wise and submit yearly audited accounts, reports and certificates.
<b>Internal Control Mechanism</b>	
18	District authority shall be responsible for timely and effective implementation of such works.
19	A well defined format of utilization certificate to be submitted to state government by District Authorities.
20	District Authority will submit for every year the audited accounts, reports and certificates to the State Government.
21	A well defined procedure for audit of the funds by chartered accountant to be engaged by state government on the basis of recommendation of the Accountant General of State/UT.

22	District Authority and the implementing agency would arrange to transfer the assets to the User agency without any delay. The user agency should take it on its books for normal operation and maintenance.	UDD or implementing agency are not made liable to handover the assets to user agency. No specific procedure is defined to transfer assets to user agency. No specific direction to user agency to deal with such assets.
23	Provision for monitoring mechanism exists.	No such provision for monitoring of implementation of the scheme.
<b>Public Information System</b>		
24	As soon as a work under the scheme is completed, it should be put to public to use. For greater public awareness, for all works executed under MPLADS, and a plaque carrying the inscription 'MPLADS work' indicating cost involved, commencement, completion and inauguration date of work and name of the MP should be permanently erected.	There is no specific direction in scheme guideline to ensure public use of assets and to make the public aware of source of fund to such assets.
25	List of all completed and ongoing works should be displaced at district authority office and posted on the website for information of the general public.	It is not made mandatory to display such list at the office of sanctioning authority.

**Annexure- 2.3**  
**Shortage of staff in various cadres in MCsD**  
**(Referred to in paragraph 2.5.6.1)**

Sl. No.	Cadre	Sanctioned strength			Actual strength			Shortage			Percentage of shortage		
		North	South	East	North	South	East	North	South	East	North	South	East
1.	Sanitary Superintendent	15	12	6	5	4	4	10	8	2	66.66	66	33
2.	Chief Sanitary Inspector	14	14	8	5	8	2	9	6	6	64.28	42	75
3.	Sanitary Inspector	118	113	68	117	108	59	1	5	9	--	4	13
4.	Assistant Sanitary Inspector	312	323	181	280	249	130	32	74	51	10.25	23	28
5.	Sanitary Guide	262	279	174	157	236	101	105	43	73	40.08	15	42
6.	Safai Karmacharis	17141	13526	8561	13849	9436	7589	3292	4090	972	19.20	30	11

**Annexure - 2.4**  
**Summary of RWAs responses**  
**(Referred to in paragraph 2.5.8)**

Sl. No.	Question -  Whether	Responses								
		Rohini Zone			Central Zone			East DMC		
		Yes	No (%)	NA	Yes	No(%)	NA	Yes	No (%)	NA
1	Roads/ streets are swept daily?	45	35 (43)		20	16 (44)		72	40 (35)	1
2	Waste was lifted immediately after sweeping?	37	43 (53)		15	21 (58)		49	63 (56)	1
3	Nallas/drains are cleaned daily?	16	64 (80)		6	28 (82)	2	36	76 (67)	1
4	Silt/waste from the nallas is removed from roads immediately	16	61 (79)	3	2	34 (94)		38	74 (66)	1
5	Garbage is collected from door steps?	47	31 (39)		15	19 (55)	2	76	36 (32)	1
6	There are open storage sites for garbage?	28	23 (45)	29	24	12 (66)		38	58 (60)	17
7	Garbage from <i>Dhalaos</i> / open sites are lifted daily?	9	38 (80)	33	6	27 (81)	3	29	64 (68)	20
8	Garbage is covered while transporting it to landfills?	11	29 (72)	49	20	14 (41)	2	25	68 (73)	20
9	<i>Dhalaos</i> /open sites are cleaned/washed/disinfected after garbage is lifted?	10	34 (77)	36	7	29 (80)		27	68 (71)	18
10	CTC/Urinals are cleaned/ disinfected daily?	7	39 (84)	34	1	23 (95)		11	20 (64)	82

**Annexure-3.1**  
**Summary findings of Joint Inspection of 36 selected schools**  
**(Referred to in paragraph 3.2.5 (ii))**

S I . No.	Facilities to be provided as per approved estimates	Deficiencies/Defects	No. of schools
1.	Toilets	i) Blocked/Choked ii) Taps without water iii) Broken floor/water accumulation iv) Not connected to sewer line	13 6 6 7
2.	Drinking water	i) R O System not available ii) Overhead tanks not available iii) Broken water taps/not fitted properly	12 6 2
3.	RWHS	i) Not available ii) Not functional	13 4
4.	Repair / Renovation of boundary walls	i) Not done ii) Incomplete/unsatisfactory work	7 2
5.	Upgradation of play ground	i) Not upgraded	12
6.	Upgradation of Library	i) Not upgraded	12
7.	Electrical systems	Safe systems not available	8
8.	Developments works	Site grading for storm water drains, internal pathway, horticulture operation not done	17
9	Building	i) Seepage from ceiling of classrooms etc. ii) Cracks in walls iii) Broken doors/no window panes	7 1 3
10	Building as Learning Aid	BaLA works not done.	36
11	Fire Safety	i) 2 <sup>nd</sup> door in classrooms not available ii) Additional staircase not available iii) Stylize gate not available iv) Pumps not available v) Pipes, Hose reels not available vi) Underground tanks not available vii) Fire extinguisher/buckets not available	3 4 5 6 11 6 2

**Annexure- 3.2**  
**Comparative statement of salary of faculty members**  
**(Referred to in paragraph 3.4 (i))**

Post	Month	Lumpsum amount* as per Business Model approved by the Cabinet  (Based on salary of next higher post in AIIMS )	Consolidated amount**  (Fixed as per appointment letter)	Amount actually drawn by the incumbent  (Pay Band - ₹ 37,400-₹ 67,000)	
				Pay in the pay band and GP	Total Amount***
Professor	Feb. 2012	₹ 1,47,483	₹ 1,35,930	BP -₹ 47,100 (at minimum) G.P. ₹ 12,000	₹ 1,88,368
Additional Professor	May 2011	₹ 1,56,983	₹ 1,21,900  (with 5 advance increments)*	BP -₹ 59,125 G.P. ₹ 10,000	₹ 2,08,318
Associate Professor	Jan 2013	₹ 1,36,578	₹ 1,12,930*  (with pay protection)	BP -₹ 48,580 G.P. ₹ 8,900	₹ 1,90,122
Assistant Professor	May 2012	₹ 1,21,470	₹ 1,06,030*	BP -₹ 37,400 (at minimum) G.P. ₹ 8,700	₹ 1,67,222
		<p>* (A) Lumpsum amount includes BP, GP, DA, HRA (30 %), Academic allowance (₹ 10,000) and Tpt Allowance and Employer's PF contribution.</p> <p>(B) Annual increment admissible @ 3 per cent.</p> <p>(C) revenue sharing have not been in the calculation of lumpsum package</p>	<p>**Amount includes BP, GP, NPA (25 % of BP +GP), DA (22 % fixed), HRA (50 %), and Employer's PF contribution.</p> <p>In addition, Tpt. allowance and CEA are admissible as per Government guidelines.</p>	<p>*** (A) Amount includes the following: BP, GP, NPA (25% of BP + GP), D.A, HRA (50 % of BP +GP+NPA), CEA (₹ 2,000 max.), Transport. Allowance, Academic Allowance (₹ 500 fixed), Research Allowance (₹ 2,000 fixed), medical allowance CPF, Telephone allowance and internet allowance.</p> <p>(B) Annual increment admissible @ 7.5 per cent</p>	