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PREFACE

This Annual Audit Report for the year ended 31 March 2010 has been prepared for submission to the Council in terms of sub-section 17 of Section 59 of the NDMC Act, 1994 which envisages that the Chief Auditor shall deliver to the Council a report on the entire accounts of the Council for the previous year.

The Report contains comments on the Annual Accounts and the transactions/cases for the year 2009-10. The transactions/cases mentioned in the Report are among those which came to notice in the course of test audit of accounts and transactions during the year 2009-10 as well as those which had come to notice in earlier years but could not be dealt with in previous reports; matters relating to the period subsequent to 2009-10 have also been included, wherever necessary.

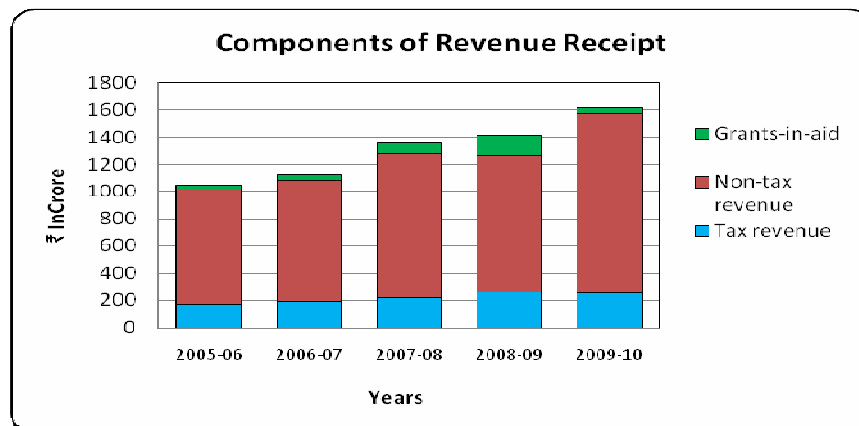
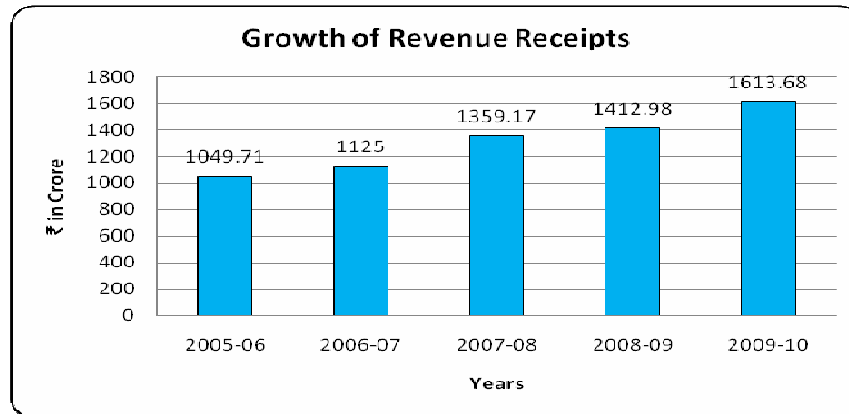
OVERVIEW

This Report includes one chapter on the state of finances of the New Delhi Municipal Council for the year 2009-10, one chapter containing review and nine chapters containing 19 paragraphs dealing with results of audit of transactions of various departments of the Council.

Financial Results

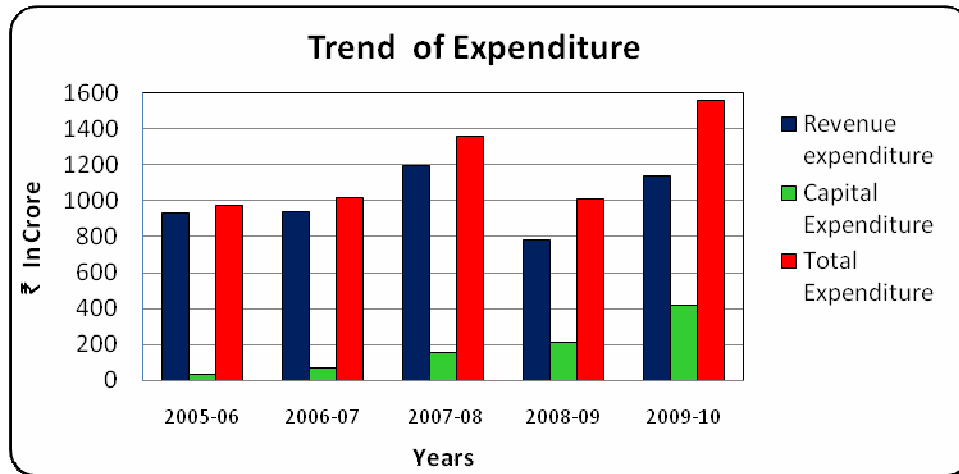
The financial position of the Council is reflected largely through the New Delhi Municipal Fund, maintained by the Council under Section 44 of the NDMC Act 1994. All receipts and expenditure are booked under this Fund. During 2009-10, there was a **surplus of ₹ 112.69 crore**, leading to a closing balance of ₹ 201.98 crore as on 31 March 2010.

The following graphs indicate the growth of revenue receipts and its various components:



Major component of non-tax revenue was sale of energy, accounting for ₹ 535.84 crore, which constituted 40.76 *per cent* of total non-tax revenue. This component of sale of energy, however, **decreased by ₹ 33.44 crore** i.e., 5.87 *per cent* over the receipts of ₹ 569.28 crore in 2008-09.

Expenditure of the Council increased to ₹ 1556.53 crore in 2009-10 from ₹ 1007.80 crore in 2008-09 i.e., an increase of 54.45 *per cent* over the previous year as depicted in the following graph:



- (i) The **revenue expenditure increased to ₹ 1137.77 crore** in 2009-10 as compared to ₹ 778.97 crore in 2008-09 i.e., an increase of 46.06 *per cent* over the previous year.
- (ii) Capital expenditure in respect of works relating to NDMC **increased from ₹ 214.55 crore in 2008-09 to ₹ 418.76 crore in 2009-10** excluding deposit works i.e., an increase of 95.18 *per cent* in comparison to the previous year.

Major audit observations on the accounts of the Council are:

- (a) Actual expenditure during the year 2009-10 was ₹ 1556.53 crore, i.e. **24.36 *per cent* less** than the revised estimates of ₹ 2057.88 crore. Expenditure under 14 heads of account was incurred in excess of revised estimates. The excess expenditure ranged between 12.75 and 5453.95 *per cent* of revised estimates. Expenditure under five heads of account was incurred without any budget provision, while in five other cases, the revised estimates were not utilized at all. Under 17 heads of account, the **savings ranged up to 97.88 *per cent* of revised estimates.**

- (b) The outstanding balance under 'Loans, Advances and Deposits' in the beginning of the financial year 2009-10 was ₹ 84.40 crore. During the year, recovery/ adjustment of ₹ 74.02 crore was made leaving an outstanding balance of ₹ 10.38 crore at the close of the year.
- (c) All the **assets of the Council had not been fully accounted for** in the Balance Sheet. 17275 fixed assets did not figure in the Fixed Assets Register over the last five years. Fixed Assets had not been valued at cost less accumulated depreciation in accordance with the provisions in the National Municipal Accounts Manual (NMAM). Instead, assets acquired prior to April 2004 were valued at a nominal value of ₹ one for each asset.
- (d) There was a **difference of ₹ 3.72 crore in the cash balance** as per accounts and cash balance as per cash book.
- (e) Provision for Bad and Doubtful Debts had been made at **unusually high level of ₹ 939.63 crore** without any supporting details and appropriate disclosures. Notes on Accounts acknowledge that Doubtful Debts had been worked out on adhoc basis without any year-wise break up of receivables.
- (f) Asset figure is **inflated by ₹ 1.69 crore** due to under charging of depreciation by matching amount. Completed works have been shown as works-in-progress resulting in lower depiction of both assets as well as Depreciation Reserve Fund.
- (g) Nine different schedules pertaining to assets/liabilities prescribed in the NMAM had not been prepared. Financial Ratios had also not been incorporated/ calculated as prescribed in the NMAM in 18 cases.

(Paragraph 1)

EDUCATION DEPARTMENT

Review on Functioning of Education Department

Performance Audit of the Education Department for the period 2005-06 to 2009-10 concluded in October 2010 revealed that:

The department had not devised any monitoring mechanism to ensure timely issue of free text books and Uniform subsidy to the students under welfare schemes of the Council. Delays of up to six months in distribution of free text books after the commencement of academic

session were common. Similarly, delays of up to eight months in distribution of Uniform subsidy to the students were also found.

Less than 25 *per cent* of the students of class X and class XII secured 60 *per cent* and above marks in Board Examinations during 2005-10 (except during 2006-07). The pass percentage of students in class X in the only Adult Education School for women also declined from 57.14 *per cent* in 2006-07 to 23.07 *per cent* in 2009-10. No student could pass the examination in 2005-06 in this school.

Out of 225 scholarships approved for distribution among meritorious students per annum under Talent Search Scholarship Scheme, 10 to 76 *per cent* of the scholarships could not be awarded due to poor performance of the students during 2005-10.

The Vocational Education Scheme was not well received. Only 7.71 to 10.71 *per cent* of the students opted for vocational courses provided in three schools during 2005-10.

Enrolment of women in the school for Adult Education decreased from 173 in 2005-06 to 145 in 2009-10.

Assessment of teachers actually required in various schools was not made at the beginning of each academic session before making their appointments. This resulted in an avoidable expenditure of ₹ 10.79 lakh on engagement of contractual teachers during July 2009 to February 2010.

In 20 schools, no budget allocation for purchase of books for their libraries had been made since 2005-06.

No sports teacher was available in seven schools.

Regular inspection of schools was not conducted to ensure quality of education, overall cleanliness and hygiene in and around the school premises, availability of potable water, etc.

(Paragraph 2)

COMMERCIAL DEPARTMENT

Non recovery of arrears of ₹ 4.93 crore against temporary connections

Department's lackadaisical approach in the recovery of electricity charges against temporary connections resulted in accumulation of arrears of ₹ 4.93 crore against 341 consumers as of March 2010.

(Paragraph 3.1)

Non recovery of arrears in respect of disconnected electricity and water connections – ₹ 47.92 crore

Department failed to take effective action for recovery of electricity and water charges from the consumers whose connections had been disconnected due to non-payment of dues. This resulted in accumulation of arrears of ₹ 47.92 crore as of March 2010.

(Paragraph 3.2)

Loss of ₹ 2.37 crore due to non levy of MDI surcharge

The Council had resolved (October 2004) that in case of bulk consumers of electricity (100 KW & above), the sanctioned load shall be taken equal to maximum demand as indicated by Maximum Demand Indicator (MDI) and in case MDI reading exceeded the contract demand by more than 5 per cent, a surcharge of 30 per cent shall be levied on the total demand plus energy charges for such billing cycle.

Despite being pointed out in the Annual Audit Report for the year ended March 2008, the department did not levy surcharge of 30 per cent on total demand of bulk consumers in 42 cases where the maximum demand exceeded the contract demand by more than 5 per cent, resulting in loss of ₹ 2.37 crore.

(Paragraph 3.3)

Non recovery of arrears of ₹ 118.45 crore on account of electricity/ water charges against existing consumers

Test check in Audit revealed that ₹ 118.45 crore on account of electricity/ water charges were outstanding against existing consumers as of March 2010. Arrears had accumulated at an yearly average of ₹ 2.69 crore over the outstanding arrears of ₹ 105.00 crore prior to 2005-06 despite launch of a settlement scheme in July 2009. Department failed to take effective action for recovery of the arrears.

(Paragraph 3.4)

Non recovery of electricity/ water charges against dishonoured cheques – ₹ 9.64 lakh

Cheques for ₹ 9.64 lakh deposited by consumers towards electricity/ water charges were dishonoured by the banks in 45 cases during 2009-10. Inaction on the part of the Department to realize the dues from the

consumers against the dishonored cheques as per statutory provisions/ instructions resulted in non recovery of electricity/ water charges of ₹ 9.64 lakh.

(Paragraph 3.5)

ELECTRICITY DEPARTMENT

Avoidable extra expenditure of ₹ 3.51 lakh due to faulty NIT

Department floated Notice Inviting Tender (NIT) through e-procurement system for procurement of 250 big size LT distribution feeder pillars in March 2009. As per the NIT, offers were to be submitted in three separate sealed covers, whereas in the e-tendering system, there was no such provision. Tender of one of the firms received through normal tendering system instead of e-procurement system was not considered. The offer of ₹ 68.91 lakh submitted by the second tenderer through e-procurement system was rejected being single tender. NIT was again floated in June 2009. Out of three tenders received, two were rejected due to non fulfillment of eligibility criteria. The work was awarded in January 2010 to the lowest tenderer who quoted ₹ 72.42 lakh although the same firm had quoted ₹ 68.91 lakh in the first call. Thus, deficient drafting of NIT in the first call of tender resulted in extra avoidable expenditure of ₹ 3.51 lakh.

(Paragraph 4.1)

Irregular procurement of stores against sanctioned estimates and for day to day maintenance – blockage of funds of ₹ 2.00 crore

Test check of records of 11 KV Electric Division revealed that 38 electrical items costing ₹ 2.00 crore were procured by the Division during April 2002 to October 2008. It was observed that these items were lying in the Store for one to eight years of their procurement as of May 2010. The guarantee/ warrantee period of some of the items had already expired. The procurement of store items without actual requirement for a reasonable period resulted in blockage of funds of ₹ 2.00 crore.

(Paragraph 4.2)

Avoidable extra expenditure of ₹ 26.09 lakh on procurement of stores

Store Division procured cables costing ₹ 3.42 crore which included cables costing ₹ 50.00 lakh procured at a discount of one *per cent* though the firms on DGS&D rate contract were offering a discount upto 5 *per cent* on

the cables of the same specifications. Procurement of cables at higher rates ignoring firms offering higher discount resulted in avoidable extra expenditure of ₹ 14.39 lakh.

Division also procured store items costing ₹ 47.09 lakh on DGS&D rates and items of the same specifications costing ₹ 35.39 lakh through open tenders. Test check revealed that the DGS&D rates were comparatively higher than the rates received through open tenders. Due to not obtaining competitive rates by call of tender from open market before placing order at DGS&D rates, the Division had incurred an extra expenditure of ₹ 11.70 lakh on purchase of items at DGS&D rates as compared to the market rates.

(Paragraph 4.3)

ENFORCEMENT DEPARTMENT

Delay in allotment of parking lots – avoidable loss of ₹ 91.74 lakh

Delay of up to seven months on the part of the Department in allotment of various parking lots before the expiry of previous contracts/ licences resulted in avoidable loss of ₹ 75.63 lakh.

Extension of terms of licences of various parking lots without calling fresh bids and thereby collection of licence fee at reduced rates during the extended period resulted in further loss of ₹ 16.11 lakh.

(Paragraph 5)

HOUSE TAX DEPARTMENT

Non realization of property tax against dishonoured cheques for ₹ 3.46 crore

Lackadaisical approach of the Department to recover property tax against 238 dishoured cheques during 2008-10 resulted in non realization of ₹ 3.46 crore as of December 2010.

(Paragraph 6.1)

Non recovery of arrears of service charges in respect of Central Government properties – ₹ 47.59 crore

Despite clear and specific orders of the Ministry of Home Affairs and direction of the Hon'ble Supreme Court, the department did not take appropriate action for enforcing recovery of service charges on the Union Government properties (lands and buildings) which resulted in accumulation of arrears of ₹ 47.59 crore as of March 2010.

(Paragraph 6.2)

Non recovery of arrears of property tax of ₹ 650.40 crore

Despite specific provisions in the NDMC Act, 1994 for enforcing recovery of municipal taxes from the defaulting assesseees, the department had not taken requisite action for recovery of property tax which resulted in accumulation of arrears of ₹ 650.40 crore as of March 2010.

(Paragraph 6.3)

INFORMATION TECHNOLOGY DEPARTMENT

Irregular procurement of computers and peripherals – blockage of funds of ₹ 45.39 lakh

Procurement of computers and peripherals, etc., costing ₹ 45.39 lakh without ensuring availability of site for their installation resulted in blockage of funds for over nine months besides loss of guarantee/warranty period of over a year.

(Paragraph 7)

MUNICIPAL HOUSING DEPARTMENT

Occupation of two accommodations by one employee – non recovery of dues of ₹ 6.79 lakh

Negligence on the part of the department in allowing simultaneous occupation of two accommodations by an employee and inordinate delay in issue of provisional demand certificate including damage charges resulted in non recovery of dues of ₹ 6.79 lakh. Besides, retention of two

accommodations deprived the next eligible allottee on the priority list, of the facility of departmental accommodation.

(Paragraph 8.1)

Undue delay in revision of rates of licence fee – non realization of arrears of ₹ 1.66 lakh

Consequent upon revision of rates of licence fee for Government residential accommodation by Government of India from July 2007, the department revised the rates of licence fee in October 2010 i.e., after a delay of over three years. Arrears of ₹ 1.66 lakh, as of March 2010, due to revision of rates had not been recovered as of July 2012.

(Paragraph 8.2)

SANITATION DEPARTMENT

Short recovery of concession fee – ₹ 20.66 lakh

Contract for financing, renovating, operating and maintenance of 94 Public Toilet Utilities in the NDMC area was awarded to M/s Hythro Power Corporation Limited, on Build, Operate and Transfer basis, in April 2006. As per the contract, the company was authorized to collect revenue from advertisements at the project facility and pay a concession fee @ 9.71 per cent of the share of its receipts to the department on quarterly basis subject to a minimum of ₹ 98,823 per month for the first year, increased by 5 per cent every subsequent year.

Department failed to obtain the details of advertisement receipts collected by the company and monitor the recovery thereof resulting in short recovery of ₹ 20.66 lakh (including interest of ₹ 4.45 lakh) calculated at the minimum rate of ₹ 98,823 per month as of September 2010.

(Paragraph 9.1)

Non levy of penalty of ₹ 20.82 lakh despite non compliance with respect to the segregation benchmark of Municipal Solid Waste, by the contractor

Department had entered into an Agreement with a contractor in September 2006 for collection, segregation and transportation of Municipal Solid Waste (MSW) and landscape waste. As per the contract, payment of tipping fee to the contractor was to be made on the quantity of waste transported and delivered subject to fulfillment of sample requirement for establishing compliance with the segregation benchmark of MSW duly

certified by the independent consultant appointed by the NDMC. In case of non compliance, the contractor was liable to pay a penalty of 5 *per cent* of the tipping fee. Department did not levy penalty of 5 *per cent* of tipping fee of ₹ 4.16 crore paid to the contractor during 2009-10 despite non fulfillment of sampling requirements for establishing compliance with the segregation benchmark; resulting in excess payment of ₹ 20.82 lakh.

(Paragraph 9.2)

Blockage of funds of ₹ 24.82 lakh due to non-distribution/usage of Twinbins and Cycle Rickshaws

Test check of records revealed that the department procured 8984 twin bins for supply to each household and 56 cycle rickshaws to the NGO for collection of garbage, at a cost of ₹ 90.43 lakh under a scheme for door to door collection of garbage to curb the menace of indiscriminate throwing of garbage.

As of September 2010, only 6387 twin bins and 47 cycle rickshaws were distributed and the remaining 2597 twin bins and 9 cycle rickshaws were lying in the Store resulting in blockage of funds of ₹ 24.82 lakh.

(Paragraph 9.3)

RECOVERY AT THE INSTANCE OF AUDIT

COMMERCIAL DEPARTMENT

Recovery of electricity charges of ₹ 12.23 lakh

Department raised the electricity bills against a consumer from September 2009 to December 2009, only for the monthly meter rent @ ₹ 70. Scrutiny of records revealed that though the consumption of electricity was recorded, the electricity consumption charges, applicable demand charges and electricity tax thereon were not included in the bills. Failure on the part of the department to include electricity consumption charges, taxes, etc. in the electricity bills resulted in short levy of electricity charges of ₹ 12.23 lakh. On being pointed out in Audit, department recovered ₹ 12.23 lakh from the consumer in March 2012.

(Paragraph 10)

1.1 Introduction

This chapter depicts the financial position of the New Delhi Municipal Council, based on an analysis of the information contained in the Accounts of the Council for the year 2009-10. The analysis is based on the trends in receipts and expenditure and financial management of the Council.

1.2 Financial position of the Council

The accounts of the Council are prepared as per Section 58 of the NDMC Act, 1994. NDMC decided to switch over to Accrual Based Double Entry System of Accounting with effect from the year 2004-05 vide Council Resolution No.3(xii) dated 24.04.2002. The accounts for the year 2009-10 were prepared for the first time on double entry system of accounting through a software e-finance developed for NDMC. The format for preparation of the Accounts is as prescribed in the National Municipal Accounts Manual (NMAM).

The financial position of the Council is reflected largely through the New Delhi Municipal Fund, maintained by the Council under Section 44 of the NDMC Act, 1994. All receipts and expenditure are booked under this Fund. During the year 2009-10, there was a surplus of ₹ 112.69 crore, leading to a closing balance of ₹ 201.98 crore as on 31 March 2010.

1.3 Sources and application of funds

The main sources of funds include the revenue receipts of the Council. These are applied largely on revenue and capital expenditure. The actual revenue receipts increased from ₹ 1412.98 crore in 2008-09 to ₹ 1613.68 crore in 2009-10 registering an increase of 14.20 *per cent*.

The revenue expenditure increased from ₹ 778.97 crore in 2008-09 to ₹ 1137.77 crore in 2009-10. The capital expenditure in respect of works relating to NDMC increased from ₹ 214.55 crore in 2008-09 to ₹ 418.76 crore in 2009-10, excluding deposit works.

1.4 New Delhi Municipal Fund

In terms of Section 44 of the NDMC Act 1994, a Fund known as 'The New Delhi Municipal Fund' is being maintained by the Council. The money received by the Council or on behalf of the Council from any source forms a part of the Fund. Expenditure on or behalf of the Council is incurred out of this Fund as per provisions of the Act. The total receipts and expenditure under this Fund for the year 2009-10 as per e-finance application were as under:

Table 1.1: New Delhi Municipal Fund

Year	₹ in crore)	
	2009-10	2008-09
Opening Balance as on 1 April	89.29	91.74
Add Receipts during the year	1982.52	2640.13
Total	2071.81	2731.87
Less Expenditure during the year	1869.83	2644.27
Net surplus (+)/deficit(-) during the year	112.69	(-) 4.14
Closing Balance as on 31 March	201.98	87.60

It would be seen from the above table that there was a surplus of ₹ 112.69 crore during 2009-10. The closing balance of the Fund increased from ₹ 87.60 crore in 2008-09 to ₹ 201.98 crore at the end of 2009-10.

The receipts of ₹ 1982.52 crore *inter-alia* included tax revenue of ₹ 255.68 crore, non-tax revenue of ₹ 1314.69 crore, etc.

The expenditure of ₹ 1869.83 crore *inter-alia* included establishment expenses of ₹ 559.92 crore, administrative expenses of ₹ 39.23 crore, operations and maintenance expenditure of ₹ 423.61 crore, etc.

1.5 Revenue Receipts

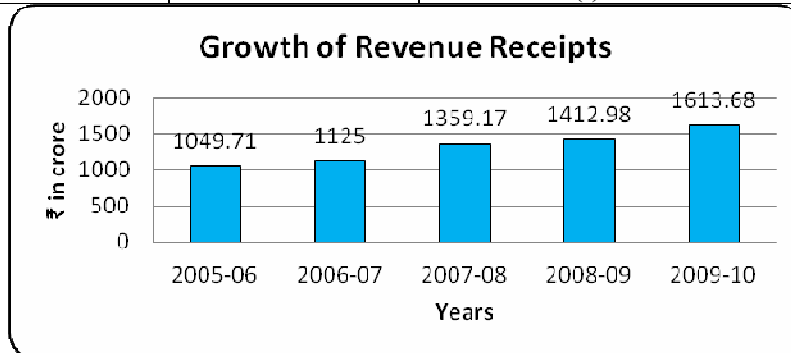
1.5.1 Growth of revenue receipts

The revenue receipts of the Council consist mainly of tax and non-tax revenue, besides grants-in-aid from Government of NCT of Delhi. Trend of revenue receipts, including grants-in-aid received during the last five years, was as under:

Table 1.2 : Growth of revenue receipts

(₹ in crore)

Year	Actual revenue receipts	Percentage increase (+)/ decrease(-) over previous year
2009-10	1613.68	14.20
2008-09	1412.98	3.96
2007-08	1359.17	20.82
2006-07	1125.00	7.17
2005-06	1049.71	(-) 2.62



The increase of 14.20 *per cent* in revenue receipts of 2009-10 over the previous year was due to increase in Non-tax revenue of the Council (32.06 *per cent*).

1.5.2 Components of revenue receipts

The details of the revenue receipts under its different components during the last five years were as under:

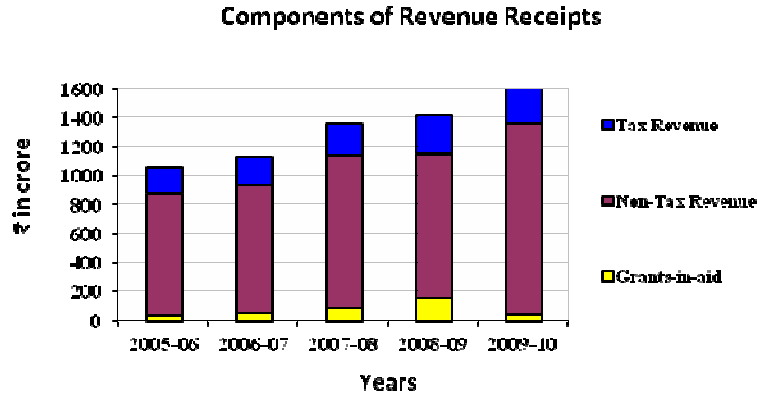
Table 1.3: Components of revenue receipts

(₹ in crore)

Components	2009-10	2008-09	2007-08	2006-07	2005-06
Tax revenue	255.68 (15.85)	263.46 (18.65)	223.10 (16.41)	196.47 (17.47)	173.07 (16.49)
Non-tax revenue	1314.69 (81.47)	995.51 (70.45)	1055.52 (77.66)	883.73 (78.55)	842.59 (80.27)
Grants-in-aid from Government of Delhi /	43.31 (2.68)	154.01 (10.90)	80.55 (5.93)	44.80 (3.98)	34.05 (3.24)

Central Government					
Total	1613.68 (100.00)	1412.98 (100.00)	1359.17 (100.00)	1125.00 (100.00)	1049.71 (100.00)

Note: Figures given in brackets indicate percentage with respect to total receipts



Non-tax revenue continued to be the major component of revenue receipts. As a percentage of total revenue receipts, the non-tax revenue increased from 80.27 *per cent* in 2005-06 to 81.47 *per cent* in 2009-10. Grants-in-aid from Government of NCT of Delhi/Central Government, which accounted for a very small proportion of total resources, decreased from 3.24 *per cent* in 2005-06 to 2.68 *per cent* in 2009-10. Share of tax-revenue also decreased from 16.49 *per cent* in 2005-06 to 15.85 *per cent* in 2009-10.

1.6 Tax revenue

1.6.1 Trend of tax revenue

The tax revenue of the Council consists of house tax, duty on transfer of property, advertisement tax etc. The trend of tax revenue during the years 2005-06 to 2009-10 was as under:

Table 1.4: Growth of tax revenue

(₹ in crore)

Year	Actual tax revenue	Percentage increase(+)/ decrease(-) over the previous year	Percentage of total revenue receipts
2009-10	255.68	(-) 2.95	15.85
2008-09	263.46	18.09	18.65
2007-08	223.10	13.55	16.41
2006-07	196.47	13.52	17.47
2005-06	173.07	0.46	16.49

The tax revenue, which had consistently shown rising trend over the previous four years decreased by 2.95 *per cent* in 2009-10 in comparison with the previous year. The receipts under tax revenue had, however, increased from ₹ 173.07 crore in 2005-06 to ₹ 255.68 crore in 2009-10.

1.6.2 Components of tax revenue

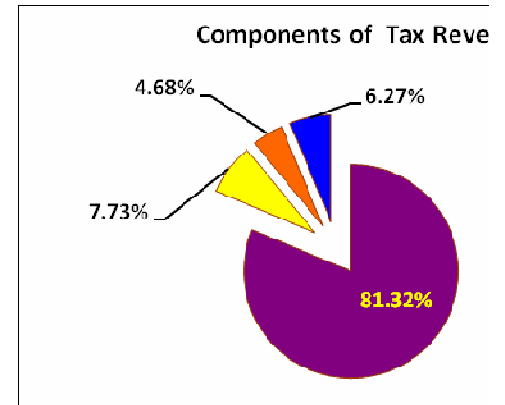
The growth pattern of different components of tax revenue over the last five years was as detailed below:

Table 1.5: Components of tax revenue

(₹ in crore)

Components	2009-10	2008-09	2007-08	2006-07	2005-06
House Tax	207.92 (81.32)	210.79 (80.00)	188.48 (84.48)	153.27 (78.01)	147.10 (84.99)
Duty on transfer of property	19.77 (7.73)	37.80 (14.35)	13.69 (6.14)	25.90 (13.18)	13.15 (7.60)
Elect./Advertisement/show tax	11.96 (4.68)	0.02 (0.01)	0.11 (0.05)	0.03 (0.02)	0.14 (0.08)
Assigned share of taxes	16.03 (6.27)	14.85 (5.64)	20.82 (9.33)	17.27 (8.79)	12.68 (7.33)
Total	255.68 (100.00)	263.46 (100.00)	223.10 (100.00)	196.47 (100.00)	173.27 (100.00)

Note: Figures given in brackets indicate percentages with respect to total receipts



House tax continued to be the major contributor to the tax revenue. Its share moved between 78.01 and 84.99 *per cent* of total tax revenue during 2005-06 to 2009-10. The receipts under 'duty on transfer of property' increased from ₹ 13.15 crore in 2005-06 to ₹ 19.77 crore in 2009-10. The receipts on account of assigned share of taxes also increased both in absolute and relative terms during 2009-10, over the previous year.

1.7 Non-tax revenue

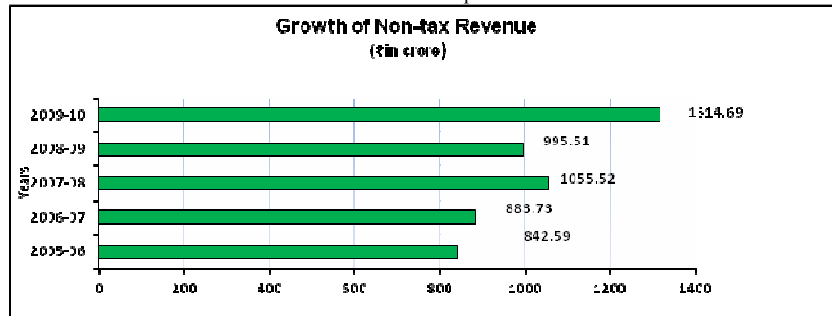
1.7.1 Growth of non-tax revenue

Non-tax revenue of the Council consists of sale of energy/water, rent/licence fee, interest on investments and other miscellaneous receipts. The growth of non-tax revenue during 2005-06 to 2009-10 was as under:

Table 1.6: Growth of non-tax revenue

(₹ in crore)

Year	Actual non-tax revenue	Percentage increase(+)/decrease (-) over the previous year	Percentage of total revenue receipts
2009-10	1314.69	32.06	81.47
2008-09	995.51	(-) 5.69	70.45
2007-08	1055.52	19.44	77.66
2006-07	883.73	4.88	78.55
2005-06	842.59	(-) 2.12	80.27



Non-tax revenue constituted 81.47 per cent of the total revenue receipts of the Council during 2009-10. Its share increased from 80.27 per cent in 2005-06 to 81.47 per cent in 2009-10. The percentage of increase/decrease of non-tax revenue has been fluctuating between 81.47 per cent and 70.45 per cent over the last five years. In absolute terms, non-tax revenue increased from ₹ 995.51 crore in 2008-09 to ₹ 1314.69 crore in 2009-10 registering 32.06 per cent increase as compared to the previous year.

1.7.2 Composition of non-tax revenue

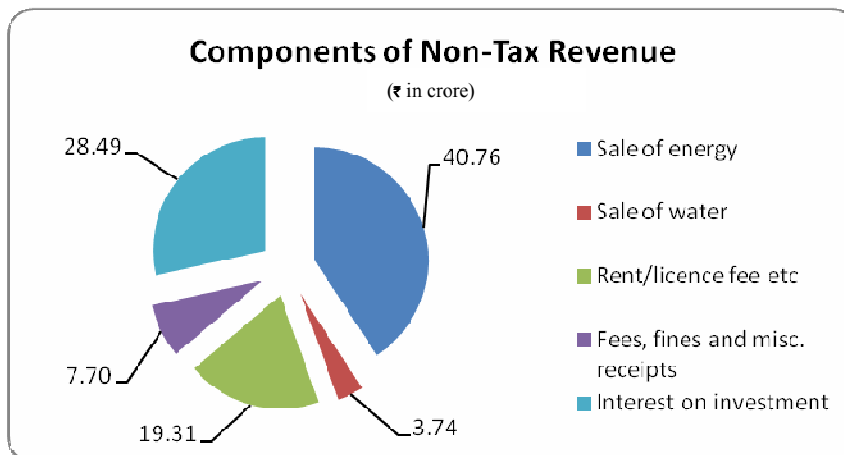
Growth pattern of various components of non-tax revenue was as detailed below:

Table 1.7: Components of non-tax revenue

Components	2009-10	2008-09	2007-08	2006-07	2005-06
Sale of energy	535.84 (40.76)	569.28 (57.19)	563.24 (53.36)	545.59 (61.74)	515.17 (61.14)
Sale of water	49.23 (3.74)	22.50 (2.26)	21.36 (2.02)	20.07 (2.27)	23.50 (2.79)
Rent/licence fee and receipts from commercial activities	253.85 (19.31)	264.51 (26.57)	135.57 (12.84)	129.06 (14.60)	124.58 (14.79)
Fees, fines and misc. receipts	101.26 (7.70)	52.75 (5.30)	25.90 (2.46)	30.42 (3.44)	23.61 (2.80)
Interest on investment	374.51 (28.49)	86.47 (8.68)	309.45 (29.32)	158.59 (17.95)	155.73 (18.48)
Total	1314.69 (100.00)	995.51 (100.00)	1055.52 (100.00)	883.73 (100.00)	842.59 (100.00)

(₹ in crore)

Note: Figures given in brackets indicate percentage with respect to total receipts



Major sources of non-tax revenue were receipts on account of sale of energy (40.76 per cent), interest on investment (28.49) and rent/licence fee and receipts from other commercial activities (19.31 per cent). Receipts

on account of sale of energy had been fluctuating between 40.76 and 61.74 *per cent* in terms of share of total non-tax revenue over the last five years. The increase of non-tax revenue over the last year was mainly due to increase in interest on investments.

1.8 Grants-in-aid

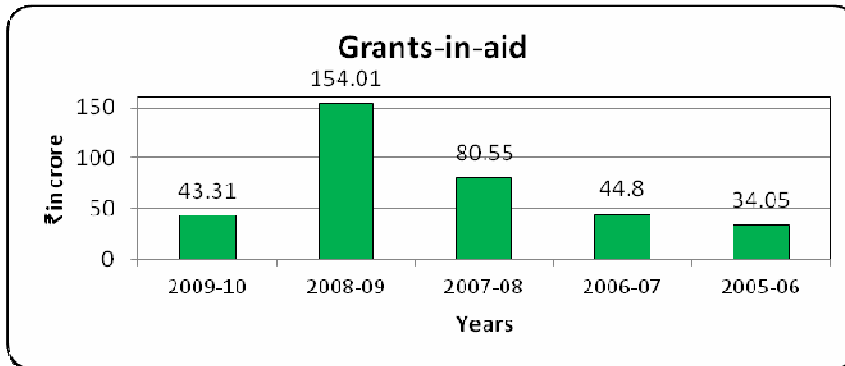
1.8.1 Assistance from Government of NCT of Delhi

Council receives assistance from the Government of NCT of Delhi in the form of grants-in-aid. Trend of assistance received during the last five years was as under:

Table 1.8 : Grants-in-aid

(₹ in crore)

Year	Grants-in-aid	Percentage of total receipts
2009-10	43.31	2.68
2008-09	154.01	10.90
2007-08	80.55	5.93
2006-07	44.80	3.98
2005-06	34.05	3.24



Grants-in-aid from Government of NCT of Delhi, which peaked at ₹ 154.01 crore in 2008-09 decreased to ₹ 43.31 crore in 2009-10. As a percentage of total receipts, it decreased from 3.24 *per cent* in 2005-06 to 2.68 *per cent* during 2009-10. The Council did not take any loan from the Government of NCT of Delhi during 2005-06 to 2009-10.

1.8.2 Improper accounting of Grants-in-aid

During the Audit of Annual Accounts for the year 2007-08, instances of unspent/overspent Grants-in-aid under certain heads had been underlined. In the year 2009-10 as well, fresh grants were received and expenditure was met out of such grants-in-aid as detailed below:

Table 1.9: Grants-in-aid unspent/over spent

(₹ in thousand)

S. No.	Name of Scheme	Grants-in-aid received	Expenditure booked	Unspent (₹)
2	Sports & Youth Service	800000	800000	807
3	Mid Day Meal Scheme	6803	9455	2652
4	MLA Fund	29783	41401	11618
5	Education	417200	651601	234401
6	GIA for Elect.	1000	1000	Nil

Reasons for over spending / non-utilization of grants-in-aid were not on records.		& water consumption at Dhobi Ghats in NDMC areas							
	7	Urban Development	Nil	430670	430670	Nil	492786	492786	62116
	8	Roads & Bridges	Nil	40000	40000	Nil	40000	40000	Nil
	9	Common Wealth Games	Nil	270000	270000	Nil	270447	270447	447
	10	Maintenance of Capital assets	8142	Nil	8142	Nil	Nil	Nil	(-) 8142
1.9 Arrears of revenue receipts				578	2003723	662056	1645436	2307492	303769

Arrears of house-tax were shown as ₹ 580.49 crore as of March 2010 in the accounts but year-wise breakup of the arrears was not indicated. This was pointed out in earlier Audit Reports also but corrective steps were yet to be taken by the Department. For better monitoring of recovery of arrears, year-wise details of arrears are required to be maintained so that effective steps could be taken for their recovery.

1.10 Expenditure

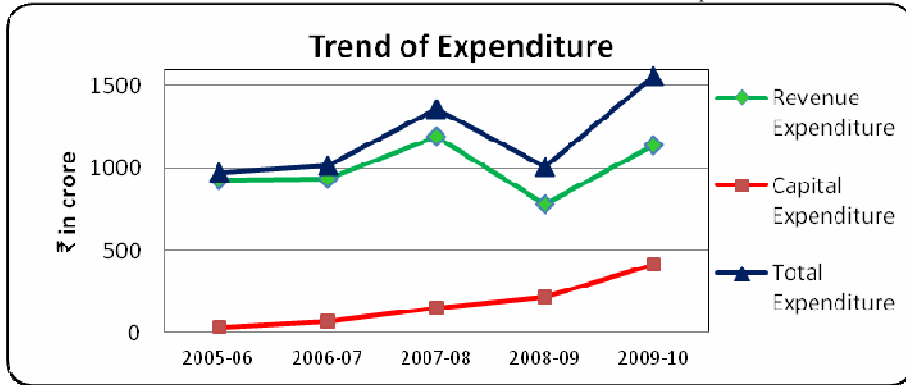
1.10.1 Trend of expenditure

In this report, total expenditure denotes all expenditure both revenue and capital and disbursement of loans to NDMC employees. The Council spent a total of ₹ 1556.53 crore in 2009-10. The trend of expenditure during 2005-06 to 2009-10 was as shown below:

Table 1.10: Trend of expenditure

(₹ in crore)

Year	Revenue expenditure	Capital expenditure		Repayment of loans to Delhi Govt./external assistance	Payment of loans to NDMC employees	Total
		NDMC works	Deposit works			
2009-10	1137.77	418.76	Nil	Nil	Nil	1556.53
2008-09	778.97	214.55	14.26	Nil	0.02	1007.80
2007-08	1195.11	155.25	8.46	0.20	0.44	1359.46
2006-07	937.60	73.21	6.36	Nil	0.52	1017.69
2005-06	928.89	34.86	6.24	0.33	0.59	970.91



(i) Total expenditure increased from ₹ 970.91 crore in 2005-06 to ₹ 1556.53 crore in 2009-10. Expenditure incurred during 2009-10 increased by 54.45 *per cent* over the previous year.

(ii) Capital expenditure in respect of works relating to NDMC increased from ₹ 214.55 crore in 2008-09 to ₹ 418.76 crore in 2009-10 i.e., an increase by 95.18 *per cent* in comparison to the previous year. Like-wise, revenue expenditure also increased by 46.06 *per cent* over the previous year.

1.11 Financial assistance to Non-Government Organizations

Council provides grants-in-aid to NGOs/ schools, etc. The quantum of grants-in-aid provided by NDMC to different institutions during the last five years was as under:

Table 1.11: Grants-in-aid by the Council

							(₹ in lakh)
S. No.	Name of body	2009-10	2008-09	2007-08	2006-07	2005-06	
1	Navyug School Society	2102.35	1598.08	709.68	1010.84	824.54	
2	R.M. Arya Girls Primary School No II	24.24	33.78	14.39	23.51	30.32	
3	Nirmal Primary School, Kota House	55.06	29.27	35.97	25.88	16.60	
4	R.M. Girls Primary School, No. I	60.38	11.66	27.54	40.34	13.90	
5	Khalsa Boys Primary School	Nil	Nil	0.34	Nil	8.49	
6	Social and Cultural Organization/Non-Government Organization	16.00	13.80	9.03	5.50	2.40	
7	Samaj Kalyan Samiti	168.01	176.25	98.27	100.43	0.32	
8	Palika Service Officers Institute	Nil	Nil	Nil	17.71	Nil	
	Total	2426.04	1862.84	895.22	1224.21	896.57	

The grants-in-aid provided by the Council increased from ₹1862.84 lakh in 2008-09 to ₹ 2426.04 lakh in 2009-10.

1.12 Surplus & Reserve Funds

NDMC has various segment funds. These funds are accretions of surplus revenues within the NDMC fund as segments. The position of these funds during 2009-10 was as under:

Table 1.12 : Surplus & Reserve Funds

(₹ in crore)

Sl. No.	Description	Opening Balance	Additions during the year	Total	Expenditure during the year	Closing Balance
1	Electricity Fund					
	(i) Regulatory Reserve Fund	5.00	0.00	5.00	0.00	5.0
	(ii) DRF	310.64	0.00	310.64	4.48	306.17
	Total Electricity Fund	315.64	0.00	315.64	4.48	311.17
2	Water supply & Sewerage Fund					
	(i)DRF	241.60	0.00	241.60	6.23	235.37
3	Estate Fund					
	(i) Comm. Building Fund	281.47	0.00	281.47	6.16	275.31
	(ii) Trans. Market Fund	10.87	10.25	21.12	-0.32	21.45
	(iii) DRF	348.90	0.00	348.90	0.01	348.90
	Total Estate Fund	641.25	10.25	651.50	5.84	645.66
4	Employee Fund					
	(i) Pension Fund	1169.67	150.00	1319.67	108.32	1211.35
	(ii) Staff Welfare Fund	10.86	5.00	15.86	3.47	12.39
	Total Employee Fund	1180.53	155.00	1335.53	111.79	1223.74
5	General Fund					
	(i) Cash in Hand	89.29				201.98
	(ii) Investment General Fund	1113.07				1130.56
	Total General Fund	1202.36				1332.53
	NDMC Fund (1+2+3+4+5)	3581.38				3748.46

It may be seen from the table above that even though the opening and closing balances of Investment General Fund have been shown, the details of addition during the year were not given.

1.13 Non-accountal of expenditure

The position of Loans, Advances and Deposits during the year 2009-10 was as under:

Table 1.13: Loans, Advances and Deposits

(₹ in crore)

Opening Balance as on 01.04.2009	Recovery/Adjustment during the year	Outstanding Balance as on 31.03.2010
84.40	74.02	10.38

The outstanding balance under the head 'Loans, Advances and Deposits' at the beginning of the year 2009-10 stood at ₹ 84.40 crore. During the year, there was a recovery/adjustment of ₹ 74.02 crore resulting in closing balance of ₹ 10.38 crore. Non-recovery/ adjustment of advances resulted in non-accountal of expenditure to the extent of contingent advances remaining outstanding at the year-end.

As per General Financial Rules, 2005, fresh advance can be drawn only after the adjustment of advance previously drawn. Reasons for sanctioning such large amounts as 'Loans, Advances and Deposits' were not on records. Besides, periodicity of advances was neither a part of accounts nor any broadsheet maintained to keep a watch over the grant of 'Loans, Advances and Deposits' and their timely adjustment.

1.14 Analysis of budgetary projections

The budget presents three sets of figures (a) actuals for the preceding year, (b) revised estimates for the current year and (c) budget estimates for the ensuing financial year. This section discusses the variations in different components of the finances of the Council with reference to the budgetary projections.

1.14.1 Actual collection of revenue vis-à-vis revised estimates

The actual collection of revenue receipts against revised estimates during the last five years was as under:

Table 1.15 Actual collection of revenue vis-à-vis revised estimates

(₹ in crore)

Year	Revised estimates	Actual revenue receipts	Increase over RE	Percentage increase over RE
2009-10	1377.20	1613.68	236.48	17.17
2008-09	1406.52	1412.98	6.46	0.46
2007-08	1346.60	1359.17	12.57	0.93
2006-07	1120.03	1125.00	4.97	0.44
2005-06	1030.83	1049.71	18.88	1.83

The actual revenue receipts during 2009-10 were ₹ 236.48 crore more than the revised estimates.

- (a) In respect of the following 15 functions, the shortfall in receipts as compared to revised estimates ranged from 6.68 to 100 per cent during 2009-10:

Table 1.16: Shortfall in receipts

(₹ in thousand)

Function Code	Description	R.E.	Receipts	Shortfall	Percentage shortfall
3	Finance, Accounts, Audit	1321574	861	1320713	99.93
7	Stores & Purchase	18500	8292	10208	55.18
11	City and Town Planning	424880	184	424696	99.96

14	Encroachment removal	19500	16029	3471	17.80
15	Trade License/Regulations	6377	335	6042	94.75
39	Ambulance /Hearse Services	4	0	4	100.00
51	Water Supply	427260	7663	41959 7	98.21
55	Community / Marriage Centers	9260	8042	1218	13.15
56	Amusement	150840	32267	11857 3	78.61
58	Municipal Markets	120000	84402	35598	29.67
71	Welfare of Women	300	62	238	79.33
74	Welfare of Handicapped	300	0	300	100.00
91	Property Taxes	2440300	2277237	163063	6.68
93	Advertisement Tax	150	46	104	69.33
99	Other Taxes	341142	200624	14051 8	41.19

As the revised estimates were prepared at the fag end of the financial year, massive shortfall in receipts against revised estimates indicate unrealistic budgeting.

- (b) In following functions, the receipts have been booked without any provision under revised estimates for the year 2009-10:

Table 1.17: Receipts without any provision under Revised Estimates

(₹ in thousand)

Function Code	Function Description	Revised Estimates	Income at the end of 31st March 2010
1	Municipal Body	Nil	124
4	Election	Nil	12
5	Record Room	Nil	1
8	Workshop	Nil	8478
13	Economic Planning	Nil	17
23	Subways & Causeways	Nil	1
24	Street Lighting	Nil	657
25	Storm Water Drains	Nil	3
26	Traffic Signals	Nil	1
27	Guest Houses	Nil	65
32	Epidemic/Prevention Control	Nil	848
33	Family Planning	Nil	19
34	Primary Health Care	Nil	1550
37	Vital Statistics	Nil	22
45	Slaughter Houses	Nil	1
54	Art and Culture	Nil	16
62	Play Grounds	Nil	4
65	Environment Conservation	Nil	21
72	Welfare of Children	Nil	344
76	Slum Improvements	Nil	1
77	Housing	Nil	7
83	Transportation	Nil	13

- (c) Receipts with reference to revised estimates were higher in following 14 cases:

Table 1.18: Excess collections of receipts

(₹ in thousand)

Function Code	Function Description	Revised Estimates (Revenue)	Receipts	Percentage of actual collections with reference to RE
12	Building Regulation	3502	423239	12085.63
2	Administration	40702	3644099	8953.12
31	Public Health	5306	57657	1086.63
35	Hospital Services	300	3258	1086.15
21	Roads and Pavements	17080	68203	399.31
61	Parks, Gardens	1100	2075	188.65
75	Welfare of SC/ST/OBC	1000	1752	175.15
79	Others	350	488	139.37
52	Sewerage	5615	7045	125.47
6	Estate	2300059	2787016	121.17
43	Veterinary Services	49	58	118.36
82	Education	400913	431536	107.64
81	Electricity	5686236	6031461	106.07
41	Solid Waste Management	29375	30669	104.41

1.14.2 Actual collection of Tax Revenue vis-à-vis Revised Estimates

The actual collection of tax revenue vis-à-vis revised estimates during the last five years was as under:

Table 1.19: Actual collection of tax revenue vis-à-vis revised estimates

(₹ in crore)

Year	Revised estimates	Actual tax revenue	Increase(+)/ decrease (-) over RE	Percentage increase(+)/ decrease (-) over RE
2009-10	278.13	255.68	-22.45	(-)8.07
2008-09	234.94	263.46	28.52	12.14
2007-08	227.89	223.10	(-) 4.79	(-) 2.10
2006-07	194.28	196.47	2.19	1.13
2005-06	157.73	173.07	15.34	9.73

There was an decrease of 8.07 per cent during 2009-10 in the actual collection of tax revenue with reference to revised estimates.

1.14.3 Actual collection of Non-tax Revenue vis-à-vis Revised Estimates

The actual collection of non-tax revenue vis-à-vis revised estimates during the last five years was as under:

Table 1.20 : Actual collection of non-tax revenue vis-à-vis revised estimates

(₹ in crore)

Year	Revised estimates	Actual non-tax revenue	Increase(+)/ decrease(-) over RE	Percentage increase (+) / decrease(-) over RE
2009-10	1055.32	1314.69	259.37	24.58
2008-09	1013.71	995.51	(-)18.20	(-)1.80
2007-08	1037.67	1055.52	17.85	1.72
2006-07	879.68	883.73	4.05	0.46

2005-06	845.57	842.59	(-)2.98	(-)0.35
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The actual non-tax revenue collections during 2009-10 were 24.58 *per cent* more than the revised estimates.

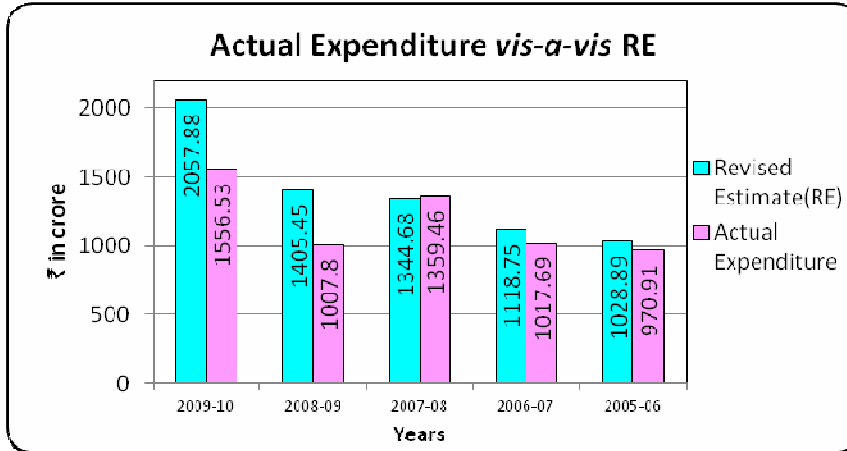
1.14.4 Actual expenditure vis-à-vis revised estimate

The actual expenditure had been consistently below the revised estimate during 2005-2010, except during 2007-08.

Table 1.21 Actual expenditure vis-à-vis revised estimate

(₹ in crore)

Year	Revised Estimates	Actual Expenditure	Excess(+)/ Saving(-)	Percentage
2009-10	2057.88	1556.53	(-) 501.35	(-) 24.36
2008-09	1405.45	1007.80	(-) 397.65	(-) 28.29
2007-08	1344.68	1359.46	14.78	1.10
2006-07	1118.75	1017.69	(-)101.06	(-) 9.03
2005-06	1028.89	970.91	(-) 57.98	(-) 5.64



The expenditure for the year 2009-10 was ₹ 1556.53 crore against revised estimate of ₹ 2057.88 crore. The expenditure for 2009-10 had thus been over estimated by ₹ 501.35 crore.

1.14.5 Savings in comparison to revised estimates

There were savings in the following functions during 2009-10:

Table 1.22: Less expenditure incurred against revised estimates

(₹ in thousand)

Function Code	Description	Revised Estimates	Expenditure	Shortfall	Percentage savings
1	Municipal Body	12606	8184	4422	35.08
2	Administration	5053889	3970953	1082936	21.43
11	City and Town Planning	38443	31027	7416	19.29
31	Public Health	94125	94048	77	0.08
33	Family Planning	44590	14117	30473	68.34
41	Solid Waste Management	563015	511040	51975	9.23
43	Veterinary Services	10935	8594	2341	21.41
51	Water Supply	465542	404034	61508	13.21

52	Sewerage	329524	265944	63580	19.29
54	Arts & Culture	5516	1600	3916	70.99
55	Community/Marriage Centres	20904	7300	13604	65.08
56	Amusement	15220	10098	5122	33.65
61	Parks, Gardens	367980	343662	24318	6.61
76	Slum Improvements	21000	445	20555	97.88
79	Others	120397	86320	34077	28.30
81	Electricity	3952608	3867770	84838	2.15
82	Education	958728	897667	61061	6.37

1.14.6 Excess expenditure in comparison with revised estimates

Expenditure was incurred in excess of the revised estimates in the following 14 functions in 2009-10:

Table 1.23: Excess expenditure incurred against Revised Estimates

(₹ in thousand)

Function	Description	Revised Estimates	Expenditure	Excess	Percentage of excess expenditure over RE
	Finance, Accounts, Audit	56642	105558	48916	86.36
	Stores & Purchase	1730	96083	94353	5453.93
	Workshop	60662	96128	35466	58.46
	Encroachment removal	10500	22351	11851	112.87
	Roads and Pavement	89025	361838	272813	306.45
	Street Lighting	57500	106654	49154	85.49
	Epidemic/Prevention Control	73817	87101	13284	18.00
	Primary Health Care	130013	146585	16572	12.75
	Hospital Services	209924	247637	37713	17.97
	Vital Statistics	4095	5612	1517	37.05
	Fire Services & Disaster Mgt.	16000	27163	11163	69.77
	Municipal Markets	107414	141263	33849	31.51
	Welfare of Women	3343	11113	7770	232.43
	Welfare of Children	12152	27620	15468	127.29

1.14.7 Absence of effective expenditure control

In the following 6 cases, budget provision was made at RE stage but no expenditure was incurred during 2009-10:

Table 1.24: Function Code with Nil expenditure

(₹ in thousand)

Function code	Description	Revised Estimates	Expenditure
38	Prevention of Food Adulteration	7194	Nil
39	Ambulance/Hearse Services	2393	Nil
44	Cattle Pounding	2519	Nil
74	Welfare of Handicapped	12448	Nil
75	Welfare of SC/ST/OBC	1000	Nil

Reasons for such substantial deviations from revised estimates were not on record.

1.14.8 Expenditure without budget provision

In the following functions, expenditure had been booked without any provision under revised estimates for the year 2009-10:

Table 1.25 : Function code wise expenditure against nil revised estimates

(₹ in thousand)

Function Code	Function Description	Revised Estimates (Revenue)	Expenditure
5	Record Room	Nil	487
12	Building Regulation	Nil	2655
15	Trade License/Regulations	Nil	3740
73	Welfare of Aged	Nil	11905
77	Housing	Nil	23

1.15 Rush of Expenditure

1.15.1 Rush of Expenditure

As per Rule 56(3) of General Financial Rules 2005, rush of expenditure particularly in the closing months of financial year shall be regarded as a breach of financial regularity and should be avoided. Contrary to this, large expenditure was incurred in the month of March and in the last quarter of the financial year. A few instances are given below:

Table 1.26: Rush of expenditure in March

(₹ in crore)

Function No.	Function Description	Total expenditure incurred	Expenditure in March	Percentage of expenditure incurred in March
2	Administration	397.10	243.32	61.28
24	Street Lighting	10.67	3.83	35.92
31	Public Health	9.40	3.56	37.85
33	Family Planning	1.41	0.25	17.48
54	Arts & Culture	0.16	0.16	100.00
58	Municipal Markets	14.13	7.95	56.26
76	Slum Improvements	0.04	0.04	99.89
79	Others	8.63	1.75	20.32

Table 1.27: Rush of expenditure in the last quarter

(₹ in crore)

Function No.	Function Description	Total expenditure	Expenditure during last quarter	Percentage of total expenditure incurred during last quarter
--------------	----------------------	-------------------	---------------------------------	--

2	Administration	397.10	269.41	67.85
21	Roads and Pavement	36.18	9.55	26.40
24	Street Lighting	10.67	4.83	45.31
31	Public Health	9.40	4.12	43.82
32	Epidemic/Prevention Control	8.71	1.96	22.55
33	Family Planning	1.41	0.43	30.22
35	Hospital Services	24.76	5.50	22.20
51	Water Supply	40.40	11.86	29.35
52	Sewerage	26.59	6.25	23.51
54	Arts & Culture	0.16	0.16	100.00
55	Community/Marriage Centers	0.73	0.37	50.26
58	Municipal Markets	14.13	8.58	60.77
73	Welfare of Aged	1.19	0.44	37.25
76	Slum Improvements	0.04	0.04	99.89
82	Education	89.77	18.60	20.72

1.16 General comments on Annual Accounts

Audit scrutiny of Accounts revealed certain discrepancies / shortcomings in the existing accounting system. These were also reflected in earlier Annual Audit Reports and Local Audit Reports but the Department did not take any corrective steps in this regard. Discrepancies/shortcomings noticed were as discussed below:

- (i) Expenditure should remain within the sanctioned budget allocation. But in many cases actual expenditure had exceeded the budget provision. It could not be ascertained whether there was any mechanism in place for exercising budgetary control over the expenditure.
- (ii) Council undertakes commercial activities like sale of energy and water, renting out of commercial shops/units and production and sale of compost manure. Proforma Accounts in respect of these commercial activities were not prepared and as such profit or loss to the Council from these activities could not be assessed.
- (iii) The existing form of the Annual Accounts did not reflect the arrears of taxes, duties, other revenue and licence fee recoverable at the beginning of the year and the arrears liquidated during the year. Hence, the Council was not aware of the actual quantum of all such outstanding arrears with year-wise break up.
- (iv) Annual Accounts of the Council did not show the opening and closing balances of various 'Debt, Deposits and Remittance' Heads and as such did not present a true and correct picture of the financial position of the Council.
- (v) Statement showing the amount of cheques deposited in the bank account but not credited during the financial year was not enclosed with the Annual Accounts. Similarly, list of cheques issued by the Council during the year but not presented to Bank for payment was also not enclosed with the Annual Accounts.

- (vi) Advances were liberally and frequently allowed to be drawn from the General Fund and allowed to remain unadjusted for long period. Statement showing opening and closing balances and adjustments made during the year did not reflect year-wise break up.
- (vii) Department recovered cess charges under Cess Act, 1996, which were required to be deposited / remitted to Construction Workers Welfare Board within 30 days. Council did not deposit the amount within the specified period. Resultantly, the receipts were overstated to that extent.
- (viii) As per accounting rules, adverse balances should not be reflected in the final accounts. Following 10 heads of account showed minus balances:

Table 1.28: Minus entries**(Amount in ₹)**

S. No	Head of Account	Particulars	Minus Expenditure up to March 2010
1.	2701001	Property Tax	486242414.40
2.	2701004	License Fee	324495854.50
3.	2701003	Fees and user Charges	257272358.50
4.	2801005	Electricity	64141.42
5.	2305112	Stadium	38841.90
6.	2602002	Other Contributions	10755.00
7.	2102016	Clubs For Class III & IV(control A/C-Staff Welfare Fund)	3200.00
8.	2407002	Others	1153.00
9.	2305928	TV	500.00
10	2705003	Other Miscellaneous Expense	60.00

The above adverse closing balances are required to be reconciled and settled.

1.17 BALANCE SHEET

A. Fixed Assets:

1.17.1 Physical verification

All the assets of the Council have not been fully accounted for. The department stated that some assets might have escaped notice and remained out of accounts. In the absence of complete physical verification of assets, there was a difference of 17275 number of Fixed Assets as per the Ledger and the Fixed Assets Register.

1.17.2 Valuation of Fixed Assets

As per para 3.21 of NMAM, all Fixed Assets shall be valued at cost less accumulated depreciation. In contravention, the Department had valued each asset acquired prior to 1 April 2004 at a nominal value of ₹ one for each class of asset. This method of valuation was not correct. The Department was required to revalue these assets based on actual cost involved on their construction / improvement. A policy regarding revaluation of these assets was required to be formulated to revalue these assets based on actual cost involved on their construction / improvement.

B. Current Assets

1.17.3 Cash Balance

The Current Assets have been reflected without reconciliation with Bank and Cash Balances. Correct position of Cash could not be ascertained in audit as the balances as per the Cash Book and the Accounts vary by more than ₹ 3.72 crore.

1.17.4 Differences between Balance Sheet and Cash Tally Statement

There were differences in Cash and Bank balances as per Balance Sheet and Cash Tally Statement as detailed below:

Table 1.30 Difference between Balance Sheet and Cash Tally Statement**(Amount in ₹)**

Particulars	Balance		Difference
	As per Balance Sheet	As per Cash Tally Statement	
Opening Balance as on 1.4.2009	892960499.58	892918641.58	41858.00
Closing Balance as on 31.03.2010	2019955589.20	2019784986.20	170603.00

C. Current Liabilities**1.17.5 Provision for Bad and Doubtful Debts**

Provision for Bad and Doubtful Debts had been made at unusually high level of ₹ 939.63 crore (47.17 per cent) without any supporting details and appropriate disclosure. Notes to Accounts acknowledge that doubtful debts have been worked out on ad-hoc basis without any details of year-wise breakup of receivables. This was against the norms of financial prudence and needs to be brought to a reasonable level through recoverability and age-wise analysis of all receivables by the concerned departments. In the absence of age-wise analysis, the veracity of sundry debtors reflected in the Balance Sheet could not be ascertained in audit.

1.17.6 Contingent Liabilities

No provision for Contingent Liabilities had been made on the plea that complete information regarding cases pending with various courts and amount involved was not available. This resulted in un-quantified understatement of liabilities.

1.17.7 Depreciation

Accumulated Depreciation had been under-charged by ₹ 1.69 crore resulting in overstatement of Assets and understatement of Depreciation Reserve Fund by an equal amount.

1.17.8 Capital Work-in-Progress

Assets had been understated due to non-capitalization of Capital Work-in-Progress. This had also resulted in understatement of Depreciation Reserve Fund. The understatement could not be quantified due to non-availability of details of works completed but not capitalized.

D. Disclosures

1.17.9 Significant Accounting Policies not followed

As per the Significant Accounting Policies, “The assets acquired on or after 1st October every year are depreciated by applying half the rates and in case of assets capitalized during the year out of Capital Work-in-Progress, depreciation is provided by applying rates for full year”. During the year, depreciation at full rate was applied to all the assets irrespective of their date of acquisition in violation of the Significant Accounting Policies as well as para 3.21(i) of the NMAM which resulted in understatement of assets and over statement of depreciation.

Further, no depreciation had been charged in respect of earlier years even for assets acquired / created in earlier years but capitalized in current year which resulted in over statement of assets and understatement of depreciation.

1.17.10 Non-preparation of Schedules in accordance with Accounts Manual.

Following Schedules had not been prepared in accordance with the NMAM:

- Schedule B-1: Municipal General Fund [Code 310]
- Schedule B-2: Earmarked Funds [Code 311]
- Schedule B-3: Reserves [Code 312]
- Schedule B-8: Deposit Works [Code 340]
- Schedule B-11: Gross Block [Code 410]
- Schedule B-12: Investment – General Fund [Code 420]
- Schedule B-13: Investment – Other Funds [Code-421]
- Schedule B-15: Sundry Debtors (Receivables) [Code-431]
- Schedule B-18: Loans Advances and Deposits [Code-460]

1.17.11 Financial Ratios

Financial Ratios had not been incorporated / calculated as prescribed in the NMAM in eighteen cases.

1.17.12 Non-disclosure of Annual Budget Estimates

The Annual Budget Estimates had not been disclosed in the Income and Expenditure Statement as required under para 31.6 of the NMAM.

1.18 Follow up on Audit Reports**1.18.1 Local Audit Reports**

Each Department/Branch /Office and Grants-in-aid Institution of the Council is audited by the Office of the Chief Auditor. Audit observations raised during audit and not replied/settled during the course of audit are communicated to Heads of Departments/Office through Local Audit Reports (LARs). The Heads of Departments/ Offices are required to furnish replies to the LARs within four weeks. Due to non-compliance, 6598 paras of LARs were pending as on 31 March 2010.

Department-wise details of the outstanding paras of LARs as on 31 March 2010 was as given below:

Table 1.29: Department-wise details of outstanding paras of LARs

S.No.	Name of Department	No. of outstanding paras as on 31 March 2010
1	Accounts	369
2	Architect & Environment	111
3	Civil Engineering	1259

4	Commercial	98
5	Education	1234
6	Electricity	1092
7	Enforcement	112
8	Estate	159
9	Fire Maintenance	78
10	General Administration	202
11	Medical Services/Public Health	522
12	Horticulture	97
13	Property Tax	110
14	I.T.	46
15	Law	23
16	Personnel	387
17	PRO	90
18	Security	92
19	Welfare	514
20	Project	03
	Total	6598

In order to improve compliance, a mechanism has been introduced to expedite settlement of paras of LARs vide Council's Resolution dated 3 March 2005. An Ad-hoc Committee consisting of the representatives of Audit, Finance and the concerned Departments has been set up to settle outstanding paras. In the year 2009-10, 112 LAR paras were settled.

1.18.2 Annual Audit Reports

Position of outstanding transaction and performance audit review paragraphs included in the Annual Audit Reports of the Council as on 31 March 2010 was as under:-

Table 1.30: Paragraphs included in AAR and outstanding

Year of report ended 31 March	No. of paragraphs included in the report	No. of paragraphs outstanding
1997	124	30
1999	98	51
2000	45	17
2001	42	14
2002	38	09
2003	36	08
2004	36	13
2005	37	17
2006	42	22
2007	42	27
2008 (Review)	04	03
2008	28	19
2009	29	29
Total	601	259

CHAPTER-II: EDUCATION DEPARTMENT

2. Functioning of Education Department

Executive Summary

A performance audit of Education Department for the period from 2005-06 to 2009-10 was conducted in July-October 2010 covering the matters of financial management, implementation of scheme for universalization of elementary education, quality improvement in the standard of education, performance of schools and students, vocational education, adult education, monitoring by management and internal control mechanism. The performance audit revealed:

- ❖ There was an overall decline ranging from 16.30 to 44.23 *per cent* in the number of students enrolled in class I to VII during the years 2005-06 to 2009-10.
- ❖ Out of 3525 students who were enrolled in 2005-06 in class I, only 2397 students (68 *per cent*) were promoted up to class V in 2009-10 indicating that at least 1128 students (32 *per cent*) had left the school during these years. Similarly out of 2579 students enrolled in class VI during 2005-06, only 798 students were promoted upto class X in 2009-10 and the remaining 1781 students had left the school during these years.
- ❖ No survey was conducted by the department to ascertain the number of children of age group 5 to 14 and the girl students of weaker sections of society in NDMC area not attending the school with a view to persuade and encourage their parents to send the children to school. The department could also not achieve the objective of elimination of number of drop out students by motivating their parents.
- ❖ The regular inspection of schools as per the directions issued by the Secretary NDMC to inspect one school every day and submit an inspection report on various points viz., attendance of teachers and students, quality of education, etc., overall cleanliness and hygiene in and around the school campus, availability of potable drinking water and electricity connection etc., was not conducted.
- ❖ There was no monitoring mechanism to ensure timely issue of text books to the students and distribution of Uniform subsidy to the students under the welfare scheme. There was delay of upto six months after the commencement of academic session in the distribution of free text books to the students from class I to VIII and all girl students upto class XII. Similarly there was delay upto eight months in distribution of Uniform subsidy to the students upto class XII.

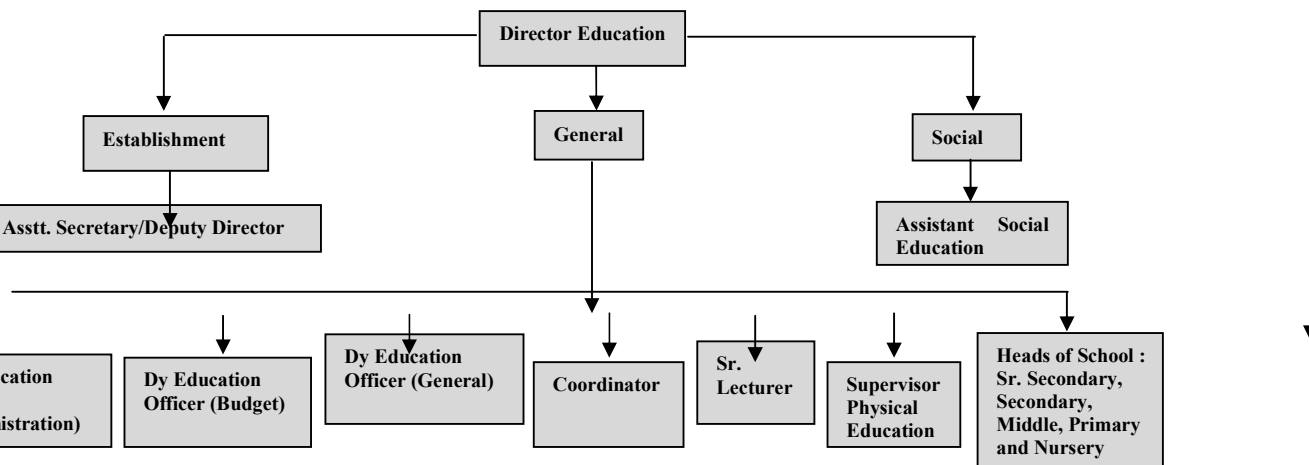
- ❖ The performance of students in board examinations of class X and XII during 2005-06 to 2009-10 was not satisfactory as less than 25 *per cent* of students secured 60 *per cent* and above marks (except during the year 2006-07).
- ❖ Out of 225 scholarships sanctioned per annum under Talent Search Scholarship Scheme, 22 (10 *per cent*) to 170 (76 *per cent*) scholarship were not distributed during 2005-06 to 2009-10 due to poor performance of the students.
- ❖ The enrolment of students in vocational courses during 2005-06 to 2009-10 was only 7.71 to 10.71 *per cent*.
- ❖ The enrolment of adult women in a day time school for Adult Education decreased from 173 in 2005-06 to 145 in 2009-10. The pass percentage of students of class X in this school declined from 27.14 *per cent* in 2006-07 to 23.07 *per cent* in 2009-10, while no student could pass the examination in 2005-06.
- ❖ An expenditure of ₹ 10.79 lakh incurred on salary of contractual teachers during July 2009 to February 2010 could be avoided, if the assessment of teachers actually required in various schools was done at the beginning of the academic session before making their appointment.
- ❖ No budget allocation had been sanctioned for 20 schools since 2005 for purchase of books for the library and thus deprived the students of the facility of library books on latest and current issues of general awareness and other fields.
- ❖ No sport teacher was available in seven schools.
- ❖ There was lack of effective internal control mechanism to look into various activities of the department.

2.1 Introduction

As per the provisions of Section 11(r) of NDMC Act, 1994, the establishment, maintenance of, and aid to, schools for primary education, is one of the obligatory functions of the Council. Further in terms of Section 12(a) of the Act the furtherance of education including cultural and physical education, by measures other than the establishment and maintenance of, and aid to, schools for primary education is one of the discretionary functions of the Council. To achieve the objective of universalization of elementary education, the Education Department of NDMC has implemented welfare schemes such as providing free education, mid-day meal, Uniforms and text books to the children of the schools so that the parents of weaker sections of the society are encouraged to send their children to school. There were 67 Schools (5 Senior Secondary, 7 Secondary, 10 Middle, 24 Primary, 18 Nursery and 3 Aided) functioning under Education Department as of March 2010.

2.2 Organizational set up

The department is headed by Director (Education) who is assisted by an Assistant Secretary, three Deputy Education Officers, a Coordinator, a Senior Lecturer, a Supervisor Physical Education and heads of school for senior secondary, secondary, middle, primary and nursery.



2.3 Scope of audit and methodology

The review was conducted during July-October 2010 covering the period 2005-06 to 2009-10. It mainly covers matters of financial management, implementation of scheme for universalization of elementary education, quality improvement in the standard of education, performance of schools and students, vocational education, adult education, monitoring by management and internal control mechanism. The audit examination involved scrutiny of records of education department, science centre, books store and test check of records of 20 schools (5 Sr. Secondary, 7 Secondary and 8 Middle) with reference to the objectives of the department.

The audit commenced with an entry conference held on 6 July 2010 with the Director (Education) wherein the objectives, methodology and modalities of audit were discussed. An exit conference was held on 28 October 2010 with Director (Education) in which audit observations/ aspects pointed out in audit were discussed.

2.4 Audit Objectives

The main objective of the review was to evaluate the extent to which the aim of universalization of elementary education was achieved. Specific objectives of audit were to assess:

- ❖ the extent to which the benefit of schemes implemented by the department for universalization of elementary education had actually reached the students;
- ❖ extent of qualitative improvement in the standard of education;
- ❖ steps taken to reduce the number of drop out;

- ❖ implementation of Vocational Education Courses;
- ❖ encouraging girl education among weaker sections of the society;
- ❖ achievements in providing adult education and
- ❖ adequacy and effectiveness internal control mechanism.

2.5 Audit Criteria

The criteria adopted for assessing the performance of the Department included:

- (a) Provisions of NDMC Act, 1994.
- (b) Resolutions passed by the Council during 2005-06 to 2009-10.
- (c) Delhi School Education Act & Rules 1973 and Delhi School Manual.
- (d) Circulars/orders issued by Education Department of NDMC.
- (e) Objectives of Education Department.
- (f) Examination results, enrolment, drop outs, progress/inspection reports, etc.

2.6 Financial outlay

Year-wise budget allocation, revised estimates and expenditure incurred by the Department during 2005-10 was as given in the table below:

(₹ in crore)

Year	Budget estimate	Revised estimate	Actual expenditure	Savings	Percentage savings over Revised estimate
2005-06	13.38	16.10	11.18	4.92	30.56
2006-07	13.25	17.64	14.00	3.64	20.63
2007-08	19.73	18.86	12.10	6.76	35.84
2008-09	21.86	27.92	20.90	7.02	25.14
2009-10	38.97	35.69	27.69	8.00	22.42
Total	107.19	116.21	85.87	30.34	26.11

It may be seen from the above table that the revised estimates prepared by the department were not realistic resulting in overall savings of ₹ 30.34 crore during 2005-06 to 2009-10. Moreover, the savings were not surrendered before the end of financial year as required under rule 56 of the General Financial Rules, 2005 showing deficient budgetary control and monitoring.

Recommendation

The savings should be surrendered well before the closure of the financial year as required under the General Financial Rules.

2.7 Audit findings

2.7.1 Universalisation of elementary education.

The overall ₹ 30.34 crore during 2005-10 were not surrendered.

With the objective of universalization of elementary education in the age group of 6-11 and reduce dropout rate in NDMC schools, the department was implementing welfare schemes such as; providing free text books, free Uniform, stipend to girls, scholarship, etc., to students so that the children of the weaker sections of the society may join the school and continue their studies.

Test check in Audit of records of the department and schools revealed the following:

2.7.1.1 Declining trend of enrolment

Year-wise details of enrolment of the students up to class X during the period 2005-06 to 2009-10 was as under:-

Year	Class I	Class II	Class III	Class IV	Class V	Class VI	Class VII	Class VIII	Class IX	Class X
2005-06	3525	3367	3261	3168	3058	2579	1742	1725	907	571
2006-07	3113	3073	2918	2805	2636	2501	1519	1549	1019	560
2007-08	2907	2739	2707	2661	2338	2242	1740	1432	1028	791
2008-09	2740	2698	2593	2561	2757	2045	1787	1401	1079	750
2009-10	1966	2490	2396	2358	2397	1624	1458	2077	1206	798
Percentage decline (-)/ excess (+)	(-) 44.23	(-) 26.05	(-) 26.53	(-) 25.57	(-) 21.62	(-) 37.03	(-) 16.30	(+) 20.40	(+) 32.97	(+) 39.76

From the above table, it is evident that:

i) there was an overall decline ranging

from 16.30 to 44.23 *per cent* in the number of students enrolled in class I to VII during the years 2005-06 to 2009-10;

ii) 3525 students who were enrolled in 2005-06 in class I, only 2397 students (68 *per cent*) were promoted up to class V in 2009-10 indicating that at least 1128 students (32 *per cent*) had left the school during these years and

iii) there was an overall decline from 2579 students enrolled in class VI during 2005-06 to 798 students in class X in 2009-10 i.e., 69 *per cent*;

The reasons for decline in trend of enrolment of students had not been analyzed by the department at any stage.

2.7.1.2 Poor outreach to drop out children

With a view to keep a liaison between the school and the parents and to ensure that no child in NDMC area was left without schooling, Council decided (January 1975) to attach Students Welfare Workers (SWWs) to each of the 15 schools to look after the attendance of the children and also persuade the illiterate parents to send their children to school. The workers were also required *inter-alia* to conduct quarterly survey of their area and collect data regarding children of school going age, to deal with the problems of irregularity in attendance and school drop-outs with the help of the teachers, to contact with the parents through home visits and counseling them by providing solution to their problems.

Against the creation of 15 posts of SWWs approved by the Council (January 1975), 11 posts were created and three to eight SWWs were actually deployed during 2005-06 to 2009-10 as under:

Year	Sanctioned post	SSWs deployed (as of March each year)
2005-06	11	08
2006-07	11	07
2007-08	11	07
2008-09	11	07
2009-10	11	03

It was observed that:

(i) the SWWs were deployed to collect and compile data of drop out students from the schools covered under NDMC area. Besides, they also assisted in works relating to science fair, training (seminars) programmes and talent search examination and were deployed in other departments to assist Administrative Officer (Charak Palika Hospital), Dy. Education Officer (Budget), Supervisor (Physical Education), Asstt. Social Welfare Officer, etc. No survey was, however, conducted by the SWWs to ascertain the number of children of age group of 5-14 not attending the school, as required under the scheme.

(ii) the details of drop out students up to Middle level during 2005-10 were as under:-

Year	No. of drop out students
2005-06	157
2006-07	136
2007-08	194
2008-09	199
2009-10	Not available

From the above details it is evident that the number of drop out students increased from 157 in 2005-06 to 199 in 2008-09. The SWWs failed to motivate the parents of these drop out students to send their children to school. The department could not, therefore, achieve the objective of elimination of number of drop out students and

(iii) the department had also not conducted any survey to identify the girl students of the weaker sections of the society in NDMC area with a view to persuade and encourage their parents to send the girl children to schools.

2.7.1.3 Delayed supply of free text books

Under the welfare scheme, NDMC provides text books free of cost to students of NDMC schools (including aided schools) from class I to VIII and all girl students up to class XII, every year. The department used to purchase the books for distribution among students on the basis of requirements received from the schools every year.

It was observed in Audit that:

(i) with a view to increase the enrolment and retention of girl child by urban poor, the Council approved (September 2005) that the cost of books to girls students of class IX to XII for the year 2005-06 shall be reimbursed since they had already purchased the books by then. However, administrative approval and expenditure sanction for reimbursement of the cost of books to students of 11 schools was issued only in February 2006 i.e., more than four months after the approval of the Council.

(ii) the department had purchased the books for students of class I to VIII during 2006-07 to 2009-10 during August to October each year i.e. after a delay of four to six months of the start of academic session in April.

(iii) the books for the girl students of class IX to class XII during 2008-09 and 2009-10 were purchased in October 2008 and September 2009 i.e., after a delay of five to six months from the commencement of the academic sessions.

(iv) the prescribed books in various subjects of class I to VIII were purchased by the Department at the start of the academic session, in April-May for 2006-07, 2007-08 and 2008-09 but these books were distributed among the students during the months of August-October i.e., after a delay of four to six months of their purchase.

Thus, there was no monitoring mechanism to ensure timely issue of books to the students. The issue of books to students after a delay of four to six months of the commencement of the academic session deprived the students of their studies and the benefits of free supply of books.

2.7.1.4 Delay in providing free Uniform

From the academic session 2005-06, a scheme for providing a new stitched Uniform, as per design and cloth suggested by National Institute of Fashion Designing (NIFT), to all students up to class XII was introduced in NDMC schools (including aided schools).

Test check of records relating to free distribution of Uniform during 2005-06 to 2009-10 revealed that:

(i) due to procedural delay in finalization of tenders for supply of Uniform, the department decided to reimburse the cost of Uniform in the form of cash subsidy in lieu of stitched Uniform to the students as given below:

Year	Date of initiating proposal	Date of resolution/ decision	Rate of subsidy per student (in ₹)	Time taken in decision making (in months)	Delay in distribution of cash subsidy (in months)	Actual disbursement (₹ in crore)
2005-06	18.02.05	15.12.05	Nursery- 250 Primary- 280 Middle- 420	10	08	0.91
2006-07	01.02.06	15.11.06	Nursery-250 Primary- 280 Middle-420 Secondary/ Sr.Secondary-550	9 ½	07	1.04
2007-08	07.12.06	17.10.07	As above	10	06	0.97
2008-09	06.02.08	21.05.08	Nursery-300 Primary- 450 Middle-550 Secondary/ Sr. Secondary-600	3 ½	06	1.19
2009-10	16.01.09	21.01.09	Nursery to Sr.Secondary-500	--	06	1.21

Subsidy in lieu of stitched Uniform after a delay of eight months commencement of the academic session.

From the above table, it is evident that the proposal for purchase of stitched Uniform for free distribution to the students of NDMC schools including aided schools was considerably delayed by the department. As a result, cash subsidy in lieu of free stitched Uniform was distributed to the students at a belated stage.

(ii) the department, considered the strength of students as on 31st July every year for disbursement of cash subsidy in lieu of stitched Uniform. As per information provided by 20 schools, 1698 students were admitted in the school after July each year during 2005-06 to 2009-10 as per details given below:

Year	No. of students
2009-10	262
Total	1698
2005-06	304
2006-07	546
2007-08	289
2008-09	297

1698 students after July each year during 2005-06 to 2009-10 were not paid cash subsidy.

Thus, 1698 students admitted after July each year during 2005-10 were not paid cash subsidy in lieu of stitched Uniform and therefore, were deprived of the benefits of the scheme and

(iii) the department has not evolved any system to ensure that cash subsidy was actually utilized for the intended purpose as no cash memo in token of having purchased the Uniform was obtained from students. In response, heads of 19 schools informed that they had not allowed the students in school without Uniform and that they obtained the signature of parents in token of disbursement of subsidy. The reply of the heads of schools did not establish that the Uniform subsidy disbursed year after year had actually been utilized and that new Uniform was purchased by parents against subsidy paid every year.

Thus, the department could not achieve the objective of universalization of elementary education and to curb the declining trend of the enrolment of students in its schools.

Recommendation

The department should prepare some timeframe for distribution of books and Uniforms to the children and follow the same so that children are not deprived of these facilities. The department also needs to frame policy guidelines and action plan for better utilization of the services of SWWs for motivating the parents of school going age children to control the declining trend of the students to achieve its objective of universalization of elementary education.

2.8 Quality improvement in the standard of education

2.8.1 Inspection of schools

The department, in June 2006/May 2008 nominated Zonal Officers/ Nodal Officers in-charges for the general inspection of the schools round the year. The Zonal /Nodal officers were required to visit one of the school buildings (raised to 2 schools from May 2008) in their zone every week and submit a detailed report in the prescribed format on the issues relating to general hygiene, availability of water, sports facilities, etc. Test check of records revealed that the general inspection was not carried out by concerned Zonal/Nodal officers except in Zone VII, in 7 schools during April 2008. No action had been taken against the Zonal officers/Nodal officers for not carrying out the inspections during 2005-06 to 2008-09.

Further, Secretary, NDMC had issued directions (July 2009) to Director, Education to direct all Dy. Directors of the department to visit one school every day and submit an inspection report on various points viz., attendance of teachers and students, quality of education, overall cleanliness and hygiene in and around the school campus, condition of toilet blocks, availability of potable drinking water and electricity connection etc. Test check of records revealed that out of 200 school days/ year, the schools inspected by Dy. Directors during July 2009-March 2010 in their respective zones were as under:

(Figures in No. of days)

Year	Zone I	Zone II	Zone III	Zone IV	Zone V	Zone VI	Zone VII	Zone VIII
2009-10	Nil	04	16	01	02	Nil	30	03

Thus, the inspection of schools was not carried out regularly. Action taken if any, by the department for shortfall in conducting inspections by the concerned Dy. Director was not on record.

2.8.2 Performance of the students

2.8.2.1 Middle level education

As per information furnished by 11 schools, out of 20 schools asked to furnish the information of the students who scored more than 60 *per cent* marks up to Middle level, the performance of students during 2006-10 was as under:-

60 to 21.07
t students
0 per cent
e marks up
e level.

Year	Upto Middle Level		
	Total strength of students	No. of students scored more than 60 per cent marks	Percentage
2006-07	5318	830	15.60
2007-08	4843	878	18.13
2008-09	4973	836	16.81
2009-10	4751	1001	21.07

From the above details, it is evident that the percentage of students who scored more than 60 per cent marks ranged from 15.60 to 21.07 per cent during 2006-07 to 2009-10.

2.8.2.2 Secondary and Sr. Secondary level education

Performance of a school can be adjudged from the results achieved in the Secondary and Sr. Secondary examinations conducted by CBSE. The details of performance of students of class X and XII in Board examination during the years 2005-06 to 2009-10 was as under:

25 per cent
s of class X
scored 60
and above
n Board
ons.

Year	Class X			Class XII		
	Total strength of students	No. of students scored more than 60 per cent marks	Percentage	Total strength of students	No. of students scored more than 60 per cent marks	Percentage
2005-06	571	104	18.21	473	63	13.32
2006-07	560	150	26.79	418	160	38.28
2007-08	791	133	16.81	432	105	24.30
2008-09	750	129	17.20	549	97	17.67
2009-10	798	147	18.42	738	128	17.34

2.8.2.3 Comparison of result of NDMC schools with other schools

The pass percentage of Class X and XII students during 2005-06 to 2009-10 as compared to Government schools, Public schools and Kendriya Vidyalaya Sangathan (KVS) schools in Delhi was as under:

It would be seen from the table above that the success rate of students of NDMC schools, which was better than the success rate of Delhi Government schools in 2005-06, deteriorated over the years

Year	NDMC Schools	Delhi Government Schools	Public Schools	Delhi KVS Schools
2006-07	84.00	78.45	77.12	82.73
2007-08	85.69	80.90	83.69	85.70
2008-09	88.00	81.93	89.44	87.15
2009-10	78.00	84.30	90.90	88.87

and was substantially lower in 2009-10.

The department should take effective steps to improve the quality of education of NDMC schools so that the board results could be equated to other schools.

2.8.3 Performance of students in talent search scholarship scheme

To encourage the talented students of NDMC schools, the department was running the following talent search scholarship schemes at primary and middle level:

Sl. No.	Level	No. of scholarships	Amount of scholarship (in ₹)
1	Primary talent search scholarship scheme for students studying in class IV & V	200*	1000
2	Middle talent search scholarship scheme for students studying in class VIII	25	1500

* 100 for each class

Scholarships under the scheme were provided by the department to meritorious students who scored 60 *per cent* or more marks in previous year's final examination, on the basis of a competitive examination in the main academic subjects.

The performance of the students in talent search scholarship examination during 2005-06 to 2009-10 was as under:

Year	Total students appeared	No. of scholarship sanctioned	No. of qualified students	Shortfall	Percentage shortfall
2005-06	1135	225	203	22	10
2006-07	1156	225	183	42	19
2007-08	1033	225	67	158	70
2008-09	1062	225	197	28	12
2009-10	1078	225	55	170	76

From the above data, it is evident, out of 225 scholarships sanctioned per annum, 22 (10 *per cent*) to 170 (76 *per cent*) scholarship were not distributed during 2005-06 to 2009-10 due to poor performance of the students. It derived that the department could not achieve the objective of quality improvement in the standard of education.

Recommendation

The department needs to improve the standard of education in its schools for better results in the examinations. Besides, it should strengthen its monitoring mechanism by carrying out regular inspection of the schools and take follow up action on the inspection reports.

2.9 Vocational Education

Scholarships per annum as students, per cent were not

2.9.1 Implementation of vocation courses:

For linking education to productivity by enhancing individual employability with emphasis on improving the productivity skills of the young students of Sr. Secondary schools, Council had started a scheme in the name of 'Educational Vocational Guidance' in August 1990. The department decided to start the following vocational courses at 10+2 level in four schools:

- i) Stenography (English / Hindi)
- ii) Office Management & Secretariat Practice,
- iii) Health Care & Beauty Culture in schools.

However, vocational courses in shorthand/typing and office management only were carried out in three Sr. Secondary schools during 2005-06 to 2008-09 and in two Sr. Secondary schools during 2009-10.

2.9.2 Enrolment of students

The details of students enrolled in vocational stream during 2005-06 to 2009-10 were as under:

Name of school	2005-06		2006-07		2007-08		2008-09		2009-10	
	Total No. of students	No. of students opted vocational courses	Total No. of students	No. of students opted vocational courses	Total No. of students	No. of students opted vocational courses	Total No. of students	No. of students opted vocational courses	Total No. of students	No. of students opted vocational courses
Ansari Nagar	62	13	71	13	71	18	86	17	84	22
Mandir Marg	133	08	134	06	155	13	173	16	183	10
Bangali school	163	09	142	10	166	11	173	13	148	Nil
Total	358	30	347	29	392	42	432	46	415	32
Percentage of students enrolled	8.38		8.36		10.71		10.65		7.71	

Above details would indicate that the number of students who opted for the vocational courses ranged between 7.71 to 10.71 *per cent* during 2005-06 to 2009-10, whereas no student was enrolled in NP Bengali Girls Sr. Sec. School under this stream during the year 2009-10. Steps taken by the department to encourage the students for vocational courses were not on records.

2.9.3 Non utilization of services of vocational teachers

During 2009-10, no vocational courses were being carried out in NP Bengali Sr. Sec. School but two part time vocational teachers were deployed, one from April 2009 to March 2010 and other from July 2009 to March 2010. The reasons for retaining these two part time vocational teachers in the school when no student was enrolled during the year 2009-10 were not on records.

Recommendation

The department should review the facilities provided in the vocational courses and take steps to improve them to encourage more students to join these courses.

2.10 Adult Education

2.10.1 Enrolment of students

The department had opened a Day Time School at Kidwai Nagar for women in 1991 with the objective to provide educational facilities to the adult women of the society and also to those who leave their studies due to family circumstances and for other reasons.

The enrolment of students in this school during 2005-06 to 2009-10 was as under:

2005-06	173
2006-07	81
2007-08	46

2008-09	147
2009-10	145

nt of adult students in ol decreased in 2005-06 2009-10.

The above position would indicate that the total number of enrolment in the school decreased from 173 students in 2005-06 to 145 students in 2009-10. Steps taken by the department to encourage adult education among women in the school were not on records.

2.10.2 Performance of students

The performance record of class X students of the school was as under:

Year	No. of students	No. of passed students	Pass percentage
2005-06	12	0	0
2006-07	21	12	57.14
2007-08	17	04	23.52
2008-09	20	05	25.00
2009-10	13	03	23.07

From the above table, it is evident that the pass percentage of the students of class X declined from 57.14 *per cent* in 2006-07 to 23.07 *per cent* in 2009-10. No student could clear the examination during 2005-06 as there was no teacher for Maths and Science subjects in the school during that year.

Recommendation

The department needs to take steps to encourage the adult education among women. Efforts should also be made to improve the performance of the students enrolled for Adult Education.

2.11 Post fixation of teachers - avoidable expenditure of ₹ 10.79 lakh on appointment of Assistant Teachers:

The department carry out 'Post Fixation' every academic session to assess the requirement of teaching staff for schools based on actual minimum requirement *vis-à-vis* approved yardsticks/norms. The post fixation for the academic session 2009-10 was done by the department in February 2010. The position of working strength of the Assistant Teachers and Leave Reserve Teachers, against the posts required as per post fixation was as under:-

expenditure h incurred contractual e to non-post fixation inning of sion.

It was, however, observed that the Department had engaged 18 contractual Assistant Teachers during the period July 2009 to January 2010. The services of these 18 contractual Assistant Teachers were terminated on 11 February 2010 after it was found

Sl. No.	Post	Posts required per fixation	as post	Working strength	Variation
1	Assistant Teacher	416		447	+31
2	Leave Reserve Teachers	21		10	-11
Total		437		457	+20

during post fixation in February 2010 that these posts were in excess of requirements. Thus, it is apparent that an expenditure of ₹ 10.79 lakh incurred on the salary of these contractual teachers, during July 2009 to February 2010 could have been avoided if the post fixation had been done at the beginning of the academic session, before engaging these teachers.

It was further observed that no post fixation was done by the department during the academic sessions 2005-06, 2007-08 and 2008-09 and as such the position of working strength of the teachers against the approved posts, during these years could not be ascertained.

Recommendation

The post fixation of the teachers should be done regularly at the beginning of each academic session to arrive at the actual requirement of teachers before making appointments on contractual basis.

2.12 Other activities

2.12.1 Functioning of library

The department had provided library facilities in all the schools. As per the information provided by 20 schools, no budget allocation had been sanctioned for the schools since 2005 for purchase of books for the library. In the absence of budget allocation, no book was purchased by the schools concerned. However, newspapers/ magazines were being purchased by the school authorities from the Pupil Fund. In the absence of procurement of library books since 2005, the students were deprived of the facility of library books on latest and current issues of general awareness and other fields.

The department may allocate funds for purchase of books for library to fulfill the requirement of teachers as well as students.

2.12.2 Sports facilities to students

The students of NDMC schools had participated in various games at different levels like; School Region, State and National levels. One student had also won Gold Medal at national level in the National School Games in Hand Ball Mini. As per the information provided by 19 schools, no sports teacher was available in seven schools as of July 2010.

A sports teacher plays an important role in bringing out the skills of students in various national and international sports. In the absence of sports teacher, the students of these seven schools were deprived of sports facilities and could not participate in various games and competition matches at different levels.

The education department should ensure that at least one sports teacher was posted in each school.

2.12.3 Internal control mechanism

The irregularities as pointed out in preceding paragraphs indicate that there was lack of effective internal control mechanism to look in to various activities of the department which *inter-alia* lead to ineffective budgetary control, delay in distribution of books and cash subsidy in lieu of Uniform, non conducting of regular inspection of schools and engagement of Assistant Teachers on contractual basis without any requirement.

Recommendation

The department should ensure effective internal control mechanism as per the provisions of relevant rules and orders for effective management of its various activities.

2.14 Conclusion

The universalization of elementary education, elimination of drop outs and bringing quality improvement in the standard of education were the main objectives of the Education department.

Review of functioning of the department for the period 2005-06 to 2009-10 revealed that budget estimates/revised budget estimates prepared by the Department were not realistic which resulted in huge savings under various heads of accounts.

The schemes implemented for universalization of elementary education and elimination of drop outs were not properly implemented and monitored. Students Welfare Workers engaged to look after the attendance of children, elimination of number of drop outs and persuade the illiterate parents to send their children to school did not perform their duties and were deployed on other items of works. There had been decreasing trend of enrolment in both primary and middle level. There were cases of abnormal delay of four to five months in purchase and issue of text books to students. The stitched Uniform could not be provided

to the student of class I to XII due to procedural delays in finalization of tenders, instead cash subsidy was paid after 6 to 8 months of the start of academic session during 2005-10. The orders of Secretary, NDMC for regular inspection of schools were not properly implemented as only very few inspections were conducted during 2005-10. The performance of students in talent search scholarship scheme and Board examinations of class X and XII was poor.

The number of students enrolled in vocational courses was also very low. There was also decreasing trend in enrolment of students in the Adult Education School for Women.

The post fixation of teachers was not regularly carried out/ finalized by the department.

The department needs to look into all these aspects and take remedial measures.

The matter was referred to the department in July 2012; their reply was awaited (August 2012).

CHAPTER-III: COMMERCIAL DEPARTMENT

3.1 Non-recovery of arrears of ₹ 4.93 crore against temporary connections

Dues of ₹ 4.93 crore were outstanding as of March 2010 against 341 consumers to whom temporary connections were provided by the department. The heavy outstanding arrears clearly indicated department's lackadaisical approach in the recovery of electricity charges.

As per Clause 19 (vii) of Delhi Electricity Supply Code, temporary connection shall be granted for a period up to 3 months at a time, which can be further extended depending upon the requirement. Further, Clause 49 of the Code stipulates that the licensee may issue a disconnection notice in writing to the consumer who defaults in payment of dues giving him fifteen clear days to pay the dues. Thereafter, the licensee may disconnect the consumer's installation on expiry of the said notice period by removing the Service line/Meter or as the licensee may deem fit.

As per information made available by the department, as of March 2010, ₹ 4.93 crore were outstanding against 341 consumers to whom temporary connections were provided by the department as detailed below:-

Sl. No.	Bill Group	No. of cases	Arrears (in ₹)
1.	Private	325	8210905
2.	Bulk	15	261931
3.	HTP	1	40832958
	Total	341	49305794

Scrutiny of records of 30 consumers against whom ₹ 4.52 crore were outstanding revealed that ₹ 4.08 crore were outstanding against one consumer viz; New Delhi Bar Association (NDBA), having temporary connection since March 1997. Despite non-payment of electricity dues regularly, the department disconnected the temporary connection only in November 2010. Undue delay in disconnection resulted in accumulation of arrears of ₹ 4.61 crore by then, including late payment surcharge of ₹ 2.59 crore. Department had recovered ₹ 18.00 lakh from the consumer as of June 2011, leaving a balance of ₹ 4.43 crore.

In other 29 cases test checked, the department had recovered ₹ 10.67 lakh from 12 consumers, while temporary connections provided to 11 consumers had been disconnected and temporary connections in 6 cases had not been disconnected despite non-payment of bills, as of December 2010.

The matter was referred to the department in February 2012; their reply was awaited (August 2012).

3.2 Non-recovery of arrears in respect of disconnected electricity and water connections – ₹ 47.92 crore

Lackadaisical approach of the department to recover the outstanding arrears of electricity/water charges from consumers whose electricity/water supply had been disconnected due to non payment of dues resulted in accumulation of arrears of ₹ 47.92 crore as of 31 March 2010.

Section 363 of NDMC Act, 1994 provides that any sum due to the Council on account of charge, cost, expense, fee, rates or rent or on any other account under the Act or any such bye-law may be recovered from any person from whom such sum is due as an arrear of tax under the Act, provided that no proceedings for the recovery of any sum under this section shall be commenced after the expiry of three years from the date on which such sum becomes due.

Test check of records of the Department revealed that electricity and water supply to the consumers under various categories was being disconnected every year due to non-payment of electricity and water charges for long periods. However, Department failed to take effective action for recovery of the outstanding electricity and water charges from them. As per information made available to Audit, the category wise number of such cases and the amount of arrears involved under each category as of March 2010 was as given below:

(₹ in lakh)

Sl. NO.	Bill Group	Arrears upto 2007-08		Arrears for 2008-09		Arrears for 2009-10		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Bulk	875	2363.65	37	68.22	69	408.66	981	2840.53
2.	Gazetted officer's Billing	1335	111.51	40	2.54	30	0.92	1405	114.97
3.	Non-Gazetted	2076	202.49	72	14.92	77	13.20	2225	230.61
4.	Non-Gazetted Misc.	1790	95.23	46	2.52	39	2.48	1875	100.23
5.	Private	1559	1011.17	149	42.97	306	113.09	2014	1167.23
6.	HT Bulk	5	9.07	-	-	-	-	5	9.07
7.	HT Private	5	27.03	-	-	-	-	5	27.03
8.	Others	1118	294.23	143	6.95	94	0.73	1355	301.91
	Total	8763	4114.38	487	138.12	615	539.08	9865	4791.58

Thus, ₹ 47.92 crore were outstanding as of March 2010 in respect of 9865 disconnected cases. The year wise analysis of the outstanding arrears prior to 2008-09 could not be done for want of complete information.

Mention was also made in para 7.2 of the Annual Audit Report for the period ended March 2007 regarding non recovery of ₹ 39.40 crore in 12305 cases as of March 2007. Action taken by the department to recover the outstanding dues had not been intimated as of August 2012.

The heavy outstanding arrears against the large number of consumers, whose electricity and water supply had already been disconnected, clearly indicated Department's lackadaisical approach in the recovery of the old outstanding electricity and water charges.

The matter was referred to the department in February 2012; their reply was awaited (August 2012).

3.3 Loss of ₹ 2.37 crore due to non-levy of MDI surcharge

Non-levy of surcharge of 30 per cent on total demand of bulk consumers of electricity in 42 cases where the maximum demand exceeded the contract demand by more than 5 percent, resulted in loss of 2.37 crore to NDMC.

In order to implement the two-part tariff system, the Council resolved in October 2004 that in case of bulk consumers of electricity (100 KW and above), the sanctioned load shall be taken equal to Maximum Demand as indicated by Maximum Demand Indicator (MDI) and in case MDI reading exceeded the contract demand by more than 5 per cent, a surcharge of 30 per cent shall be levied on the total demand plus energy charges for such billing cycle.

Mention was made in the Annual Audit Report for the year ended March 2008 that the Council had suffered a loss of ₹ 1.03 crore due to non-recovery of MDI surcharge from bulk consumers of electricity in 34 cases.

The department stated (November 2010) that in order to ascertain the correct composite MDI meter reading, specific instrument was required which had already been requisitioned from Electricity Department about five years ago and that the action on the observation of Audit shall be taken on receipt of the said instrument.

NDMC had 615 connections with sanctioned load of 100 KW and above (December 2010). Test check of records revealed that in 42 cases, though the MDI reading exceeded contract demand by more than 5 per cent in different months during 2009-10, MDI surcharge of 30 per cent was not levied. The MDI surcharge leviable in these cases worked out to ₹ 2.37 crore as per details given in the **Annexure-I**.

Thus, despite being pointed out in the Annual Audit Report for the year ended March 2008, the Department did not take any remedial action to levy and recover MDI surcharge, resulting in loss of ₹ 2.37 crore.

The matter was referred to the department in February 2012. The department, while agreeing with the observation stated (April 2012) that though the reading for energy meters installed with 630 consumers having sanctioned load of above 100 KW was being taken using Common Meter Reading Instrument but the loading of reading on computer for the purpose of levy of MDI surcharge was not technically possible as complete infrastructure for the purpose had not been provided by the Information Technology department and that automation system would be fully operational only after setting up of Data Centre by I.T. department.

Thus, non levy of surcharge resulted in loss of ₹ 2.37 crore to NDMC due to delay on the part of I.T. department to make the automation system fully operational.

3.4 Non-recovery of arrears of ₹ 118.45 crore on account of electricity/water charges against existing consumers

Despite launch of Council approved settlement scheme in July 2009, outstanding arrears of electricity/water charges increased to ₹ 118.45 crore till March 2010, against ₹ 105.00 crore at the end of 2005-06.

According to Section 195 read with Section 147 of NDMC Act, 1994 it shall be the duty of the Council to develop and maintain an efficient, co-ordinated and economical system of electricity and water

supply for distribution to consumers of New Delhi area under its jurisdiction. Further, Section 200 of the said Act stipulates that charges shall be leviable for the supply of electricity by the Council at such rates as may, from time to time, be fixed by the Council. In case of non-payment of the bill, the supply shall be disconnected, as per the instructions contained in the electricity and water bills without any further notice.

Further, Section 363 of the Act provided that any sum due to the Council on account of any charge, cost, expense, fee, rates or rent or any other account under the Act or any such bye-law may be recoverable from any person from whom such sum is due as an arrear of tax under the Act.

Test check in Audit revealed that ₹ 118.45 crore were outstanding against existing consumers as of March 2010 as detailed below:-

(₹ in crore)

Sl. No.	Bill Group	Outstanding Arrears						Total
		Prior to 2005-06	2005-06	2006-07	2007-08	2008-09	2009-10	
1.	Bulk	38.22	0.24	0.14	0.20	0.17	0.44	39.41
2.	Gazetted officer's Billing	0.01	0.14	0.05	0.06	0.04	0.07	0.37
3.	Non-Gazetted	3.21	0.21	0.16	0.17	0.13	0.19	4.07
4.	Non-Gazetted Misc.	0.69	0.11	0.13	0.13	0.11	0.13	1.30
5.	Private	47.80	1.27	1.54	1.82	2.07	1.47	55.97
6.	HT Bulk	6.82	0.56	0.09	0.62	0.06	0.06	8.21
7.	HT Private	7.62	0.30	0.21	0.07	0.04	0.01	8.25
8.	Others	0.63	0.03	0.05	0.02	0.02	0.12	0.87
	Total	105.00	2.86	2.37	3.09	2.64	2.49	118.45

Thus, arrears on account of electricity and water charges accumulated at an yearly average of ₹ 2.69 crore over the outstanding arrears of ₹ 105.00 crore prior to 2005-06 despite launch of a settlement scheme in July 2009 with the approval of the Council.

Mention was made in para 4.2 of the Annual Audit Report for the period ended March 2008 regarding non recovery of arrears of ₹ 103.93 crore as of March 2008. The latest position of amount recovered, amount involved under dispute/litigation and the efforts made by the department was awaited.

The overall position of arrears clearly indicated that effective action was not being taken for the recovery of outstanding arrears of electricity and water charges from the defaulting consumers. Consequently, recovery of electricity and water charges of ₹ 118.45 crore was in arrears as of March 2010.

The matter was referred to the department in February 2012; their reply was awaited (August 2012).

3.5 Non-recovery of electricity/water charges against dishonoured cheques – ₹ 9.64 lakh

Inaction on the part of the department to recover electricity/water dues from consumers against 45 dishonoured cheques as per statutory provisions/ instructions, resulted in non-recovery of ₹ 9.64 lakh and interest thereon.

Rule 19(1) (b) of Central Government Account (Receipts and Payments) Rules, 1983 enjoins that in the event of the cheque or draft tendered in payment of Government dues or in settlement of other transactions getting dishonored, the fact shall be reported at once to the tenderer with a demand for payment in cash and the dishonored cheque or draft should be returned to the tenderer on surrendering the

preliminary acknowledgement of the receipt of the cheque or draft or any token previously granted without accepting any liability for loss or damage which may possibly occur as a result of delay in intimating that the cheque or draft had been dishonored.

Further, Section 138 (b&c) of the Negotiable Instruments Act, 1881, as amended from time to time, envisages that the payee or holder in due course of a dishonoured cheque, as the case may be, should make a demand for payment of the amount of money by giving a notice, in writing to the drawer of the cheque within thirty days of the receipt of the intimation by the payee from the bank regarding the return of the cheque as unpaid. If the drawer of the cheque fails to make payment of the said amount of money to the payee within fifteen days of the receipt of the said notice, such person shall be deemed to have committed an offence punishable under the Act.

The instructions contained in the electricity and water bills stipulate that in case of dishonoured cheques, bills for that calendar year shall be accepted only in cash upto ₹ 500/- and above that amount through Banker's Cheque/Pay Order/Draft including bank charges besides levy of usual surcharge.

Test check in Audit revealed that 45 cheques for ₹ 9.64 lakh deposited by the consumers during 2009-10 towards payment of electricity and water charges were dishonoured by the banks (**Annexure-II**). The records made available to Audit did not, however, indicate the steps taken by the Department as per rules, regulations and instructions on the subject to recover the amount of the dishonoured cheques as of December 2010.

Thus, inaction on the part of the department resulted in non-recovery of ₹ 9.64 lakh and interest thereon.

The matter was referred to the department in February 2012. The department stated (June 2012) that out of 45 dishonoured cheques, payment of ₹ 4.75 lakh against 32 cheques had been realized as of May 2012 and that efforts were being made to recover the dues of ₹ 4.89 lakh against remaining 13 cheques.

The fact remains that there was considerable delay of over two years in realization of dues against cheques deposited by consumers against payment of electricity and water charges and that the dues of ₹ 4.89 lakh against 13 cheques deposited by consumers in 2009-10 were yet to be realized as of June 2012.

Mention was also made in para 21 (I) of the Annual Audit Report for the period ended March 2000 regarding non-realisation of dishonoured cheques for ₹ 4.95 crore tendered by 995 consumers during April 1999 to March 2000. The Department had informed (December 2010) that the recovery against almost all dishonoured cheques had already been made alongwith surcharge from defaulting consumers. The records for verification of recoveries were, however, not produced to Audit as of August 2012.

CHAPTER-IV: ELECTRICITY DEPARTMENT

4.1 Avoidable extra expenditure of ₹ 3.51 lakh due to faulty NIT

Deficient drafting of the NIT resulted in avoidable extra expenditure of ₹ 3.51 lakh.

A Notice Inviting Tender (NIT) was floated by the department in March 2009 for procurement of 250 big size LT Distribution feeder pillars, through e-procurement system. Two firms submitted tenders to be opened on 25 March 2009. Tender of one of the firms received through normal tendering system instead of e-procurement system was not considered. The second tenderer who submitted his tender through e-procurement system, had quoted a rate of ₹ 68.91 lakh which was 0.61 per cent below the estimated cost. Taking note of the fact that only single tender was received, the Council directed (June 2009) the department to go for re-tendering. It was observed that as per the NIT the offers were required to be submitted in three separate sealed covers whereas, in e-tendering system there was no such provision. The intending tenderers, in the absence of clarity in the NIT, submitted their offers as per the old conventional procedure. Hence rejection of the tender received through conventional system leaving single valid bid was irregular and could have been prevented had the NIT been carefully drafted in the first instance. Similar observation had also been made by the Finance Department, while considering the proposal for award of work to the sole bidder.

The NIT was again floated in July 2009. Out of the three bids received, two were rejected due to non fulfillment of the eligibility criteria. Financial bid of sole eligible bidder who had quoted ₹ 72.42 lakh was opened and the work was awarded to the firm on 8 January 2010, although the same firm had quoted the rate of ₹ 68.91 lakh in the first call of tender. It was observed that the department had not modified the eligibility criteria suitably as required under Section 16.7 of the CPWD Works Manual 2007, which provided that if the response to tenders from the contractors of the appropriate classes was poor, the NIT approving authority may modify the eligibility criteria suitably and/or throw open tenders to next lower class including to contractors registered with other departments like Railway, MES, Telecommunication and state PWDs in the appropriate class. As a result tenders of two firms were rejected due to non fulfillment of eligibility criteria. Had the Department modified the eligibility criteria more firms could have participated in the tendering process providing competitive rates.

Thus, deficient drafting of the NIT in the first call of tender and non compliance of the provision under Section 16.7 of the CPWD Works Manual, in the second call of tender resulted in an avoidable extra expenditure of ₹ 3.51 lakh (₹ 72.42 lakh - ₹ 68.91 lakh).

The matter was referred to the department in February, 2012. The department stated (May-June 2012) that even though NIT mentioned that tenderers should submit their offer in three separate sealed covers, nevertheless e-procurement tender notice and details on relevant websites clearly mentioned that, 'to participate in e-tender in NDMC, registration with application services provider (ASP) of DGS&D is mandatory and that not having read/understood the NIT properly, the bidders were at mistake'. The department also stated that it was expected that without relaxing the norms/eligibility criteria, experienced manufacturers would participate in the tender, which unfortunately did not happen and that the extra expenditure of ₹ 3.51 lakh was on account of increase of rates of sheet steel by Steel Authority of India Ltd.

The reply was not tenable. Had the NIT for the first call of tender been drafted with due care, retendering and consequent extra expenditure of ₹ 3.51 lakh could be avoided. Further, had the eligibility criteria during second call been modified as required under para 16.7 of CPWD Works Manual, the possibility of more competitive rates having been received was not ruled out.

4.2 Irregular procurement of stores against sanctioned estimates and for day to day maintenance - blockage of funds of ₹ 2.00 crore.

Procurement of electric stores much in advance of actual requirements resulted in items costing ₹ 2.00 crore lying unused for one to eight years.

Section 37.5 of CPWD Works Manual provides that care should be taken not to purchase material much in advance of actual requirements, if such purchases are likely to prove unprofitable to the Government.

11 KV Electric Store Division was responsible for procurement of electrical material required for various electrical construction and maintenance divisions. Test check of records (Price Store Ledger) of the division revealed that 38 items costing ₹ 2.00 crore (**Annexure III**), procured by the Division during April 2002 to October 2008, were lying in the Store for one to eight years after their procurement as of May 2010.

The high cost items like; Capacitor Bank and 11 KV 13 Panel Indoor Switch Board and 11 KV 5 Panel Switch Board (Sr. No. 1, 2, and 3) were procured in July 2008 at a cost of ₹ 1.02 crore but were not issued to the indenting divisions as of May 2010. These panels had guarantee/warranty period of 18 months from the date of purchase or 12 months from the date of commissioning, whichever was earlier, which had already elapsed during storage period. Reasons for non-utilization of the items during the guarantee/warranty period as well as future plans for their utilization were not on record.

Thus, the procurement of store items without actual requirement for a reasonable period resulted in blockage of funds of ₹ 2.00 crore.

The matter was referred to the department in February 2012. The department stated (May - June 2012) that out of items costing ₹ 2.00 crore, three items viz., Capacitor Bank, 11 KV 13 Panel Indoor Switch Board and 33 KV 5 Panel Switch Board costing ₹ 1.00 crore were procured against the sanctioned estimates and specific requirement but could not be installed due to various constraints. The constraints in utilization of these items had, however, not been specified. The department also stated that most of the items were particularly required for day to day maintenance and were necessarily required to be readily available for meeting any emergency and that efforts were being made in consultation with the user divisions to ensure utilization of all the items and that the total value of items lying in store was ₹ 71.97 lakh, as of April 2012.

The department's reply establishes that these high value items were procured in anticipation of their demand. The delay in their use had resulted in blockage of funds of ₹ 2.00 crore for one to eight years as of May 2010. Besides the guarantee/warranty period of certain items had lapsed even before their use.

4.3 Avoidable extra expenditure of ₹ 26.09 lakh on procurement of stores

Avoidable extra expenditure of ₹ 26.09 lakh had been incurred due to procurement of cables at non-competitive rates.

As per Rule 160 of General Financial Rules 2005, all Government purchases should be made in a transparent, competitive and fair manner, to secure best value for money.

Test check of records revealed that the Store Division purchased cables costing ₹ 3.42 crore including cables costing ₹ 50.00 lakh procured at a discount of one *per cent* (₹ 50476) during April 2009 to December 2009 as detailed in **Annexure-IV**.

It was, however, observed that two firms viz., M/s Somex India and M/s Windsor Cable Pvt. Ltd. on DGS&D rate contract for supply of cables of the same specification were offering discount ranging from one to five *per cent* depending upon the basic order value. The offers of discount of these firms were valid from

March 2009 to March 2010. Had the division placed supply orders with these firms offering higher discount, a total discount of ₹ 14.89 lakh could have been availed.

Thus, the procurement of cables at higher rates ignoring firms on DGS&D rate contract offering higher discount resulted in avoidable extra expenditure of ₹ 14.39 lakh.

(b) It was further observed that the division had purchased store items costing ₹ 47.09 lakh on DGS&D rates during April 2009 to November 2009 and store items of the same specifications costing ₹ 35.39 lakh through open tenders in March 2010. The rates received in open tenders were comparatively less than the DGS&D rates as detailed in **Annexure-V**. Due to not obtaining competitive rates by call of tenders from open market before placing the orders at DGS&D rates, the Division had to incur an extra expenditure of ₹ 11.70 lakh on purchase of items at DGS&D rates as compared to the market rates during the same year 2009-10.

Had the Division invited open tenders before placing the orders at DGS&D rates, extra expenditure of ₹ 11.70 lakh could be avoided.

The matter was referred to the department in March 2011. The Department stated (March 2011 and June 2012) that one of the reasons for purchase of cable on DGS&D rate contract was urgency of requirement but the circumstances under which such urgency was allowed to crop up was not brought out in the reply. Further, the department stated that the firms chosen, met the criteria such as; capability of manufacturers, past performance, quality of product and timely delivery but did not state why the firms offering higher discount were not chosen.

The Department, while agreeing with the purchase of cable at higher rates from DGS&D as compared to rates received by call of tenders from open market, stated (March 2011 and June 2012) that the cable was purchased through open tendering when sufficient time margin was available and that in open tendering, manufacturers all over the country including those availing subsidies, taxes and duties also participate resulting in competitive rates and that the market rates could never be predicted in advance.

The reply was not tenable. The Department had received requirement from the user divisions as early as September 2008 to March 2009 whereas some supply orders were issued as late as November 2009. There was sufficient time available for open tendering especially in view of the fact that in January 2010 it took only 35 days in issue of supply order after opening of tenders.

The fact, therefore, remains that due to not making purchase of cable at competitive rates, an extra avoidable expenditure of ₹ 26.09 lakh had been incurred.

CHAPTER-V: ENFORCEMENT DEPARTMENT**5. Delay in allotment of parking lots—avoidable loss of ₹ 91.74 lakh**

Due to inordinate delay in allotment of parking lots, the Council suffered an avoidable loss of ₹ 75.63 lakh. Moreover, the terms of licenses was extended without call of fresh bids and during the extended period, the license fee was collected at reduced rate without any justification resulting in further avoidable loss of ₹ 16.11 lakh.

As per Section 12(w) of NDMC Act, 1994, the construction and maintenance of garages, sheds and stands for vehicle is discretionary function of the Council. Accordingly, the construction and allotment of parking lots within its jurisdiction is carried out by the Council.

Scrutiny of Demand and Collection Register (DCR) and other records of the department revealed that timely action to allot various parking lots was not taken before the expiry of previous contract/licence. Due to delay upto seven months in allotment of parking lots without any justification on record, Council suffered an avoidable loss of ₹ 75.63 lakh as per the details given below:-

(Amount in ₹)

Place of parking lot	Licence fee per month	Month of expiry of previous licence	Month of reallocation	Delay in allotment (in months)	Total loss
Palika Bhawan	55786	11/2009	03/2010	03	167358
Bangla Sweets	48111	01/2009	09/2009	07	336777
R.R.K.G.Marg	651786	01/2010	03/2010	01	651786
Sangeet Bharti & FICCI Auditorium	86786	12/2009	03/2010	02	173572
In front of St. Columbus School	3111	01/2010	02/2010	01	3111
Hailey lane	111786	01/2010	02/2010	01	111786
lace					
Inner circle	633000	03/2009	06/2009	02	4431000
		10/2009	04/2010	05	
H-Block,R.R. R.K.Road	82202	03/2009	06/2009	02	246606
		02/2010	04/2010	01	
G-Block,R.R. P.K.Road	71786	03/2009	06/2009	02	143572
K-Block Masjid U Block, R.R.No.5	202850	03/2009	06/2009	02	405700
L-Block R.R.No.6, Nirulas	136600	03/2009	06/2009	02	273200
Between M&N Block	306000	03/2009	06/2009	02	612000
Kali Mandir	3551	03/2009	06/2009	02	7102
Total					7563570

(ii) Audit scrutiny further revealed that the term of licenses of various parking lots was extended without calling fresh bids. Moreover, during the extended period, the licence fee was collected at reduced rates without any justification by the department. Due to reduction in rates of licence fee during the extended period, the Council suffered a loss of ₹ 16.11 lakh as per details given below:-

(Amount in ₹)

No. of Register	Place of Parking Lot	Original rate of licence fee	Reduced rate of licence fee	No. of months in which reduced rate charged	Total loss
1-A	Mayur Bhawan	233889	213888	3	60003

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	Super Bazar	294000	243000	5 months	255000
		294000	182250	23 days	91795
	Scindia House in front of Fedral Motors	300000	290000	6	60,000
	Kenning Lane	1148786	951686	5	985500
	Niti Marg	56807	32664	1	24143
-B					
	Malcha Marg Market	329100	194639	1	134461
					1610902

Thus, a total avoidable loss of ₹ 91.74 lakh was suffered by the Council due to delay in reallotment of parking lots prior to expiry of the terms of previous licences and charging reduced rates of licence fee during the extended period.

The matter was referred to the department in February 2012; their reply was awaited (August 2012).

CHAPTER-VI: HOUSE TAX DEPARTMENT

6.1 Non-realization of property tax against dishonoured cheques for ₹ 3.46 crore

Lackadaisical approach of the Department to recover property tax against 238 dishonoured cheques during 2008-10 resulted in non-realization of ₹ 3.46 crore as of December 2010

Rule 19(1) (b) of Central Government Account (Receipts and Payments) Rules, 1983 enjoins that in the event of the cheque or draft tendered in payment of Government dues or in settlement of other transactions getting dishonored, the fact shall be reported at once to the tenderer with a demand for payment in cash and the dishonored cheque or draft should be returned to the tenderer on surrendering the preliminary acknowledgement of the receipt of the cheque or draft or any token previously granted without accepting any liability for loss or damage which may possibly occur as a result of delay in intimating that the cheque or draft had been dishonored.

Further, Section 138 of the Negotiable Instruments Act 1881, as amended from time to time, envisages that the payee or holder in due course of a dishonoured cheque, as the case may be, should make a demand for payment of the amount of money by giving a notice, in writing to the drawer of the cheque within thirty days of the receipt of the intimation by the payee from the bank regarding the return of the cheque as unpaid and if the drawer of the cheque fails to make payment of the said amount of money to the payee within fifteen days of the receipt of the said notice, such person shall be deemed to have committed an offence punishable under the Act.

Audit scrutiny of the Dishonoured Cheque Register revealed that during 2008-09 and 2009-10, 110 cheques for ₹ 1.52 crore and 163 cheques for ₹ 2.52 crore respectively tendered by the assesses in favour of the Council towards payment of property tax were dishonoured. Out of these, 33 cheques for ₹ 48.16 lakh and 02 cheques for ₹ 9.03 lakh pertaining to 2008-09 and 2009-10 respectively were subsequently cleared by the assesses leaving 238 uncleared cheques for ₹ 3.46 crore (**Annexure-VI**) as of December 2010.

Besides, there was nothing on record to show that the cheques dishonoured were reported at once to the respective tenderers making a demand in cash/draft and the drawers of the dishonoured cheques were given requisite notice in writing.

The matter was also pointed out in para 6.9 of the Annual Audit Report for the period ended March 2001. Department failed to take suitable action against the defaulting tenderers submitting bouncing cheques despite being pointed out in Audit.

The department needs to put in place a system to immediately black list the tenderers submitting bouncing cheques and take immediate steps for effecting recovery of the dues. A lackadaisical approach of the department encourages such transgressors besides leading to non realization of revenue of ₹ 3.46 crore.

The matter was referred to the department in February 2012; their reply was awaited (August 2012).

6.2 Non-recovery of arrears of service charges in respect of Central Government properties - ₹ 47.59 crore

Despite clear and specific orders from Ministry of Home Affairs and directions of the Hon'ble Supreme Court, the department had not taken appropriate action for enforcing recovery of service charges on the Union Government properties (lands and buildings) which resulted in accumulation of arrears of ₹ 47.59 crore as of March 2010.

Article 285 of the Constitution provides that the properties of the Union Government shall, save in so far as Parliament may by law otherwise provide, be exempt from all taxes imposed by a State or by any authority within a State. Section 65 of the NDMC Act, 1994 also stipulates that lands and buildings being properties of the Union shall be exempt from the property tax.

Ministry of Home Affairs approved (April 1964) levy of service charges @ 75 per cent of the property tax on the Union Government properties (lands and buildings) in the Union Territory of Delhi from 1st April 1954.

Further, the Ministry of Urban Development communicated (December 2009) the directions of Hon'ble Supreme Court of November 2009 to levy and recover the service charges on the properties (lands and buildings) owned by Central Government Departments by Urban Local Bodies.

Scrutiny of the records revealed that service charges of ₹ 47.59 crore on properties owned by Central Government Departments were in arrears as of March 2010 as per details given in the table below:

(₹ in crore)

Sl. No.	Name of Department/ Ministry	Arrears as on 31.03.09	Demand for 2009-10	Total arrears	Payment received during 2009-10	Balance as on 31.03.10
1	CPWD	24.67	9.81	34.48	9.66	24.82
2	Defence	12.66	2.87	15.53	-	15.53
3	P&T	0.20	0.17	0.37	0.01	0.36
4	Railway	3.62	0.16	3.78	-	3.78
5.	Other Govt. Departments	3.18	5.27	8.45	5.35	3.10
	Total	44.33	18.28	62.61	15.02	47.59

Dates from which the service charges were levied and recovered from different departments of Central Government and year-wise details of arrears were not available with the department.

Thus, despite clear and specific orders from Ministry of Home Affairs and directions of the Hon'ble Supreme Court communicated by Ministry of Urban Development, the department had not taken appropriate action for enforcing recovery of service charges which resulted in accumulation of arrears of ₹ 47.59 crore as of March 2010.

The matter was referred to the department in April 2012. The Department stated (June 2012) that the different Government Departments viz., Railways, Posts & Telegraphs, etc. were not making payment on the plea of Article 285 of the Constitution and decision of the Hon'ble Supreme Court of India, of 21 January 2007 and the Defence Establishments for one or other reasons.

The fact remains that the department failed to enforce recovery of service charges from Government Departments despite specific orders of Ministry of Home Affairs and directions of Hon'ble Supreme Court.

The matter was also pointed out in para 14.2 of the Annual Audit Report for the period ended March 2007 regarding non recovery of service charges of ₹ 43.78 crore as of March 2007. The department had stated (December 2010) that the reason for escalation of service charges was due to claiming service charges @ 100 per cent by the Council, whereas CPWD claims that the same should be taken only @ 75 per cent. It was also stated that it had been decided at the level of Additional Secretary, Ministry of Urban Development that billing be made @ 75 per cent and the department would move to the Committee of

Disputes of Cabinet Secretariat for recovery @ 100 per cent instead of 75 per cent. Action taken by the department to resolve the issue had not been intimated as of August 2012.

6.3 Non-recovery of arrears of property tax of ₹ 650.40 crore

Non-recovery of property tax of ₹ 650.40 crore from 7620 defaulting assesses as of March 2010

Section 101 of the NDMC Act, 1994 provides that if the person liable for payment of any tax does not, within 30 days of the service of the notice of demand under Section 100 pay the sum due and if no appeal is preferred against such tax, he shall be deemed to be in default. Further, when the person liable for payment of any tax is deemed to be in default, such sum not exceeding 20 per cent of the amount of the tax as may be determined by the Chairperson, may be recovered from him by way of penalty, in addition to the amount of the tax. The amount due as penalty shall be recoverable as an arrear of tax under this Act. Section 102 of the Act further provides that if the person liable for the payment of the tax does not, within 30 days from the service of the notice of demand, pay the amount due, such sum together with all costs and the penalty provided for in Section 101 may be recovered under a warrant, issued in the form set forth in the Seventh Schedule, by distress and sale of the moveable property or the attachment and sale of the immovable property, of the defaulter.

Audit scrutiny (December 2010) of the records revealed that arrears of property tax including penalty of ₹ 650.40 crore were outstanding against 7620 assesses as of 31 March 2010 as given in the table below:-

(₹ in crore)

Amount of arrears	Property Tax		Penalty		Total amount in Arrears
	No of cases	Amount	No of cases	Amount	
Upto ₹ 50,000	3819	4.78	609	0.17	4.95
Above ₹ 50,000 & upto ₹ 1.00 lakh	880	6.33	133	0.14	6.47
Above ₹ 1.00 lakh & upto ₹ 5 lakh	1699	42.27	425	0.79	43.06
Above ₹ 5.00 lakh & upto ₹ 25 lakh	945	101.51	292	1.81	103.32
Above ₹ 25 lakh & upto ₹ 50 lakh	124	45.94	24	0.57	46.51
Above ₹ 50 lakh & upto ₹ 1 crore	77	50.55	20	0.91	51.46
Above ₹ 1 crore & upto ₹ 3 crore	53	86.40	13	0.59	86.99
Above ₹ 3 crore	23	306.63	4	1.01	307.64
Total	7620	644.41	1520	5.99	650.40

The year-wise breakup of arrears of tax outstanding against the assesses and the amount of recovery under stay and remand, if any, was not available with the department. An analysis of outstanding arrears, however, revealed that though 7620 assesses were in default of payment of property tax, penalty was levied only in 1520 cases (19.95 percent). No specific reason for non-levy of penalty in 6100 other cases was furnished by the department.

Thus, despite specific provisions in the Act for enforcing recovery of municipal taxes from the defaulting assesses, the department had not taken requisite action for recovery of property tax which resulted in accumulation of arrears of ₹ 650.40 crore as of March 2010.

Mention was also made in para 9.1 of the Annual Audit Report for the period ended March 2008 regarding non-recovery of arrears of property tax of ₹ 675.60 crore as of March 2008. Action taken by the department to recover the outstanding arrears has not been intimated.

The matter was referred to the department in April 2012. The department stated (June 2012) that total arrears against assesses would be lower if cases in remand and stay were excluded. The Department further stated that sincere efforts were being made to reduce the arrears demand to the minimum. However, the details of outstanding arrears due to stay orders or remand and action taken to recover the arrears were not furnished by the department.

The fact remains that the department failed to effect recovery of arrears of ₹ 650.40 crore as of March 2010.

CHAPTER-VII: INFORMATION TECHNOLOGY DEPARTMENT

7. Irregular procurement of computers and peripherals – blockage of funds of ₹ 45.39 lakh

Irregular procurement of computers and its peripherals without ensuring availability of site for their installation and networking resulted in blockage of funds of ₹ 45.39 lakh.

The Council accorded (May 2006) administrative approval and expenditure sanction for ₹ 3.08 crore for shifting the office of Commercial Department from Palika Kendra to S.B.S. Place Gole Market. This included a provision of ₹ 55.34 lakh for providing Computers and related peripherals with internet/networking facility.

On the basis of requirements projected by the Commercial Department, Information Technology Department placed orders for supply and installation of (i) net working items (230 points) in May 2009 at a cost of ₹ 12.86 lakh and (ii) 81 Computers, 2 Computer notebooks, 80 Printers and 2 online 30 KVA UPS in July-August 2009 at a cost of 46.31 lakh.

The availability of site for installation of networking points, computers and peripherals etc. had not been ensured by the department before placing the orders for their procurement.

The networking items and computers with peripherals were supplied by the firms between June 2009 and October 2009. The payment of ₹ 9.93 lakh, being 90 *per cent* of the cost of networking items and ₹ 45.39 lakh, being 98 *per cent* of the cost of computers and its peripherals was released to the firms in March 2010 and November 2009 respectively.

Further, as per the terms and conditions for supply of computers and its peripherals, the contractor shall provide three year warranty in case of desktop and one year in case of other items.

Due to non-availability of site for installation of networking items, the computers and its peripherals could not be installed and utilized as of March 2010 resulting in blockage of funds ₹ 45.39 lakh spent on their purchase besides lapse of guarantee/warranty period.

The matter was referred to the Department in January 2011. The Department stated (February 2012) that all the networking items had been installed in September 2010 and that the delay in networking was due to the site preparation being highly delayed by Civil Department due to change in the sitting arrangement by Architect Department.

The fact remains that the procurement of computers and its peripherals, etc., without ensuring availability of site for their installation and networking resulted in blockage of ₹ 45.39 lakh for over 9 months. Besides, guarantee/warranty period of over a year, out of three years available on desktop and the entire guarantee/warranty period of one year available on other items had elapsed.

CHAPTER-VIII : MUNICIPAL HOUSING DEPARTMENT

8.1 Occupation of two accommodations by one employee -non-recovery of dues of ₹ 6.79 lakh

Negligence on the part of the department in allowing simultaneous occupation of two accommodations to an employee and non-recovery of dues of more than ₹ 6.79 lakh.

In terms of Supplementary Rule 317-B-12(2), where an officer, who is in occupation of a residence, is allotted another residence and he occupies new residence, the allotment of former residence shall be deemed to be cancelled from the date of occupation of the new residence. After such date of occupation, he may, however, retain the former residence on payment of normal licence fee thereof, for a period of 15 days for shifting to the newly allotted accommodation, provided that, if the former residence is not vacated within 15 days, the officer shall be liable to pay damages for use and occupation of said residence, furniture and garden charges as may be determined by Government from time to time with effect from sixteenth day of the date of occupation of the new residence.

Test check of records of the Department revealed that Sh. Dharam Pal, Ex-Driver, was allotted quarter No. 10 (III) at P.R. Market on 26 March 2004 which was occupied on 7 May 2004. He was subsequently allotted another quarter No. 44 (III) Aditya Sadan, New Delhi by the Department cancelling allotment of his earlier quarter on 5 November 2004. The new quarter was occupied by the official on 8 November 2004. Even after cancellation of allotment of earlier quarter on 5 November 2004 and occupying the new residence on 8 November 2004, the official unauthorisedly continued to occupy the earlier quarter till 17 December 2009 even after having retired from service on 30 June 2009. He retained the second quarter till 6 May 2010. A provisional demand certificate for ₹ 6.79 lakh was issued on 22 January 2010 i.e. after retirement of the official in June 2009, in respect of quarter No. 44 (III), Aditya Sadan, New Delhi upto the period 31 January 2010 charging market rent from 21 November 2004 to 17 December 2009 for occupation of two accommodations. There was nothing on records to show that recovery had been made by the department from the allottee.

Negligence on the part of the department in getting the accommodation No. 10 (III) P. R. Market vacated in time and inordinate delay in issuing provisional demand certificate for ₹ 6.79 lakh including damage charges for the period 21 November 2004 to 17 December 2009 resulted in non recovery of the dues by like amount. Unauthorized retention of earlier accommodation also deprived the next eligible applicant on the priority list, of the facility of Municipal accommodation.

Status of issue of final demand certificate after vacation of quarter No. 44 (III), Aditya Sadan on 6 May 2010 and recovery of total dues was awaited as of May 2012.

The matter was referred to the department in February 2012; their reply was awaited (August 2012).

8.2 Undue delay in revision of rates of licence fee – non-realization of arrears of ₹ 1.66 lakh.

Revision of rates of licence fee from July 2007, consequent upon the revision of rates by Government of India, was made by the department after a delay of over three years in October 2010. Arrears of ₹ 1.66 lakh as of March 2010 due to revision of rates had not been recovered (July 2012).

In terms of Council Resolution (April 1998), the orders of Government of India in the matter of allotment of residential accommodation and licence fee etc. are treated as automatically implemented from the date of issue of instructions.

Directorate of Estates, Ministry of Urban Development, Government of India revised (September 2007) the rates of licence fee from Ist July 2007 recoverable for the residential accommodation available in General Pool and also in Departmental Pools of Ministry/ Departments of the Government of India throughout the country as given in the table below:

(Amount in ₹)

Grade Pay	Entitled type	Living area (in sq.m.)	Rate of licence fee		Difference
			Revised w.e.f. 01.07.2007	Existing w.e.f. 01.06.2005	
1300-1400 1600-1650 and 1800	IA	Upto 30	81	80	01
1900-2000 2400, 2800	II B	26.5-40 41-50	144 185	143 183	01 02
4200-4600 and 4800	III C	35.5-55 56-65	219 268	217 265	02 03
5400, 6600 6600	IV IV Spl D	59-75 76-91.5	297 371	293 367	04 04
7600 8700-8900	VA-D.II VB-D.I	Upto 106 Beyond 106	526 639	520 632	06 07

The Department has 3594 quarters of different categories. Scrutiny of relevant records revealed that the department had not revised the rates of licence fee as of June 2010, consequent upon revision of rates by Government of India from July 2007, resulting in short recovery of licence

fee of ₹ 1.66 lakh as detailed below:

Category	No. of quarters	Minimum difference of licence fee in each category (in ₹)	No. of months w.e.f. 1.7.07 to 31.3.10	Amount (in ₹)
Type I	1696	01	33	55968
Type II	1060	01	33	34980
Type III	596	02	33	39336
Type IV	160	04	33	21120
Type V	76	06	33	15048
Total				166452

Thus, non-revision of licence fee by the Department resulted in non-realization of arrears of ₹ 1.66 lakh as of March 2010.

The department, on the non-revision of rates

being pointed out (June 2010) in Audit, informed (July 2012) that the revision of rates from July 2007 was communicated to Central Billing Section (CBS) in October 2010 and that the status of recovery of arrears of licence fee was awaited from CBS.

Thus, there was undue delay of over three years in the revision of rates of licence fee from July 2007. Arrears of ₹ 1.66 lakh as of March 2010 had not been recovered (July 2012).

The matter was referred to the department in August 2012; their reply was awaited (August 2012).

CHAPTER-IX: SANITATION DEPARTMENT

9.1 Short recovery of concession fee – ₹ 20.66 lakh

Department's failure to monitor the recovery of concession fee on account of advertisements at 94 public toilet utilities resulted in short recovery of ₹ 20.66 lakh including interest of ₹ 4.45 lakh calculated at the minimum rate of ₹ 98,823 per month as of September 2010. The Department had also not obtained the details of advertisement receipts collected by the contractor as required under the agreement to work out actual concession fee recoverable.

The financing, renovating, operating and maintenance of 94 Public Toilet Utilities in the NDMC area was contracted to a company M/s Hythro Power Corporation Limited on Build, Operate and Transfer basis for a period of seven years (extendable by five years on mutually agreed terms and conditions) in April 2006. The contract provided that (i) Commercial Operation Date (COD) of the project shall be the date on which an independent engineer issues completion certificate/ provisional certificate, which was to be issued not later than six months from the commencement date and (ii) the commencement date would be the date on which the physical possession of the project site is delivered by the Council to the contractor, which was not to be later than 30 days from the date of agreement. Thus, the COD of the project was to start after seven months from the date of agreement i.e. from December 2006.

As per the contract, the company was authorized to collect revenue from advertisements at the Project facility and would pay a concession fee of 9.71 *per cent* of the share of its receipts from advertisements, to the department on quarterly basis till the end of the agreement period. The minimum concession fee payable was ₹ 98,823 per calendar month for the first year and for subsequent years, the minimum fee was to be increased by 5 *per cent* every year. Such payments were to be made from the COD. The agreement also provided that the concession fee should be paid not later than 10th of every month for which it is due. Failure on part of the contractor to pay concession fee by due date would attract payment of interest @ 10 *per cent* per annum on the entire unpaid amount payable during the month from the beginning of that month. The contractor was required to maintain a dedicated account of the advertisement receipts collected by it and to furnish a quarterly statement of such bank account to the Council.

Test check of records revealed that the contractor had started making payment of concession fee to the Council only from November 2007, while as per the terms and conditions of the contract the fee was to be paid from December 2006 being the COD. Moreover, the contractor had made payments at the minimum rate of ₹ 98,823 per month upto September 2010 and that too irregularly without enhancement of minimum fee by 5 *per cent* every year, in contravention of the contract conditions.

The department had not obtained the details of advertisement receipts collected by the contractor as required under the contract. As such the exact amount of concession fee recoverable by the Council at the rate of 9.71 *per cent* of the advertisement receipts of the contractor could not be ascertained in audit. The concession fee short paid by the contractor at the minimum rate of ₹ 98823 per month for the first year increased by 5 *per cent* every subsequent year, as per agreement, worked out to ₹ 20.66 lakh including interest of ₹ 4.45 lakh* as of September 2010.

The matter was referred to the Department in February 2011. The Department stated (March 2011) that the case for fixing the COD was in process with the competent authority and as soon as it was fixed, further necessary action as per the provisions of the concession agreement would be initiated.

The reply was not tenable as the COD was clearly defined in the contract terms itself, which was to start after seven months from the date of agreement i.e., December 2006.

Thus, inaction on the part of the department to recover concession fee as per agreement enabled the contractor to short pay concession fee of ₹ 20.66 lakh including interest of ₹ 4.45 lakh, as of September 2010.

9.2 Non-levy of penalty of ₹ 20.82 lakh despite non-compliance with the segregation benchmark of Municipal Solid Waste, by the contractor

Department did not levy penalty of 5 per cent of tipping fee of ₹ 4.16 crore paid to the contractor during 2009-10 despite non fulfillment of sampling requirements for establishing compliance with the segregation benchmark of MSW duly certified by the independent consultant resulting in excess payment of ₹ 20.82 lakh to the contractor.

NDMC, with the objective to improve Municipal Solid Waste (MSW) management services in selected circles under its jurisdiction, entered into an agreement with a contractor on 8 September 2006 to carry out the functions of collection, segregation and transportation of MSW and Landscape Waste.

* Calculated @10 per cent of unpaid minimum fee at the beginning of every month.

The agreement provided for payment of a tipping fee to the contractor on the basis of the quantity of MSW transported and delivered at the landfill facility or treatment facility. To claim the tipping fee, the contractor was required to submit, by 5th of each month, separate details of biodegradable, non-biodegradable and landscape waste transported by him during the previous month, after getting such substances tested for their level of segregation benchmark achieved, by the Independent Consultant (IC) appointed by NDMC. The MSW transported by the contractor was required to be inspected and verified by the IC to assess adherence by the contractor to the segregation requirements.

The tipping fee payable by NDMC was to be based on the level of segregation achieved during the month and in case of non-achievement of the segregation benchmark as prescribed in Article 7.2(a) of the agreement, the contractor was liable to pay penalty of 5 per cent of the tipping fee.

The details of the quantities of biodegradable, non-biodegradable and landscape waste required to be submitted by the contractor for claiming tipping fee and the certificate of the IC in respect of fulfillment of sampling requirements were, however, not found on record. In the absence of details of segregation duly certified by the IC, compliance with the segregation benchmark, as per terms and conditions of the agreement can not be said to have been achieved by the contractor. The contractor was, therefore, liable to pay penalty of ₹ 20.82 lakh being 5 per cent of the total tipping fee of ₹ 4.16 crore paid to him during 2009-10. No such penalty had, however, been levied by the department resulting in excess payment of ₹ 20.82 lakh to the contractor.

The matter was referred to the department in March 2011. The department stated (March 2012) that though segregation of municipal waste was being done, the management of 'Waste to Energy Plant at Okhla', where the garbage was disposed off for conversion into electrical energy, was complaining of decreased amount of garbage and of low caloric value. The department added that maximum segregation mark of municipal waste had already been achieved. The department's reply was however, silent on the issue of submission of details of the quantity of biodegradable, non-biodegradable and landscape waste and segregation benchmark achieved duly certified by the IC which were required to be ensured before authorization of tipping fee and the reasons for non levy of penalty. Declining caloric value also prove that the segregation benchmarks were not achieved.

Thus, non-levy of penalty of 5 per cent of tipping fee of ₹ 4.16 crore paid during 2009-10 on account of non compliance with segregation benchmark of MSW resulted in excess payment of ₹ 20.82 lakh.

9.3 Blockage of funds of ₹ 24.82 lakh due to non-distribution/ usage of Twinbins and Cycle Rickshaws

Failure on the part of the department to distribute twinbins and cycle rickshaws for the collection of garbage from the door steps of residents resulted in blockage of funds of ₹ 24.82 lakh.

Solid Waste Management of the area is one of the prime functions of the Municipality. As per the recommendations contained in the Manual of Solid Waste Management of the Ministry of Urban Development, Government of India, the local body may encourage NGOs/private sector to collect both food/biodegradable waste as well as recyclable waste from the door steps on their own by making direct contractual arrangement with the resident associations/commercial complexes to reduce their financial burden. The Council approved (November 2007), a scheme for door to door collection of garbage with the help of an NGO at 51 places in NDMC area to curb the menace of indiscriminate throwing of garbage. Implementation of the scheme in the remaining residential colonies of NDMC area was also approved by the Council in September 2008.

Under the scheme, NDMC was to provide twinbins to the entire household and adequate number of tricycle rickshaws to the NGO as per the requirement of the area, free of cost. In order to implement the scheme, 2200 twinbins for supply to each household and 16 rickshaws for collection of garbage were purchased at a cost of ₹ 22.68 lakh in March- May 2008 and 6784 twinbins and 40 rickshaws at a cost of ₹ 67.75 lakh in October 2009.

Test check of records revealed that out of total of 8984 twin bins and 56 cycle rickshaws purchased at a cost of ₹ 90.43 lakh, only 6387 twin bins and 47 cycle rickshaws had been distributed by the Sanitation Store as of September 2010. The remaining 2597 twinbins and 9 cycle rickshaws costing ₹ 24.82 lakh were lying in the Store as of September 2010 resulting in blockage of funds of ₹ 24.82 lakh spent on their purchase.

Besides, the scheme objectives of door to door collection of garbage from each household had remained unfulfilled even after four years of the directions of the Chairman to implement the scheme by February 2008, in the entire area under NDMC.

The matter was referred to the department in February 2011. The department stated (March 2012) that there was no blockage of funds on procurement of twinbins and cycle rickshaws as the same were distributed to Resident Welfare Associations (RWAs) and the NGO. The department also stated that a few of the RWAs were initially not responsive to get involved in the process of door to door garbage collection system. Reply of the department was not correct as 2597 twinbins and 9 cycle rickshaws costing ₹ 24.82 lakh were lying in the store as of September 2010 even after one year of their purchase. Further, purchase of twinbins and cycle rickshaws without obtaining prior consent of RWAs for whom these were to be used lacked justification.

Had the department purchased the twinbins and cycle rickshaws after obtaining the willingness of the involved RWAs, the blockage of funds of ₹ 24.82 lakh could be avoided.

CHAPTER-X: RECOVERY AT THE INSTANCE OF AUDIT**10. Recovery of electricity charges of ₹ 12.23 lakh**

Department's failure to include electricity consumption charges, taxes, etc. in the electricity bills of a consumer led to short levy of electricity charges of ₹ 12.23 lakh. On being pointed out in audit, department recovered ₹ 12.23 lakh in March 2012.

As per Section 200 of NDMC Act 1994, charges shall be leviable for the supply of electricity by the Council at such rates as may, from time to time, be fixed by the Council. Further according to clause 41(ii) of Delhi Electricity Supply Code, the licensee shall raise the bill for every billing cycle based on actual meter readings. The bills sent to consumers by the licensee should reflect details e.g. present and last meter readings, sanctioned load, fixed charges, quantity of electricity consumed during the cycle, rate, total amount to be paid for consumption, surcharge for delayed payment, etc.

The Department raised the electricity bills against a consumer (No. 600214), having a load of 217.70 KW, for four months from September 2009 to December 2009, only for the meter rent @ ₹ 70 per month.

Scrutiny of the records revealed that though the consumption of electricity in units, as per meter reading, was recorded but the electricity consumption charges, applicable demand charges and electricity tax thereon were not included in the bills raised against the consumer as detailed below:-

(Amount in ₹)

Month	Consumption (in Unit)	Amount recoverable on account of			
		Electricity charges	Demand charges*	Electricity tax**	Total
September 2009	104880	377088.00	436.00	18854.40	396378.40
October 2009	90000	323520.00	436.00	16176.00	340132.00
November 2009	55440	199104.00	436.00	9955.20	209495.20
December 2009	73360	263616.00	436.00	13180.80	277232.80
Total		1163328.00	1744.00	58166.40	1223238.40

* Levied @ ₹ 2.00 per KW per month on total load of 217.70 KW.

** Levied @ 5 per cent on electricity charges.

Failure on the part of the Department to raise the electricity bills including actual consumption charges based on meter reading and applicable taxes resulted in short levy of electricity charges of ₹ 12.23 lakh.

On being pointed out in audit in December 2010, the department issued revised bills to the consumer in February 2011 and recovered ₹ 12.23 lakh in March 2012.

**(VARSHA TIWARY)
CHIEF AUDITOR**

**New Delhi
Dated**

**Annexure-I
(Refer Para 3.3)**

Cases of non-levy of surcharge where MDI exceeded five percent of the sanctioned load

(Amount in ₹)										
S. No.	Consumer No.	Billing Month & Year	Sanctioned load (KVA)	MDI Reading	Multiply factor	Load (KVA) as per MDI	Demand charges as per bill	Energy charges plus electricity tax	Total charges	MDI surcharges @ 30% on energy charge plus demand charges due
1	6500538	May-09	2170	783.7	10	7837	325500	2846302	3171802	951541
2	6500538	Jun-09	2170	783.7	10	7837	325500	3430470	3755970	1126791
3	6500538	Jul-09	2170	1002.9	10	10029	325500	3280041	3605541	1081662
4	6500538	Aug-09	2170	1002	10	10020	325500	3672206	3997706	1199312
5	6500894	Apr-09	324	313.8	4	1255.2	48600	88134	136734	41020
6	6500894	May-09	324	335.2	4	1340.8	48600	76654	125254	37576
7	6500894	Jun-09	324	335.2	4	1340.8	48600	82148	130748	39224
8	6500894	Jul-09	324	335.2	4	1340.8	48600	71307	119907	35972
9	6500539	May-09	706	94.6	30	2838	105900	1534548	1640448	392134
10	6500539	Jul-09	706	94.6	30	2838	105900	1734300	1840200	552060
11	6500539	Aug-09	706	122.1	30	3663	105900	1943277	2049177	614753
12	6500506	Apr-09	1765	24.66	2000	49320	264750	3542400	3807150	1142145
13	6500506	May-09	1765	26.46	2000	52920	264750	3681800	3946550	1183965
14	6500506	Jun-09	1765	27.34	2000	54680	264750	4042600	4307350	1292205
15	6500506	Jul-09	1765	28.24	2000	56480	264750	3952400	4217150	1265145
16	6500506	Aug-09	1765	31.5	2000	63000	264750	4559200	4823950	1447185
17	6500506	Jan-10	1765	40.63	2000	81260	264750	2644200	2908950	872685
18	6500506	Feb-10	1765	41.98	2000	83960	264750	2823600	3088350	926505
19	6500506	Mar-10	1765	43.34	2000	86680	264750	2776800	3041550	912465
20	6500508	Apr-09	544	217.4	15	3261	81600	1754308	1835908	550772
21	6500508	May-09	544	323.3	15	4849.5	81600	1908919	1990519	597156
22	6500508	Jun-09	544	323.3	15	4849.5	81600	2033805	2115405	634622

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23	6500508	Jul-09	544	323.3	15	4849.5	81600	2191655	2273255	681977
24	6500508	Aug-09	544	446.5	15	6697.5	81600	2184357	2265957	679787
25	6500508	Sep-09	544	424	15	6360	81600	2333781	2415381	724614
26	6500508	Oct-09	544	497.1	15	7456.5	81600	2407696	2489296	746789
27	6500508	Nov-09	544	118.2	15	1773	81600	2128909	2210509	663153
28	6500508	Dec-09	544	119.1	15	1786.5	81600	1481121	1562721	468816
29	6500508	Jan-10	544	663.1	15	9946.5	81600	1302620	1384220	415266
30	6500508	Mar-10	1412	663.1	15	9946.5	211800	2032308	2244108	673232
31	6500872	Apr-09	569	15.14	600	9084	85350	271017	356367	106910
32	6500872	May-09	569	15.83	600	9498	85350	333255	418605	125582
33	6500872	Jun-09	569	16.23	600	9738	85350	476673	562023	168607
34	6500872	Jul-09	569	16.23	600	9738	85350	582207	667557	200267
35	6500872	Aug-09	569	17.48	600	10488	85350	630915	716265	214880
36	6500872	Sep-09	569	18.16	600	10896	85350	551778	637128	191138
37	6500872	Oct-09	569	19.49	600	11694	85350	511237	596587	178976
38	6500872	Nov-09	569	19.99	600	11994	85350	381508	466858	140057
39	6500872	Dec-09	569	20.39	600	12234	85350	235562	320912	96274
40	6500872	Jan-10	569	20.76	600	12456	85350	251778	337128	101138
41	6500872	Feb-10	569	21.18	600	12708	85350	224751	310101	93030
42	6500872	Mar-10	569	21.59	600	12954	85350	238265	323615	97085
Total										23664473

**Annexure-II
(Refer Para 3.5)**

Details of dishonoured Cheques (2009-10)

Sr. No.	Seat No.	Consumer No.	Cheque No.	Cheque date	Amount (in ₹)	Remarks
1	1	1024655	503009	30/10/2009	11000	Court case is pending
2	5	20119752 & 2023594	901395	25/4/2008	3097	Already disconnected on 15/04/2009
3	6	2027450 & 2019167	520847	20/05/2007	773	disconnection order issued on 08/12/2009
4	6	1026187	390654	11/6/2009	280190	disconnection order issued on 05/06/2009
5	6	1959959	390655	27/6/2009	6666	disconnection order issued on 05/06/2009
6	7	4913484	366290	25/3/2010	1202	disconnection order issued on 19/08/2010
7	7	4914359 & 4910293	755428	11/6/2009	1823	Already disconnected 06/07/2009
8	8	1966219 & 1966398	124102	17/2/2010	2015	disconnection order issued on 08/09/2010
9	9	1952860	215707	11/11/2009	5422	Notice issued on 5/10/2010
10	10	1961457	972450	11/8/2009	11391	Already disconnected on 18/05/2010
11	13	1003215	93718	28/4/2009	4541	Disconnection order issued on dated 9/12/2010
12	13	1003127, 1003128 & 1003203	135762	5/3/2010	49058	disconnection order issued on 16/11/2010
13	14	1004534	218900	30/12/2009	19848	disconnection order issued on 4.8.09, 07/12/09 & 03/06/2010
14	14	1004535	218899	30/12/2009	16306	disconnection order issued on 4.8.09, 07/12/09 & 03/06/2010
15	14	1004476	975388	9/2/2010	1026	disconnection order issued on 10/08/2010
16	15	1006261	741409	8/12/2009	18358	disconnection order issued on 19/11/2010
17	17	1966904	534287	2/3/2010	4093	disconnection order issued
18	18	1958021	295570	26/9/2009	2286	disconnection order issued 13/07/09, 24/04/09, 25/11/09 & 21/01/2010
19	18	1964000	39141	18/12/2009	1690	disconnection order issued on 08/11/2010
20	19	1952507	872755	26/3/2009	25315	disconnection order issued 22/11/2010
21	19	1952506	27941	16/12/2009	1464	disconnection order issued 22/11/2010
22	19	1952505	27942	21/12/2009	946	disconnection order issued 22/11/2010
23	19	1956705	781322	29/12/2009	222507	disconnection order issued 22/11/2010
24	19	1962209	286653	12/2/2010	5379	disconnection order issued 22/11/2010
25	19	1011331	337336	19/2/2010	5092	disconnection order issued 22/11/2010

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26	20	1012688	517739	28/1/2010	5286	disconnection order issued on 18/11/2010
27	20	1012798	852758	16/3/2010	2945	disconnection order issued on 18/11/2010
28	21	1905605	2431117	28/01/2010	33690	disconnection order issued on 18/11/2010
29	21	1964489	87948	16/3/2010	2939	disconnection order issued on 18/11/2010
30	21	1014719	87947	16/3/2010	2080	disconnection order issued on 18/11/2010
31	21	1014585	289372	16/3/2010	8739	disconnection order issued on 18/11/2010
32	21	1014583	287371	16/3/2010	22795	disconnection order issued on 18/11/2010
33	21	1014160	513575	16/3/2010	564	disconnection order issued on 18/11/2010
34	23	6500524	521850	24/6/2009	71692	case lying with cash branch for confirmation of payment since March 2010
35	HTB	5003396	267263	8/2/2010	263	Notice issued on 4/4/2010
36	HTB	5003636	563251	23/7/2010	2589	Notice issued 25/08/2010
37	HTB	5011137	299595	23/8/2010	27841	Notice issued 30/09/2010
38	HTB	5010017	854281	9/9/2010	18909	Notice issued 27/10/2010
39	HTB	5011033	725412	6/10/2010	1290	Notice issued 12/11/2010
40	NG	9227244	527070	6/4/2009	17005	Notice issued
41	NG	9238530	556948	30/03/2009	15746	Notice issued
42	NG	9245705	131947	29/4/2009	6927	Notice issued on 09/07/2009
43	NG	9238010	269008	24/4/2009	745	Notice issued
44	NG	9231666	583220	9/6/2009	2266	Notice issued on 03/09/2009
45	NG	9248874	394141	11/8/2009	18184	disconnection order issued on 28/09/2010
Total					963983	

Annexure-III
(Refer Para 4.2)

Details of items lying in store unused

Sr. No.	Name of Items	Date of purchase	Quantity as on 31.3.2010	Rate per unit	(Amount in ₹)
					Total
1.	Capacitor Bank 11 KV 5.04 MVAR	07.07.08	2 Nos.	428453	856906
2.	11 KV 350 MVA, VCB, SSB, 13 Panel Indoor Switch Board including C&R Panel 'Crompton make'	15.07.08	1 No	5086663	5086663
3.	11 KV 350 MVA, VCB, SSB Indoor type, 5 Panel Switch Board	16.07.08	2 Nos.	2149628	4299256
4.	I/C-1250A (CTR400/ 280/5A)-2 Nos. OG-800A(CTR 300/150/5A) - 1 No. O/G-400A(CTR 60/30/5A) - 2 Nos. HT xlpe Cable of size 70 mm2/3c	8.7.02	108 meter	373	40284
5.	NCT (Neutral Current Transformer)	07.07.08	2 Nos.	10418	20836
6.	Handle Set for Crompton make HT SBB Panel	23.05.03	21 Sets	676	14196
7.	HT Pillca cable of size 150 mm2/3C	9.02.08	105.7 meter	605.76	64029
8.	Steel Tubular Pole 10.5 Mts. S/O/H	18.06.08	31	8502	263562
9.	Steel Tubular Pole 10.5 Mts. D/O/H	19.06.08	27	9533	257391
10.	Empty M.S. Cable Drum	8.4.02	15 Nos.	3000	45000
11.	11KV Spout Insulator 800A 'SSG'	04.03.08	8 Nos.	10170	81360
12.	11 KV C type assembly 400/800/1200A	23.04.08 12.12.07	27 Nos. 20 sets	9674 3202	325238
13.	11 KV Connection Plate 400/800/1200A, 'SSG'	12.12.07	26 Nos.	1226	31876
14.	Bus Bar Spout Contact 'Z' type for 11 KV Panel 400 A 'SSG'	23.4.08	15 sets	16241	243615
15.	Bus Bar Spout Contact 8-00A 'Z' type for 11 KV HT Panel 800 A 'SSG'	23.04.08	14	17414	243796
16.	Tripping coil 30 V DC for SSG make VCB Panel 630 A	5.07.08	96	2562	245952
17.	Trolley Bushing 800 A for 'SSG' OCB Panel	5.7.08	45	16258	731610
18.	Trolley Bushing 1200 A for 'SSG' OCB Panel	5.7.08	18	20692	372456
19.	Closing coil 30 V DC for SSG VCB Panel 630A	5.7.08	84	2164	181776
20.	Tripping Plunger for SSG VCB Panel 630A	5.7.08	96	2513	241248
21.	Cradle Terminal (250 A) L&T	11.7.06	21	1997	41937
22.	11 KV Stemp Rod (Female Contact) 400 A 'HEL	17.1.07	31	5432	168392
23.	11 KV Moving contact Male contact 400 A. HEL	18.1.07	31	3138	97278
24.	Z' Bus Bar Connection 400 A, HEL	1.10.08	23	8868	203964
25.	Z' End side connection 400A HEL	1.10.08	23	8868	203964
26.	Tripping coil 30 V, DC 400/800A HEL	1.10.08	42	1562	65604
27.	Trolley Bushing Insulator with metallic Port 400 A HEL	1.10.08	9 set	24334	219006
28.	Moving Contact/Male contact 400A HEL	1.10.08	14 sets	18464	258496
29.	Spout Contract 400 A	1.10.08	13 sets	26920	349960
30.	CT's400/200/5A HEL	1.10.08	8 sets	26181	209448

31.	CT's 60/30/5A HEL	1.10.08	14 sets	26181	366534
32.	LT Jaw contact 2000 A	25.08.08	26	26548	690248
33.	LT connect 1600 A 'MEI'	25.08.08	30	26082	782460
34.	LT Insulating contact 1600/2000A, MEI	25.08.08	27	18863	509301
35.	LT Jaw contact 800 A	25.08.08	31	21075	653325
36.	LT Jaw contact 1600 A, Eswarn	25.8.08	29	27945	810405
37.	LT Insulating contact 800 A Eswarn	25.8.08	17	10829	184093
38.	LT Trialing connect 1600 a Eswarn	26.3.08	29	18048	523392
	Total				19984857

**Annexure-IV
(Refer Para 4.3)**

Statement showing procurement of material from firms offering less discount or no discount

S.No.	Length (in Km.)	Detail of supply orders originally placed to the firms							If supply order issued to M/s. Somex India and M/s. Windsor Cable Pvt. Ltd.		
		Particular of cable	S.O. No. & date	Rate per unit (in ₹)	Gross Amount (in ₹)	Percent - age of Discount	Discount given by the firm (in ₹)	Net Amount (in ₹) (Col. 6-8)	Percent age of Discount	Discount could have been availed (in ₹)	Extra expenditure (in ₹) (Col. 11-8)
1	2	3	4	5	6	7	8	9	10	11	12
1	18	3.5Cx400sq mm	02/09-10 21.04.09	771278.00	1388300 4	--	--	13883004		--	--
2	6	3.5Cx300sq.mm	--do--	625854.20	3755125	--	--	3755125		--	--
3	6	3.5Cx185sq.mm	--do--	395356.10	2372137	--	--	2372137		--	--
		Total			2001026 6	--	--	20010266	5	1000513	1000513
4	15	3.5Cx50sq.mm	04/09-10 21.04.09	139454.30	2091815	1	20918	2070897		--	--
5	5	3.5Cx25sq.mm	--do--	90472.71	452364	1	4524	447840		--	--
		Total			2544179		25442	2518737	3	76325	50883
6	5	3.5Cx25sq.mm	13/09-10 10.11.09	90472.71	452364	--	--	452364		--	--
7	5	3.5Cx95sq. Mm	--do--	222158.20	1110791	--	--	1110791		--	--
		Total			1563155			1563155	1	15632	15632
8	3.5	3.5Cx185sq. Mm	15/09-10 23.12.09	395356.10	1383746	--	--	1383746	1	13837	13837
9	4	3.5Cx300sq. Mm	16/09-10 23.12.09	625854.20	2503417	1	25034	2478383	3	75103	50069
10	8	3.5Cx400sq.mm	17/09-10 23.12.09	771278.00	6170224	--	--	6170224	5	308511	308511
		Grand Total			3417498 7		50476	34124511		1489921	1439445

Annexure-V
(Refer Para 4.3)

Comparative statement showing the difference in DGS&D rates and rates received in open tenders

S.No.	Particular of cable	At DGS&D Rate Contract						Through Open Tender			
		Supply Order Number and date	Rate per km. (in ₹)	Length (in Km.)	Total amount (in ₹) (Col. 4x5)	Discount (in ₹)	Net amount (in ₹) (Col. 6-7)	Supply Order Number and date	Rate per km. (in ₹)	Net Amount (in ₹) (Col. 5x10)	Extra expenditure (in ₹) (Col. 8-11)
1	2	3	4	5	6	7	8	9	10	11	12
1	3.5Cx95 sq. mm.	05/09-10 21.04.09	222158.20	4	888633	0	888633	24 02.03.10	172300	689200	199433
2	3.5Cx95 sq. mm.	13/09-10 10.11.09	222158.20	5	1110791	0	1110791	24 02.03.10	172300	861500	249291
3	4Cx16 sq. mm.	03/09-10 21.04.09	73110.58	15	1096659	10967	1085692	25 02.03.10	52750	791250	294442
4	4Cx16 sq. mm.	11/09-10 10.11.09	73110.58	10	731106	7311	723795	25 02.03.10	52750	527500	196295
5	3.5Cx25 sq. mm.	04/09-10 21.04.09	90472.71	5	452364	4524	447840	25 02.03.10	67000	335000	112840
6	3.5Cx25 sq. mm.	13/09-10 10.11.09	90472.71	5	452364	0	452364	25 02.03.10	67000	335000	117364

**ANNEXURE-VI
(Refer Para 6.1)**

Details of dishonoured cheques of property tax

(Amount in ₹)

SI. No	Month	Total dishonoured cheques		Dishonoured cheques cleared		Uncleared dishonoured cheques	
		No.	Amount	No.	Amount	No. (3-5)	Amount (4-6)
1	2	3	4	5	6	7	8
2008-09							
1.	April 2008	20	28,16,512	06	3,78,728	14	24,37,784
2.	May 2008	02	8,52,031	-	-	02	8,52,031
3.	August 2008	03	3,19,880	01	95,110	02	2,24,770
4.	December 2008	01	2,00,110	-	-	01	2,00,110
5.	January 2009	49	56,99,403	18	26,36,562	31	30,62,841
6.	February 2009	12	12,04,509	01	17,080	11	11,87,429
7.	March 2009	23	41,06,882	07	16,88,340	16	24,18,542
Total (A)		110	1,51,99,327	33	48,15,820	77	1,03,83,507
2009-10							
1.	April 2009	23	38,18,250	01	546710	22	32,71,540
2.	June 2009	03	7,99,830	-	-	03	7,99,830
3.	July 2009	10	13,65,888	01	356382	09	10,09,506
4.	August 2009	07	13,14,141	-	-	07	13,14,141
5.	September 2009	02	3,19,190	-	-	02	3,19,190
6.	November 2009	01	22,50,374	-	-	01	22,50,374
7.	December 2009	04	70,291	-	-	04	70,291
8.	January 2010	88	1,29,60,612	-	-	88	1,29,60,612
9.	February 2010	17	15,17,792	-	-	17	1,51,7792
10.	March 2010	08	7,03,395	-	-	08	7,03,395
Total (B)		163	2,51,19,763	02	9,03,092	161	2,42,16,671
Total uncleared amount (A+B)							3,46,00,178