



**Annual Audit Report
of the
Chief Auditor**

for the year ended March 2005

New Delhi Municipal Council

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PREFACE

This Annual Audit Report for the year ending 31 March 2005 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 of the entire accounts of the Council for the previous year.

The Report contains comments on the Annual Accounts for the year 2004-05 and the transactions/cases pertaining to the same period, which came to notice during the course of audit of different Departments. However, in certain important cases, the position beyond March 2005 was also reviewed and updated position has been incorporated in order to apprise the Council of the latest position.

OVERVIEW

This Report includes one chapter on the state of finance of the New Delhi Municipal Council for the year 2004-05 and six other chapters containing two reviews pertaining to 'Construction of NDCC Phase-II' and 'Settlement and disbursement of Pensionary benefits in NDMC' and 17 paragraphs dealing with results of audit of transactions of various Departments of the Council.

Financial Results

Revenue receipts increased from Rs. 861.97 crore in 2003-04 to Rs. 1077.91 crore in 2004-05, constituting an increase of 25.05 per cent over the previous year. The share of tax revenue in total revenue receipts was Rs. 172.27 crore, which constituted 15.98 per cent of total revenues. House tax continued to be the major source of tax revenue. Share of non-tax revenue was Rs. 860.85 crore, which constituted 79.86 per cent of total revenue receipts during 2004-05. The non-tax revenue increased by 24.67 per cent in 2004-05, as compared to decrease of 3.24 per cent in 2003-04. Major component of non-tax revenue was sale of energy, accounting for Rs. 533.99 crore, which constituted 62.03 per cent of total non-tax revenue.

Expenditure increased by 20.59 per cent from Rs. 801.48 crore in 2003-04 to Rs. 966.49 crore in 2004-05. The share of Economic Services in total expenditure was Rs. 552.39 crore, which accounted for 57.16 per cent of total expenditure. As compared to previous fiscal, expenditure on General Services, Social & Development Services and Economic Services in 2004-05 increased by 59.14 per cent, 9.14 per cent and 7.81 per cent respectively.

During 2004-05, as against budget estimates of Rs. 997.54 crore for revenue receipts the actual receipts were Rs. 1077.91 crore. While at aggregate level the variation between actual receipts and revised estimates was only Rs. 17.05 crore, in six cases against revised estimates of Rs. 1.35 crore, the receipts were nil. In another six cases, shortfall in receipts against revised estimates ranged from 64.33 per cent to 99.88 per cent. On the other hand in 22 cases, receipts collected were in excess of revised estimates with variation ranging from 50 per cent to 3095 per cent.

The actual expenditure has been consistently below the revised estimates. The savings were relatively more under non-plan. In 197 cases, the revised estimates of Rs. 13.55 crore were not utilised at all. In 131 cases, savings ranged between 50.20 per cent to 99.30 per cent of budget estimates. In 17 cases, persistent savings were noticed during the last three years. In 59 cases, the expenditure was in excess of revised estimates ranging between 20 per cent to 886.95 per cent. In ten cases, the expenditure amounting to Rs. 17.09 lakh was incurred without any budget provision in revised estimates.

Under plan expenditure in 11 heads, there were substantial savings ranging from 38.28 per cent to 94.70 per cent. In one case, expenditure amounting to Rs. 0.73 lakh was incurred without any budget provision and in seven cases, the revised estimates of Rs. 7.60 lakh remained wholly unutilised.

During 2000-01 to 2004-05, an amount of Rs. 93.10 crore was drawn as Miscellaneous Advances, out of which advances of Rs. 65.20 crore were adjusted against final heads of account, leaving an amount of Rs. 27.90 crore unadjusted at the close of financial year 2004-05.

Construction of NDCC Phase- II

An audit appraisal of the Construction of NDCC Phase-II as of March 2005 was conducted with the objective of examining economy, efficiency and effectiveness of expenditure incurred on the project. Critical gaps were observed in project planning, execution, monitoring and co-ordination between the Civil and Electrical Engineering Departments. Resultantly, the project remained incomplete as of 31 March 2005 despite an expenditure of Rs.44.06 crore and a delay of around seven and a half year with reference to its scheduled date of completion i.e. 1 September 1997. This also resulted in an estimated loss of revenue of Rs.90.02 crore as of March 2005 which could have been earned by way of rent.

The Civil Engineering Department had allowed periodic time extensions to M/s NBCC Ltd. without levy of any compensation. No action was taken against the firm for execution of sub-standard work or against the Architect Consultants for delayed submission of drawings. The Electrical Engineering Department made unwarranted procurement of lifts despite defects in lift shafts. It also procured air conditioning and internal

installation equipment despite slow progress of Civil Works resulting in blockage of Council Funds.

There is a clear need to review the project by the two Engineering Departments to ensure completion at an early date.

(Para 2.1)

Settlement and disbursement of pensionary benefits in NDMC

Review of settlement and disbursement of pensionary benefits for the period 2000-2001 to 2004-2005 revealed critical shortcomings. Proper procedure and time schedule laid down in CCS (Pension) Rules, 1972 were not followed strictly. Important records were not maintained properly. There were abnormal delays of upto 150 months in settlement of family pension and voluntary retirement pension cases. Commuted value of the pension was not reduced from the pension resulting in overpayment of Rs. 3.69 lakh in 11 cases. Family pension was also not revised after the stipulated period of seven years or the age of 65/67 years resulting in overpayment of Rs.8.90 lakh. Commuted value of pension was irregularly deducted from family pension. Full pension was not restored after a period of 15 years resulting in less payment of pension in 137 cases.

The lapses were indicative of weak MIS, internal control and monitoring system and also lack of co-ordination between Personnel and Accounts Departments. The concerned Departments, therefore, need to look into these critical areas and streamline their functioning.

(Para 2.2)

Unproductive expenditure on acquisition of land

Expenditure of more than Rs. 1.65 crore incurred on acquisition of a plot of land in 1996 and its development for construction of an Auto Workshop at Sarai Kale Khan remained unproductive as the project had not started so far. The inordinate delay in construction would also result in significant cost escalation of the project.

(Para 3.1)

Non-recovery of outstanding dues from Sports Authority of India

Departments of Civil Engineering and Electricity failed to recover expenditure incurred on maintenance of a Swimming Pool Complex from time to time on behalf of Sports Authority of India. Resultantly, a sum of Rs.1.82 crore was outstanding against Sports Authority of India as of August 2005.

(Para 3.2)

Injudicious purchase of Switchgear boards resulting in blockage of funds

Three Switchgear boards comprising of 28 panels were purchased two years after demand. Meanwhile, the works for which these boards/panels were required had already been completed. Therefore, the boards/panels were lying unused resulting in blockage of funds amounting to Rs.82.61 lakh. As the boards/panels were lying in open, they were susceptible to damage.

(Para 4.1)

Blockage of funds on account of non-utilisation of costly equipment

One 11 KV HT Board comprising of 13 panels which was demanded on urgent basis and purchased in May 2001 at a cost of Rs.63.18 lakh was not utilised so far resulting in unnecessary blockage of funds amounting to Rs.63.18 lakh. The panels were lying in open susceptible to damage due to weather conditions.

(Para 4.2)

Inordinate delay in execution of works for establishment of electric sub-stations

The projects for establishing two electric sub-stations sanctioned in November 1997 were not yet started despite repeated tenders and engagement of a consultant. Repeated tenders and mid-way termination of the consultancy contract had already resulted in infructuous expenditure of Rs.39.26 lakh. The inordinate delay would also result in significant cost escalation of these important works.

(Para 4.3)

Injudicious purchase of cable in excess of actual requirement

Incorrect assessment of requirement of cable resulted in purchase of 33 KV, 3x400 sq.mm, XLPE cable in excess of actual requirement and resultant unnecessary blockage of funds amounting to Rs. 40.97 lakh.

(Para 4.4)

Loss due to abnormal delay in finalisation of tender

Department's failure to finalise the tender within the validity period of six months resulted in retendering and purchase of LT (XLPE) cable of size 300 Sq.mm x 3.5 core at higher rate leading to loss of Rs.15.75 lakh.

(Para 4.5)

Non-recovery of arrears of licence fee from the licensees of the parking lots

Department failed to take effective action for the recovery of arrears of licence fee from the ex-allottees of the parking lots. Resultantly, arrears of licence fee amounting to Rs.2.79 crore were not recovered as of 31 March 2005.

(Para 5.1)

Loss due to abnormal delay in licensing of advertisement towers

Abnormal delay of about three years in finalisation of tenders for the allotment of advertisement towers resulted in revenue loss of Rs.2.83 crore (approx) during October 2001 to December 2004.

(Para 5.2)

Non-recovery of arrears of licence fee from the allottees of taxi booths, stalls, tehbazari etc.

Recovery of licence fee from the allottees of taxi booths, stalls, tehbazari etc. was not monitored effectively. Resultantly, arrears of licence fee amounting to Rs.99.26 lakh had accumulated against allottees of these units as of 31 March 2005.

(Para 5.3)

Avoidable loss of revenue on account of delay in allotment of parking lots

Abnormal delays of upto 178 days in allotment of fresh contracts for the parking lots resulted in revenue loss of Rs.73.78 lakh during 2003-04 and 2004-05.

(Para 5.4)

Non-recovery of arrears of Advertisement Tax

Adequate action was not taken for the recovery of Advertisement Tax. Resultantly, arrears of tax amounting to Rs.68.98 lakh remained unrecovered from 935 parties as of 31 March 2005.

(Para 5.5)

Non-recovery of arrears of Property-Tax

Effective steps were not taken for the recovery of Property Tax from the defaulting parties. Resultantly, arrears of Property Tax and penalty amounting to Rs.330.10 crore were not recovered from 5792 parties as of 31 March 2005. Further, recovery of tax amounting to Rs.230.58 crore was involved in remand cases and cases under stay.

(Para 6.1)

Non-recovery of arrears of Service Charges in respect of Central Government properties

Despite clear instructions from Government of India, the Department could not recover service charges in respect of large number of properties of Central Government Departments. Resultantly, arrears of service charges amounting to Rs.36.86 crore had accumulated against Central Government properties as of 31 March 2005.

(Para 6.2)

Non-recovery of Property Tax from Institutes

Despite being pointed out in audit earlier, effective steps were not taken for the recovery of property tax from the institutes. Resultantly, arrears of tax amounting to Rs.11.54 crore had accumulated against 48 institutes as of 31 March 2005.

(Para 6.3)

Less recovery of Property Tax on account of non-revision of rateable value

Non-revision of rateable value on the basis of documentary evidence resulted in less recovery of property tax amounting to Rs. 53.41 lakh in 11 cases as of 31 March 2005.

(Para 6.4)

Excess payment of hire charges due to incorrect computation of distances

Department failed to notify the actual distance from various Circles to Sanitary Land Fill Site for regulating payment of hire charges in respect of private trucks deployed for dumping of garbage. They also failed to exercise proper checks in respect of distances charged by the contractor resulting in excess payment of hire charges amounting to Rs.14.96 lakh during 2004-2005.

(Para 7.1)

FINANCE
&
ACCOUNTS

Chapter 1: Accounts of the NDMC

1.1 Introduction

This Chapter depicts the financial position of the New Delhi Municipal Council, based on the analysis of the information contained in the Accounts of the Council for the year 2004-05. The analysis is based on the trends in the receipts and expenditure and the 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. The format for preparation of the Accounts is as prescribed in the Punjab Municipal Act. Accordingly, the Accounts prepared in form G-4 present head-wise details of revenue and expenditure corresponding to the budget/revised estimates. In the present form, the Accounts do not provide for a Statement of Assets and Liabilities. Consequently, the Statements showing the position of Assets and Liabilities as on 31 March 2005 were not furnished to audit along with the Annual Accounts in spite of the fact that audit has been pointing out the necessity of such Statements in its earlier reports also.

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 2004-05, there was a deficit of Rs. 10.93 crore, leading to a closing balance of Rs. 65.71 crore as on 31 March 2005.

1.3 Sources and applications 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 Rs 861.97 crore in 2003-04 to Rs. 1077.91 crore in 2004-05, registering an increase of 25.05 per cent.

The revenue expenditure increased from Rs.738.10 crore in 2003-04 to Rs. 899.20 crore in 2004-05. The capital expenditure in respect of works relating to NDMC decreased from Rs. 48.99 crore in 2003-04 to Rs. 27.10 crore in 2004-05.

1.4 New Delhi Municipal Fund

In terms of Section 44 of the Act, a fund known as "**The New Delhi Municipal Fund**" is being maintained by the Council. All the money received by the Council or on behalf of the Council from any source forms part of the New Delhi Municipal Fund. Expenditure on behalf of the Council is to be incurred out of this Fund as per provisions of the NDMC Act 1994. The total receipts and expenditure under this Fund for the year 2004-05 were as under: -

Table 1.1: New Delhi Municipal Fund

	(Rs. in crore)	
	2004-05	2003-04
Opening Balance as on 1 April	76.64	68.49
Add		
Receipts during the year	2086.37	1471.62
Total	2163.01	1540.11
Less		
Expenditure during the year	2097.30	1463.47
Surplus (+)/Deficit (-) during the year	(-)10.93	(+)8.15
Closing Balance as on 31 March	65.71	76.64

It would be seen from the table above that there was a deficit of Rs. 10.93 crore during 2004-05. The closing balance at the end of 2004-05 based on G-4 Statement was Rs. 65.71 crore and also as per Statement No. II of Budget Book 2006-07, the closing balance at the close of financial year 2004-05 was Rs. 65.71 crore.

The receipts of Rs. 2086.37 crore included total ordinary receipts (budgeted) amounting to Rs.1078.97 crore, Deposits of Rs. 177.50 crore, Reserve Fund/ General Fund Investment of Rs.819.50 crore and Advances of Rs. 10.40 crore. The total receipts on account of interest on investment were Rs. 178.74 crore.

The expenditure of Rs. 2097.30 crore included total ordinary expenditure amounting to Rs. 966.49 crore, Deposits of Rs. 172.52 crore, Reserve Fund of Rs. 942.92 crore and Suspense Stock & Advances amounting to Rs. 15.37 crore.

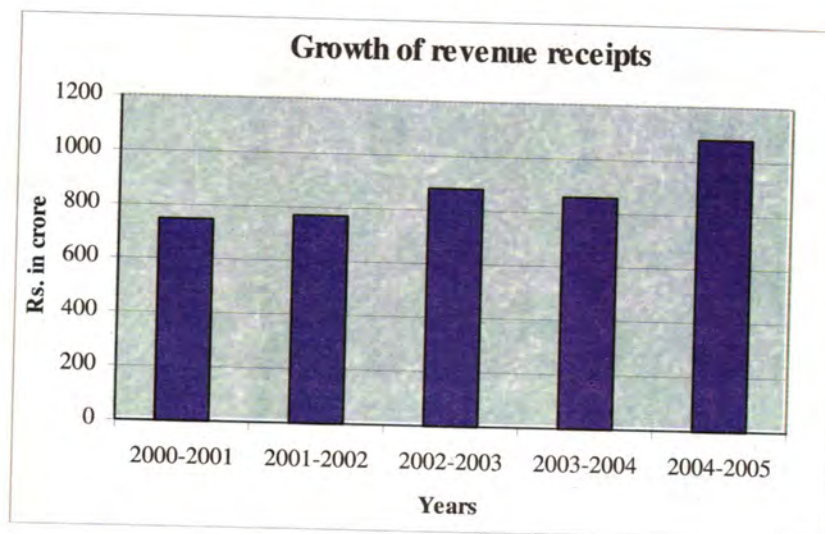
1.5 Revenue receipts

1.5.1 Growth of revenue receipts

The revenue receipts of NDMC 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

Year	Actual revenue receipts	(Rs. in crore) Percentage increase(+)/decrease(-) over previous year
2004-05	1077.91	(+)25.05
2003-04	861.97	(-)02.28
2002-03	882.11	(+)14.65
2001-02	769.42	(+)02.97
2000-01	747.20	(+)23.84



The increase of 25.05 per cent in revenue receipts in 2004-05 over the previous year was due to increase in both tax and non-tax revenue.

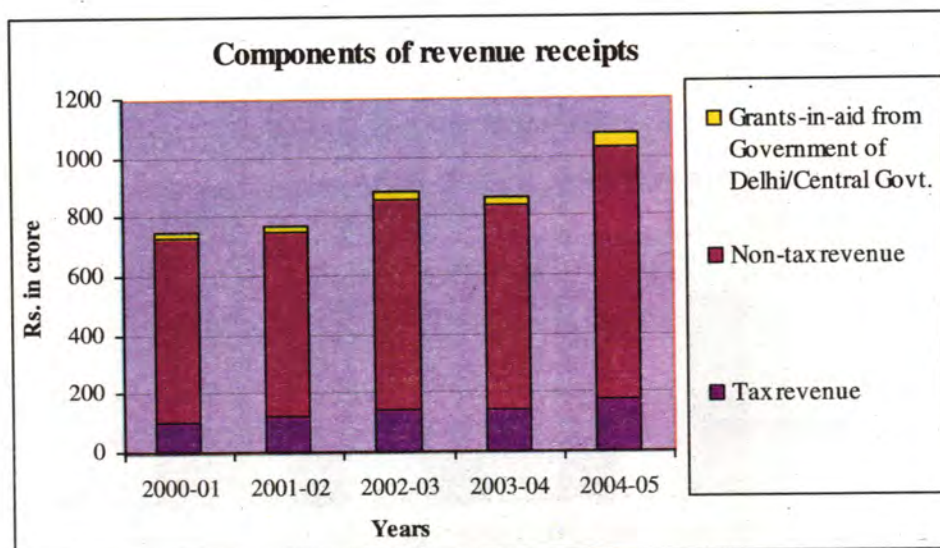
1.5.2. Components of revenue receipts

The main components of revenue receipts are tax and non-tax revenue and grants-in-aid. The details of the components of revenue receipts during the last five years were as under:

Table 1.3: Components of revenue receipts

(Rs. in crore)					
Components	2004-05	2003-04	2002-03	2001-02	2000-01
Tax revenue	172.27 (15.98)	142.31 (16.51)	144.71 (16.40)	120.70 (15.69)	99.96 (13.38)
Non-tax revenue	860.85 (79.86)	690.49 (80.11)	713.59 (80.90)	625.18 (81.25)	628.62 (84.13)
Grants-in-aid from Government of Delhi/Central Govt.	44.79 (4.16)	29.17 (3.38)	23.81 (2.70)	23.54 (3.06)	18.62 (2.49)
Total revenue receipts	1077.91 (100.00)	861.97 (100.00)	882.11 (100.00)	769.42 (100.00)	747.20 (100.00)

- Figures given in brackets indicate percentage with respect to total receipts



Non-tax revenue continued to be the predominant component of the revenue receipts. However, as a percentage of total revenue receipts, the non-tax revenue decreased from 84.13 per cent in 2000-01 to 79.86 per cent in 2004-05. Grants-in-aid from Government of NCT of Delhi, which accounted for a very small proportion of total resources, increased from 2.49 per cent in 2000-01 to 4.16 per cent in 2004-05. Share of tax revenue, however, increased from 13.38 per cent to 15.98 per cent during the same period.

1.6 Tax revenue

1.6.1. Growth of tax revenue

The tax revenue of the Council consists of house tax, duty on transfer of property, advertisement tax etc. The growth of tax revenue during the years 2000-2001 to 2004-05 was as under:

Table 1.4: Growth of tax revenue

(Rs. in crore)			
Year	Actual tax revenue	Percentage increase over the previous year	Tax revenue as percentage of total revenue receipts
2004-05	172.27	21.05	15.98
2003-04	142.31	(-)1.66	16.51
2002-03	144.71	19.89	16.40
2001-02	120.70	20.75	15.69
2000-01	99.96	29.52	13.38

The tax revenue had been showing a consistently rising trend over last five years except for the year 2003-04. In the year 2004-05 tax revenue receipts increased by 21.05 per cent in comparison to previous year. This was due to increased collection of house tax, duty on transfer of property and assigned share of taxes. The receipts under tax revenue increased from Rs. 99.96 crore in 2000-01 to Rs. 172.27 crore in 2004-05. The rate of growth of tax revenue had been fluctuating between (-) 1.66 per cent and 29.52 per cent over last five years. The exceptionally high rate of growth of 29.52 per cent during 2000-01 was largely on account of enhancement of rate of house tax.

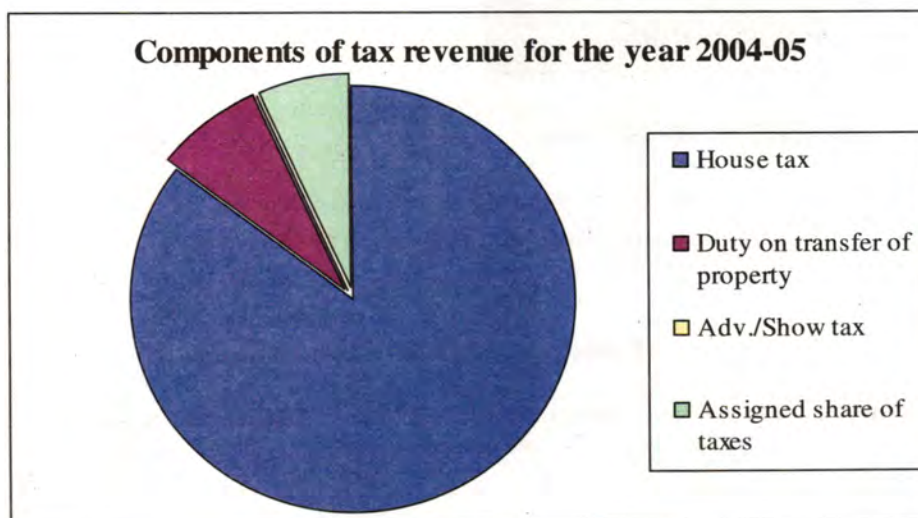
1.6.2. Components of tax revenue

The growth pattern of different components of tax revenue over last five years is detailed below:

Table 1.5: Components of tax revenue

(Rs. in crore)					
Components	2004-05	2003-04	2002-03	2001-02	2000-01
House tax	147.60 (85.68)	127.89 (89.87)	132.81 (91.78)	110.26 (91.35)	89.46 (89.50)
Duty on transfer of property	13.28 (7.71)	7.94 (5.58)	5.58 (3.85)	6.10 (5.05)	7.10 (7.10)
Adv./Show tax	0.10 (0.06)	0.09 (0.06)	0.04 (0.03)	0.06 (0.05)	0.04 (0.04)
Assigned share of taxes	11.29 (6.55)	6.39 (4.49)	6.28 (4.34)	4.28 (3.55)	3.36 (3.36)
Total	172.27 (100.00)	142.31 (100.00)	144.71 (100.00)	120.70 (100.00)	99.96 (100.00)

- Figures given in brackets indicate percentage with respect to total receipts



House tax continued to be the major contributor to the tax revenue. Its share was between 85.68 per cent and 91.78 per cent of total tax revenue during 2000-01 to 2004-05. The receipts under duty of transfer of property increased from Rs. 7.10 crore in 2000-01 to Rs. 13.28 crore in 2004-05. The receipts on account of assigned share of taxes, however, increased both in absolute and relative terms during 2004-05.

1.7 Non-tax revenue

1.7.1 Growth of non-tax revenue

The growth of non- tax revenue during 2000-01 to 2004-05 was as under:

Table 1.6: Growth of non-tax revenue

(Rs. in crore)			
Year	Actual non-tax revenue	Percentage increase (+)/ decrease (-) over the previous year	As a percentage of total revenue receipts
2004-05	860.85	(+)24.67	79.86
2003-04	690.49	(-)03.24	80.11
2002-03	713.59	(+)14.14	80.90
2001-02	625.18	(-)00.55	81.25
2000-01	628.62	(+)23.50	84.13

The non-tax revenue constituted 79.86 per cent of the total revenue receipts of the Council during 2004-05. Its share declined from 84.13 per cent in 2000-01 to 79.86 per cent in 2004-05. The rate of

non-tax revenue has been fluctuating between (-) 3.24 per cent and 24.67 per cent over the last five years. However, it increased by 24.67 per cent in 2004-05 as compared to decrease of (-) 3.24 per cent in 2003-04. This was due to increase in receipt of rent/license fee, fees & fines and interest on investment.

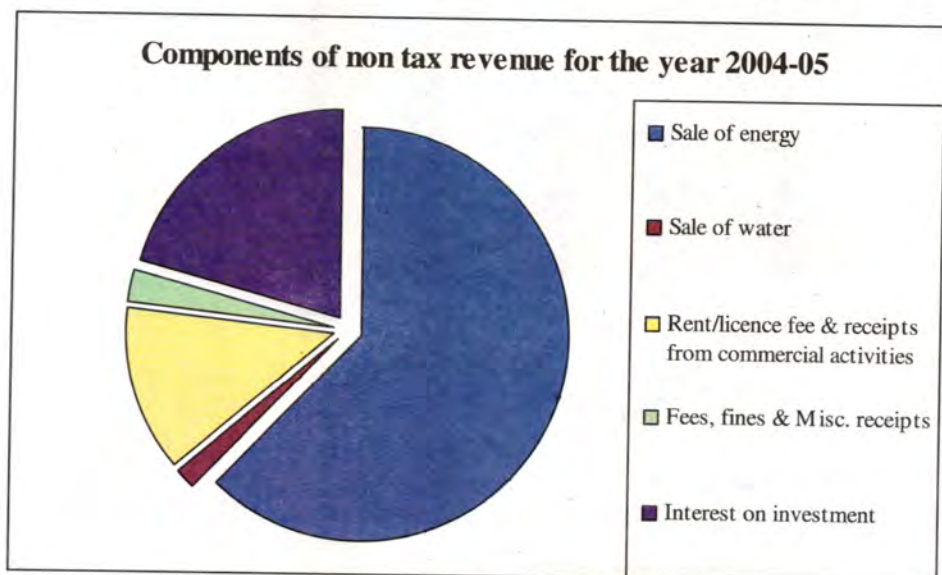
1.7.2 Composition of non-tax revenue

Non-tax revenue of the Council consists of sale of energy/water, rent/licence fee, interest on investments and other miscellaneous receipts. Growth pattern of various components of non-tax revenue is detailed below:

Table 1.7: Components of non-tax revenue

Components	(Rs. in crore)				
	2004-05	2003-04	2002-03	2001-02	2000-01
Sale of energy	533.99 (62.03)	532.50 (77.12)	531.85 (74.53)	480.96 (76.93)	467.77 (74.41)
Sale of water	14.32 (1.66)	15.00 (2.17)	0.001	2.02 (0.32)	--
Rent/licence fee & receipts from commercial activities	110.76 (12.87)	97.77 (14.16)	115.55 (16.19)	100.92 (16.14)	99.16 (15.78)
Fees, fines & Misc. receipts	23.04 (2.68)	17.94 (2.60)	33.899 (4.75)	16.74 (2.68)	31.69 (5.04)
Interest on investment	178.74 (20.76)	27.28 (3.95)	32.29 (4.53)	24.54 (3.93)	30.00 (4.77)
Total	860.85 (100.00)	690.49 (100.00)	713.59 (100.00)	625.18 (100.00)	628.62 (100.00)

- 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, rent/licence fee and receipts from other commercial activities. Receipts on account of sale of energy had been fluctuating between 62.03 per cent and 77.12 per cent in terms of share of total non-tax revenue over last five years.

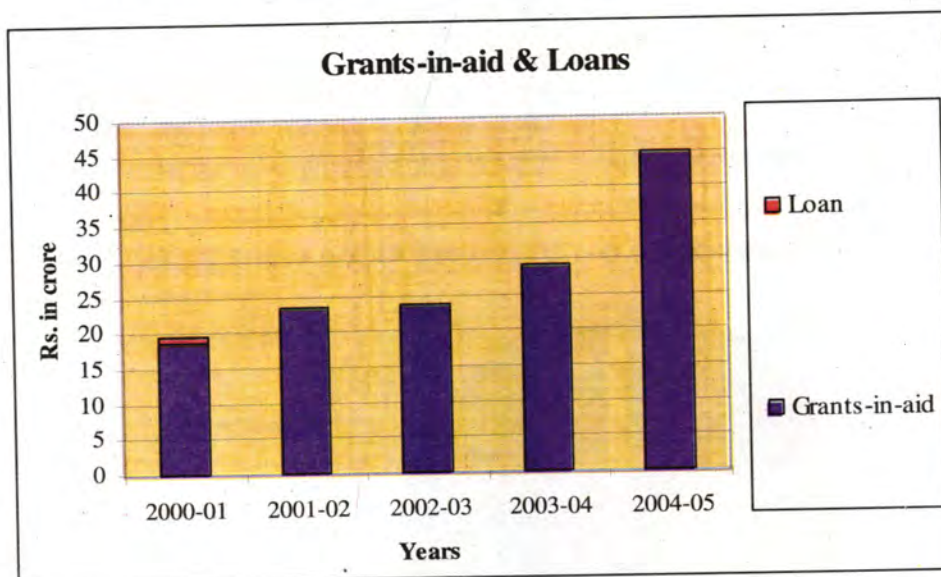
1.8 Grants-in-Aid & Loans

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

Table 1.8: Grants-in -aid & Loans

Year	Assistance			(Rs. in crore)
	Grants-in-aid	Loan	Total	As percentage of total receipts
2004-05	44.79	--	44.79	4.16
2003-04	29.17	-	29.17	3.38
2002-03	23.81	-	23.81	2.70
2001-02	23.54*	-	23.54	3.01
2000-01	18.62	5.75	24.37	3.26

* Also includes Central Assistance of Rs.0.37 crore.



The assistance from Government of NCT of Delhi increased from Rs.18.62 crore in 2000-01 to Rs. 44.79 crore in 2004-05. As a percentage of total receipts it increased from 3.26 per cent in 2000-01 to 4.16 per cent

during 2004-05. The Council did not take any loan from the Government of NCT of Delhi during 2001-02 to 2004-05.

1.8.1 Non-adjustment of Grants-in-Aid of the previous year

There were unspent balances of grants-in-aid at the close of financial year 2003-04 in respect of some schemes. Normally, unspent balances need to be taken into account before further releases. Audit scrutiny revealed that in respect of two schemes the unspent balances were not adjusted against the releases for 2004-05. Details are given below:

Table 1.9: Non-adjustment of Grants-in-Aid

					(Rs. in lakh)
S. No	Scheme	Amount of Unspent Balance as on 01-04-04	Amount of Grants-in-Aid Sanctioned during 2004-05	Actual Amount Received	Amount of Unspent Balance Not Adjusted
1	Anti. Flood and covering of Nallah (Plan)	42.67	62.50	62.50	42.67
2	Mid Day Meal (Non-Plan)	13.20 (Adj. 8.77)	34.39	25.62	4.43

1.8.2 Non-Utilisation of Grants-in-Aid

In four schemes grants-in-aid received from Government of NCT of Delhi during 2004-05 remained significantly unutilised. Details are given below:

Table 1.10: Non-Utilisation of Grants-in-Aid

				(Rs. in lakh)
S. No.	Name of Scheme	Amount Sanctioned	Amount Utilised	Unspent Balance as on 01-04-05
1.	Mid-Day-Meal (Plan)	75.00	41.94	33.06
2.	Statistical Unit	1.25	NIL	1.25
3.	MLA Fund	430.00	167.53	262.47
4.	Mid Day Meal (Non Plan)	34.39	7.54	26.85

1.8.3 Expenditure in excess of Grants-in-Aid sanctioned

Audit scrutiny revealed that in respect of five schemes the expenditure incurred by the Council was in excess of grants-in-aid sanctioned during 2004-05. Details are given below:

Table 1.11: Excess Utilisation of Grants-in-Aid against sanctioned amount

(Rs. in lakh)				
S.No.	Name of Scheme	Amount Sanctioned	Amount Utilised	Excess Amount Utilised During 2004-05
1.	Education (Plan)	50.00	58.36	8.36
2.	Medical	100.00	146.86	46.86
3.	Garbage Removal & Mech. of Sanitation	40.00	52.33	12.33
4.	Anti flood & Covering of Nallah	62.50	77.15	14.65
5.	Anti Malaria	10.00	19.05	9.05

As per the Guidelines issued by Government of NCT Delhi in respect of grants-in-aid, the Department is required to maintain separate account of grants-in-aid received. In absence of prescribed records audit could not verify the actual utilisation of grants-in-aid.

1.9 Arrears of revenue receipts

During 2004-05, NDMC earned revenue through electricity charges (49.54 per cent), house tax (13.69 per cent) and rent/licence fee (10.34 per cent). However, recoveries on account of current dues and arrears were not shown separately in the Budget Book and Annual Accounts except in the case of house tax. Year-wise break-up of the arrears was also not indicated in the Accounts. This was pointed out in Audit Reports earlier also but corrective steps were yet to be taken by the Department.

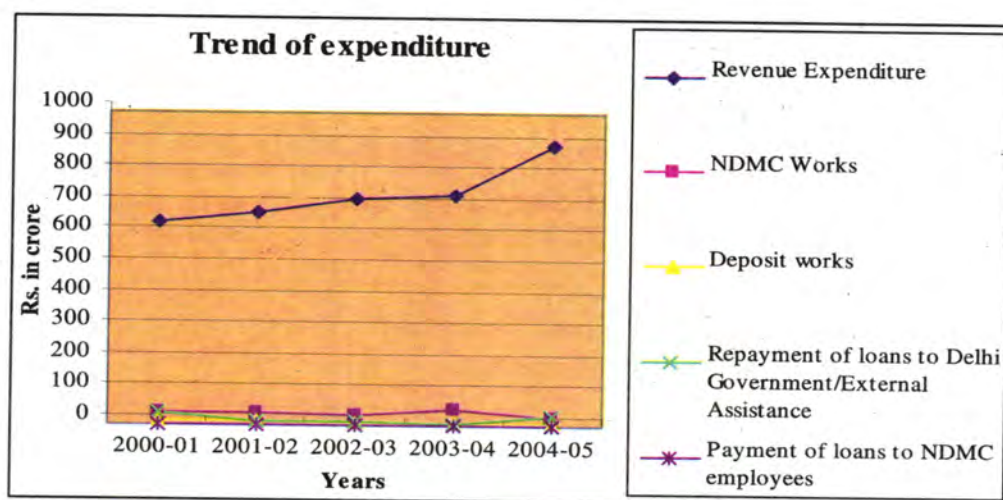
1.10 Expenditure

1.10.1 Trend of expenditure

In this report, total expenditure denotes all expenditure including revenue and capital, repayment of loans to Delhi Government/External Assistance and disbursement of loans to NDMC employees. The Council spent a total of Rs. 966.49 crore in 2004-05. The trend of expenditure during 2000-01 to 2004-05 was as under:

Table 1.12: Trend of expenditure

Year	Revenue Expenditure	Capital expenditure		Repayment of loans to Delhi Government/ External Assistance	Payment of loans to NDMC employees	Total expenditure
		NDMC Works	Deposit Works			
2004-05	899.20	27.10	5.74	33.83	0.62	966.49
2003-04	738.10	48.99	6.11	7.34	0.94	801.48
2002-03	723.16	33.01	8.03	10.46	1.04	775.70
2001-02	679.15	38.68	12.16	12.25	1.43	743.67
2000-01	650.12	39.84	15.60	40.23	1.44	747.23



1. Total expenditure increased from Rs. 747.23 crore in 2000-01 to Rs. 966.49 crore in 2004-05. Expenditure during 2004-05 increased by 20.59 per cent over the previous year.
2. Capital expenditure in respect of works relating to NDMC decreased from Rs. 39.84 crore in 2000-01 to Rs. 27.10 crore in 2004-05 whereas it decreased by 44.68 per cent in comparison to previous year. The revenue expenditure increased by 21.83 per cent over the previous year.
3. Expenditure during 2004-05 on Roads (26.24 per cent), MLA Constituency Fund (70.16 per cent) and Interest on Loan (60.94 per cent) decreased whereas expenditure on Water Supply (28.58 per cent), Medical & Public Health (14.69 per cent), Repayment of Loan (341.62 per cent) and Administrative Services

(963.79 per cent) increased in comparison to expenditure incurred during 2003-04. However reasons for decrease/increase in the expenditure in different heads as compared to previous year were not on record.

1.10.2 Sector-wise expenditure incurred during last five years

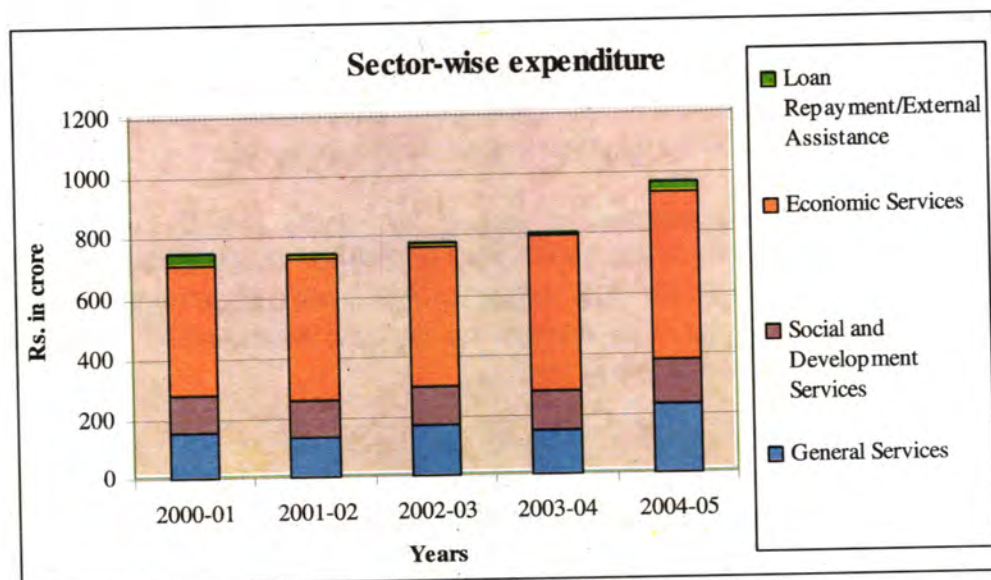
Table 1.13 shows the movement of expenditure on General, Social and Economic services over last five years:

Table 1.13: Sector-wise expenditure

(Rs. in crore)

S. No	Sector	2004-05	2003-04	2002-03	2001-02	2000-01
1	General Services	231.58 (23.96)	145.52 (18.16)	174.65 (22.52)	133.32 (17.93)	153.44 (20.53)
2	Social and Development Services	148.69 (15.38)	136.24 (17.00)	121.65 (15.68)	124.21 (16.70)	126.74 (16.96)
3	Economic Services	552.39 (57.16)	512.38 (63.93)	468.94 (60.45)	473.89 (63.72)	426.82 (57.12)
4	Loan Repayment/ Refund of unspent balance	33.83 (3.50)	7.34 (0.92)	10.46 (1.35)	12.25 (1.65)	40.23 (5.39)
	Total	966.49 (100.00)	801.48 (100.00)	775.70 (100.00)	743.67 (100.00)	747.23 (100.00)

- Figures given in brackets indicate percentage with respect to total expenditure.



The component of General Services indicated fluctuating trend over the period 2000-01 to 2004-05. There was a decline in share of expenditure on Social and Development Services from 16.96 per cent in 2000-01 to 15.38 per cent during 2004-05. In the Economic Services there was a minor increase in expenditure from 57.12 per cent in 2000-01 to 57.16 per cent during 2004-05. However the expenditure increased during 2004-05 on Social & Development services (9.14 per cent), Economic Services (7.81 per cent), General Services (59.14 per cent) and Loan Repayment/ External Assistance (360.90 per cent) in comparison to the expenditure incurred during previous year i.e. 2003-04.

1.11 Repayment of loans to Delhi Government and interest liability thereon

Loans received from Government of Delhi have to be repaid in annual installments alongwith interest on the outstanding balances at the rate applicable to the financial year in which the loan was sanctioned.

The details of loans received by the Council from Government of Delhi and repayment of loans to Government of Delhi during 2000-01 to 2004-05 were as under:

Table 1.14: Repayment of Loans

	(Rs. in crore)				
	2004-05	2003-04	2002-03	2001-02	2000-01
Opening Balance	34.42	41.67	49.87	58.90	93.38
Loans received during the year	--	--	-	-	5.75
Amount paid during the year	32.01	7.25	8.20	9.03	40.23
Closing Balance	2.41	34.42	41.67	49.87	58.90

1.12 Financial assistance to Non-Government Organisations (Grants-in-aid to NGOs)

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

Table 1.15: Grants-in- aid by the Council

(Rs. in lakh)						
S.No	Name of body	2004-05	2003-04	2002-03	2001-02	2000-01
1.	Social & Cultural Organisation/Non-Government Organisation	3.80	7.45	11.40	9.10	6.30
2.	Samaj Kalyan Samiti	1.58	0.88	22.52	10.87	16.90
3.	Navyug School Society	800.00	716.95	635.55	518.41	583.71
4.	R.M. Girls Primary School	14.85	25.13	15.43	19.18	17.32
5.	R.M. Arya Girls Primary School	25.18	14.29	24.20	28.96	13.13
6.	Nirmal Primary School	26.00	12.73	12.34	29.48	18.67
7.	Khalsa Boys Primary School	13.00	5.71	15.98	12.74	14.30
8.	Palika Service Officers Institute	--	--	10.70	-	--
Total		884.41	783.14	748.12	628.74	670.33

The amount of grants-in-aid increased from Rs.783.14 lakh to Rs.884.41 lakh in 2004-05, due to increase in the amount of grants-in-aid released to Navyug School Society. Amounts shown as grants-in-aid to Samaj Kalyan Samiti were not released as grants-in-aid to Samiti but charged to Municipal fund against head of account D.4.7.2-Samaj Kalyan Samiti as direct expenditure against budget grant which was irregular. Accounts of Samaj Kalyan Samiti were required to be maintained separately as a grantee institution.

Utilization certificates alongwith the accounts of grants-in-aid released to grantee institutions during 2004-05 were not made available to audit for scrutiny.

1.13 Surplus & Reserve Funds

Section 54 of the NDMC Act provides for creation of Special Funds. The Council is maintaining number of such Funds as detailed below:

Table 1.16: Surplus & Reserve Funds

(Rs. in crore)					
Name of Fund	Opening Balance as on 1.4.04	Addition during 2004-05*	Total	Expenditure during 2004-05	Balance as on 31.3.2005
DRF Electrical	219.83	50.00	269.83	1.24	268.59
DRF Water	159.43	27.00	186.43	0.07	186.36
DRF Building	239.63	25.00	264.63	--	264.63
DRF Pension & Gratuity	685.70	271.50	957.20	113.54	843.66
Social Welfare Fund	0.49	0.30	00.79	00.26	0.53
Compassionate Fund	0.22	--	00.22	0.02	0.20
General Reserve Fund	453.07	434.70	887.77	827.80	59.97
General Fund (Bld/ Mkt fund)	--	5.00	5.00	--	5.00
GPF Interest (Deficit)	--	6.00	6.00	--	6.00
Total	1758.37	819.50	2577.87	942.93	1634.94

* This also includes element of interest appropriated to different funds.

Following audit observations are made:

1. As prescribed in Section 54 of the NDMC Act 1994, the constitution and disposal of Special Funds shall be effected in the manner laid down by regulations. But no such regulations were produced to audit.
2. As per the statement, closing balance as on 31 March 2005 worked out to Rs.1634.94 crore, whereas department has shown the closing balance of Reserve Fund as Rs. 2117.80 crore in statement-II of the budget book. Thus there is a difference of Rs.482.86 crore. Reasons for this were not explained to audit.
3. Similarly difference of Rs. 35.17 crore between closing balance of Rs.1758.37 crore as on 31 March 2004 and Rs.1723.20 crore as appearing in Statement No-II of Budget Book 2005-06 and difference of Rs. 63.84 crore between closing balance of Rs.1490.85 crore as on 31 March 2003 and opening balance of Rs. 1554.69 crore as on 1 April 2003, as per "Depreciation Reserve Funds Statement" for the years 2002-03 and 2003-04 respectively remained unexplained.
4. During 2004-05 an amount of Rs.819.50 crore was added to Reserves & Surplus including pension and gratuity fund. The basis for addition to the funds during the year were not on record. Moreover, these additions also included interest element.
5. The actual totals of Depreciation and Other Reserve Funds pertaining to years 2003-04 and 2004-05 were also at variance with actuals for these years in the Budget Book for the year 2005-06 and 2006-07 respectively as detailed below:

Table 1.17 : Depreciation and Reserve Funds

Budget Book	Actuals for the year	Figures as per Statement II- Ways & Means Estimates	Figures as per Statement No.II A-2 – Position of Depreciation and other Funds	(Rs. in crore)
				Difference
2006-07	2004-05	2117.80	1566.47	551.33
2005-06	2003-04	1723.20	1305.30	417.90

The reasons for difference of Rs. 551.33 crore and Rs. 417.90 crore in two statements as reflected above were not available on record.

1.14 Non-accountal of expenditure

During 2000-01 to 2004-05, an amount of Rs. 93.10 crore was drawn as Miscellaneous Advances, out of which advances to the tune of Rs. 65.20 crore were adjusted against final heads of account, leaving an amount of Rs. 27.90 crore unadjusted at the close of financial year 2004-05. This resulted in non-accountal of expenditure of Rs. 27.90 crore in the accounts. Year-wise details of drawal and adjustments of advances were as under:

Table 1.18: Miscellaneous Advances

Year	(Rs. in crore)		
	Amount of advance released	Amount of advance adjusted	Amount remaining unadjusted
2004-05	15.21	10.40	4.81
2003-04	24.90	24.92	(-)0.02
2002-03	32.67	17.44	15.23
2001-02	4.28	5.92	(-) 1.64
2000-01	16.04	6.52	9.52
Total	93.10	65.20	27.90

1.15 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 are discussed below:

1. Expenditure should remain within the sanctioned budget allocation. But in many cases actual expenditure had exceeded the budget provision. Records to watch the control of expenditure in the respective heads of accounts were not furnished. Accordingly, it could not be ascertained whether there was any mechanism in place for exercising budgetary control over the expenditure.
2. NDMC 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 profits or loss to the NDMC on these accounts could not be assessed.

3. 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, NDMC was not aware of the actual quantum of all such outstanding arrears with year-wise break up.
4. Every year heavy expenditure was reflected in the Annual Accounts under different Suspense Heads, which were not cleared subsequently. Annual Accounts did not reflect year-wise opening balances, closing balances and settlement of Suspense Accounts and as such final position of the huge expenditure booked under Suspense Heads and its clearance could not be ascertained.
5. The Annual Accounts of NDMC 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 NDMC.
6. 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.
7. Opening and closing balances with the Bank as per "Cash Book" and as per "Bank Account" were not reflected with necessary explanatory note to elucidate the discrepancy, if any, in these balances.
8. Advances were liberally and frequently allowed to be drawn from the General Fund and normally remained unadjusted for fairly long duration. Statements showing opening and closing balances and adjustments made during the year did not reflect year-wise break-up.
9. Department recovered Cess charges under Cess Act, 1996, which were required to be deposited/remitted to Construction Workers Welfare Board within 30 days. NDMC did not deposit the amount within the specified period. Resultantly, the receipts were overstated to that extent.
10. As per accounting rules minus entry should not be reflected in the final accounts. It was observed that in 14 heads of account, Department had reflected minus balance in the G-4 Statements. Some illustrations are given below:

Table 1.19: Minus entries

			(In Rupees)
S.No	Head of A/c	Description	Amount
1.	D.2.11.1	Salary and allowances	(-) 5798
2.	H-1.8.D	Construction of working girls hostel(cap.)	(-) 11595

1.16 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 forthcoming financial year. This section discusses the variations in different components of the finances of the Council with reference to the budgetary projections.

1.16.1 Actual collection of revenue vis-à-vis estimates

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

Table 1.20: Actual collection of revenue vis-a-vis estimates

						(Rs. in crore)
Year	Budget estimates	Revised estimates	Actual revenue receipts	Increase (+)/ decrease (-) of actual revenue receipts over budget estimates	Percentage increase (+)/ decrease (-) over budget estimates	
2004-05	997.54	1060.86	1077.91	(+) 80.37	(+) 08.06	
2003-04	885.13	884.99	861.97	(-) 23.16	(-) 02.62	
2002-03	860.78	879.77	882.11	(+) 21.33	(+) 02.48	
2001-02	829.66	786.42	769.42	(-) 60.24	(-) 07.26	
2000-01	726.79	815.93	747.20	(+) 20.41	(+) 02.81	

The revenue receipts during 2004-05 were Rs. 80.37 crore above the budget estimates. However, the increase with reference to revised estimates for 2004-05 was Rs. 17.05 crore.

A detailed head-wise comparison of actual receipts with the revised estimates, revealed as under:

- (a) Under the following six heads of account, receipts remained 'Nil' as against the revised estimates of Rs. 1.35 crore.

Table 1.21: Nil Receipts

(Rs. in lakh)

S. No.	Head of A/c	Description	BE 2004-2005		RE 2004-2005		Actual 2004-05
			Rev	Cap	Rev	Cap	
1	A-VIII(4)	Dhobi License	0.05	--	0.05	--	Nil
2	D-XIX(ii)	Contribution to National Calamities Relief	--	--	50.00	--	Nil
3	J.2 (1) e (1)	Medical (Cap)	--	20.00	--	20.00	Nil
4	J.2 (1) g	Urban Development (Cap)	--	25.00	--	25.00	Nil
5	J.2 (1) j	Social Welfare (Cap)	--	20.00	--	--	Nil
		(Rev.)	--	--	1.00	--	Nil
6	H-(xiii)	Departmental Charges on Road, Anti Flood, Water Supply & Sewerage work etc.	34.00	--	38.80	--	Nil
		Total	34.05	65.00	89.85	45.00	Nil

As the revised estimates were prepared at the fag end of the financial year, nil receipts against revised estimates indicated poor budgeting.

Reasons for head wise variations between budget estimates/revised estimates and actuals were not provided to Audit.

- (b) In respect of the following six heads of account, the shortfall in receipts as compared to revised estimates ranged from 64.33 per cent to 99.88 per cent. Reasons for same were not available on record:

Table 1.22: Shortfall in receipts

(Rs. in lakh)

S. No	Head	Description	BE 2004-05	RE 2004-05	Actual 2004-05	Shortfall	Percentage of variation
1	A-VIII(2)	Plumbing License	1.00	25.00	0.03	24.97	99.88
2	A-VIII(10)	Sewer Connection Fee	60.00	70.00	1.27	68.73	98.18
3	A-VIII(14)	Funeral Van Charges	0.30	0.30	0.10	0.20	66.66
4	C-(vii)	Receipt from NDMC Vibhagiya Jalpan Grah	33.00	33.00	11.77	21.23	64.33
5.	H-(xv)-(a)	Estate Department	20.00	15.00	3.74	11.26	75.06
6	J-2-1(a)	Education (Cap)	80.00	40.00	6.25	33.75	84.38
		(Rev)	120.00	139.00	43.75	95.25	68.53

Under the head A-VIII (10)-Sewer Connection fee, the shortfall in receipts with reference to revised estimates was more than 50 per cent even in 2002-03, 2003-04, whereas under head C-(vii) - Receipt from NDMC

Vibhagiya Jalpan Grah, and J-2.1 (a) - Education (Cap)/(Rev) shortfall with reference to revised estimates was more than 50 per cent in 2003-04.

- (c) Under twenty two heads of account, the receipts were in excess of the revised estimates, ranging from 50 per cent to 3095 per cent as detailed below:

Table 1.23: Excess collection of receipts

							(Rs. in lakh)
S. No	Head	Description	BE 2004-05	RE 2004-05	Actual 2004-05	Variation	Percentage of variation
1	A-I. (b)	Arrears	10.00	1.00	31.95	30.95	3095.00
2.	A-III	Advertisement Tax	4.00	6.50	9.84	3.34	51.38
3.	A-IV	Theatre and Show Tax	0.40	0.40	0.74	0.34	85.00
4.	A-VII-(a)	Plan Submission Fee	20.00	26.00	73.18	47.18	181.46
5.	A-VII-(b)	Betterment Charges	10.00	42.00	70.64	28.64	69.19
6	A-VII-(e)	Levy on additional FAR	--	31.00	47.79	16.79	54.16
7.	A-VIII(15)	Plan Preparation Fee	--	0.08	0.14	0.06	75.00
8.	C-(i)	Misc. Receipts (Gen.)	17.70	24.20	51.76	27.56	113.88
9.	C-(v)	Leave Salary Contribution	--	0.44	1.08	0.64	145.45
10.	C-(vi)	Pension Contribution	--	1.64	3.12	1.48	90.24
11.	D-I(c) (iii)	Fees from Nursery School	0.40	0.20	0.30	0.10	50.00
12.	D-V	Swimming Pool	12.00	5.50	8.31	2.81	51.09
13	D-VI	Cattle Pond	--	1.00	1.70	0.70	70.00
14	D-VIII	Receipts from Compost Plant	50.00	35.00	64.94	29.94	85.54
15	D-XIV	Receipts from C.Hall, P.K.Road	2.00	0.15	0.44	0.29	193.33
16	E-(iii)	Electricity New Connection./ re-connection fee	18.00	14.00	24.77	10.77	76.93
17	E-(vi)	Other Receipts (Petty items)	49.35	31.60	117.42	85.82	271.58
18	H-(vii)	Reservation of Parks/ Play Grounds	7.00	11.00	18.37	7.37	67.00
19	H-(x)	Tehbazaari	25.00	30.00	47.39	17.39	57.67
20	H-(xv)(c)	Horticulture Deptt.	0.60	0.60	1.21	0.61	101.66
21	H-(xxii).I	Lapsed Deposits	2.00	2.00	3.00	1.00	50.00
22	K-(III)	Electricity Deptt. (Cap)	600.00	307.00	840.36	533.36	173.73

Under the Heads A-I.(b)-Arrears, A-III-Advertisement Tax, C-(i)-Misc. Receipts (Gen.), C-(v)-Leave Salary Contribution, C-(vi)-Pension Contribution, H-(vii)-Reservation of Parks/ Play Grounds, K-(III)-Electricity Deptt. (Cap) even during the year 2003-04 receipts with reference to revised estimates were more than 50 per cent. Departures from the budget estimates could be on account of unanticipated and random external events or on account of methodological inadequacies. As

the revised estimates are prepared at the fag end of the financial year, reasons for such major deviations from revised estimates enumerated in the table above need to be analysed.

1.16.2 Actual collection of tax revenue vis-à-vis estimates

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

Table 1.24: Actual collection of tax revenue vis-à-vis estimates

(Rs. in crore)					
Year	Budget estimates	Revised estimates	Actual tax revenue	Increase (+)/ decrease (-) of tax revenue receipt over budget estimates	Percentage increase (+)/ decrease (-) over budget estimates
2004-05	132.02	156.36	172.27	(+) 40.25	(+) 30.49
2003-04	126.34	134.33	142.31	(+) 15.97	(+) 12.64
2002-03	106.20	112.44	144.71	(+) 38.51	(+) 36.26
2001-02	94.87	84.09	120.70	(+) 25.83	(+) 27.23
2000-01	72.86	89.37	99.96	(+) 27.10	(+) 37.19

The increase of 30.49 per cent during 2004-05 in the actual collection of tax revenue with reference to budget estimates was mainly due to higher collection of house tax by 30.04 per cent and duty on transfer of property by 77 per cent over and above the budget estimates.

1.16.3 Actual collection of non-tax revenue vis-a-vis budget estimates

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

Table 1.25: Actual collection of non-tax revenue vis-a-vis budget estimates

(Rs. in crore)					
Year	Budget estimates	Revised estimates	Actual non-tax revenue	Increase (+)/ decrease (-) of non-tax revenue receipt over budget estimates	Percentage increase (+)/ decrease (-) over budget estimates
2004-05	833.41	857.21	860.85	(+) 27.44	(+) 03.29
2003-04	728.16	719.76	690.49	(-) 37.67	(-) 05.17
2002-03	724.28	736.74	713.59	(-) 10.69	(-) 01.48
2001-02	700.37	675.26	625.18	(-) 75.19	(-) 10.74
2000-01	633.26	722.29	628.62	(-) 04.64	(-) 00.73

Non-tax revenue during 2004-05 was Rs.27.44 crore more than the budget estimates.

1.16.4 Actual expenditure vis-à-vis budget estimates

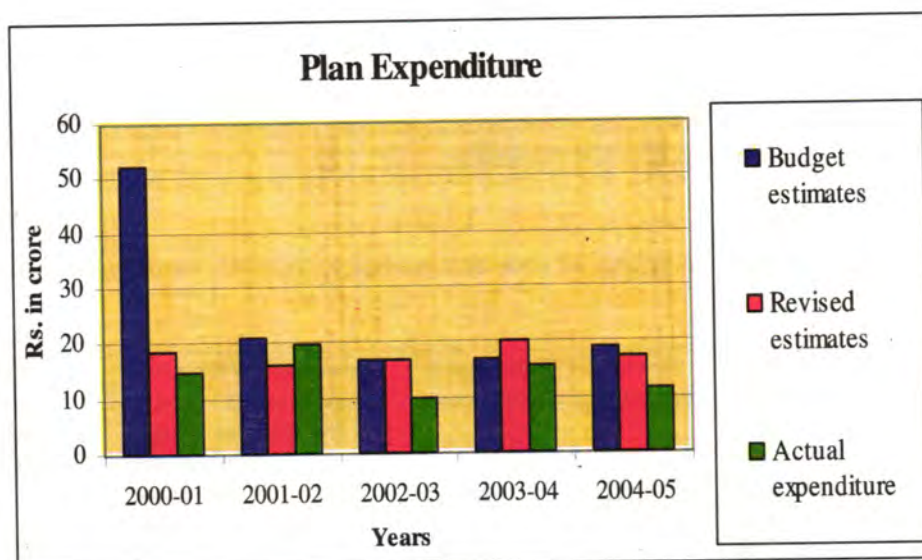
The actual expenditure had been consistently below the revised estimates in all the five years and also below the budget estimates with the exception of 2000-01 as detailed below:

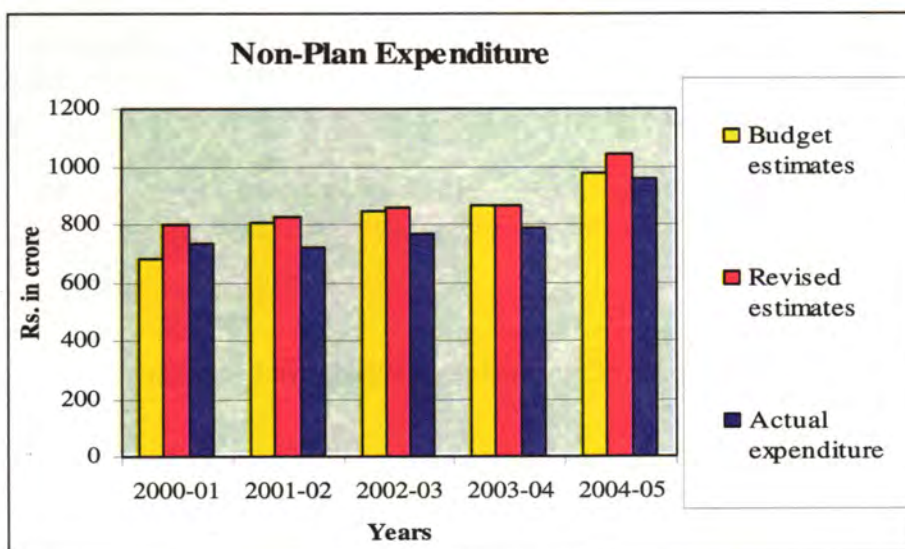
Table 1.26: Actual expenditure vis-à-vis budget estimates

(Rs. in crore)

Year	Budget estimates			Revised estimates			Actual expenditure			Excess (+)/ Savings (-)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2004-05	18.90	977.20	996.10	17.19	1043.96	1061.15	11.64	954.85	966.49	(-)7.26 * 38.41	(-)22.35 *2.29	(-)29.61 *2.97
2003-04	16.84	867.42	884.26	20.14	863.64	883.78	15.80	785.68	801.48	(-)1.04 *6.18	(-)81.74 *9.42	(-)82.78 *9.36
2002-03	16.90	844.00	860.90	16.80	858.23	875.03	9.80	765.90	775.70	(-) 7.10 * 42.01	(-)78.10 * 9.25	(-) 85.20 * 9.90
2001-02	20.82	807.90	828.72	16.14	824.50	840.64	19.61	724.06	743.67	(-) 1.21 *5.81	(-) 83.84 *10.38	(-) 85.05 *10.26
2000-01	52.15	684.13	736.28	18.55	803.20	821.75	14.99	732.24	747.23	(-) 37.16 *71.25	(+) 48.11 *7.03	(+) 10.95 *1.49

* Indicates percentage Excess/Savings





An analysis of the data above indicates that the Council had been over estimating the expenditure.

1.16.4.A Plan

The plan expenditure accounted for a very small percentage of total expenditure. Overall savings under plan heads remained at 38.41 per cent of budget estimates during 2004-05 i.e. Rs. 7.26 crore.

A comparison of actual expenditure with reference to revised estimates revealed that:

- (a) Under seven heads of account, Rs. 7.60 lakh remained wholly unutilised as detailed below:

Table 1.27: Heads of account with Nil expenditure

(Rs. in lakh)				
S. No.	Head of A/c	Description	RE 2004-05	Actuals 2004-05
1.	D.1.4.5(IV)	Supply of free stationery	2.00	Nil
2	D.1.4.5.(IX)	Supply of wool/woollen sweaters	1.20	Nil
3	D.4.11.2	Original Works (Cap)	4.00	Nil
4	D.1.1.9	Administrative Planning and Statistical Cell	0.10	Nil
5.	D.1.5.11	Expansion of Nursery Education	0.10	Nil
6	D.1.24	Expansion of elementary education (6-11) and (11-14)	0.10	Nil
7.	D.1.25	(10+2) Pattern of Education	0.10	Nil
Total			7.60	Nil

Under the head of account D.1.25-(10+2) Pattern of Education, expenditure was also nil during the year 2003-04 against the revised estimates of Rs. one lakh.

- (b) Under the following eleven heads of account, savings with reference to revised estimates ranged between 38.28 per cent and 94.70 per cent:

Table 1.28: Heads of account with substantial savings

(Rs. in lakh)						
S. No.	Head of A/c	Description	RE 2004-05	Actual Expenditure	Savings	Shortfall in terms of percentage
1	D.1.26	Educational Vocational Guidance	5.00	2.49	2.51	50.20
2	H.4	MLA's Constituency Funds (Cap)	525.00	167.52	357.48	68.09
3.	D.2.17.11(A)	Anti Flood Works	125.00	77.15	47.85	38.28
4	D.1.4.5.(ii)	Free Text Books	36.00	16.63	19.37	53.81
5	D.1.4.5.(iii)	Free Uniform	20.00	1.06	18.94	94.70
6.	D.1.22	Free Shoes and Socks	11.00	4.25	6.75	61.36
7	D.1.19.4	Scholarship and other incentives	3.50	1.62	1.88	53.71
8	D.1.3.8	Qualitative improvement in Elementary Education	60.00	15.70	44.30	73.83
9	D1.7.7.7.A	Work Experience programme and hobby centre	2.00	0.46	1.54	77.00
10	D.1.2.10 D.1.4.7	Capital Works (Cap)	40.00	11.11	28.89	72.23
11	D.1.10.9(1)	Mid Day Meals	80.00	41.94	38.06	47.58

- (c) Under the head of account D.4.2.4 (Plan) Capital, there was no provision made in the budget estimates and revised estimates whereas the department had incurred an expenditure of Rs. 0.73 lakh. This may please be got regularized by the Competent Authority.
- (d) Under the following four heads of account, excess expenditure was incurred with reference to revised estimates ranging between 25.41 per cent and 161.65 per cent.

Table 1.29: Heads of account of excess expenditure

S. No.	Head of A/c	Description	BE 04-05	RE 04-05	Actuals 2004-05	(Rs. in lakh)	
						Excess with ref. to RE	Excess in terms of percentage
1	D.2.16.12	Mechanization of sanitation & Garbage removal schemes (Cap)	--	20.00	52.33	32.33	161.65
2	D.2.2.7 & D.2.2.11	Stg. of Services in NDMC Hospital, Moti Bagh	30.00	30.00	59.06	29.06	96.87
3	D.2.3.16 & D.2.2.A4	Stg. of MCW Hospital, Lodhi Colony & Other MCW Centres (Cap)	50.00	70.00	87.79	17.79	25.41
4	D.1.7.6 (iii)	Imp. of Science & Inservice Programme	5.00	4.00	5.04	1.04	26.00

The reasons for such substantial deviations from revised estimates were not available on record. The excess expenditure was required to be regularized by the competent authority.

1.16.4.B Non-Plan

During 2004-05 actual expenditure under non-plan was less than the revised estimates. Overall savings were Rs. 89.11 crore i.e. 8.54 per cent. Further, a detailed head-wise comparison of actual expenditure with reference to revised estimates revealed that:

- Under 197 heads of account, revised estimates of Rs. 13.55 crore remained wholly unutilised. Details of 50 cases with revised estimates exceeding one lakh are given in Annexure-I.
- Under the following four heads of account, the provisions were made at the RE stage while budget estimate against them were nil. However, no expenditure was incurred against these heads:

Table 30: Heads of account with nil expenditure against RE

S. No	Head of A/c	Description	(Rs. in lakh)		
			BE 2004-05	RE 2004-05	Actuals 2004-05
1	C.10.8	L.T.C.	NIL	0.20	NIL
2	D.1..6.4 (b)	LWO	NIL	1.00	NIL
3	D.1.7.6(1)	Ex.-Gratia	NIL	0.04	NIL
4	D.4.1.2	Contribution to PF	NIL	0.05	NIL

- (c) Under 131 heads of accounts, the savings ranged between 50.20 per cent and 99.30 per cent of budget estimates. Details are given in Annexure-II.
- (d) Under 17 heads of accounts, persistent savings exceeding 50 per cent of revised estimates were noticed during last three years. The details are given in Annexure-III. Out of 17 heads, under following 4 heads of account no expenditure was incurred during last three years:

Table 1.31: Heads of account with persistent savings of 100 per cent during last three years

(Rs. in Lakh)							
S. No.	Heads of Accounts	Year	B.E.	R.E.	Actual	Savings	Savings in terms of percentage
	PLAN						
1.	D.1.25- (10+2) Pattern of Education	2002-03	--	5.00	--	5.00	100.00
		2003-04	--	1.00	--	1.00	100.00
		2004-05	1.00	0.10	--	0.10	100.00
	NON-PLAN						
2.	D.1.2.A.12- Lab./ Library Furniture	2002-03	2.00	1.00	--	--1.00	100.00
		2003-04	1.00	1.00	--	1.00	100.00
		2004-05	1.00	0.20	--	0.20	100.00
3	D.1.2.A.13- Sports Material	2002-03	2.50	2.00	--	2.00	100.00
		2003-04	1.00	2.00	--	2.00	100.00
		2004-05	1.00	0.20	--	0.20	100.00
4	D.2.18.4-Running & Maintenance of Vans	2002-03	1.00	1.00	--	1.00	100.00
		2003-04	1.00	1.00	--	1.00	100.00
		2004-05	1.00	1.00	--	1.00	100.00

(e) Expenditure under 59 heads of account was incurred in excess of budget provision. The excess expenditure ranged between 20 per cent and 886.95 per cent of revised estimates. Details of 23 heads having actual expenditure more than Rs. one lakh are given in Annexure-IV. The excess expenditure was required to be regularized by the competent authority.

(f) Under following ten heads of account, expenditure was incurred without any budget provision:

Table 1.32: Expenditure incurred without any budget provision in RE

(Rs. in lakh)

S. No.	Head of Account	Description	BE 2004-05	RE 2004-05	Actuals 2004-05
1.	C.2.7	Economic Services/ Sectt. Services	1.00	--	0.07
2.	C.3.10	***merged with C.3.8(xi)	--	--	4.09
3.	C.3.10 A	*** merged with C.3.8(xi)	--	--	6.06
4.	C.14.5	Purchase of Recovery Van	20.00	--	0.16
5.	D.1.1.13	Setting up of Computer Lab in schools and providing additional computers in schools	10.00	--	1.80
6.	D.1.10.9 (II)	Other items	2.00	--	1.67
7.	D.2.10.5	Ex- Gratia	2.07	--	2.08
8.	D.4.5.5	Other Charges	0.70	--	0.16
9.	E.12	TA/DA	1.00	--	0.16
10.	H.1.8.C	Construction of Kiosks/Tharas small shops for weaker section (Cap)	5.00	--	0.84

The reasons for such substantial deviations with revised estimates were not available on record. The excess expenditure was required to be regularized by the Competent Authority.

1.17 Rush of Expenditure

1.17.1 March Rush

Scrutiny of expenditure statements and other records for the last three years i.e. 2002-03, 2003-04 and 2004-05 revealed that some Departments of NDMC had shown a tendency of incurring heavy expenditure in the month of March rather than distributing the expenditure proportionately over the financial year. Details of Departments which incurred abnormally heavy expenditures during the month of March consistently for three years are given below:

Table 1.33: Rush of expenditure in March

(Rs. in crore)

Department	2002-03			2003-04			2004-05		
	Exp. during year	Exp. During March	% of exp. in 03/03	Exp. during year	Exp. During March	% of exp. in 03/04	Exp. during year	Exp. During March	% of exp. in 03/05
Water Supply	22.48	7.12	31.68	35.21	12.87	36.55	33.63	4.96	14.73
Roads	12.38	2.26	18.23	21.90	4.94	22.55	15.57	2.41	15.45
Deposit Works	7.68	1.56	20.33	5.89	0.90	15.23	5.42	0.74	13.66

1.17.2 Rush of Expenditure in last quarter

Trend of expenditure on quarterly basis was also scrutinized. It was noticed that above mentioned Departments also incurred heavy expenditure in the last quarter of the year. Details of quarterly expenditure incurred by same Departments are given below:

Table 1.34: Rush of expenditure in the last quarter of the year

Department	2002-03			2003-04			2004-05		
	Exp. during year	Exp. Jan. to March	% of exp. in last quarter	Exp. during year	Exp. Jan. to March	% of exp. in last quarter	Exp. during year	Exp. Jan. to March	% of exp. in last quarter
Water Supply	22.48	12.24	54.44	35.21	18.72	53.18	33.63	10.69	31.77
Roads	12.38	4.62	37.32	21.90	7.52	34.32	15.58	4.74	30.00
Deposit Works	7.68	2.95	38.42	5.89	2.27	38.59	5.42	1.22	22.48

1.18 Follow up on Audit Reports

1.18.1 Local Audit Report

Each Department, Branch/Office and Grant-in-Aid Institution of the New Delhi Municipal 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/Offices through Local Audit Reports. The Heads of Departments/Offices are required to furnish replies to the Local Audit Reports within four weeks of receipt of the Local Audit Report. Due to lack of compliance, 614 Local Audit Reports containing 3182 audit paras were pending as on 31 March 2005.

Department-wise details of outstanding paras of LAR as on 31 March 2005 are given below:

Table 1.35: Department-wise details of outstanding paras of LAR

S.No.	Name of Department	No. of outstanding paras as on 31 March 2005
1.	Accounts Department	315
2.	Architect Department	48
3.	Civil Engineering Department	490
4.	Commercial Department	57
5.	Education Department	454
6.	Electrical Engineering Department	630
7.	Enforcement Department	56
8.	Estate Department	83
9.	Fire Maintenance	41
10.	General Administration	88
11.	Health Department	328
12.	Horticulture Department	65
13.	House Tax Department	65
14.	I. T. Department	20
15.	Law Department	13
16.	Personnel Department	144
17.	PRO Department	40
18.	Security Department	30
19.	Welfare Department	215
	Total	3182

In order to improve compliance, a mechanism has been introduced to expedite the settlement of paras of Local Audit Report vide Council's Resolution dated 3 March 2005. An Adhoc Committee consisting of representatives from Audit, Finance and the concerned Departments has been set-up to settle outstanding paras.

1.18.2 Annual Audit Report

As per Council Resolution dated 10 February 1999, the replies (Action Taken Notes) to the paras in the Annual Audit Report were required to be sent by the Heads of Departments within six weeks of presentation of Annual Audit Report through Department of Co-ordination. These replies were required to be submitted to the Chief Auditor for further examination and recommendation for settlement of the paras.

Response to the paragraphs appearing in the Annual Audit Report had not been satisfactory. Accordingly, vide Council Resolution dated 3 March 2005 Council had approved constitution of Standing Committee on Audit under Section 9 of the NDMC Act to consider the Annual Audit Report of Chief Auditor and submit its report thereon to the Council.

During the year 2005-06 the Committee pursued the old cases very vigorously and issued appropriate directions to the concerned Departments.

Resultantly position of outstanding Action Taken Notes on paragraphs and reviews included in the Annual Audit Reports of New Delhi Municipal Council as on 31 March 2006 was as under:

Table 1.36: 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	58
1999	98	87
2000	45	28
2001	42	23
2002	38	21
2003	36	19
2004	36	25
Total	419	261

REVIEWS

REVIEWS

2.1 Construction of New Delhi City Centre Phase-II

Construction of NDCC Phase-II remained incomplete as of 31 March 2005 despite an expenditure of Rs.44.06 crore though scheduled period of completion of the Main Building was 1 September 1997. The Civil Engineering Department periodically granted extension of time to M/s NBCC Ltd. without levy of any compensation resulting in avoidable payment of escalation charges of Rs.1.74 crore till April 2001. The Department failed to supervise the project effectively resulting in execution of sub-standard work. No penalty was levied on Architect Consultant for delays in submission of drawings. The Electrical Engineering Department procured lifts despite defects in lift shafts resulting in non-installation of lifts and blockage of Rs. 4.37 crore. Other electrical works of air conditioning and internal electrical installation also remained incomplete despite an expenditure of Rs. 8.25 crore due to poor planning and co-ordination with Civil Engineering Department. The Civil and Electrical Engineering Departments thus need to review the project for its early completion as non-completion has already resulted in estimated loss of revenue of Rs. 90.02 crore as of March 2005.

Highlights

1. The work of Construction of NDCC Phase-II Main Building was awarded in August 1994 at an estimated cost of Rs. 23.81 crore without obtaining administrative approval and expenditure sanction from the competent authority. Even after a total expenditure of Rs. 44.06 crore on Civil and Electrical works, the work of Main Building was incomplete as of 31 March 2005.
2. The Civil Engineering Department had incurred an avoidable expenditure of Rs.1.74 crore on account of escalation charges from September 1997 to April 2001 due to grant of extension of time to M/s NBCC Ltd. without levy of liquidated damages. In addition, excess expenditure of Rs.1.18 crore was incurred towards increased cost of material on account of time over run.
3. Special advance of Rs.1.40 crore was paid to M/s NBCC Ltd. in contravention of provisions of CPWD Manual Volume-II.

4. **There was a short recovery of Rs.1.09 crore on account of departmental material issued, mobilization and special advances.**
5. **Procurement of lifts despite defects in lift shafts, unwarranted procurement of air conditioning equipment and delay in execution of internal electrical installation work by the Electrical Department resulted in non-completion of the works and blockage of funds amounting to Rs.12.62 crore.**
6. **Irregular expenditure on temporary lighting in the basements by NDMC resulted in extra expenditure of Rs.27.80 lakh.**
7. **Non-completion of the project of construction of NDCC Phase-II in time resulted in estimated loss of revenue of Rs.90.02 crore.**

1. Introduction

New Delhi City Centre (NDCC) was proposed during 1970-71. Construction of the Centre was proposed to be taken up in three phases. Phase-I, consisting of 20 storey Palika Kendra Building was completed in 1984. Initially, Phase-II was proposed as 32 storey tower. In Phase-III, Art Gallery, Committee Room and Auditorium were proposed.

The Ministry of Urban Development changed the FAR limits and height restrictions for the area in 1986. Accordingly, the proposed City Centre Phase-II with a ten storey office block (plus service floor of 7.32 metre height over 10th floor) was approved vide Committee resolution dated 1 October 1992 with preliminary estimate amounting to Rs.61.60 crore. Consequent upon the creation of New Delhi Municipal Council by an Act of Parliament in the year 1994, Administrative Approval and Expenditure Sanction of Rs.61.60 crore was also accorded by the Council vide resolution No.3 (ix) dated 9 June 1997 for Civil and Electrical works.

The Council resolution dated 1 October 1992 envisaged that the existing Palika Kendra Building (Phase-I) would be utilised for commercial purposes and consequently the proposed building NDCC Phase-II would be utilised for housing NDMC Offices. However, vide resolution no.3 (iii) dated 26 May 2000, the Phase-II of the City Centre was earmarked for commercial purposes as it was felt that it could fetch attractive revenue, if rented out and would also save unnecessary expenditure on shifting of offices from Palika Kendra to the new complex.

2. Organisational set-up

The Civil and Electrical works were executed by C-VI (Civil) Division and C-V (Electrical) Division respectively. The two Divisions are under the control of Engineer-in-Chief assisted by respective Chief Engineers, Superintending Engineers, Executive Engineers, Assistant Engineers and Junior Engineers.

3. Scope of Audit

The objective of the review is to examine economy, efficiency and effectiveness of expenditure incurred on construction of NDCC Phase-II. The thrust is on the analysis of various factors responsible for non-completion of the project in time.

4. Financial Outlay

Budget provision and expenditure incurred on construction of NDCC Phase-II, as per records made available to audit, is given below:

Table 1: Budget provision and expenditure

Year	Budget Provision	Expenditure as intimated by the Divisions		Expenditure worked out by audit for Civil Division on basis of Broadsheets
		Civil	Electrical	
1992-93	50.00	34.07	-	34.08
1993-94	150.00	175.22	-	181.21
1994-95	175.00	118.62	-	105.19
1995-96	500.00	353.57	-	353.57*
1996-97	1200.00	260.04	-	285.73
1997-98	700.00	410.06	-	431.24
1998-99	600.00	423.18	23.85	503.58
1999-00	4264.00	371.39	246.32	381.10
2000-01	1400.00	383.63	804.23	382.41
2001-02	1996.00	182.60	139.45	182.58
2002-03	150.00	52.38	32.32	58.50
2003-04	1200.00	10.25	54.70	4.85
2004-05	500.00	139.75	16.07	184.75#
Total	12885.00	2914.76	1316.94	3088.79

*Broadsheet for the year 1995-96 was not made available to audit. Hence, the figures of expenditure as intimated by the Division were adopted.

includes Rs. 161.61 lakh on account of arbitration award.

Note : Rs.110 lakh and Rs.39 lakh were allotted under Plan and Non-Plan head respectively during the period 1983-84 to 1991-92 against which no expenditure was shown in the budget book.

As seen from above, there was no separate budget provision for electrical and civil works for construction of NDCC Phase-II. Only a consolidated provision was shown in the Budget Book. Against the consolidated provision, there were huge savings in all the years except for 1993-94.

It was also noticed that Civil Division was underreporting the expenditure to the higher authorities. While the Civil Division reported an expenditure of Rs.29.15 crore, as per broadsheets the expenditure worked out to Rs.30.89 crore.

5. Audit findings

For construction of NDCC Phase-II, the following major works were awarded by Civil as well as Electrical Department:

Table 2: Details of works awarded

S.No.	Name of work	Agency	Stipulated Date		Agreement Amount (in Rs.)
			Start	Completion	
1.	Construction of Main Building	M/s National Building Construction Corporation Ltd.(NBCC)	02.09.1994	01.09.1997	23,80,81,978
2.	Plumbing and Sanitation work	M/s National Installation Co.	16.09.1998	15.12.1999	91,34,340
3.	Fire suppression work	M/s Spack Turnkey Project (P) Ltd.	22.02.2000	21.08.2001	1,18,52,669
4.	Providing electrical installation of NDCC Phase-II	M/s Precision Engineering	06.04.1998	05.04.2000	3,35,42,960
5.	Providing elevators in NDCC Phase-II	M/s Kone Elevators India Ltd.	08.01.1999	07.07.2000	6,61,72,000
6.	Providing HVAC System in NDCC Phase-II	M/s ETA Engineering Pvt. Ltd.	14.09.1999	07.09.2000	8,02,76,786

As of 31 March 2005, a total expenditure of Rs. 44.06 crore had been incurred on Civil and Electrical works i.e. Rs.30.89 crore and Rs.13.17 crore respectively. Though the scheduled period of completion of Main Building work was 1 September 1997, the construction was not complete as of March 2005. Resultantly, completion of other works also suffered and the objectives of construction of NDCC Phase-II remained unfulfilled as discussed in succeeding paras.

Audit comments relating to execution of Civil works and Electrical works, are discussed below:

5.A Civil Works

5.A.I Construction of Main Building

1. Administrative Approval and Expenditure Sanction

(a) Para 2.1 of CPWD Manual Vol.II envisaged that before incurring any liability in connection with the work, the following four basic pre-requisites were required to be fulfilled:

- (i) Administrative Approval
- (ii) Expenditure Sanction
- (iii) Technical Sanction
- (iv) Appropriation or Re-appropriation

Scrutiny of the records revealed that the construction of NDCC Phase-II, Main Building work was awarded to M/s NBCC Ltd. on 18 August 1994. The first meeting of New Delhi Municipal Council, which came into existence in the year 1994, was held on 23 December 1995. The Council however accorded the Administrative Approval and Expenditure Sanction to preliminary estimate for an amount of Rs.61.60 crore on 9 June 1997 vide resolution no. 3(ix). The Civil Engineering Department made payment of Rs.5.62 crore to M/s NBCC Ltd. during the period 15 February 1995 to 5 June 1997 even though appropriate authority had not accorded Administrative Approval and Expenditure Sanction.

The awarding of work and release of payment without Administrative Approval and Expenditure Sanction was irregular and in contravention of CPWD Manual Vol.II.

(b) There was a provision of Rs.1.76 crore in the preliminary estimate for contingencies. The details of expenditure incurred from the contingencies were, however, not made available to audit by the Division.

2. Delay in execution of project and resultant avoidable expenditure of Rs.1.74 crore on escalation charges

As per terms of contract entered into with M/s NBCC Ltd. on 18 August 1994, stipulated date of completion of work was 1 September 1997. The work was not completed as on 31 March 2005. It was observed that extension of time was granted to the contractor in phases upto 30 April 2001. Extension of time from 2 September 1997 to 15 December 1998 was approved without levy of compensation. For the period 16 December 1998 to 31 August 1999 and 1 September 1999 to 31 December 1999, a levy of 0.5 per cent of the estimated cost was imposed on M/s NBCC Ltd. on 18 September 1998 and 2 November 1998 respectively. However, subsequently, in April 2000, this was reviewed

and waived. Further, extension upto 31 October 2000 was also granted without levy of any compensation. The last extension upto 30 April 2001 without compensation was approved on 16 April 2001. As a whole, extension of time of 44 months from 2 September 1997 to 30 April 2001 was given to the M/s NBCC Ltd. for completion of the work.

Scrutiny of records revealed that the delay of 44 months was justified on each occasion by NDMC and no compensation was levied on M/s NBCC Ltd. Though for 12 and a half months (16 December 1998 to 31 December 1999) penalty was levied on M/s NBCC Ltd., the same was later reconsidered and waived off. Resultantly, NDMC had to pay escalation charges for the enhanced cost of material and labour amounting to Rs. 1.74 crore for the period 2 September 1997 to 30 April 2001.

A detailed analysis of hindrances revealed that the delay occurred due to non-availability of structural drawings for Auditorium-cum-Library Block, non-availability of details/drawings for under layer of flooring for office area in Block-C, toilet drawings etc. NDMC also changed the specifications of various works and even the usage of building. As late as April 1999, it was decided to house commercial offices in new NDCC building instead of shifting NDMC offices from Palika Kendra to new building. However, the progress of various works executed by M/s NBCC Ltd. was also persistently slow. Letters issued by NDMC and Architect Consultant clearly revealed that M/s NBCC Ltd. had not mobilized required resources to complete the work in time. Notice under Clause 2 & 3 of the agreement was also issued to the contractor by NDMC. The Department however failed to effectively supervise the work of M/s NBCC Ltd. and finally justified all hindrances and imposed no penalty for slow progress of work by M/s NBCC Ltd.

Thus, NDMC incurred an avoidable expenditure of Rs. 1.74 crore on account of time over run and resultant payment of escalation charges.

3. Avoidable expenditure and undue benefit to the contractor amounting to Rs. 2.12 crore

(a) Excess expenditure of Rs.1.18 crore due to time over run

Construction of NDCC Phase-II Main building awarded to M/s NBCC Ltd. Ltd. was abnormally delayed. Due to delay in completion of work, market rate of the material stipulated to be issued had increased considerably i.e. by 18.72 per cent. But the recovery from the contractor had to be made as per issue rate given in the agreement. Consequently, NDMC had to bear additional cost of material procured at prevailing

market rate. The excess cost of material due to time over run worked out to Rs. 1.18 crore calculated upto 8 August 2003 (the period of adjustment of material issued to the firm).

(b) Excess payment of Rs.26.99 lakh

During February 1995 to November 2002, an amount of Rs.20.55 crore was paid to M/s NBCC Ltd. up to 66th running account bill. Scrutiny of 66th running account bill for the work of construction of NDCC Phase-II (Main Building Work) revealed that an amount of Rs. 26.99 lakh was paid to M/s NBCC Ltd on 29 November 2002 whereas recoveries to the tune of Rs.84.31 lakh for the departmental material issued/advance were due to be recovered as per recovery statement attached with the bill. After that no payment had been made till the date of audit. Releasing payment of Rs.26.99 lakh, ignoring the recoveries of Rs.84.31 lakh pending against contractor, tantamounts to giving undue benefit to the contractor.

(c) Short recovery of Rs.57.61 lakh on account of issue of departmental material

As per agreement clause 42(ii) mentioned in recovery statement attached with the bill, cement and steel was issued to the firm M/s NBCC Ltd. The material was issued and consumed beyond the permissible limit/variation. Recovery of material issued to the contractor for work beyond permissible variation was required to be made at double the issue rate. But scrutiny of 65th running account bill revealed that the recovery was made at normal issue rate resulting in short recovery of Rs. 57.61 lakh as detailed below:

Table 3: Issue and recovery of departmental material

Item No.	Total material issued to work	Theoretically required	Variation allowed		Total material for single rate recovery (3+4)	Total material for double rate recovery (2-5)	Rate of recovery per M.T.	Amount recovered short (in Rs.)
			% age	Qty.				
Cement	15173 MT	14135.12 MT	2%	282.702 MT	14417.82 MT	755.177 MT	2163	1633448.00
Steel	4156.101 MT (issued) 4069.824 MT (consumed) 86.277 MT (no recoveries effected)	3803.809 MT	3%	114.114 MT	3917.923 MT	151.901 MT 86.277 MT x2x12722	12722	1932485.00 2195232.00
Total								5761165.00

(d) Payment of Rs. 8.59 lakh for choked conduit

As per agreement, M/s NBCC Ltd. was to provide and fix M.S. conduits of different sizes alongwith other Civil works. As per scheduled item no.113 they provided the M.S. conduits for which an amount of Rs.8.59 lakh was paid to them (M/s NBCC Ltd.) upto 66th running account bill dated 29 November 2002.

In terms of codal provision (para 7.31.1 of CPWD Manual Vol-II), all the hidden items of work are to be 100 per cent test checked by the Assistant Engineer. The payment of this item should have been released after verifying the facts about test check. The records were silent about test check. Moreover, Executive Engineer (Electrical) has been showing the hindrance of choked conduits for delay in execution of Electrical works. Ultimately, in April 2001, it was decided to put up surface conduits for execution of Electrical Works. Had this item of work been checked at the time of execution, these defects, which were beyond repair, could have been avoided/prevented.

(e) Non-recovery of Rs.0.74 lakh incurred on site office

In terms of Clause 11.0 of the agreement, "the contractor shall at his own cost provide office accommodation of minimum 250 sq. ft. on the site for the exclusive use of the Architect and his staff. The contractor shall also provide a sample room and a meeting room of 120 sq. ft. and 250 sq. ft. respectively for the use of NDMC staff. These shall comprise a well-insulated, properly finished 'Pucca' structure with plastered walls, cement floor, doors, windows, ceiling etc. The office shall be furnished by the contractor with three office tables, six chairs, one steel cupboard and two 6'X4' pin boards affixed to the walls. It shall be provided with electric wiring and electric connection. The contractor shall dismantle/remove the structure at the end of the construction period or as instructed by the Engineer-in-charge."

Scrutiny of records revealed that NDMC incurred an expenditure of Rs.0.74 lakh (Annexure-V) on site office in contravention of agreement clause referred above. The reasons for not recovering the amount from M/s NBCC Ltd. were not available on record.

4. Deviation of AHR/ALR items beyond permissible limit

In terms of para 20.16.1 to 20.16.3 of CPWD Manual Vol.II Abnormally High Rated/Low Rated items should not be deviated beyond permissible limit i.e. 5 per cent of works above plinth level.

Scrutiny of 66th Running Account bill revealed that deviations in Abnormally High Rated items were beyond permissible limits resulting in an overall excess payment of Rs.37.73 lakh (Annexure-VI).

The approval of the appropriate authority for executing these items of work in excess of the quantity stipulated in the agreement resulting in excess payment of Rs.37.73 lakh was not found in the records produced to audit.

Similarly, Abnormally Low Rated items either had been executed less or not executed at all (Annexure-VII). Reasons for the same were not found on record.

5. Irregular payment of advances and short recovery thereof

(i) Irregular payment of mobilization advance and short recovery of Rs.15.21 lakh including interest

In terms of Para 31.6 of CPWD Manual Vol.II, mobilization advance can be given in respect of certain specialised and capital intensive works costing not less than Rs. two crore. The advance is to be limited to a maximum of 10 per cent of the estimated cost put to tender or tendered value or Rs. one crore, whichever is less. The recovery shall be made by deduction from contractor's bills commencing after 10 per cent of gross value of work done or from 2nd running bill whichever is earlier. This recovery shall be on pro-rata basis to the gross value of work billed in such a way that the entire advance is recovered by the time eighty per cent of the gross value of the work is executed and paid.

But in the instant case condition No. 27 of the agreement for construction of NDCC Phase-II with M/s NBCC Ltd. provided for Rs. 1.10 crore as mobilization advance in two instalments. The first instalment of Rs. 55 lakh was to be given to contractor if requested within one month of order to commence the work. The first instalment of mobilization advance was accordingly released on 7 October 1994 for Rs. 55 lakh and remaining amount of Rs. 55 lakh was released during the period July 1995 to November 1995(Annexure-VIII). The reasons for violation of provisions of Manual were not intimated to audit.

As per details of advance and recovery provided by the Division, Rs. 1.10 crore was given as advance against which Rs. 1.02 crore had been recovered till 60th running account bill. No recovery had since been made of the remaining principal amount of Rs.7.59 lakh from 61st to 66th running account bills. Further, an amount of Rs. 7.62 lakh also became due as interest for the period 16 November 1995 to 31 March 2004

(calculated @ 12 percent simple interest on the balance amount). Reasons for not affecting the recoveries of balance amount alongwith interest from the contractor were not available on record.

(ii) Payment of special advance of Rs. 1.40 crore against the provisions of CPWD Manual

There is no provision of payment of special advance to the contractor in CPWD Manual Vol. II. Ignoring the provision of the Manual, an amount of Rs. 1.40 crore (Annexure-VIII) was paid to the contractor (Rs. one crore on 16 November 1998 and Rs. 40 lakh during the period 28 June 2001 to 8 October 2001), as a special case due to the stated reasons of acute liquidity crisis of M/s NBCC Ltd. For this purpose a joint account was opened between M/s NBCC Ltd. and NDMC. The authority under which the advance had been paid was not on record.

(iii) Short recovery of special advance of Rs. 36 lakh

Against special advance of Rs. 1.40 crore, an amount of Rs. 1.04 crore was recovered from the contractor upto 65th running account bill (Annexure-VIII). After this, no recovery had been made till March 2004 though the payment of one more running account bill amounting to Rs.26.99 lakh was released and recovery of Rs. 36 lakh on account of special advance excluding interest was due.

The circumstances under which the full recovery of advance had not been made were not on record.

6. Acceptance of sub-standard work

In terms of Para 5.2.1 to 5.2.6 of CPWD Manual Vol. II, Engineering staff of the Division was supposed to supervise each item of work at the time of execution so as to avoid construction of sub-standard work. Before a sub-standard work is accepted by the Department, the Engineer-in-Charge should get prior approval of competent authority.

The quality of work and material utilised in the main structural work of NDCC Phase-II by M/s NBCC Ltd. was sub-standard. This fact was made known by the various letters issued to the firm by Architect Consultant during the period May 1995 to September 1999 regarding use of sub-standard material and execution thereof. The Consultant went to the extent of reporting that contractor M/s NBCC Ltd. did not have proper technical know-how, manpower and material etc. Moreover, they were

not following the departmental instructions regarding dismantling of poor quality construction work and there was no alternative but to demolish the exposed concrete work executed by M/s NBCC Ltd. Lastly, the Architect Consultant in January 1999 advised Executive Engineer (C-VI) to instruct M/s NBCC Ltd. to suspend the construction. The Division had also been raising the issue of sub-standard quality of work.

However, in spite of knowledge about the poor quality of work being executed by the firm, Department continued to release the payment to M/s NBCC Ltd. at regular intervals from February 1995 onwards. It is pertinent to mention that while during May 1995 to October 1999, the Architect Consultant and Department were writing letters to M/s NBCC Ltd. regarding sub-standard execution of work, at the same time, the Department made payments amounting to Rs.1.84 crore to the firm. The reasons for acceptance of sub-standard work by the Civil Engineering Department were not on record.

7. Undue benefit to the Architect Consultant

M/s Raj Rewal and Kuldeep Singh were appointed as Architect Consultant for all the proposed buildings under NDCC Phase-II and III. As per the agreement dated 25 March 1987 with the Architect Consultant, the payment to him was subject to a ceiling of Rs.30 lakh and Rs.15 lakh for Phase-II and III respectively. The agreement was revised on 17 August 1992 and clause of penalty was incorporated. The ceiling was also revised from Rs. 45 lakh to Rs.162 lakh. The Architect Consultant was paid Rs.1.27 crore as consultancy charges upto December 2002.

(a) Payment of salaries of Site Engineers etc.

In terms of clause 1.10 of the agreement with Architect Consultant, they were required to depute engineers, clerks along with other supporting technical staff on their behalf as might be considered necessary for successful and timely completion of the project and day to day site supervision. The payment of salaries of these engineers, clerks etc. were to be the liability of the Architect Consultant. The Department irregularly paid Rs.7.17 lakh during the period 1996 to March 2004 towards salaries of the Site Engineer and Technical Advisor appointed by the Consultant for day-to-day supervision in addition to regular technical staff of the Divisional Office. The circumstances under which the salaries of above staff were paid by the Department were not on record.

(b) Non-levy of penalty of Rs.16.20 lakh for delay in submission of drawings

As per clause 1.16 of the supplementary agreement of 1992, "In case of Architect's failure in submission of design and drawings, Rs.1800 per day compensation was to be imposed on them subject to maximum of 10 per cent of the fee payable to Consultant".

As per hindrance register, delays in execution of works were on account of non-issue of drawings by Architect Consultant in time (Annexure-IX).

Though there was delay of 1963 days on the part of Architect Consultant for non-submission of drawings etc., the division had not made any effort to recover the amount of Rs. 16.20 lakh (i.e. 10 per cent of fee payable) on account of penalty in terms of Clause 1.16 of the agreement.

8. Other points of interest

(a) Booking of irregular expenditure of Rs.16.65 lakh on execution of other works to construction of NDCC Phase-II

34 works (Annexure-X) were executed under the powers of Executive Engineer/Superintending Engineer at different locations within the jurisdiction of NDMC. These works in no way were required to be executed for the construction/completion of NDCC Phase-II. Total expenditure incurred on these works amounting to Rs.16.65 lakh had been booked to Construction of NDCC Phase-II irregularly.

(b) Infertuous expenditure due to indecision on pre-qualification tenders for the work of 'granite, marble stone cladding and aluminium glazing'

Tenders for pre-qualification of contractors for the above noted work were invited with stipulated date of receipt of application as 20 December 1999. Out of 31 applications received, eight firms were recommended for aluminium glazing work and six firms for granite marble cladding work. But no decision was taken to invite price bids. Again Press Notice was issued on 23 January 2003 inviting fresh applications for pre-qualification of contractors for the same work. No decision to award the work or to invite price bids was taken upto March 2004.

The following payment on account of publication of Press Notice was made which ultimately proved to be infructuous:

Table 4: Expenditure on advertisement

(Rs. in lakh)	
Year	Amount
1998-2001	1.87
2003-2004	2.57
Total	4.44

(c) Non-maintenance of essential records

(i) Contractor's Ledger

Contractor's ledger is maintained in the Divisional office to keep a watch over the material issued and recoveries made from running account bills. It is an essential record to keep a watch on issue/consumption and recovery of material on the work. The C-VI Civil Division responsible for execution of work did not produce the contractor's ledger to audit for scrutiny. It is not understood how the recovery of material issued was being watched in the Divisional office in absence of this basic record.

(ii) Works Abstract

Works Abstract was also not being maintained in the Division (Civil). The reasons for non-maintenance of this essential record were not intimated to audit.

5.A.II Fire Suppression Work

(i) Award of work at low rates

Para 20.10.1 of CPWD Manual Vol II envisaged, "The rate at which works are let out should be reasonable considering the market conditions and other factors pertaining to particular work. Only variation upto 5 per cent in rates received as a result of call of tenders and rates prevalent in the market could be overlooked. In case of greater emergency variation upto 10 per cent might be allowed but in no case rates higher than the market rates beyond the percentage should be accepted. The Officer Incharge of the work should bear the above instruction in mind while accepting the tenders for works falling within their powers for acceptance. It is not enough for them to accept the lowest tender".

M/s Spack Turnkey (Project) Ltd. quoted the rates at 20.58 per cent below. While placing the case before the Council, above provisions were not brought to notice of the Council resulting in award of work at abnormally low rates. This also subsequently caused non-procurement of material in time and slow execution of work as discussed in the para (ii) below.

(ii) Undue delay in completion of work

The work of fire suppression for NDCC Phase-II was awarded to M/s Spack Turnkey (Project) Ltd. with stipulated date of start and completion as 22 February 2000 and 21 August 2001 at Rs.1.19 crore. Scrutiny of records revealed that provisional extension of time was granted to the firm upto 21 February 2003. It was also observed that the delay was on the part of contractor. In this regard, letters were issued to the firm during July 2001 to April 2002 to accelerate the progress of works and procurement of total material required for the work. The firm did not respond to the requests of the Department for accelerating the progress of work. A show cause notice was also served upon the firm on 29 November 2001. Last letter was issued to the firm on 26 April 2002 for restarting of work and furnishing of drawings to Architect Consultant. The work remained incomplete as of 31 March 2005.

(iii) Payment in contravention of NIT condition

Scrutiny of records revealed that there was a condition stipulated in the NIT viz. the contractor registered in Departments other than NDMC shall also have to get themselves registered before they were paid first running account bill. In contravention to the above NIT condition, an amount of Rs.26.40 lakh was paid to the firm M/s Spack Turnkey (Project) Ltd. upto 4th running account bill dated 20 December 2001.

5.A.III Plumbing and Sanitation Work

(i) Payment of escalation charges

The work of Plumbing and Sanitation was awarded to M/s National Installation Co. for NDCC Phase-II on 1 September 1998 for Rs.91.34 lakh with stipulated date of start and completion as 11 September 1998 and 15 December 1999 respectively. The progress of the work as intimated to the Council was 60 per cent as on 26 July 2004.

The site order book/hindrance register, if any, maintained by the office were not produced to audit. From the work file, it was observed that provisional extension of time was granted upto 30 June 2004 so as to

keep the contract alive. The work was still incomplete as of 31 March 2005.

An amount of Rs.5.81 lakh was paid to the contractor towards escalation charges for the period ending 31 December 2001 pending final approval from appropriate authority without levy of compensation. As no final extension was granted, release of payment of Rs.5.81 lakh was in contravention to the provisions of clause 10 CC of agreement against which the escalation charges were paid.

(ii) Payment in contravention of NIT condition

It was observed that an amount of Rs.58.67 lakh was paid to M/s National Installation Company for the work of Plumbing and Sanitation vide 32nd running account bill. As the contractor was not found registered with NDMC, payment made to him was in contravention of NIT condition viz. the contractor registered in Departments other than NDMC or unregistered shall also have to get themselves registered before they were paid first running account bill.

5.B Electrical Works

Expenditure to the tune of Rs.13.17 crore was incurred by the Electrical Division since 1998-99 to 2004-05 on the project of NDCC Phase-II. Three major works were being executed by Electrical Division viz. (i) Internal Electric Installation, (ii) Providing Elevators and (iii) Providing Heat Ventilation and Air Conditioning system. Out of total expenditure of Rs.13.17 crore, expenditure of Rs.12.23 crore incurred on above mentioned three works remained blocked, as discussed below:

(i) Blockage of funds to the tune of Rs. 4.37 crore due to non-installation of lifts in NDCC Phase-II

The tenders from the pre qualified firms for the work of 'Providing elevators in NDCC Phase-II' were invited vide tender notice on 9 December 1997 with due date of sale and opening as on 31 December 1997 and 2 January 1998 respectively. The details of the tenders received are as under:

Agency	Quoted amount
1. M/s Kone Elevators India Ltd.	Rs. 6.75 crore
2. M/s OTIS Elevators India Ltd.	Rs. 7.27 crore

The work was awarded on 31 December 1998 to M/s Kone Elevators India Ltd. at their negotiated amount of Rs. 6.62 crore against the estimated amount of Rs. 7.26 crore put to tender.

The components of the lifts were received from December 1999 to February 2001. Accordingly an amount of Rs.4.37 crore was paid to firm upto 7th running account bill dated 3 August 2001 for 16 elevators.

The defects in lift shafts were noticed by the Electrical Department of NDMC well before inviting the tenders for procurement and installation of lifts. Chief Engineer (Electrical) vide his note dated 6 November 1997 informed Chief Engineer (Civil) that the lift shafts were not absolutely plumbed which would create problems for installation/operation of lifts in future. In March 1998, Executive Engineer (C-V) Electrical informed Executive Engineer (C-VI) Civil to check the verticality of lift shafts. However, despite knowing about the plumbness of lift shafts, Electrical Department awarded the work on 31 December 1998. Letters were issued by Executive Engineer (Electrical) during the period March 1999 to August 2000 for rectification of defects in the lift shafts to avoid installation problems, leakage of water in store rooms where lift equipment were stored etc.

In the meeting of High Power Committee dated 2 September 2004 and 28 September 2004, it was brought on record that out of 14 defective lift shafts, defects in eight lift shafts were rectified and lifts could be installed with additional brackets and steel structure. It was also informed that for remaining six lift shafts, smaller size cars with additional modified brackets could be provided with additional expenditure of Rs.1.21 crore, for which the decision was to be taken by Architect Consultant in consultation with Civil Engineering Department and M/s NBCC Ltd.

Civil as well as Electrical Divisions were well aware about the defects in the lift shafts. In spite of this, Electrical Division procured lift equipment which could not be installed resulting in blockage of Rs.4.37 crore.

The Electrical Department in its reply (May 2005) stated that the lift equipment was procured so as to complete the project in time. As a result of their follow up eight out of 14 lift shafts were got rectified and M/s Kone Elevator had in September 2004 agreed to revise their estimates from Rs.1.21 crore to Rs.66.68 lakh for providing smaller size lift cars in remaining six defective lift shafts.

The contention of the Electrical Department regarding timely completion of the project as the reason for procurement of lift equipment is not tenable as the Electrical Department was very well aware of the

defects in lift shafts even before the award of the work in December 1998 as explained above. The fact remains that Rs.4.37 crore has remained blocked due to non-installation of lifts.

(ii) Unwarranted procurement of air conditioning equipment resulting in blockage of funds of Rs.6.11 crore

The work of providing 'Heat Ventilation and Air Conditioning (HVAC) System' in NDCC Phase-II was awarded to M/s ETA Engineering Pvt. Ltd. for Rs. 8.03 crore on 8 September 1999 for completion by 7 September 2000. Total payment of Rs. 6.11 crore upto March 2005 (Rs. 5.64 crore upto 26th running account bill + Rs. 46.72 lakh upto 7th running account bill of escalation) was made to the firm for supply of equipment and installation.

Scrutiny of records revealed that despite the slow progress of civil work, of which the Electrical Department was fully aware, the Electrical Department procured air conditioning equipment and released payment thereof. In the Site Coordination meeting held on 16 April 2002, the Architect Consultant advised that the works of services like air conditioning, elevator and internal electrical installation etc. should be carried out after the related civil works were completed and site was found suitable for installation of sensitive and costly equipment.

On 12 November 2003, M/s Engineering Pvt. Ltd., the executing agency, pointed out to Executive Engineer (C-V) (Electrical) that they could not complete their work of commissioning the plant due to the following hindrances in execution of civil works:

- i) Providing false ceilings at different floor levels
- ii) Providing permanent doors and windows in all Air Handling Unit rooms
- iii) Approval of drawings related to auditorium and library block
- iv) Providing of no. of foundations required for equipment to be installed at upper terrace
- v) Provision for permanent three phase connection required for equipment
- vi) Providing three fan rooms at ground floors

The position was also reviewed in the meeting chaired by Engineer-in-Chief on 6 October 2004. It was decided that Executive Engineer (Electrical) and Executive Engineer (Civil) would jointly inspect and finalise the minimum inescapable requirement of civil works so that electrical works could proceed.

Thus, it is evident that procurement of electric equipment was made in haste without assessing the readiness of civil structure. This created the avoidable problem of safety and storage of costly equipment along with their deterioration due to storage/disuse and resulted in blockage of Council's fund amounting to Rs.6.11 crore on account of non-commissioning of plant.

The Electrical Department in its reply dated 11 May 2005 stated that more than 80 per cent work has since been completed and balance work could not be completed due to non-completion of civil work.

The reply of the Department is not tenable as the plant is yet to be commissioned. As some of the equipment is yet to be installed, the Electrical Department has to bear the responsibility of continuous storage of costly equipment and preventing them from damage and water seepage etc. which was persistently observed during 2001-04.

(iii) Avoidable extra expenditure of Rs. 27.80 lakh on temporary lighting arrangement

As per terms and conditions of the contract, M/s NBCC Ltd. was responsible for providing general lighting and security arrangements till the completion of the work. Other agencies/contractors engaged for various services were also required to make their own arrangements for lighting and electrical supply at their own cost.

Scrutiny of records revealed that Electrical Department was requested to provide temporary lightings in the three basements in June 2000. However, Chief Engineer (Electrical) on 28 August 2000 observed that the building was still under construction and lot of work remained to be done by M/s NBCC Ltd. in the three basements. Hence, temporary lighting was to be provided by them. M/s NBCC Ltd. insisted that the lighting arrangements might be provided by the contractor doing the AC work or by the Electrical Department. Finally during the progress review meeting held on 13 December 2000 it was decided that Electrical Department would provide temporary lights in all the basements in the interest of expediting the work which had already been delayed badly.

The Electrical Department obtained quotations for providing 200 tubular fittings on hire basis for only two months. The work was awarded to M/s Mahalaxmi Light house on 23 December 2000 for three months at a rate of Rs. 15000 per month. After expiry of initial period of three months in March 2001, the contract was extended for two months for 250 lights at a cost of Rs.18750 per month from March 2001. The same contract was further extended from time to time and was still continuing as

of March 2005. Expenditure of Rs.27.80 lakh (approx.) towards hire charges (Rs. 9.30 lakh) and electricity consumption charges (Rs. 18.50 lakh) had already been incurred up to March 2005.

Since, M/s NBCC Ltd. was responsible for providing temporary lighting arrangements till the completion of the work, expenditure incurred by the Electrical Department on the same was not justified.

Thus, necessary action for recovery of expenditure on temporary lighting should have been taken since the building was still under construction and the contractor had not handed over the building to NDMC.

(iv) Delay in execution of Internal Electrical Installation (IEI) work

The work of internal electrical installation was awarded to M/s Precision Engineering on 26 March 1998 for an amount of Rs. 3.35 crore by Electrical Division with stipulated date of start and completion of work as 6 April 1998 and 5 April 2000 respectively. As on 31 March 2005, total payment of Rs. 2.14 crore had been made and work was still incomplete.

Scrutiny of records revealed that the Architect Consultant failed to depute his representative to supervise the work and submit the various drawings in time resulting in delay in completion of various electrical installation works as detailed below:

Table 5: Details of hindrances

S.No.	Nature of hindrance	Period		No. of days excluding overlapping period
		From	To	
1.	Non-clearance of M.S. conduits and M.S. Boxes	6.4.1998	18.11.99	592
2.	Non-clearance of drawing of cable trays	1.9.1998	26.9.2000	313
3.	Non-clearance of earthy drawings	1.9.1998	31.5.2001	247
4.	Q-Type panel drawing not issued	29.6.2001	17.8.2001	50
Total				1202

No action was, however, taken by the Department after January 2000 for coordinating with Civil Engineering Department for completion of said work or for penalising consultants for not supervising work.

The Electrical Department in its reply stated that about 60 per cent work had been completed. The remaining work could not be completed due to non-completion of civil works and non-submission of certain electric drawings by the Architect Consultant for which the matter was being regularly pursued with Architect Consultant and Civil Engineering Department.

However, the fact remains that despite regular meetings of all the important decision makers i.e. the representatives of Civil and Electric Engineering Departments, Architect Consultant and M/s NBCC Ltd. the coordination remained poor resulting in unwarranted delay and non-completion of works within the stipulated time even after an expenditure of Rs. 2.14 crore.

(v) Payment in contravention of NIT condition

While issuing notice for inviting tenders for under mentioned works a condition was incorporated that contractor registered in Departments other than NDMC shall also have to get themselves registered before they were paid first running account bill.

Scrutiny of records revealed that the payments of Rs.6.51 crore were made to the firms but their registration papers were not found on record produced to audit. The details of the payments made are given below:

Table 6: Payment made in contravention of NIT

(in Rupees)				
S. No.	Name of work	Name of contractor	S.No. of R/A Bill	Total payment made
1.	Providing Elevators in New Delhi City Centre Phase-II	M/s Kone Elevators India Ltd.	7 th	4,37,20,952
2.	Providing Electrical installation at NDCC Phase-II	M/s Precision Engineering	14 th	2,14,16,512
Total				6,51,37,464

Thus, the payments to the firms were made in contravention of the condition of NIT.

In reply, the Electrical Department stated that the NIT condition was of general nature and was not required to be enforced in this particular case when all the particulars of the firm were fully examined during pre-qualification at much higher level in NDMC.

The reply is not tenable since the NIT condition clearly provided for registration of the firm in NDMC before releasing the payment of first running account bill. In case this was not required, the contract condition should have been suitably modified.

5.C Abnormal delay in completion of building resulting in loss of revenue of Rs. 90.02 crore

NDCC Phase-II was initially planned to house NDMC's offices. During the course of construction of NDCC Phase-II in April 1999, NDMC decided that the new building might be rented out for commercial use. The offices of NDMC would remain in the Palika Kendra. Architect Consultant had justified the economic viability of NDCC Phase-II considering the rates of interest at the rate of 20 per cent on borrowing of funds and return of rent at the rate of Rs. 70 per sq. foot per month. Architect Consultant stated that the total cost of the project including interest thereon could be recovered within seven to eight years of letting of the building. Due to delay in completion of the building, however, the estimated revenue could not be realised.

In view of the extensions accorded from 2 September 1997 to 30 April 2001, the building should have been ready for occupation by 30 April 2001. Had this progress been achieved, NDMC could have earned the revenue of Rs. 90.02 crore for the covered area of 26766 sq.mtr (26766 sq.mtr. x 10.76 = 288002.16 sq.ft.) conservatively calculated on the basis of rates of rent mentioned by the Architect in the year 1992 as detailed below:

Table 7: Details of calculation of rent

	(in Rupees)
Rent per month @ Rs. 70 per sq.ft. X 288002.16 sq. ft.	2,01,60,151
Total rent for 47 months (01.05.2001 to 31.03.2005)	94,75,27,097
Less maintenance charges (-) 5%	4,73,76,355
Net revenue loss	90,01,50,742

Conclusion

The Project of Construction of NDCC Phase-II, which was scheduled for completion by 1 September 1997, was incomplete as of March 2005 even after a delay of around seven and a half years and a total expenditure of Rs. 44.06 crore on various Civil and Electrical works. Non-completion of the project in time has also resulted in estimated revenue loss of Rs.90.02 crore which could have been earned by way of rent had the project been completed in time.

NDMC had liberally allowed periodic time extensions to M/s NBCC Ltd. without levy of any compensation. No action was also taken against the firm for execution of sub-standard work and against the Architect Consultant for late submission of drawings. Due to time over run, there was also cost over run of material and labour used departmentally and contractually. Poor planning and lack of co-ordination resulted in procurement of lifts despite defective lift shafts resulting in their non-installation. Various other electrical works viz. internal electric installation and air-conditioning were also lying incomplete resulting in blockage of Council funds.

The Civil and Electrical Engineering Departments thus need to review the non-completion of Project of NDCC Phase-II resulting in non-achievement of its objectives and take immediate steps to complete the pending works. Contract with M/s NBCC Ltd., pending any final decision, also needs an early review.

2.2 Settlement and disbursement of pensionary benefits in NDMC

Audit reviewed the functioning of the Pension Branch for the period from 2000-01 to 2004-05 with a view to assess adherence to codal provisions, processing delays, existence of monitoring and control mechanism etc. The functioning of Pension Branch was found deficient. Proper procedure and time schedule laid down in CCS (Pension) Rules, 1972 were not followed strictly. There were abnormal delays of upto 150 months in settlement of family pension and voluntary retirement pension cases. Commuted value of pension was not reduced from the amount of pension resulting in overpayment of Rs. 3.69 lakh in 11 cases. The Department did not revise family pension after the stipulated period of seven years or the age of 65/67 years resulting in overpayment of Rs. 8.90 lakh. The commuted value of pension was irregularly deducted from family pension resulting in less payment of family pension. Similarly, full pension was not restored after a period of 15 years resulting in less payment of Rs. 10.35 lakh in 137 cases. The lapses were indicative of weak internal control and monitoring mechanism. The Pension Branch thus needs to look into these critical areas and streamline its functioning.

Highlights

1. Proper procedures and time-schedules as laid down in CCS (Pension) Rules, 1972 were not being followed strictly.
2. There were abnormal delays of upto 150 months in settlement of family pension and voluntary retirement pension cases.
3. Commuted value of the pension was not reduced from the amount of pension resulting in overpayment of Rs. 3.69 lakh in 11 cases.
4. The amount of family pension was not revised after the stipulated period of 7 years or the age of 65/67 years resulting in overpayment of Rs. 8.90 lakh in 11 cases.
5. Irregular deduction of commuted value of pension from family pension resulted in less payment of family pension.
6. Non-restoration of full pension after expiry of period of 15 years resulted in less payment of pension amounting to Rs. 10.35 lakh in 137 cases.

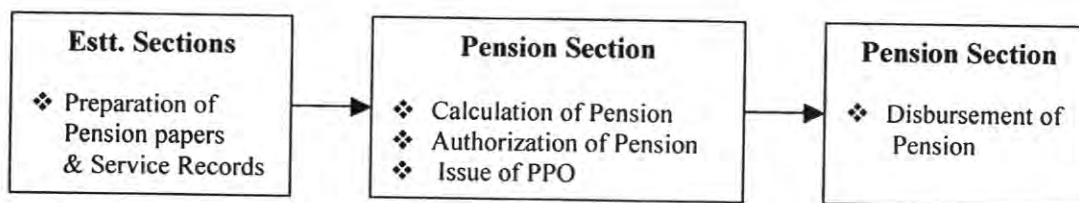
1. Introduction

NDMC accepted and approved the CCS (Pension) Rules, 1972 as Ad-hoc Grant Scheme for its employees vide its Resolution No. 3 dated 19 October 1973. Accordingly, the employees of the Council are eligible for various types of pensions including superannuation pension, voluntary retirement pension, family pension etc. Further, the Council has accepted and approved the "New Pension Scheme-2004" vide Resolution No. 22 (D-4) dated 27 April 2005.

As on 31 March 2005, there were a total of 6110 pensioners including 2249 family pensioners. The number of pensioners constituted nearly 40 per cent of the men-in-position in NDMC as on 31 December 2004. The actual expenditure on pension payment during the year 2004-05 was Rs. 40.51 crore. This was equal to 16.90 per cent of expenditure on salaries in NDMC during 2004-05.

2. Organisational Structure

Pension to NDMC employees is authorized and disbursed by Pension Branch on the basis of service records prepared by Establishment Branch. The organisational structure is as follows:



a) Establishment Branches

Establishment Branches of NDMC, functioning under the control of Director (Personnel), are mainly responsible for preparation of pension papers and other service records of retiring employees of NDMC. They forward the pension papers to Pension Branch for settlement and disbursement of pension.

b) Pension Branch

Pension Branch of NDMC under Director (Accounts) is mainly responsible for calculation, authorization and disbursement of pension and other pensionary benefits such as DCRG, commutation of pension and family pension to the retirees or family members of the deceased employees of NDMC. There are two sections in Pension Branch. One

section deals with settlement of pensions i.e., calculation of pension, preparation and issue of Pension Payment Orders (PPOs). The second section deals with disbursement of pension, issue of family pension orders, receipt of bank scroll/statements, restoration of enhanced family pension to normal family pension etc.

3. Scope of Audit

Authorization and disbursement of pension to NDMC employees was test checked with reference to records of the Establishment and Pension Sections mainly for the period 2000-01 to 2004-05.

4. Audit objectives

The objectives of the audit were to assess:

- (a) adherence to codal provisions while authorizing and disbursing pensions
- (b) processing delays
- (c) accuracy of pension authorized
- (d) monitoring and control mechanism
- (e) system of accounting for pension disbursed

5. Audit Methodology

Pension was authorized and disbursed by the Pension Sections based on service records maintained by 11 Establishment Sections. Records of Pension Branch and Civil Establishment-I, Civil Establishment-II, Education Establishment-I, Education Establishment-II and Health Establishment-II sections were test checked through:

- examination of primary records including service books and personal files maintained by Establishment Branch.
- examination of records of Pension Branch including bank scrolls, bank statements, DCRG Registers etc.
- examination of process of authorization and disbursement of pension.

6. Profile of Pensioners

Total number of pensioners as on 31 March 2005 was 6110 out of which 2049 cases were finalised during the review period i.e. 2000-2005. Category-wise details of 6110 pensioners are given below:

Table 1: Details of Pensioners

Details	Superan-nuation Pensions	Family pensions	VRS	C.R. Pensions	Prov. Pensions	Invalid Pensions	Misc.	Total
Total pensioners upto 1999-2000	1962	1720	119	6	11	18	*225	4061
Pension cases finalised during 2000-05	1345	529	119	8	13	35	--	2049
Total as on 31.3.2005	3307	2249	238	14	24	53	225	6110

* Categories of Pension could not be ascertained due to non-production of old record/PPO registers and non-filling of complete information in PPO registers

7. Budget Provision and Expenditure

The budget provision and actual expenditure during the period 2000-01 to 2004-05 under the heads of accounts Pension, DCRG & Ex-gratia were as under :

Table 2: Budget Provision and Actual Expenditure

(Rs. in lakh)				
Year	Head of A/c	Budget Provision	Actual Expenditure	Excess (+) Savings (-) (in percentage)
2000-01	C.3.9(a) Pension	2800.00	2195.57	(-) 21.60
	C.3.9(b) DCRG	800.00	551.50	(-) 31.00
	C.3.9(c) Ex-gratia	10.00	3.07	(-) 69.30
	Total	3610.00	2750.14	
2001-02	C.3.9(a) Pension	2600.00	2423.91	(-) 6.80
	C.3.9(b) DCRG	650.00	566.27	(-) 13.00
	C.3.9(c) Ex-gratia	10.00	1.37	(-) 86.00
	Total	3260.00	2991.55	
2002-03	C.3.9(a) Pension	3000.00	2744.00	(-) 8.5
	C.3.9(b) DCRG	700.00	636.90	(-) 9.00
	C.3.9(c) Ex-gratia	10.00	8.50	(-) 15.00
	Total	3710.00	3389.40	
2003-04	C.3.9(a) Pension	3200.00	3220.87	(+) 0.65
	C.3.9(b) DCRG	900.00	864.52	(-) 4.00
	C.3.9(c) Ex-gratia	10.00	8.60	(-) 14.00
	Total	4110.00	4093.99	
2004-05	C.3.9(a) Pension	3700.00	3305.53	(-) 10.66
	C.3.9(b) DCRG	1000.00	736.17	(-) 26.40
	C.3.9(c) Ex-gratia	11.00	9.60	(-) 12.70
	Total	4711.00	4051.30	

Analysis of table above indicated that during 2000-01 to 2004-05 savings ranged between 6.8 per cent to 21.6 per cent under the head of account Pension, 4 per cent to 31 per cent under the head of account DCRG and 12 per cent to 86 per cent under the head of account Ex-gratia. Huge savings also indicated that proper assessment of expenditure to be incurred on account of pensionary benefits during each financial year was not made. The reasons for savings were not on record.

8. Audit Findings

A) Procedures

1. Non-adoption of procedures laid down in CCS (Pension) Rules, 1972

Establishment Branches of NDMC are mainly responsible for preparation of pension papers and other relevant records. All the procedures to be followed starting from 24 months to 30 months before retirement of Government servant are to be followed mainly by the Establishment Branches. In order to examine the procedures followed by these branches of NDMC, audit scrutinized 235 personal files alongwith service books maintained by Civil Establishment (I), Civil Establishment (II), Health Establishment (II), Education Establishment (I) and Education Establishment (II). Scrutiny of these files revealed that in all the 235 cases test checked, the prescribed procedure was not being followed as indicated in table below:

Table 3: Procedures not followed in NDMC

S. No.	Rule No. (CCS Pension Rules)	Action to be taken as per CCS Pension Rules	Time schedule as per CCS Pension Rules	Position in NDMC
1.	32	Verification of qualifying service after 25 years service or five years before retirement in Form No. 24	5 years before retirement	The Departments did not follow the prescribed practice.
2.	56	Preparation of list on 1 st January and 1 st July of Government servants retiring within 24-30 months and sending a copy to PAO (A.O. Pension in case of NDMC)	1 st January/ 1 st July each year	-do-
3.	57	Writing to Estate Officer for issue of No-Demand Certificate	2 years before retirement	-do-
4.	58	Preparation of Form No.7 (Form of Assessing Pension, Family Pension, Gratuity and commutation of pension, wherever applicable)	2 years before retirement	Done only 1 to 3 months prior to date of retirement
5.	59	Obtain Form No. 5 from Government servant (Particulars of self and family and photographs etc.) A check list cum pension progress should be prepared.	8 months before retirement	Rule was not being adhered to

6.	60	Completion of part-I of Form No. 7 (Record of service, leave, emoluments etc.)	6 months before retirement	Being done 1-3 months before retirement
7.	61	Forwarding of pension papers and Form No. 5 & 7 to PAO (A.O. Pension in the case of NDMC)	6 months before retirement	Time schedule was not being adhered to
8.	62	Intimation to PAO (A.O. Pension in case of NDMC) of any event having bearing upon pension	Immediately	Could not be ascertained
9.	63	Intimation to PAO (A.O. Pension in case of NDMC) regarding recovery of Government dues from the gratuity	2 months before retirement	Being followed
10.	64	Authorization of provisional pension for six months, if delay is anticipated in the completion of pension papers of the retiree	2 months before retirement	Rule provision was not being followed
11.	65	Issue of Pension Payment Order	1 month before retirement	Not being adhered to

In addition, following further shortcomings were noticed:

(i) Providing of Pension Papers

The Establishment Branch concerned is expected to provide forms to pensioners. In NDMC this work was entrusted to Labour Welfare Branch thereby creating an additional level in processing the pension cases. To avoid such additional levels, Establishment Branch concerned may itself provide the required forms to retiring official and a list of retiring officials be forwarded to the Labour Welfare Office.

(ii) Filling of Pension Forms

Further scrutiny revealed that only a single set of forms was being filled up by the retiring officials and the same was forwarded to Pension Cell for calculation of pensionary benefits. Office copies of the said forms were not being maintained by concerned Establishment Branch. Office copies are required for ascertaining the authenticity of work done, for further references and are also required at the time of audit of the records. In absence of the same, audit could not verify the completeness of the pension papers and the scrutiny done by the Establishment Branches.

(iii) Non-recording of entries of retirement and pensionary benefits in service book

Scrutiny of 235 service books revealed that certain essential details were not recorded in the service books of retirees. These are listed below:

- Retirement order.
- Pension Payment Order indicating amount of normal pension and family pension.
- Amount of gratuity paid and order number.
- Commutation amount paid alongwith Order No. and date.

- Other benefits such as GPF, leave encashment and insurance amount paid to pensioners.

Non-recording of above entries in the service book made the system susceptible to double payment at any later stage.

(iv) Authorization of Family Pension

As per Para 22 of the Scheme for payment of pensions to Central Government Civil Pensioners by Public Sector Banks, family pension should be authorized automatically by the paying bank itself, after receipt of death certificate of the pensioner, to the family pensioner at the rate which has already been conveyed to the bank by the Department at the time of issuance of PPO.

However, scrutiny of records revealed that the family pension was not being authorized by the paying bank but the authorization was being issued by the Pension Cell again resulting into avoidable delay in payment of family pension to the spouse/legal heirs of the deceased pensioners.

B) Pension Settlement and Disbursement

1. Delay in settlement of pension in voluntary retirement cases

Scrutiny of records revealed that there were considerable delays in settlement of pension cases of employees who took voluntary retirement. 119 employees opted for voluntary retirement during the period April 2000 to March 2005. The delay in settlement of these cases ranged from 1 month to 145 months as detailed below:

Table 4: Delay in settlement of VRS

Period of delay	No. of cases
1 month to 3 months	40
More than 3 months but less than 6 months	33
More than 6 months but less than 12 months	31
More than 12 months but less than 36 months	12
More than 36 months but less than 60 months	1
More than 60 months but less than 120 months	1
More than 120 months	1
Total	119

Reasons for delay were not available on record.

2. Discrepancies in disbursement of pension, dearness pension etc.

During the test check of list of pensioners provided to audit, it was observed that in 18 cases disbursement of pension/ family pension was less than the prescribed minimum pension. In 23 cases dearness pension was not allowed and in 5 cases amount paid as dearness pension/ dearness relief was higher than basic pension. Details of these cases are given in the table below:

Table 5: List of Pensioners/family pensioners whose pension was not disbursed as per CCS (Pension) Rules, 1972

S.No.	Type of discrepancies	No. of cases	PPO Numbers
1	Pensioners getting pension/ family pension less than minimum prescribed pension	18	320/NDMC, 321/NDMC, 1158/NDMC, 1543/NDMC, 1567/NDMC, 1706/NDMC, 1816/NDMC, 1926/NDMC, 2101/NDMC, 2833/NDMC, 3070/NDMC, DP114/S/NDMC, DP391/R, DP260(C)(R), DP146 (S), 442(S), 1781 and 66(SR)
2	Pensioners not getting dearness relief	23	18/NDMC, 42/NDMC, 60/NDMC, 74v, 216/NDMC, 217/NDMC, 219/NDMC, 327/NDMC, 339/NDMC, 560/NDMC, 562/NDMC, 781/NDMC, 894/NDMC, 1284/NDMC, 1383/NDMC, 1408/NDMC, 1462/NDMC, 1651/NDMC, 2005/NDMC, 2514/NDMC, 3109/NDMC, 3473/NDMC and 3783/NDMC
3	Pensioners getting higher rate of DP/DA than basic pension	5	1322/NDMC, 1460/NDMC, 1687/NDMC, 1950/NDMC and 1992/NDMC

Department may review all the cases and steps may be taken to regulate correct payment of pension/family pension.

3. Overpayment of Rs. 3.69 lakh to the pensioners

Rule 6(1) of Appendix-1 of CCS (Commutation of Pension) Rules, 1981 stipulates that (a) in the case of an applicant who is drawing his pension from a treasury or Accounts Office, the reduction in the amount of pension on account of commutation shall be operative from the date of receipt of the commuted value of pension or at the end of three months after issue of authority by the Accounts Officer for the payment of commuted value of pension, whichever is earlier and (b) in the case of an applicant who is drawing pension from a branch of a nationalized bank, the reduction in the amount of pension on account of commutation shall be operative from the date on which the commuted value of pension is credited by the bank to the applicants account to which the pension is credited.

Test check of bank scrolls and pension files revealed that original basic pension was being paid to the following pensioners without deducting commuted portion of the pension though in all these cases the pensioners had commuted their pension:

Table 6 : Non-Deduction of Commuted Value of Pension

S.No	Name of Pensioner	PPO No.	DOR	Commuted Value (in Rs.)	Total months (Upto 12/05)	Total (in Rs.)
1.	Smt. Leelawati	1647/NDMC	31.03.1997	192	105	20160
2.	Sh. Ram Dass	1813/NDMC	31.01.1997	162	107	17334
3.	Smt. Sona Devi	2258/NDMC	30.11.1998	524	85	44540
4.	Smt. Phoolwati	2507/NDMC	30.09.1999	997	75	74775
5.	Sh. Murli	2861/NDMC	31.08.2000	510	64	32640
6.	Smt. Basanti Devi	3006/NDMC	31.01.2001	524	59	30916
7.	Smt. Tunda	3209/NDMC	31.08.2001	731	52	38012
8.	Sh. Ram Sumer	3266/NDMC	31.10.2001	666	50	33300
9.	Smt. Harbai	3560/NDMC	31.08.2002	642	40	25680
10.	Sh. Ram Kumar	3793/NDMC	20.07.2003	577	29	16733
11.	Sh. Karbir Singh	4229/NDMC	31.12.2003	1436	24	34464
					Total	368554

Thus, non-adherence to rules and absence of monitoring mechanism resulted in overpayment of Rs.3.69 lakh in 11 cases alone.

C) Family Pension Settlement and Disbursement

(1) Delay in settlement of Family Pension

Scrutiny of records revealed abnormal delays in settlement of family pension cases. During the period April 2000 to March 2005, 529 cases of family pension were settled after the death of the employees in service. The delay in finalizing the cases ranged from one month to 150 months as can be seen from the table below :

Table 7: Delay in Authorization of Family Pension

Period of delay	No. of cases
1 month to 3 months	18
More than 3 months but less than 6 months	65
More than 6 months but less than 12 months	226
More than 12 months but less than 36 months	186
More than 36 months but less than 60 months	27
More than 60 months but less than 120 months	6
More than 120 months	1
Total	529

Reasons for delay in authorization of family pension were neither available on record nor analyzed by the Department.

(2) Overpayment of Rs.8.90 lakh to Family Pensioners

As per Rule 54(3) of CCS (Pension) Rules 1972, enhanced family pension shall be payable for a period of seven years or for a period upto the date on which the deceased Government servant would have attained the age of 65 or 67 years had he survived, which ever is less. The system of switching over from enhanced rate to normal rate of pension is automatic as it is recorded on the PPO itself and the bank has to make the payment of family pension as recorded on PPO.

However, scrutiny of the relevant record revealed that family pension at enhanced rate was continued to be disbursed even after the stipulated period resulting in overpayment of Rs. 8.90 lakh in 11 cases as indicated in table below:

Table 8: Overpayment to Family Pensioners

(In Rupees)						
S.No.	Name of Pensioner	PPO No.	Enhanced rate of FP disbursed	Normal rate of FP	Date w.e.f. which enhanced rate of FP not admissible	Excess payment up to 12/2005
1.	Smt. Devki Devi	1897/NDMC	1561	1275	16.10.2002	18459
2.	Smt. Aruna Kumari	1905/NDMC	2732	1275	04.12.2004	33468
3.	Smt. Leela wati	0062/NDMC	3737	1689	14.08.1998	274748
4.	Smt. Kamla Devi	0013/NDMC	1764	1275	10.06.1999	59449
5.	Smt. Ganeshi	3074/NDMC	1607	1275	01.02.2005	6533
6.	Sh. Som Dutt	4139/NDMC	1385	1305	07.04.2002	5043
7.	Sh. Shyam Sunder	0307/NDMC	2732	1396	26.12.1998	172087
8.	Smt. Bindra	1393/NDMC	2524	1396	01.09.2002	74930
9.	Sh. G.C. Dhawan	1419/NDMC	3550	2130	01.02.2003	83485
10.	Smt. Parmeli	114/NDMC	2247	1377	09.06.1999	105812
11.	Sh. Kalicharan	1177/NDMC	2211	1353	02.10.2002	55644
Total						889658

Department vide its reply dated 19 June 2006 admitted the lapse and stated that bank failed to make the payment as recorded in the Pension Payment Order. Audit is of the view that if proper reconciliation of bank scroll and control/monitoring mechanism was in existence, the over payment could have been detected.

(3) Irregular Payment of Family Pension

Rule 54(6) stipulates that the period for which family pension is payable shall be as follows:

- in the case of a widow or widower, up to the date of death or re-marriage, whichever is earlier ;

- (ii) in the case of a son, until he attains the age of twenty five years ;
and
- (iii) in the case of an unmarried daughter, until she attains the age of
twenty five years or gets married, whichever is earlier.

Scrutiny of records revealed that Sh. Surender Kumar s/o late Sh. Deva ex-Beldar, family pensioner (PPO No. 2922/NDMC) was drawing family pension even after attaining the age of 25 years on 25 March 2004. The family pension paid beyond 25 March 2004 was irregular and resulted in irregular payment of Rs. 49188 during March 2004 to December 2005. This may please be looked into and irregular payment may be stopped and the excess payment of Rs. 49188 may be recovered under intimation to audit.

(4) Incorrect deduction in Family Pension on account of commutation

Commutation is allowed from original pension and not from family pension as original pension and family pension are drawn by different persons. Hence, the portion of pension commuted by the pensioner from his original pension cannot be deducted from family pension authorised to his/her spouse or family members.

Scrutiny of files/records revealed that commuted value of pension was being deducted from family pension of deceased pensioners. Details of few such cases are given below :

Table 9 : Short-Payment to Family Pensioners

S.N	Name of family pensioner	PPO No.	Amount of commuted value of pension deducted (in Rs.)	Date from which deducted	Short payment of family pension up to 12/2005 (in Rs.)
1.	Smt. Subartan	1975/NDMC	543	25.01.1998	51708
2.	Smt. Purnima	2186/NDMC	510	29.12.1999	30649
3.	Sh. Phool Singh	2581/NDMC	731	--	--
4.	Smt. Angoori Devi	3036/NDMC	1065	11.12.2002	39061
5.	Smt. Kamla	3261/NDMC	51	13.11.2000	3142
6.	Smt. Radha Devi	3643/NDMC	1160	22.12.2001	56054
7.	Smt. Shakuntla Seth	3757/NDMC	1502	24.01.2004	34934
Total					215548

The irregularity indicated not only violation of rules but also lack of effective internal control and supervisory mechanism.

(5) Other Irregularities

i) Scrutiny of records of PPO No. 376/NDMC of Sh. Lila Ram revealed that Sh. Lila Ram retired on superannuation on 31.12.1993. Before retirement Sh. Lila Ram had informed the Department that his wife Smt. Shanti had divorced him and remarried. Therefore, she would not be entitled to any pensionary benefit. In his family details (under Rule 54(12)) also Sh. Lila Ram had indicated the names of his children only. Subsequently, Smt. Shanti, the divorcee of Sh. Lila Ram vide affidavit dated 7 April 2005 claimed that Sh. Lila Ram had died on 3 January 2005 and family pension may be paid to her. She also submitted a death certificate in the name of Sh. Lila Ram issued by Primary Health Centre, Garhi Harsaru, Gurgaon.

However, scrutiny of the list of pensioners provided by the Department and bank scrolls revealed that the pension was still being paid to Sh. Lila Ram. The Department had not verified the facts so far. The matter may, therefore, be investigated and suitable action taken under intimation to audit.

ii) Scrutiny of records revealed that PPO No. 053/NDMC was issued in the name of Km. Karishma (under guardianship of Sh. Mohan Chand Pandey) but the payment of family pension was being disbursed to one Kumari Krishna.

Department needs to devise appropriate supervisory checks to ensure that provisions of CCS Pension Rules are followed.

D) Commutation of Pension

(1) Non-restoration of commuted value of pension even after completion of 15 years

As per CCS (Commutation of Pension), Rules 1981 commuted value of pension is to be restored after 15 years of commutation. Scrutiny of the list of pensioners provided by the Department revealed that in 137 cases full pension was not restored even after 15 years and pension was still being disbursed after deducting commuted value of pension. The total amount short paid to pensioners due to non-restoration of commuted value of pension up to December 2005 worked out to Rs. 10.34 lakh.

The Department in its reply stated that as per CCS (Commutation of Pension) Rules 1981 the concerned pensioner is required to apply to Pension Disbursing Authority for restoration of commuted value of pension.

However, it could not be ascertained whether in all such cases pensioners had failed to apply for restoration of full pension. The Department also needs to create awareness among the pensioners regarding the provision for restoration of commuted value of pension after completion of 15 years.

(2) Non allowing of commutation in case of Invalid Pension

As per Rule 2 and Rule 18 of Appendix-I of CCS (Commutation of Pension) Rule 1981, Government servants who may be entitled to or have been authorized any class of pension referred to in Chapter-V of the CCS (Pension) Rules 1972 including Invalid Pension are entitled for commutation of fraction of their pension.

Scrutiny of Invalid Pension cases, however, revealed that the Department was not allowing commutation in case of invalid pensions in violation of the Commutation Rules. Department was requested to clarify and indicate the rule under which the commutation was not allowed on invalid pensions.

However, no reply was received from the Department so far.

E) Death-cum-Retirement Gratuity

(1) Sharing of Death-Gratuity among the family members

As per rule 50 of CCS (Pension) Rules, 1972 Death Gratuity is payable to nominee of the employee as per the nomination submitted by the employee under Rule-53.

Audit scrutiny revealed that Death Gratuity was being divided among all the family members of the deceased in spite of specific nomination on record and undertaking submitted by other members of the family to pay Death Gratuity to the spouse of the deceased. Reasons for following this arbitrary practice were not on record.

F) Accounts

(1) Irregular payment of Rs. 0.88 lakh on account of commission charges to bank

A test check of monthly summary of bank statements for the years 2000-01 to 2004-05 revealed that in a large number of cases the bank had charged commission in addition to the amount of pension disbursed to the

pensioners. The reasons for charging commission in these specific cases were not on record. The total commission charged by the bank during 2000-01 to 2004-05 worked out to Rs. 87982 as per details given below:

Table 10: Commission charged by Bank

(In Rupees)	
Year	Amount
2000-2001	4325
2001-2002	29961
2002-2003	22977
2003-2004	15308
2004-2005	15411
Total	87982

The Department continued to allow the payment of commission without ascertaining the reasons for the same.

(2) Pension Fund

A Pension Fund was constituted by NDMC. However, exact date of constitution of the fund could not be ascertained. Section 54(2) of NDMC Act, 1994 clearly stipulates that the constitution and disposal of such funds shall be effected in the manner laid down by regulations. However, no such rules/regulations for constitution and authorizing expenditure from Pension Fund were found on record.

As per Budget Book of NDMC, details of contribution to Pension and Gratuity Fund and expenditure incurred there from during the period 2000-01 to 2004-05 were as under:

Table 11: Details of Pension Fund & Expenditure there from

(Rs. in crore)		
Year	Pension & Gratuity fund	Expenditure
2000-2001	60.00	--
2001-2002	65.00	--
2002-2003	141.00	37.10
2003-2004	140.00	41.10
2004-2005	190.00	47.10

Basis for contribution to Pension Fund were not on record. The contributions to Pension Fund appeared to be ad-hoc in nature. No actuarial studies have been conducted so far to take into account the pension liability of NDMC in short term, medium term or long term. As regards, expenditure out of Pension Fund, scrutiny of budget book revealed that no expenditure out of Pension Fund was booked up to the year 2001-02.

Subsequently, New Pension Scheme 2004 was also introduced in NDMC. This scheme covers the employees who joined NDMC on or after 1 January 2004. Accordingly, two new Pension Heads C.3-19.A. and C.3-19.B. were also operated. A sum of Rs. 16.29 lakh was deducted from the employees who entered in service on or after 1 January 2004 as their contribution towards this new pension scheme and was deposited in banks under 'Head of Account C.3-19.B.: Contribution to New Pension Fund'. NDMC's contribution towards the new pension scheme is credited to the new Head of Account C.3-19.A.. But, rules and regulations for operation of the new Pension Fund have not been formulated so far.

G) Other points of interest

(1) Improper maintenance of Pension Payment Order Register

Department maintains the PPO Register containing details of all the pensioners who had been issued PPO on their retirement. Scrutiny of PPO Registers, however, revealed that in a number of cases certain vital information was not recorded in PPO Registers. Details are given below:

Table 12: Non-recording of entries in PPO Register

S.No.	Nature of irregularity	No. of cases
1	Designation of retiring Government servant	354 cases
2	Name of family pensioners	816 cases
3	Date of Birth	414 cases
4	Date of Retirement/Date of Death	35 cases
5	Last pay drawn	843 cases
6	Pension details	14 cases

Incomplete details defeat the very purpose of maintaining PPO Register, which is the basic record of detail of pensioners.

(2) Issue of duplicate PPO numbers

(i) Scrutiny of the pensioners list revealed that same PPO number was allotted twice in many cases. This is a very serious lapse as possibility of fraud could not be ruled out.

(ii) It was further observed that in some cases the name of the pensioner/family pensioner was not recorded against the PPO No. in the PPO Register and in some cases the name recorded in the PPO Register did not tally with the name appearing in the list.

Conclusion

Review of settlement and disbursement of Pensionary benefits for the period 2000-01 to 2004-05 revealed critical shortcomings. Management Information System was very weak. Procedures laid down under the CCS (Pension) Rules 1972 were not followed strictly. Office copies of the pension forms were not retained. Entries of Pensionary benefits allowed to the retirees were not recorded in the service books. Pension Payment Order Registers were not maintained properly as important entries were not recorded defeating the very purpose of maintaining such documents.

The internal control and monitoring system was weak resulting in inordinate delays in settlement of pension/family pension and voluntary retirement cases. Cases of overpayment of pension/family pension were also noticed.

The lapses were indicative of weak MIS, internal control and monitoring system. Proper co-ordination between Personnel and Accounts Department was also lacking. The concerned Departments, therefore, need to look into these critical areas and streamline their functioning.

DEPARTMENT
OF
CIVIL ENGINEERING

DEPARTMENT OF CIVIL ENGINEERING

3.1 Unproductive expenditure on acquisition of land

Expenditure of more than Rs. 1.65 crore incurred on acquisition of a three acre plot for construction of an Auto workshop at Sarai Kale Khan remained unproductive as the project had not taken off so far. The inordinate delay would also result in considerable cost escalation of the project.

NDMC had an auto-workshop at Mandir Marg. In 1994, Ministry of Urban Development decided to acquire this land for building a Balmiki Complex. For shifting the auto-workshop, DDA allotted three acres of land at Sarai Kale Khan to NDMC in December 1995 at a rate of Rs. 20 lakh per acre. As per terms of allotment payment of Rs. 61.50 lakh towards cost of land (Rs. 60 lakh) and ground rent for one year (Rs. 1.50 lakh) was made to DDA in February 1996. Physical possession of the land was, however, taken in October 1996.

As the land at Mandir Marg was to be vacated immediately, the existing auto-workshop was partly shifted to Laxmi Bai Nagar and partly to Okhla. Subsequently, two full fledged workshops were developed at these places keeping in view the functional need of maintenance of NDMC vehicles.

After taking possession of land at Sarai Kale Khan in October 1996, further expenditure of Rs. 1.03 crore was incurred upto March 2005 on its levelling, construction of boundary wall and approach road and payment of ground rent (upto October, 2005). The total expenditure incurred on watch and ward for this plot so far was not readily available.

Civil Engineering Department prepared a preliminary estimate amounting to Rs. 4.56 crore in September 2000, i.e. after four years of acquisition of land, for construction of a new workshop at Sarai Kale Khan. However, Finance did not concur the estimate and asked the

Department to furnish full justification for the proposed workshop and also wanted to know fate of the existing workshops which were fully equipped with men and machinery. The Department, instead of complying with the observations of Finance, placed the case before Council in February 2002 and obtained Administrative Approval and Expenditure Sanction for Rs. 4.56 crore for the work. The preliminary estimate was also approved by the Council in May 2002.

Thereafter, Department invited (September 2002) applications for pre-qualification of Structural Consultant. A Sub-Committee headed by Chief Engineer (Civil-I) was also constituted in December 2002 for finalisation of pre-qualification of the Structural Consultant. The Sub-Committee recommended short listing of five firms for the job and submitted the case to Finance in February 2003. However, the matter could not be finalised as Finance had certain observations about setting up a new workshop. They insisted that the heavy expenditure on new workshop required to be reviewed in the light of following observations:

- (i) Because of lack of expertise in Auto workshops, most of the Departments were entering into AMCs for their vehicles like tippers, compactors etc.
- (ii) Staff cars were got repaired from the authorised workshops as HODs have been given such powers.
- (iii) The proposed workshop was far away from NDMC area and would involve considerable dead mileage.
- (iv) Assessment of work being handled by the existing workshops and whether additional workshop was justified.

Instead of clarifying the points raised by Finance, the Department re-submitted (December 2003) the case to Finance with the remarks that the proposal had been approved by the Chairman (October, 2003). But, Finance reiterated (January 2004) their earlier observations and pointed out that dismal performance of the existing workshop was also commented upon by Transport Controller.

Thereafter, a Committee headed by Engineer-in-Chief was constituted to look into the affairs of the workshop including closure of the existing workshop and outsourcing the repair work. The Committee recommended (February 2004) that Okhla Workshop may be shifted and merged with the existing Laxmi Bai Nagar Workshop which will deal with

all HMV and LMV vehicles. The Committee also recommended that the issue of construction of a new workshop at Sarai Kale Khan may be decided at a later stage.

Subsequently, after detailed discussions between Secretary, Engineer-in-Chief and Transport Controller in April 2004, it was proposed that further work on the Sarai Kale Khan Workshop may be stopped immediately. As the land was allotted only for construction of a workshop, it was decided that Civil Engineering Department should take action to surrender the land to DDA and collect refund of the amount paid by NDMC.

Thus, expenditure of more than Rs. 1.65 crore incurred on acquisition of land at Sarai Kale Khan, its levelling, boundary wall and watch and ward remained unproductive for the last six to ten years. As the land was proposed to be surrendered to DDA, the expenditure incurred on its levelling, boundary wall, ground rent and watch and ward amounting to more than Rs. 1.05 crore etc. would be rendered infructuous.

The matter was referred to the Department in April 2006.

The Department in their reply (May 2006) stated that the proposal to surrender the land to DDA was not finalised and it was decided to construct the Auto Workshop at Sarai Kale Khan for which drawings had been sent to DDA for approval.

The Department's reply did not indicate the reasons/ factors leading to the new development and the present cost of construction of the proposed workshop. However, the fact remains that the land acquired in 1996 had not been gainfully utilised so far resulting in blockage of funds amounting to more than Rs. 1.65 crore. It also indicates absence of consistent policy in respect of such important issues.

3.2 Non-recovery of outstanding dues from Sports Authority of India

Adequate action was not taken to recover the expenditure incurred on annual maintenance of a Swimming Pool Complex from Sports Authority of India. Resultantly, a sum of Rs. 1.82 crore was still due from SAI as of August 2005.

As per provisions contained in Para 3.5.1 and Para 3.6.2 of CPWD Works Manual, whenever a deposit work is to be carried out, the contribution should be realised before any liability is incurred on the work. It should also be ensured that the expenditure is not more than the deposits received for the work.

The Talkatora Swimming Pool Complex, renamed as Dr. Shyama Prasad Mukherjee Swimming Pool Complex, was constructed by NDMC for hosting Asian Games-1982. Subsequently, the stadium was handed over to Sports Authority of India (SAI). However, the Council continued to maintain the civil and electrical assets on behalf of SAI on deposit work basis till 9 August 2005 after which the maintenance of the complex was to be handed over to CPWD.

A review of expenditure incurred by Civil Engineering and Electricity Departments on maintenance of the complex and deposits made by SAI revealed that while the Council continued to incur heavy expenditure every year, the progress of recovery of dues from SAI remained tardy. Resultantly, the outstanding dues against SAI increased steadily over the last four years as indicated in the table below:

Year	Opening Balance	Expenditure during year including Deptt. Charges		Total Amount due	Amount received			Balance due
		Civil	Electric		Civil	Electric	Total	
2001-02	17.06	84.95	41.87	143.88	55.50	36.97	92.47	51.41
2002-03	51.41	223.69*	36.94	312.04	193.33	36.94	230.27	81.77
2003-04	81.77	51.64	45.07	178.48	41.73	30.00	71.73	106.75
2004-05	106.75	47.84	36.20	190.79	19.42	15.00	34.42	156.37
2005-06 (upto 9.8.05)	156.37	20.64	10.97	187.98	--	6.40	6.40	181.58

* Including expenditure incurred in connection with Afro Asian Games.

It was clear from the table above that SAI had not reimbursed the total expenditure incurred by the Council annually on the maintenance of the Complex. Resultantly, the outstanding dues against SAI increased from Rs. 51.41 lakh as of 31 March 2002 to Rs. 181.58 lakh as of 10 August 2005 out of which a sum of Rs.135.84 lakh related to Civil Engineering Department and the balance amount of Rs.45.74 lakh was due to Electricity Department.

The detailed reasons for non-payment by SAI could not be ascertained from the record made available to audit. However, the abnormal increase in outstanding dues clearly indicated that the Civil Engineering and Electricity Departments failed to take appropriate action for the recovery of their dues from SAI as required under the rules.

Thus, the lackadaisical approach in recovery of the expenditure incurred on maintenance of the swimming pool complex resulted in non-recovery of Rs. 1.82 crore. Besides, interest on the outstanding dues was also recoverable from SAI. As the maintenance of the complex was to be handed over to CPWD, the recovery of outstanding dues from SAI may become even more difficult.

The matter was referred to the Departments in April 2006.

Civil Engineering and Electricity Departments in their reply stated (July 2006) that as SAI had not cleared the outstanding dues, the handing over of the complex to CPWD did not materialize. Further, SAI had also deposited a sum of Rs. 28.98 lakh in June 2006. However, they had contested the levy of departmental charges by NDMC and had taken up the matter for waiver of departmental charges at Ministry level. The Electricity Department further stated that the expenditure incurred by them upto 9.8.2005, excluding departmental charges had been reimbursed by SAI. The matter regarding payment of departmental charges was not settled so far.

The reply of the Departments was not acceptable. The departmental charges are levied on all deposit works as per provisions of CPWD Manual to cover the cost of T & P, Establishment, Pensionary charges etc. It was further observed from the replies of both the Departments that even after payment of Rs. 28.98 lakh in June 2006 a sum

of Rs. 1.52 crore (Rs. 1.22 crore for Civil Engineering Department upto November 2005 and Rs. 0.30 crore for Electricity Department upto 9 August 2005) was still outstanding against SAI.

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4.1 Injudicious purchase of switchgear boards resulting in blockage of funds

Order for purchase of three switchgear boards comprising of 28 panels was placed two years after demand without reconfirming the requirement from the indenting Division. Meanwhile, the works for which these panels were required had already been completed. The panels were, therefore, not drawn by the indenting Division resulting in avoidable blockage of funds amounting to Rs.82.61 lakh.

In February 2002, the 33 KV Store Division received a demand from Construction-VI Division for three number 11 KV SBB SF 6 vacuum switchgear boards with remote control and relay panels. These switchgear boards comprising of 28 panels were required for three different sanctioned works at Shahjahan Road, Connaught Place and Hanuman Road.

The Store Division (33 KV) invited open tenders under two-cover system in May 2002 for the purchase of three switchgear boards at an estimated cost of Rs. 1.17 crore. Tenders were opened in July 2002. Eight offers were received with different validity period ending between January 2003 to June 2003. As some of the offers were not exactly as per terms and conditions of NIT, techno-commercial discussions were held with all the eight tenderers in January 2003 to bring their offers as per NIT. After techno-commercial discussions, five firms agreed to all the terms and conditions of NIT. Firm 'A' and 'B' who had offered variable prices as per IEEMA, also withdrew the condition of variable prices and made their prices firm. However, three firms did not agree to change their conditions. Hence, their offers were rejected.

Price bids of the remaining five tenderers were opened in May 2003. The offer of Firm 'A' at Rs.78.29 lakh (all inclusive) was found to be the lowest. This offer was 33.25 per cent below the estimated cost of Rs.1.17 crore and 16.98 per cent below the justified cost of Rs.94.30 lakh. The Department, therefore, recommended to accept the offer and submitted the case to Finance in August 2003 for concurrence. The offer was valid upto June 2003 but was got extended upto September 2003.

Finance, however, observed (August 2003) that Firm 'A' had originally offered variable prices as such their offer should have been loaded suitably while computing the cost. After revaluation of the offers, Firm 'C' with the offer of Rs.84.73 lakh emerged as the lowest tenderer and Firm 'A' became the second lowest tenderer. The validity of offers was also got extended upto December 2003. But the tender was not finalised even by December 2003. At the request of the Department, both Firms 'A' and 'C' further extended the validity of their offer till 31 March 2004.

In February 2004, Financial Advisor specifically desired to know whether these switchgear boards/panels were actually required as the Electricity Department had procured material in the past and stocked them for years. Large number of panels were still kept in the open in Vidyut Bhawan for years.

However, the Department without ascertaining the actual requirement from the indenting Division remarked (March 2004) that the switchgear boards/ panels would be installed immediately. In view of Department's remarks, the proposal to hold negotiations with Firm 'C' for reduction in their quoted rates was concurred by Finance in March 2004, about two years after opening of the tender. During negotiations held in April 2004, the firm agreed to give a discount of 2.5 per cent on their earlier quoted rate thereby reducing their offer from Rs.84.73 lakh to Rs.82.61 lakh. Finally, the supply order was placed on the firm in April 2004, more than two years after the receipt of demand, without confirming from the indenting Division whether the panels were still required by them. The firm completed the supply in March 2005 at a total cost of Rs.82.61 lakh.

However, the indenting Division did not draw the boards/panels from the Store Division on the ground that the works for which these boards were required had already been completed. The Store Division brought this fact to the notice of Chief Engineer (Electric) (June 2005) wherein they also mentioned that they had also requested other Divisions to lift these boards/panels if the same could be used by them. But nobody agreed to lift these boards/panels. Resultantly, the boards/panels purchased at a cost of Rs.82.61 lakh were still lying in open in 33 KV Store.

Thus, Department's failure to verify the actual requirement of panels from the indenting Division before placing the order, that too, two years after the receipt of indent resulted in unnecessary purchase of the costly panels and blockage of funds amounting to Rs.82.61 lakh. Further, as these panels were kept in open, the possibility of deterioration and damage to these panels due to vagaries of weather could also not be ruled out.

The information regarding dates on which three works at Shahjahan Road, Connaught Place and Hanuman Road, for which the switchgear boards/panels were originally required, were completed and the source from which panels for these works were arranged was not readily available.

The matter was referred to the Department in April 2006.

The Department in their reply (May 2006) stated that the switchgear boards/panels were purchased against specific requirement of the Construction Division-VI but the same were not lifted by them so far despite repeated requests.

Department's reply was not acceptable in audit as the Department had not offered any reason for not confirming the requirement from the indenting Division before placing the order after a period of about two years from the initial demand. The Department's failure in the matter resulted in unnecessary purchase of the switchgear boards/panels and blocking up of funds amounting to Rs. 82.61 lakh.

4.2 Blockage of funds on account of non-utilisation of costly equipment

One 11 KV HT Board (13 panels) purchased on priority basis in May 2001 was not utilised so far resulting in unnecessary blockage of funds amounting to Rs.63.18 lakh. Besides, the costly panels were lying in open susceptible to damage on account of weather conditions.

One 11 KV HT panel board comprising of 13 panels with remote control was required by Construction-II Division of the Electricity Department for establishing an electric sub-station at NDCC Phase II. Accordingly, the Store Division (11 KV) invited open tenders in September 1999 for purchase of the equipment.

In January 2000, Construction-II Division again requested Store Division to take immediate action on top priority for the supply of the equipment for installation at the proposed sub-station as it was likely to be required for testing of heavy machinery like AC Plant, lifts etc. in March 2000.

The order for the supply of one 11 KV DBB Board (SF-6) type comprising of 13 panels with remote control was placed in July 2000. The firm supplied the equipment in May 2001 at a total cost of Rs.63.18 lakh. The equipment was subsequently issued to Construction-II Division (Electric) on issue note in March 2002 at an issue price of Rs.65.67 lakh. Though, the equipment was issued to the indenting Division in March 2002 and accounted for in their books, they did not physically lift the equipment and it remained with the Store Division.

After a period of more than three and half years of receipt of the board/panels in store, the Store Division requested (December 2004) Construction-II Division (Electric) to lift the equipment as it was occupying useful storage space and its condition was also likely to deteriorate. But, the concerned Division did not lift the equipment and it was still lying in open in the Store Division.

The reasons for not lifting the equipment by Construction – II Division from the Store Division and installing the same at the proposed site, when they had emphasized in January 2000 that the equipment was urgently required, could not be ascertained from the record made available to audit. The fact that the costly equipment was not yet installed even after a period a more than four years and was lying in open since then clearly indicated that the urgency shown by Construction-II Division in January 2000 for procurement of the equipment was not justified and the equipment was purchased without any immediate requirement.

As per terms of supply order, the equipment was guaranteed against manufacturing defects for a period of upto 18 months from the date of delivery. As the guarantee period had already elapsed and the equipment was not yet installed and tested, the Department would not have any relief in case any defect was noticed subsequently. Further, order for purchase of 11 KV Double Bus Bar (DBB) panels was placed in July 2000. Later, in another case, the Superintending Engineer-II had desired sometimes in early 2002 that in future only Single Bus Bar (SBB) panels should be purchased instead of DBB due to operational and maintenance problem of DBB panels. The injudicious purchase of the 13 DBB 11 KV panels in haste would, therefore, also cause maintenance problems for the Department as and when these panels were installed.

Thus, non-utilisation of the equipment since May 2001 had resulted in unnecessary blockage of funds amounting to Rs.63.18 lakh. As the equipment was lying in open, the possibility of its getting damaged due to vagaries of weather could also not be ruled out. The suitability of the equipment in the changed circumstances also appeared to be doubtful.

The matter was referred to the Department in April 2006.

The Department in their reply stated (August 2006) that the delay in utilisation of the equipment was beyond the control of Electricity Department. The equipment could not be installed as the sub-station site did not have proper approach and was not safe for installation. The desired modifications in the sub-station area were not carried out and the work was abandoned sometimes during the year 2002. The equipment would be installed after the modifications in the sub-station were carried out. The Department confirmed that the guarantee period for the equipment had already lapsed.

Department's remarks corroborated audit point that panels purchased at a cost of Rs. 63.18 lakh in May 2001 were not installed so far (August 2006) and were still lying in open.

4.3 Inordinate delay in execution of works for establishment of electric sub-stations

Department's failure to formulate clear policy and guidelines for execution of works relating to new electric sub-stations resulted in repeated tendering and mid-way termination of the consultancy contract involving infructuous expenditure of Rs.39.26 lakh. The important projects sanctioned in November 1997 were not awarded so far.

The Council had accorded (November 1997) administrative approval and expenditure sanction for establishing one 66 KV sub-station at B.D.Marg and one 33 KV sub-station at Church Road at a cost of Rs. 20.02 crore and Rs. 6.43 crore respectively. Thereafter, notice for pre-qualification of firms for establishing 66 KV and 33 KV sub-stations on turn key basis was published in March 1999 and expenditure of Rs. 3.66 lakh was incurred. The work included designing, supply of all material, installation, testing and commissioning of sub-station buildings. The tender was, however, cancelled as response to the tender was poor. Fresh NIT was published in newspapers in April 1999 and expenditure of Rs.4.23 lakh was incurred on publication of the notice.

Three firms were recommended for pre-qualification. However, there was disagreement over the final selection of the firm for award of work. It was, therefore, decided (June 2000) to appoint a consultant to

provide consultancy services for establishing the two sub-stations on turn key basis. Accordingly, NIT for pre-qualification of firms issued in April 1999 was also cancelled and fresh NIT for the consultancy services was issued in August 2000 at a cost of Rs.0.94 lakh. As a result of change in decision, expenditure of Rs. 7.89 lakh incurred on publication of earlier NIT in March 1999 and April 1999 was rendered infructuous.

Tenders for appointment of the consultant were opened in September 2000 and the contract for consultancy was awarded to the lowest tenderer in January 2001 for a total lumpsum consultancy fee of Rs.36 lakh plus site supervision charges of Rs.7000 per man day.

As per terms of the contract, the entire work including commissioning and testing of the sub-stations was to be completed within two years i.e. 31 March 2002. The consultancy fee was payable in six instalments on the basis of various stages of work done/consultancy provided as per schedule given in the contract. The contract also provided for recovery of compensation at one per cent per day for delay at any stage subject to maximum 10 per cent of the total contract value

On the basis of NIT prepared by the consultant, tenders for pre-qualification of contractors for establishing two sub-stations were invited in March 2001 for which expenditure of Rs.3.75 lakh was incurred on advertisement. Four firms were approved for the work. Technical bids of these firms were opened in April 2002. While, the offers of Firm 'A' and 'B' were found as per NIT, the offers of other two firms, 'C' and 'D' had certain deviations. But, there was serious difference of opinion between the Department and the consultant over the switchgear offered by Firm 'C' and 'D'. The recommendations of the consultant were found to be inconsistent with certain technical specifications required as per NIT. Their comments were also at variance with approved NIT. However, the matter could not be resolved despite a number of meetings with the consultant and lapse of precious time of about 16 months. Chairperson, NDMC also observed (August 2003) that the role of the consultant had been one of inconsistencies which had further aggravated the problem. As the stalemate continued, the matter was referred to Central Electricity Authority (CEA) in August 2003 (16 months after opening of the tenders) for their expert advice. Meanwhile, at the request of the consultant, validity of the contract was extended provisionally upto 31 March 2003 (upto stage V of the work).

After receipt of comments from CEA (October 2003), the Council resolved (January 2004) to reject the offers of Firm 'C' and 'D' and open price bids of Firm 'A' and 'B'. Accordingly, the price bids of Firm 'A' and 'B' were opened in March 2004 and sent to the consultant for scrutiny and evaluation. The consultant submitted their evaluation report after three

months in June 2004 which was found incomplete. The consultant was, therefore, asked to give justification for rates quoted by the firms. Negotiations were also conducted with Firm 'A', the lowest tenderer. After negotiations, Firm 'A' reduced their offer from Rs. 29.7 crore to Rs. 29 crore. The consultant justified the negotiated price and recommended (May 2005) to award the work to Firm 'A' at their negotiated offer. However, a final decision to award the work could not be taken.

Meanwhile, the case was referred to Planning Division in December 2004. The Planning Division made certain observations (December 2004) which normally should have been examined at initial NIT stage. Surprisingly, at this stage the Department changed their stand and contended that the offer of the firm 'A', which was earlier considered to be justified, was on the higher side. The Department, therefore, decided (July/August 2005) to invite fresh tenders to award the work. The basis and considerations for the changed assessment were not on record. However, it certainly created doubts about the evaluation procedure adopted by the Department. No further action was taken in the matter.

Subsequently, the Executive Engineer, C-VI Division also observed (August 2005) that in view of the decision to drop the tender for the works of 'Establishing 66 KV and 33 KV sub-stations at B.D. Marg and Church Road', the contract for consultancy was also to be closed. The consultant had been paid a sum of Rs.26.68 lakh upto stage IV of the work schedule.

Thus, due to frequent changes and lack of clear directions, important projects sanctioned in November 1997 were not awarded so far even after a lapse of about nine years. The Department failed to formulate a policy for executing these important projects. Lack of clear policy and delays at various levels had already resulted in infructuous expenditure of Rs.39.26 lakh on account of payment to the consultant (Rs.26.68 lakh) and advertisement of tenders on various occasions (Rs.12.58 lakh) without any benefit to the Council. The Department had also not proposed any action against the consultant for the delay and unsatisfactory performance. The abnormal delay in executing these important works would also result in considerable cost escalation besides affecting the operational efficiency of the Department.

The matter was referred to the Department in April 2006.

The Department in their interim reply (June 2006) stated that the decision to appoint a consultant was taken after the tender for pre-qualification of contractors was rejected. The subsequent tender

invited in March 2001 for pre-qualification of contractors for award of work was also rejected by the competent authority on the recommendations of Engineer-in-Chief. It has now been decided to appoint a Bid-Manager for getting this work executed. The Department further stated that there may be some rethinking even on this decision.

The Department further stated (July 2006) that the Department acted as per decisions taken by the competent authority and did not formulate any policy of its own. There was difference of opinion over certain issues and reluctance to take decisions. All these factors contributed to delay.

Department's reply clearly indicated that the Department had not so far finalised clear and firm policy/guidelines for execution of these important projects. This had already resulted in inordinate delay in execution of these important projects and infructuous expenditure of Rs. 39.26 lakh. As, these works were still to be awarded, the loss due to cost over-run could not be assessed.

4.4 Injudicious purchase of cable in excess of actual requirement

Incorrect assessment of requirement of HT cable resulted in purchase of cable in excess of actual requirement. 1.8 km cable worth Rs.40.97 lakh was lying in the store unutilized.

In March 2004, Maintenance Feeder Division of the Electricity Department projected a demand for the purchase of 5.780 km HT 33 KV, 3 x 400 sq mm XLPE cable for the year 2004-05. Out of this, 3.780 km cable was required against Estimate No. E.86 for replacement of old feeders (Bay No.4, 10 and 16) and two km cable for day-to-day maintenance of the feeders. The proposal was approved by the Chief Engineer (Electric) in March 2004.

In addition to above, provision for 4.9 km cable of the same size was also made in another Estimate No. E.83 for laying feeder between Mandi House and School Lane and Mandi House to B.D.Marg. Against this, 3.9 km cable was reported to be available with Construction-VI Division. The balance quantity of one km cable required for this work was clubbed with the requirement of Maintenance Feeder Division and total requirement of 33 KV, 3 x 400 sq mm XLPE cable was assessed at

six km although the work of 'Establishing sub-station at B.D. Marg' was not yet awarded and the cable was not required in near future.

Tenders for purchase of six km 33 KV, 3 x 400 sq mm XLPE cable at an estimated cost of Rs. 1.41 crore were invited in June 2004. One of the cable manufacturer, however, represented (July 2004) that the specifications mentioned in the NIT were discriminatory. The tender was, therefore, cancelled (August 2004).

Fresh tenders were invited in August 2004 for opening in September 2004. The date of opening was, however, extended and tenders were opened in October 2004. Out of the two offers received, one offer was not found as per NIT and was, therefore, not considered. However, before opening of the price bid of the second tenderer, the case was sent (November 2004) to Planning Division for examination

Planning Division observed (November 2004) that the approved Annual Maintenance Estimate contained provision for only 0.2 km cable. As such, demand for 1.2 km cable by Maintenance Feeder Division for this purpose was not correct. Further, the work of 'Establishing sub-station at B.D.Marg' was not yet awarded. Therefore, 1.10 km cable for this work was also not required immediately.

Meanwhile, Maintenance Feeder Division pointed out (November 2004) that out of 3.780 km cable required for the work of replacement of old feeders (Bay No. 4,10 and 16), 1.828 km cable was received from Construction-VI Division and used. Therefore, the Division now required only 2.152 km cable (1.952 km for the sanctioned work and 0.2 km for maintenance). However, this fact was not considered and the Store Division decided (November 2004) to purchase five km cable against this tender.

Order for the supply of five km cable at a cost of Rs. 1.15 crore was placed in December 2004. The firm supplied 4.955 km cable during February/September 2005. Out of this, 3.176 km cable was supplied to Maintenance Feeder Division during March 2005 to February 2006 although they required only 2.152 km as intimated by them in November 2004. The remaining 1.779 km cable worth Rs.40.97 lakh (approx.) was issued to Construction-VI Division on 31 March 2005 against the work of "Laying 33 KV feeder from the proposed 66 KV sub-station at B.D. Marg to 33 KV sub-station at DDB Mandi House". Interestingly, the work of 'Establishing sub-station at B.D.Marg' was not yet awarded and the cable was not immediately required. Resultantly, the cable was still lying in the Store Division.

It was clear from the above facts that requirement of cable was not assessed correctly. Maintenance Feeder Division sent a demand for 5.780 km cable as against actual requirement of only 3.98 km cable for the sanctioned work of replacement of feeders as well as for maintenance works. Against this requirement, 3.9 km cable was already available with Construction-VI Division which was not required immediately as the work for the sub-station at B.D.Marg was yet to be awarded. Thus, there was no justification for purchase of five km cable at a cost of Rs. 1.15 crore.

The actual utilisation of 3.176 km cable issued to Maintenance Feeder Division and the quantity of cable now lying with Construction-VI Division could not be verified. Even if the entire quantity of 3.176 km cable issued to Maintenance Feeder Division was utilised by them, 1.779 km cable worth Rs. 40.97 lakh was still lying unused with Store Division. The incorrect assessment of requirement thus resulted in excess procurement of cable and unnecessary blockage of funds amounting to Rs.40.97 lakh (approx.).

Further, booking of cost of cable to another work simply to utilise the budget provision especially when the work was not yet started and the cable was actually lying in store was also irregular.

The matter was referred to the Department in May 2006.

The Department in their reply stated (July 2006) that actual requirement of the cable was more than five km. However, only five km cable was purchased as it was required immediately for execution of various works. They further stated that the entire quantity of cable was issued to the user Divisions without any delay.

The contention of the Department that cable required immediately for execution of various works only was purchased is not factually correct. Maintenance Feeder Division had clearly stated in November 2004 that out of the total requirement of 3.780 km for replacement of old feeders, 1.828 km was received from Construction-VI Division and, therefore, they required only 2.152 km cable for the sanctioned work as well as maintenance works. 3.9 km cable in stock with Construction-VI Division was not required immediately as the work of establishing sub-station at B.D. Marg was not even awarded.

Though, the cable was issued to Maintenance Feeder and Construction-VI Divisions, the actual utilisation of the cable and total quantity of this cable lying with various Divisions has not been intimated by the Department.

4.5 Loss due to abnormal delay in finalisation of tender

Department's failure to finalise the tender within the validity period of six months necessitated retendering. Subsequently, the cable had to be purchased at higher rates resulting in loss of Rs.15.75 lakh.

After receipt of demand from various Divisions, the Stores Division 33 KV invited open tenders in June 2003 for the purchase of 13 km LT (XLPE) cable 300 sq mm x 3.5 core at an estimated cost of Rs. 62.58 lakh.

Tenders were opened in June 2003. Ten offers were received. The offer of Firm 'A' at Rs.57.14 lakh (including excise duty) was found to be the lowest. This offer was 8.69 per cent below the estimated cost and 31.49 per cent below the DGS&D approved rate. The Department, therefore, recommended to accept the offer of Firm 'A' and sent the case to Finance (August 2003) for their concurrence. The offer was valid upto 26 December 2003.

However, Finance desired (August 2003) certain information which inter-alia included details of estimate against which the cable was required, justification of rates on the basis of DSR/trend of rates, details of the cable purchased during 2003-04 etc. Thereafter, the case was exchanged between the Electricity Department and Finance Department several times for one reason or the other. The tender was not finalised and the validity of the offer expired on 26 December 2003.

Firm 'A' was requested (December 2003) to extend the validity of their offer. However, the firm refused (January 2004) to extend the validity due to fluctuation in prices of raw material. The Department, therefore, submitted (February 2004) the case to Finance to seek their advice whether the tenders may be reinvited. After firm's refusal to extend the validity of their offer, the Department had no option but to drop the present tender and invite fresh tenders. Unfortunately, the Department and Finance failed to resolve even this issue promptly. The proposal to reject the present tender and invite fresh tenders was concurred in July 2004, after a delay of five months. The tender was finally rejected in July 2004, one year after its opening.

Fresh tenders were invited in September 2004 and opened in October 2004. Out of four offers received, offer of Firm 'B' at Rs. 71.11 lakh (inclusive of excise duty at 16 per cent and cess at two per cent on duty) was found to be the lowest. Order for the supply of 13 km cable of size 300 sq mm/3.5 core at a total cost of Rs.71.11 lakh was placed on Firm 'B' in January 2005. Thereafter, the firm was asked (March 2005) to supply additional quantity of 3.25 km cable at the same rates. The firm completed the supply in June 2005. Meanwhile, VAT was introduced in Delhi with effect from April 2005. Prior to introduction of VAT, the material required for electricity distribution was exempted from levy of Sales Tax on production of Sales Tax Exemption Certificate. However, after introduction of VAT, all exemptions were withdrawn. Therefore, the Department had also to pay VAT amounting to Rs.1.78 lakh on purchase of 13 km cables.

Thus, Department's failure to finalise the first tender within the validity period of six months resulted in retendering and purchase of cables at higher rate thereby causing loss of Rs.15.75 lakh on the original quantity of 13 km cable alone in this case.

The matter was referred to the Department in April 2006.

The Department in their reply stated (July 2006) that they had forwarded the case to Finance on 4 August 2003 with recommendations to award the supply order to the lowest tenderer. The fact that the lowest tenderer will not extend the validity was also recorded but the case could not be finalised in time.

The Department's reply was not convincing. The fact remains that despite being aware of the fact that the lowest tenderer will not extend the validity of their offer and the rates of cables were likely to increase, the tender was not finalised within the validity of the offers. Therefore, the tenders had to be reinvited and Department had to purchase the cable at higher rates resulting in loss of Rs. 15.75 lakh.

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ENFORCEMENT

DEPARTMENT OF ENFORCEMENT

5.1 Non-recovery of arrears of licence fee from the licensees of the parking lots

Adequate action was not taken for the recovery of arrears of licence fee from the ex-licensees of the parking lots. Resultantly, arrears of licence fee had accumulated upto Rs. 2.79 crore as of 31 March 2005.

The terms and conditions of the tenders for the parking sites stipulate that the allottee should pay the licence fee in advance by 7th of every month in cash or by bank draft failing which the contractor shall be liable to pay simple interest at 24 per cent per annum for the period of delay. It is further stipulated that if the payment is not made for a period of two consecutive months, the agreement shall automatically stand cancelled after two months of default and the security deposit shall be forfeited.

It was highlighted in Para 29 of Annual Audit Report for the year ended March 2000, Para 4.1 of the Annual Audit Report for year ended March 2001 and again in Para 6.1 of Annual Audit Report for the year ended March 2003 that adequate action was not taken for the recovery of licence fee from the licensees of the parking lots. Resultantly, the arrears of licence fee continued to accumulate.

A further review of position of arrears of licence fee revealed that despite being pointed out in audit earlier, there was no improvement. In fact, the position had deteriorated further. As per D&C Registers made available to audit, the arrears of licence fee against licensees of parking lots increased from Rs.1.93 crore as of 31 December 2002 to Rs. 2.79 crore as of 31 March 2005 indicating an increase of about 45 per cent.

Out of total arrears of Rs. 2.79 crore, arrears of Rs.1.67 crore were due from 111 ex-allottees pertaining to the period from 1997 to 2002 (Annexure-XI). A review of these cases further revealed that there was no

change in the position of arrears against these parties since December 2002 as pointed out in audit earlier. The Department had, thus, failed to recover any amount from these ex-allottees during the last about four to nine years. Interest due from the defaulting parties on the outstanding dues was also not assessed by the Department.

The arrears of licence fee due from licensees of parking lots prior to this period could not be ascertained as the Department had not maintained a consolidated record indicating year-wise outstanding dues from the ex-allottees.

The remaining amount of Rs. 1.12 crore was due from 65 licensees and pertained to the year 2002-03 to 2004-05 (Annexure-XII).

An analysis of the outstanding arrears further revealed that amount due from individual parties ranged between Rs.97 and Rs.22.13 lakh. A detailed analysis of the outstanding dues is given in the table below:

S.No.	Range of arrears	Number of defaulters
1.	Upto Rs.50000	84
2.	Above Rs.50000 but less than Rs.1 lakh	29
3.	Above Rs.1 lakh but less than Rs.5 lakh	50
4.	Above Rs.5 lakh but less than Rs.10 lakh	8
5.	Above Rs.10 lakh	5
Total		176

The correctness of the amount of arrears, however, could not be verified in audit as all the old D&C Registers were not made available to audit and entries in the D & C Registers were also not upto date. In some cases, the rate of licence fee and the period to which the arrears related were not recorded. It could also not be ascertained from the record made available to audit whether the security deposits of these defaulting licensees had been released or the same were still with the Department.

It was clear from the above details that the Department failed to enforce recovery of licence fee from the licensees regularly as per terms of agreement. They also failed to take effective action for the recovery of arrears of licence fee even after the expiry of their licences. Resultantly, licence fee amounting to Rs. 2.79 crore could not be recovered as of 31 March 2005. In absence of any consolidated record indicating year-wise outstanding dues against ex-allottees of parking lots, effective

monitoring of recovery of dues after lapse of several years was quite difficult.

The matter was referred to the Department in June 2006. However, their reply was still awaited (August 2006).

5.2 Loss due to abnormal delay in licensing of advertisement towers

13 advertisement towers in NDMC area could not be allotted for about three years on account of injudicious rejection of tenders in first call and inordinate delay in finalisation of fresh contract resulting in revenue loss of about Rs. 2.83 crore during October 2001 to December 2004.

NDMC had provided 14 towers at Connaught Place (12 towers), Yashwant Place (1 tower) and Brig. Hoshiar Singh Marg (1 tower) for displaying advertisements. These towers were being licensed to private parties through open tenders for displaying advertisements for a period of two/three years on payment of licence fee. These towers were generating substantial revenue for the Council.

The contract for these 14 towers was awarded to Firm 'A' at a licence fee of Rs. 11.28 lakh per month for a period of three years with effect from 25 October 2000. From the inception, the licensee started defaulting in payment of licence fee on different pretexts. Resultantly, arrears of licence fee amounting to Rs. 53.21 lakh accumulated against the licensee as of August 2001. The contract was, therefore, terminated in September 2001.

The party filed a suit in the High Court against the termination. The Hon'ble High Court in their order (October 2001) restrained the Council to take any action in the matter. The Hon'ble High Court also directed the party to deposit all the dues except licence fee for two towers, the foundation and structure of which were alleged to be weak. However, the party did not make any payment. The Hon'ble High Court, therefore, vacated the stay granted in October 2001 and directed (May 2002) that the Council may take possession of the towers and encash the bank guarantee

of Rs. 45.12 lakh to recover the outstanding dues which had accumulated to Rs. 98.68 lakh as of 31 May 2002.

Fresh tenders for licensing of the towers were invited in July 2002. Meanwhile, a communication was received from DMRC that one tower at BC Block, Inner Circle, Connaught Place was required to be dismantled. Therefore, only 13 towers were left for licensing. Two tenders were received. Firm 'B' had made the highest offer of Rs. 7.27 lakh per month for 13 towers as against the previous rate of Rs. 11.28 lakh per month for 14 towers.

The Department observed (July 2002) that lower rates were partly due to less number of towers (13 instead of 14 towers) and partly due to the fact that the rates for advertisement on electric poles and towers were showing downward trend over the years on account of availability of more attractive illuminated advertisements at bigger and vantage points on toilets, sub-ways and bus-Q- shelters. Despite these facts, the Department suggested to reject the offer and invite fresh tenders and forwarded the case to Finance for their views.

Finance observed (July 2002) that on one hand the Department had explained the reasons for lower rate and on the other hand recommended for rejection of the tender. Finance did not find sufficient reasons for rejection of the tender and, therefore, wanted to know whether the Department was sure to receive higher rates in fresh tenders.

In reply, the Department stated (August 2002) that they had recommended the rejection of the tender because in another case Finance had recommended rejection of tenders due to lower rates. The Department further stated that it was not possible to predict about the future rates.

Thereafter, the proposal to reject the tender and call for fresh tenders was concurred by Finance (August 2002). Accordingly, the tender was rejected in September 2002. However, the tenderers were not informed about the rejection of tenders.

Fresh tenders were opened in September 2002 in which two offers were received. However, considerably lower rates were received this time and the offer of Firm 'C' at Rs. 5.05 lakh per month was the highest offer as against the highest offer of Rs. 7.27 lakh received in the first tender in July 2002. Meanwhile, Firm 'B', the highest tenderer in the first tender,

represented that they had not received any intimation in respect of their offer which was considerably higher than the rates received by the Department in recent tender. They also requested that the contract may be awarded to them.

In view of representation received from Firm 'B' and also because of the fact that the rates received in second tender were considerably lower, the Department recommended (October 2002) that in view of financial benefit to the Council, the offer of Firm 'B' at Rs. 7.27 lakh, received in the first tender, may be accepted and the offer of Rs. 5.05 lakh of Firm 'C' (second tender) may be rejected. However, Finance pointed out (October 2002) that acceptance of a tender which had already been rejected was against the rules. The Department, therefore, proposed acceptance of the offer of Rs. 5.05 lakh of Firm 'C'. The proposal was also concurred by Finance (November 2002).

Subsequently, Department changed their views and contended that acceptance of the offer of Rs. 5.05 lakh per month of Firm 'C' may create legal complications as the offer of Firm 'B' at Rs. 7.27 lakh per month was higher and rejection of the tender was not intimated to the tenderers. They, therefore, recommended that the second tender may also be rejected and rejection of both the tenders may be intimated to the tenderers and fresh tenders may be invited.

Fresh tenders (Third Tender) were opened in January 2003. Again only two offers were received. This time, Firm 'B' submitted the highest offer of Rs. 5.26 lakh per month. The Department pointed out (January 2003) that firm's offer did not fulfill certain conditions of the tender and submitted the case to Finance for their opinion whether the offer may be accepted. Finance desired (January 2003) that the Department should forward the case with clear recommendations. Subsequently, Finance also desired to know (February 2003) whether these towers were likely to be dismantled on account of structural stability.

Finally, the third tender was also rejected in March 2003 and fresh tenders (Fourth tender) were invited and opened in April 2003. Five offers were received. However, three offers were not found eligible as per terms of the tender and were, therefore, rejected. The offer of Firm 'D' at Rs. 5.77 lakh per month was the highest offer. The Department recommended (May 2003) for acceptance of this offer. However, Finance desired that the issue of dismantling of these towers may be sorted

out first and Department should also certify that the offer of Rs. 5.77 lakh was justified.

Though, Firm 'A' had also raised the issue of structural weakness of the towers. Chief Engineer (Civil) had certified (May 2001) that existing structure of all the towers was sound and there was no need to strengthen them. Despite this, the issue was unnecessarily prolonged and tender was not finalised. Finally, the Department, after a delay of about one year, proposed (April 2004) to invite fresh tenders without assigning any reason for rejection of the fourth tender opened in April 2003.

Fresh tenders (Fifth Tender) for allotment of 13 towers for two years were opened in July 2004. Four tenders were received and the offer of Firm 'B' at Rs. 6.07 lakh per month was the highest. The Department recommended to accept the offer and submitted the case to Finance (July 2004). However, the tender could not be finalised for another five months.

The contract was finally awarded to Firm 'B' in December 2004 without Finance concurrence, more than three years after termination of the contract in September 2001. After issue of award letter, the party represented (December 2004) that three towers, out of the total 13 towers had become un-operational due to construction of Metro. They, therefore, requested for proportionate reduction in licence fee. The request of the party was accepted by the Department and licence fee was revised from Rs. 6.57 lakh to Rs. 4.67 lakh per month.

The Department was well aware that the rates for advertisement on electric poles and towers were showing downward trend over the years following availability of more attractive illuminated advertisements at bigger and vantage points on toilets, sub-ways etc. Moreover, the rates received in first tender (July 2002) were for 13 towers instead of 14 towers allotted earlier. In view of these facts, rejection of the offer of Rs. 7.27 lakh per month in the first tender was not justified as was confirmed by the fact that all the offers received in subsequent five tenders were substantially lower. The licence was ultimately awarded to the same party, who was the highest bidder in the first tender at much lower rates after delay of more than three years and five tenders.

Thus, abnormal delay in licensing of these towers for advertisement resulted in revenue loss of Rs. 2.83 crore (approx.) during

October 2001 to December 2004 besides loss due to allotment of towers at much lower rates. The avoidable expenditure on advertisements for inviting tenders on five occasions could not be ascertained.

The matter was referred to the Department in April 2006.

The Department in their reply (April 2006) generally reiterated the facts brought out by audit and stated that delay in allotment of these towers was circumstantial as the decision could not be arrived at for various reasons such as structural stability of the towers and lower bids received.

The Department's remarks were not acceptable. The fact remains that the Department failed to take appropriate decision in time despite being fully aware of the market conditions thereby causing revenue loss of Rs. 2.83 crore (approx.) to the Council.

5.3 Non recovery of arrears of licence fee from the allottees of taxi booths, stalls, tehbazari etc.

Recovery of licence fee from the allottees of taxi booths, stalls, tehbazari etc. was not monitored effectively. Resultantly, arrears of licence fee amounting to Rs. 99.26 lakh had accumulated against the licensees of the taxi booths, stalls and tehbazari as of 31 March 2005.

Section 363 of NDMC Act provides that any sum due to the Council on account of any charges, costs, expenses, fees, rates or rent or on any other account under this Act or any such bye-law may be recoverable from any person from whom such sum is due as an arrear of tax under this 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.

The Enforcement Department of Council is licensing taxi booths, stalls, tehbazari etc. to individuals. The Department is also responsible for

the correct recovery of licence fee from the licensees of these units. It was, however, observed that the Department had not taken adequate action for the recovery of licence fee as provided under the Act. Resultantly, heavy arrears of licence fee accumulated against a large number of licensees of these units.

Scrutiny of Demand & Collection Registers of taxi booths, tehbazari and stalls alone revealed arrears of licence fee amounting to Rs. 99.26 lakh against licensees of these units as of 31 March 2005 as per details given below:

(Rs. in lakh)			
S.No.	Name of Unit	No. of defaulters	Amount as on 31.03.2005
1	Taxi Booths	67	81.03
2	Tehbazari (North)	75	9.25
3	Tehbazari (South)	24	2.01
4	Stalls (verified by Thareja Committee)	267	6.97
	Total	433	99.26

The arrears of Rs. 99.26 lakh did not include arrears of licence fee against kiosks and pan tharas. The arrears against these units as on 31 March 2005 could not be ascertained as the Demand & Collection Registers for these units were not made available to audit. Further, the correctness of the amount of arrears could also not be verified in audit due to incomplete information in the D& C Registers.

A scrutiny of arrears against taxi booths, tehbazari and stalls further revealed the following facts:

(i) Taxi Booths

The position of arrears against licensees of taxi booths deteriorated considerably over the last two years. Arrears of Rs.40.06 lakh were due from 44 licensees in March 2003. However, the amount of arrears increased to Rs.81.03 lakh from 67 licensees as of 31 March 2005 indicating an increase of about 102 per cent over a period of two years. The amount of Rs. 81.03 lakh included arrears of licence fee of Rs.22.05 lakh and interest charges of Rs.58.98 lakh. The amount due from individual licensees ranged between Rs.240 and Rs.3.30 lakh. However, the period from which the amount was due from the licensees could not be ascertained from the record made available to audit.

(ii) Tehbazari (North)

Arrears of Rs.9.25 lakh were due from 75 licensees as of 31 March 2005. The arrears against individual licensees ranged between Rs.40 and Rs.56656. However, the dates from which the arrears were due could not be ascertained. The position of arrears as of 31 March 2005 could not be compared with the previous year as the old record was not made available.

(iii) Tehbazari (South)

Licence fee amounting to Rs.2 lakh was due from 24 licensees. The arrears against individual licensees ranged between Rs.130 and Rs.1.31 lakh. The position of arrears as on 31 March 2005 could not be compared with the previous year for want of old record.

(iv) Stalls

Arrears of licence fee amounting to Rs.6.97 lakh were due against 267 licensees of stalls (verified by Thareja Committee) as of 31 March 2005. The arrears against individual licensees ranged between Rs. 4 and Rs.19296. The position of arrears against the licensees of these stalls could not be compared with the previous years as the relevant record was not made available to audit.

The position of arrears as brought out above, indicated that recovery of licence fee from the licensees of the various commercial units was not monitored effectively and action as per rules was not taken against the defaulting licensees. Resultantly, the arrears of licence fee against these units accumulated to the tune of Rs. 99.26 lakh as of 31 March 2005. The position of arrears against licensees of taxi booths was really bad.

The D&C Registers were also not maintained properly and complete information was not recorded therein. The dates from which the arrears were due were not recorded in the Registers. In a number of cases upto date entries were not made in the registers. The interest due on the arrears was also not calculated upto date and recorded in respect of large number of cases.

The matter was referred to the Department in May 2006. However, their reply was still awaited (August 2006).

5.4 Avoidable loss of revenue on account of delay in allotment of parking lots

Abnormal delays in allotment of fresh contracts for the parking lots resulted in revenue loss of Rs. 73.78 lakh during 2003-04 and 2004-05.

A large number of locations at different places within the Council's jurisdiction have been earmarked for parking of vehicles. The Enforcement Department of Council is responsible for allotment and management of these parking lots. The parking lots are normally allotted for a period of one year on fixed monthly licence fee after inviting open tenders. These parking lots generate considerable revenue to the Council. It is, therefore, imperative that the contracts for the parking lots are managed efficiently.

Audit scrutiny of records, however, revealed that in a number of cases, tenders for allotment of parking lots were not finalised promptly and fresh contracts were not awarded immediately after expiry of old contracts. It was observed that fresh contracts for 31 parking lots were awarded after a delay of 25 days to 137 days during 2003-04. Similarly, there were delays of more than 15 days to 178 days in award of fresh contracts in respect of 29 parking lots during 2004-05.

Detailed reasons for the delay in allotment of these parking lots were not readily available. The record made available to audit also did not indicate that the validity of the existing contracts was extended or some temporary arrangements were made to operate these parking lots till the allotment of fresh contracts. The undue delay in award of fresh contracts for parking lots in these cases, therefore, resulted in loss of licence fee amounting to Rs. 73.78 lakh (approx.) during 2003-04 and 2004-05 (Annexure-XIII).

As the contracts for the parking lots are awarded for a specified period, the Department should have initiated and completed the process of their fresh allotment well in advance. Hence, the delay of upto six months in allotment of fresh contracts for the parking lots was not justified and resulted in avoidable revenue loss of Rs.73.78 lakh during 2003-04 and 2004-05.

The matter was referred to the Department in May 2006. However, their reply was still awaited (August 2006).

5.5 Non-recovery of arrears of Advertisement Tax

The Department failed to take adequate action for the recovery of arrears of advertisement tax. Resultantly, advertisement tax amounting to Rs. 68.98 lakh remained unrecovered as of 31 March 2005.

Section 88 of the New Delhi Municipal Council Act provides that tax at the specified rates should be levied on all advertisements displayed on any land, building, hoarding etc. in the Council area. Section 100 of the Act further stipulates that if the amount of tax for which a bill has been presented is not paid within fifteen days, a notice of demand in the form specified in the Sixth Schedule may be served. In case the amount of tax is not paid within thirty days of the notice, the party shall be deemed to be in default and penalty not exceeding 20 per cent of the amount of the tax may be levied under section 101 of the Act. In case the tax is still not paid, the amount of tax together with penalty may be recovered under a warrant by distress sale or attachment of the immovable property of the defaulter.

It was highlighted in Para 4.4 of the Annual Audit Report for the year ended 2001 and again in Para 6.3 of Annual Audit Report for the year ended March 2003 that adequate action was not taken for the recovery of advertisement tax. Resultantly, arrears of tax remained very high. Advertisement tax amounting to Rs.70.56 lakh was outstanding from 1678 parties as of 31 March 2003.

A further review of the position revealed that there was no significant improvement in the position. Arrears of tax amounting to Rs.68.98 lakh were still outstanding against 935 parties as of 31 March 2005. In 867 cases the arrears of advertisement tax ranged between Rs.100 and Rs.10,000 and in 68 cases the arrears of tax against individual parties ranged between Rs.10,061 and Rs.5.26 lakh. The detailed analysis of arrears of advertisement tax is given in the table below:

S.No.	Range of Arrears (in Rs.)	No. of defaulters	Amount (Rs. in lakh)
1	Upto Rs.10000	867	15.99
2	Above Rs.10000 and upto Rs.25000	37	5.33
3	Above Rs.25000 and upto 50000	21	7.65
4	Above Rs.50000 and upto Rs.1 lakh	4	2.72
5	Above Rs.1 lakh and upto Rs.5 lakh	4	7.47
6	Above Rs.5 lakh	2	29.82
Total		935	68.98

The dates from which the arrears of tax were due from these parties could not be ascertained from the D&C Registers.

Details of 68 parties whose tax liability exceeded Rs.10,000 are given in the Annexure-XIV. A detailed review of these cases further revealed that there was no improvement in the position of arrears against 58 parties since March 2002 and tax amounting to Rs. 52.99 lakh was still due from them. This indicated that the Department failed to make any recovery from these parties during the last three years.

The record made available to audit also did not indicate whether penalty as provided under section 101 of the Act was levied against these defaulting parties.

The heavy arrears of advertisement tax clearly indicated that adequate action as provided under the Act was not taken for the recovery of outstanding arrears of tax which resulted in non-recovery of tax amounting to Rs.68.98 lakh as of 31 March 2005.

The matter was referred to the Department in April 2006. However, their reply was still awaited (August 2006).

DEPARTMENT
OF
HOUSE TAX

DEPARTMENT OF HOUSE TAX

6.1 Non-recovery of arrears of Property Tax

Effective steps were not taken for the recovery of property tax from the defaulting parties. Resultantly, arrears of property tax and penalty amounting to Rs.330.10 crore could not be recovered from 5792 parties as of 31 March 2005. Further, recovery of tax amounting to Rs.230.58 crore was involved in remand cases and cases under stay.

Section 101 of the New Delhi Municipal Council Act provides that, if any person liable to pay any tax does not pay the tax within 30 days of notice of demand and if no appeal is preferred against such tax, he shall be deemed to be in default and penalty, not exceeding 20 per cent of amount of tax as determined by the Chairperson, may be recovered as arrear of tax in addition to the amount of tax. Section 102 of the Act further provides that if the person liable for the payment of 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 penalty may be recovered under a warrant by distress and sale of the movable property or the attachment and sale of the immovable property of the defaulter.

It was highlighted in Para 6.1 of the Annual Audit Report for the year ended March 2001, Para 2.2.4.VII of the Annual Audit Report for the year ended March 2003 and Para 6.1 of the Annual Audit Report for the year ended March 2004 that the Department had not taken effective action for the recovery of property tax. Resultantly, heavy arrears of property tax had accumulated against a large number of parties over the years.

A further review of the position of outstanding arrears of property tax revealed that despite being pointed out in audit repeatedly, the position remained unsatisfactory. As per information available in the Department, arrears of property tax and penalty amounting to Rs. 330.10 crore were outstanding against 5792 parties as of 31 March 2005. The total amount of Rs. 330.10 crore included arrears of tax amounting to Rs. 321.20 crore and penalty of Rs. 8.90 crore. The dates from which the arrears of tax were outstanding against the parties could not be ascertained as the relevant information was not readily available.

In addition to the arrears of Rs. 330.10 crore towards arrears of tax and penalty, recovery of property tax amounting to Rs. 230.58 crore was under dispute. Out of this amount of Rs. 230.58 crore, recovery of Rs. 141.08 crore was involved in 538 remand cases and amount of Rs. 89.50 crore was involved in 524 cases under stay. The dates from which these cases were pending and the reasons for the dispute were not readily available. However, it was clear that the Department had not been able to sort out these cases involving tax revenue of Rs. 230.58 crore.

An analysis of the outstanding arrears of tax amounting to Rs. 321.20 crore revealed that while in 3486 cases the arrears of tax against individual parties were upto Rs. one lakh, in 41 cases the arrears of tax outstanding against individual parties were more than Rs. one crore. A detailed analysis of outstanding arrears of property tax and penalty is given in the table below:

Amount of arrears	House Tax		Penalty		(Rs. in crore)
	No. of cases	Amount	No. of cases	Amount	Total arrears
Upto Rs. 50000	2815	3.38	1876	1.97	5.35
Above Rs. 50000 & upto Rs. 1 lakh	671	4.92	158	1.07	5.99
Above Rs.1 lakh & upto Rs. 5 lakh	1517	35.97	119	2.44	38.41
Above Rs.5 lakh & upto Rs. 25 lakh	616	63.03	16	1.77	64.80
Above Rs. 25 lakh & upto Rs. 50 lakh	85	29.07	3	1.01	30.08
Above Rs. 50 lakh & upto Rs. 1 crore	47	32.33	1	0.64	32.97
Above Rs. 1 crore	41	152.50	0	0	152.50
Total	5792	321.20	2173	8.90	330.10

It would be observed from the table above that though 5792 parties were in default of payment of house tax, penalty as provided under section 101 of the Act was levied in only 2173 cases. Further, penalty was mostly levied in cases where the arrears against individual assessee were upto Rs. 5 lakh (2153 cases out of the total 5003 cases or 43.03 per cent). But, in remaining 789 cases, involving arrears of more than Rs. 5 lakh each, penalty was imposed in only 20 cases which worked out to only 2.53 per cent. Incidentally, no penalty was levied in any of the 41 cases involving tax arrears of Rs. one crore and above each. The age-wise position of arrears and the remand/stay cases was not available.

It was clear from the above that recovery of property tax amounting to Rs. 560.68 crore was in arrears out of which tax recovery amounting to Rs. 230.58 crore was involved in remand and stay cases. The overall position was, therefore, quite alarming and indicated that the Department had not taken effective action, as provided under the Act, for the recovery of tax and settlement of disputes which deprived the Council of substantial tax revenue.

The matter was referred to the Department in May 2006.

The Department in their reply stated (July 2006) that increase in arrears was due to the fact that in a number of cases tax bills were issued on the remanded rateable value whereas the tax payers were either making payment on self assessment basis or were not making any payment at all. Similarly, in a large number of cases assessments were required to be revised on the reduced rents but the needful was not done.

The Department further stated that they were facing difficulty in collecting taxes in respect of self-occupied properties assessed on market rent basis. The collection of property tax from the hotels was particularly very low as compared to the demand due to long pending Court cases and remand cases. The Department also stated that penalty was levied in all the cases where arrears were outstanding on 31 March 1999.

In view of heavy arrears of property tax, some effective steps as provided under the Act are required to be taken to settle the long pending disputes and recover the tax.

6.2 Non-recovery of arrears of Service Charges in respect of Central Government properties

Effective steps were not taken to recover service charges in respect of properties of Central Government. Resultantly, arrears of service charges amounting to Rs.36.86 crore had accumulated against Central Government properties as of 31 March 2005.

Article 285 of the Constitution provides that the properties of the Union 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 also stipulates that the properties of the Union shall be exempt from the property tax.

Notwithstanding the provisions contained in Article 285 of the Constitution, the Ministry of Finance, after taking into consideration various representations and recommendations made by the Local Finance Enquiry Committee, decided in May 1954 that payment of service charges in respect of Central Government properties should be made to local

bodies with effect from 1 April 1954. The Ministry of Home Affairs issued separate orders (April 1964) for payment of service charges at 75 per cent to Delhi Municipal Corporation and New Delhi Municipal Committee in respect of Central Government properties in the Union Territory of Delhi.

In partial modification of above orders, the Ministry of Works & Housing communicated (August 1975) that service charges at 100 per cent instead of 75 per cent will be paid in respect of Central Government properties in the Union Territory of Delhi.

It was, however, observed that despite clear and specific orders from the Ministry of Finance, Ministry of Home Affairs and Ministry of Works & Housing, some of the Central Government Departments had not paid service charges in respect of their properties in NDMC area. Resultantly, arrears of service charges amounting to Rs.36.86 crore had accumulated against these Departments as of 31 March 2005.

It was further observed that out of the total arrears of Rs.36.86 crore, service charges of Rs.36.19 crore were due in respect of 133 properties against which the amount of arrear was more than Rs. one lakh each. The details of major defaulting Departments, number of properties involved and the arrears of service charges against them are given in the table below:

(Rs. in crore)			
S.No.	Name of the Department	No. of Properties	Arrears
1	CPWD/PWD	78	15.63
2	Hospitals (Smt. Sucheta Kriplani Hospital, RML Hospital & Safdarjung Hospital)	7	7.10
3	Garrison Engineer and other Defence Establishment	11	5.87
4	Sports Authority of India	1	3.65
5	Railways	32	2.76
6	Income Tax Department	1	0.53
7	Central Administrative Tribunal	1	0.44
8	Department of Post	2	0.21
	Total	133	36.19

The dates from which the arrears of service charges were due from these Departments and the reasons for non-payment were not readily available. The record made available to audit, however, indicated that penalty or interest on outstanding amount was not levied in any case.

The heavy arrears of service charges indicated that effective steps were not taken for the recovery of the service charges. Resultantly, recovery of Rs.36.86 crore remained in arrears as of 31 March 2005.

The matter was referred to the Department in May 2006.

The Department in their reply stated (July 2006) that CPWD/PWD were making payments at 50/75 per cent of the total demand raised against them. Some other Departments e.g. Railways, P & T, Defence etc were not making payments for one reason or the other. The Department further stated that in view of above, NDMC had been advised to amend the NDMC Act to provide for collection of service charges. This proposal is under active consideration.

In view of heavy arrears of service charges, the matter may be pursued at appropriate level so that the issue is settled and arrears of service charges are recovered early.

6.3 Non-recovery of property tax from Institutes

Despite being pointed out in audit earlier, effective steps were not taken for the recovery of property tax from the defaulting institutes. Resultantly, arrears of property tax against institutes accumulated to Rs.11.54 crore as of 31 March 2005.

It was highlighted in Para 6.3 of the Annual Audit Report for the year ended March 2004 that property tax was not recovered from a number of institutes/organizations. Resultantly, arrears of property tax and penalty amounting to Rs. 10.92 crore had accumulated against 46 institutes as of 31 March 2004.

A further review of the position of recovery of property tax from the institutes revealed that despite being pointed out in audit, the position had not improved. In fact, the position had deteriorated further. The total arrears of property tax against institutes increased from Rs. 10.92 crore from 46 institutes as of 31 March 2004 to Rs. 11.54 crore from 48 institutes as of 31 March 2005 (Annexure-XV). Out of the total arrears

of Rs. 11.54 crore, recovery of Rs. 4.17 lakh pertained to five cases which were under stay and recovery of Rs. 33.76 lakh pertained to two remand cases. It was further observed that arrears of tax against individual institutes had increased in almost all cases since last year which indicated the inadequacy of the action, if any, taken by the Department in the matter.

The arrears against individual institutes ranged from Rs. 160 to Rs. 1.12 crore. An analysis of defaulting institutes further revealed that in 11 cases, the amount of arrears against individual institutes was upto Rs. one lakh and in 6 cases the amount of arrears against the institutes was more than Rs. 50 lakh and upto Rs. 1.13 crore. The detailed analysis of the outstanding arrears of property tax against the institutes is given in the table below :

(Rs. in crore)			
S.No	Range of arrears	No. of parties	Amount
1.	Upto Rs. 1 lakh	11	0.03
2.	Above Rs. 1 lakh but less than Rs. 10 lakh	15	0.67
3.	Above Rs. 10 lakh but less than Rs. 25 lakh	4	0.66
4.	Above Rs. 25 lakh but less than Rs. 50 lakh	12	4.61
5.	Above Rs. 50 lakh	6	5.57
	Total	48	11.54

The dates from which the institutes had not paid the property tax and the year-wise break up of the total arrears were not available on record. It was also observed that though in many cases, the institutes had not paid their tax and heavy arrears of tax were outstanding against them, penalty as required under the rules had not been levied against them. The reasons for not levying the penalty against the defaulting institutes were also not on record.

The mounting arrears of property tax against institutes clearly indicated that adequate action was not taken by the Department for the recovery of property tax from these institutes which had resulted in non-recovery of property tax amounting to Rs. 11.54 crore from 48 institutes as of 31 March 2005.

The matter was referred to the Department in May 2006. However, their reply was still awaited (August 2006).

6.4 Less recovery of Property Tax on account of non-revision of rateable value

Non-revision of rateable value on the basis of available documentary evidence resulted in less recovery of property tax amounting to Rs.53.41 lakh in 11 cases as of 31 March 2005.

As per section 63 of the New Delhi Municipal Council Act, the rateable value of any land or buildings shall be the annual rent at which such land or building might reasonably be expected to let from year to year less a sum equal to ten per cent of the said annual rent towards cost of repairs etc. Section 77 of the Act further provides that the Chairperson may require the owner or occupier of such property to furnish complete details of the property including the actual cost and rent, if any obtained from the property, in order to determine the rateable value of the property.

A test check of assessment cases in respect of certain properties revealed that in some cases though the Department had complete details of the cost or actual rent of the property, they failed to revise the rateable value correctly or did not revise it for years and continued to recover tax on the old rateable value. The incorrect revision/abnormal delay in revising the rateable value in these cases resulted in less recovery of property tax amounting to Rs. 53.41 lakh in 11 cases as of 31 March 2005 as discussed below:

(i) Property 'A', DCM Building:

As per Lease Deed available with the Department, the property was let out to an International Bank at a monthly rent of Rs. 8 lakh per month for a period of three years with effect from October, 1999. Thereafter, the lease was renewable for another three years at a monthly rent of Rs. 10 lakh per month. The owner had also received security deposit of Rs. 96 lakh.

Though, as per Lease Deed, the rent of the above property was increased to Rs.10 lakh per month with effect from 15 October 2002, the party in their Property Return for the year 2003-04 declared that the monthly rent was Rs. 9.15 lakh per month. The Department ignored the actual rent as mentioned in the Lease Deed and revised the rateable value of the property from Rs. 91.80 lakh to Rs. 1.02 crore for the year 2003-04 instead of

revising it to Rs. 1.11 crore from 15 October 2002 as per details given below :

(in Rupees)			
S.No.	Details	Rateable value assessed	Rateable value due
(i)	Annual rent	10980000*	12000000#
(ii)	Value of interest @ 9% on security deposit in excess of 6 months rent	369900	324000
(iii)	Total	11349900	12324000
(iv)	Less 10%	1134990	1232400
(v)	Net Rateable Value	10214910	11091600

*@ Rs.9.15 lakh P.M #@ Rs. 10 lakh P.M.

The incorrect fixation of rateable value resulted in less recovery of tax amounting to Rs.7.89 lakh during 2002-03 to 2004-05 (Annexure-XVI).

(ii) Property 'B', DCM Building:

The rateable value of the property was finalised at Rs. 25,800 for the year 1998-99. As per return filed by the owner for the year 2002-03, the property was rented out at a monthly rent of Rs. 24,500 from June 2002. Accordingly, Department issued a notice (March 2003) under section 72 of the Act, proposing revision of the rateable value from Rs. 25,800 to Rs. 2,64,600 for the year 2002-03. Though, the proposed rateable value was based on party's own declaration, it was not finalised till date and tax was still being recovered on the rateable value of Rs. 25,800. Non-revision of rateable value resulted in short recovery of tax amounting to Rs. 1.35 lakh during 2002-03 to 2004-05 (Annexure-XVI).

(iii) Property 'C', Kanchanjunga:

The Department issued notice (March 1999) proposing revision of rateable value of the property from Rs. 1,89,950 to Rs. 15,96,290 for the year 1998-99 and Rs. 19,32,370 for the year 1999-2000 on rental basis. However, for reasons not on record, the proposed revisions for the year 1998-99 and 1999-2000 were not finalised. Thereafter, notices under section 77 and section 72 of the Act were also not issued for the subsequent years and the tax was still being levied on the rateable value of Rs. 1,56,900. Failure to revise rateable value of the property as per Department's own proposal in March 1999 resulted in short recovery of property tax amounting to Rs. 30.47 lakh during 1998-99 to 2004-05 (Annexure-XVI).

(iv) Property 'D', Kanchanjunga:

Survey report for the year 1999-2000 indicated that the property was let out at a rent of Rs. 63,054 per month. Accordingly, Department issued

notice (February 2000) to revise rateable value of the property from Rs. 2,15,700 to Rs. 7,80,240. The party objected (March 2000) to the proposed revision. The matter was, however, not resolved and the property was continued to be taxed at the old rates.

The Property Tax Return filed by the owner for the year 2002-03, indicated that the current rent of the property was Rs. 48,816 per month. Accordingly, Department proposed (March 2003) to revise rateable value from Rs. 2,15,700 to Rs. 5,27,213. The owner in his Property Return for the year 2003-04 again confirmed (February 2004) the monthly rent of Rs. 48,816. Despite these facts, Department failed to revise rateable value for the last six years resulting in less recovery of property tax amounting to Rs.6.14 lakh during 1999-2000 to 2004-05 (Annexure-XVI).

(v) Property 'E', Kanchanjunga Building:

The rateable value of the above property was fixed at Rs. 54,000 for the year 1999-2000. As per statement filed by the tenant in February 2002, the property was let out to him at a monthly rent of Rs. 23,000 from October 2001. On this basis, rateable value of the property worked out to Rs. 2,48,400 from October 2001. However, Department issued a notice (February 2002) under section 72 of the Act proposing revision of the rateable value from Rs. 54,000 to Rs. 3,70,900 from October 2001 on the basis of comparable rent of the adjoining flat in the same building. But, rateable value for the year 2001-02 was not finalised either on the basis of tenant's declaration or on the basis of comparable rent as proposed by the Department.

The Department issued another notice in March 2005 to revise rateable value of the property from Rs. 54,000 to Rs. 4,38,400 from April 2004, pending finalisation of earlier proposed rateable value of Rs. 3,70,900. This rateable value was also not finalised and the property was continued to be assessed for tax at the rateable value of Rs. 54,000 fixed during 1999-2000. The reasons for not revising the rateable value were not available on record. Even on the basis of the tenant's statement, non-revision of the rateable value resulted in less recovery of tax amounting to Rs.1.41 lakh during 2001-02 to 2004-05 (Annexure-XVI).

(vi) Property 'F', Kanchanjunga:

The rateable value of the above property for the years 1994-95 to 1996-97 was finalised in April 1997 at Rs. 2,50,100. However, for reasons not on record, the revised rateable value was not enforced and tax was assessed at pre-revised value of Rs. 1,70,500. In October 2001, the party informed that the property had been divided into two portions and transferred to two parties. They, therefore, requested for mutation of the property

accordingly. The Department enquired (January 2002) about rental income from the property and names of the beneficiaries. As per tenant's letter (September 2001), forwarded by the owners (April 2002), rent of Rs. 14,717 per month was being paid to each party. On the basis of above facts, Department divided (May 2002) the property in two portions and renumbered the same as 903 and 903-A. But rateable value was not revised suitably based on actual rent.

As the property was let out at a total rent of Rs. 29,434 per month (Rs. 14,717 for each portion), rateable value of the whole property worked out to Rs. 3,17,887 or Rs. 1,58,944 for each portion. The tax for the property was, however, being assessed on the rateable value of Rs. 1,70,500. Department's failure to revise rateable value on the basis of documentary evidence resulted in short recovery of tax amounting to Rs. 1.25 lakh during 2001-02 to 2004-05 (Annexure-XVI).

(vii) Property 'G', Kanchanjunga:

The Department issued notice (March 2000) proposing revision of rateable value from Rs. 1,01,400 to Rs. 5,77,962 from April 1999. The party objected (April 2000) to the proposed revision and contended that as rent of the property was increased from Rs. 9,399 to Rs.14, 085 per month from April 1999, the rateable value could not be fixed more than Rs. 1,52,100. The Department took no further action in the matter. The party in their Property Returns further declared the rental income of Rs. 17,771 per month during 2003-04 and 2004-05. Though, a period of about six years had elapsed, Department took no action to verify the rental income as declared by the party and revise rateable value suitably. Non-revision of rateable value for the last six years, even on the basis of party's declaration, resulted in short recovery of Rs. 0.84 lakh during 1999-2000 to 2004-05 (Annexure-XVI).

(viii) Property 'H' Kanchanjunga:

The rateable value of the property for the year 1996-97 to 1999-2000 was finalised (September 1999) at Rs. 99,570 on the basis of actual rent. Thereafter, Department proposed (March 2000) to revise the rateable value to Rs. 5,47,668 for the year 1999-2000 on comparable rent basis. The party objected (April 2000) to the proposed revision on the ground that rateable value for the year 1999-2000 had already been fixed at Rs. 99,570 in September 1999. They further informed that rent of the property had been increased from Rs. 9,220 to Rs. 13,830 per month from April 1999. Hence, rateable value could not be fixed more than Rs. 1,49,364. Though, a period of about five years had elapsed, rateable value of the property was not revised so far and tax was still being claimed

at the rateable value of Rs. 99,570. Non-revision of rateable value for the last five years even as per party's declaration resulted in less recovery of tax amounting to Rs. 0.67 lakh during 1999-2000 to 2004-05 (Annexure-XVI).

(ix) Property 'I', Amba Deep:

The rateable value of the property for the year 1997-98 was finalised in October 1997 at Rs. 52,000 on cost basis. Subsequently, based on the information furnished by the assessee under section 77 of the Act, the Department issued a notice under section 72 of the Act in March 2000 proposing revision of rateable value from Rs. 52,000 to Rs. 2,16,000 from 15 November 1999. Though a period of five years had elapsed, the proposed revision, which was based on assessee's declaration, was not finalised till March 2005 and the property was being assessed at a rateable value of Rs. 52,000 since 1997-98. Non-revision of rateable value for about 5 years resulted in less recovery of tax amounting to Rs. 1.93 lakh (approx.) during 1999-2000 to 2004-05 (Annexure-XVI).

(x) Property 'J', Amba Deep:

The rateable value of the property for the years 1994-95 to 1997-98 was finalised in March 1998 at Rs. 87,300. A copy of Lease Deed dated March 2001 available with the Department indicated that the property was let out from October 2000 at a monthly rent of Rs. 14,660. The rent, however, was to be increased by 25 per cent after three years. On this basis, the rateable value of the property for the period October 2000 to September 2003 worked out to Rs. 1,58,320 and Rs. 1,97,910 from October 2003 onwards. However, despite availability of Lease Deed, the rateable value of the property was revised to only Rs. 99,100 from October 2000 instead of Rs. 1,58,320 from October 2000 to September 2003 and Rs. 1,97,910 from October 2003 onwards. The basis on which the rateable value was finalised at Rs. 99,100 could not be ascertained. The incorrect assessment of rateable value resulted in less recovery of tax amounting to Rs. 0.70 lakh during 2000-01 to 2004-05 (Annexure-XVI).

(xi) Property 'K', Khan Market:

The rateable value of the property for the year 1991-92 was finalised at Rs. 900. Thereafter, the Department came to know (November 2002) that the above property had been sold to another party in December 2001 at a cost of Rs. 14.10 lakh. The Department, therefore, issued notice in July 2003 proposing revision of rateable value from Rs. 900 to Rs. 1,41,000 less 10 per cent on cost basis for the year 2003-04. Though, the party had not filed any objection, the rateable value was not finalised so far resulting in less recovery of tax of Rs.0.76 lakh during 2002-03 to 2004-05

(Annexure-XVI). Since, the Department had not issued any notice for the year 2002-03, the recovery of actual tax for the year might not be enforceable.

Thus, abnormal delays in revision of rateable value of the properties resulted in non-recovery of tax amounting to Rs.53.41 lakh in above cases. The reasons for non-finalisation of the proposed rateable value in these cases, despite availability of documentary evidence, were not on record.

The matter was referred to the Department in June 2006. However, their reply was still awaited (August 2006).

DEPARTMENT
OF
PUBLIC HEALTH

DEPARTMENT OF PUBLIC HEALTH

7.1 Excess payment of hire charges due to incorrect computation of distances

Despite being pointed out in audit earlier, the Department failed to notify the actual distance between various Circles and Sanitary Land Fill Site. In absence of notified distance, payment of hire charges was made to contractor without proper verification of distance covered resulting in excess payment of Rs. 14.96 lakh during 2004-05.

As per guidelines issued by Medical Officer of Health (MOH) in November 2001, the distance covered by private vehicles engaged for removal of garbage should be calculated from Circle Office to Sanitary Land Filled Site (SLFS) plus five km for lifting of garbage from various points within the Circle. It was further elaborated that distance from Circle I to SLFS was 15 km. Therefore, the total chargeable distance for one round trip from Circle I to SLFS and back would be 35 km (15x2+5).

It was highlighted in Para 7.2 of the Annual Audit Report for the year ended March 2004 that chargeable distance for private trucks hired for removal of garbage from Circle I to SLFS was not calculated correctly as per guidelines issued by MOH in November 2001. Department had also not notified the actual chargeable distance in respect of remaining other circles. In absence of notified distance, the contractors claimed hire charges for different distance on different dates in respect of the same circle resulting in excess payment of hire charges.

A further review of the position in this regard during 2004-05 revealed that despite being pointed out in audit, Department had not notified the actual chargeable distance for all the Circles so far. In absence of notified distance, proper verification of distance claimed by the contractor was not done and payment of hire charges was made to them for different distance on different dates. It was further observed that distance claimed by private trucks was generally more than the distance indicated by departmental trucks in the same Circle although the distance covered by departmental trucks included movement from workshop to Circles and back.

A test check of record pertaining to six Circles during 2004-05 revealed that average excess distance claimed by the contractor in comparison to the departmental trucks ranged between 2.37 km to 15.30 km per round trip. The Department allowed payment of hire charges without proper verification of actual distance and ascertaining reasons for the large variations. Payment of hire charges for private trucks without proper verification of actual distance covered by them resulted in irregular payment of Rs. 10.75 lakh during 2004-05 as detailed in the table below:

S.No.	Circle No.	Private Vehicle		Average distance per trip		Diff. Per trip (in km)	Distance		Excess km	Excess payment (in Rs.)
		No.	Trips	Pvt. (in km)	NDMC (in km)		Charged (in km)	Due (in km)		
1.	III	DL-IG 8106	777	54.30	42	12.3	42192	32634	9558	139547
2.	VII	DL-IGB 2784	1002	56.30	41	15.30	56410	41082	15328	223789
		DL-IGB 4784	1012	55.49	41	14.49	56160	41492	14668	214153
3.	IX	DLIGB 8029 2027 4780	749	50.37	48	2.37	37727	35952	1775	25915
4.	X	DL-IGB 4029 4867 2187	2925	57.65	50	7.65	168629	146250	22379	326733
5.	XI	DL-IGB 4780 8029 2027 9989 2784	1478	49.78	46	3.78	73574	67988	5586	81556
6.	XIII	DL-IGB 4780	843	47.12	42	5.12	39725	35406	4319	63057
Total							474417	400804	73613	1074750

(B) It was further observed that the Department also failed to regulate payment of hire charges in respect of private trucks deployed in Circle I in accordance with the instructions issued in November 2001.

Four private trucks were deployed in Circle-I during 2004-05. The average distance charged by the trucks ranged between 46.26 km to 48.23 km per trip as against the stipulated 35 km per round trip. These trucks had performed 2380 trips during 2004-05 and payment for 112130 km was made to the contractor whereas actual distance payable for 2380 trips at 35 km per round trip worked out to 83300 km only. This

resulted in excess payment of hire charges for 28830 km amounting to Rs. 4.21 lakh during 2004-05 in respect of Circle-I as detailed below:

S.No.	Vehicle No.	Period	Trips	Total km. claimed (in km)	Average per trip (in km)	Total Km due @ 35 km per trip (in km)	Extra km paid (in km)	Excess hire charges @ Rs. 14.60 per km (in Rs.)
1.	DL-1G B-1145	April 04 to March 05	1044	48300	46.26	36,540 (1044x35)	11760	171696
2.	DL1G B-4783	June 04 to March 05	852	40766	47.85	29820 (852x35)	10946	159812
3.	DL-1G B-378C	Jan.05 to March 05	231	10863	47.03	8085 (231x35)	2778	40559
4.	DL-1G 8106	-Do-	253	12201	48.23	8855 (253x35)	3346	48852
Total			2380	112130	47.11	83300	28830	420919

Thus, Department failed to take any corrective action and notify the correct chargeable distance from different Circles to SLFS and back. Department also failed to regulate payment of hire charges for private trucks deployed in Circle- I in accordance with the instructions issued by them in November 2001. Department's failure in the matter resulted in excess payment of Rs. 14.96 lakh (approx) during 2004-05.

The matter was referred to the Department in June 2006.

The Department in their reply stated (July 2006) that claim of the contractor regarding distance was verified from the logbook which is filled up on the basis of actual distance covered. The difference in distance was due to various factors such as blockage/diversion of route, festival season, rallies, closure of some roads by police, VVIP movement, construction activities etc. The Department further stated that suggestion of audit in respect of computation of total chargeable distance per trip in respect of all the Circles was noted and efforts will be made to give it a practical shape although it may be difficult to do at times because of facts explained above.

Department's remarks are not acceptable in audit as the reasons given by the Department for difference in distance were quite general in nature. There may be some occasions where trucks might have travelled

longer distance on account of diversion etc. In such cases, the excess distance should have been certified by competent authority. In absence of any certification by competent authority, its validity could not be ensured. Further, such a situation ought to have affected both the private as well as departmental trucks. Therefore, excess distance claimed by private trucks in comparison to departmental trucks in the same circles was not justified.

Further, despite a lapse of more than four years, the Department had not notified the actual chargeable distance from various Circles to SLFS (except Circle-I) so far. In absence of notified distance, proper check of contractor's claim was not possible.



(MEENAKSHI GUPTA)
*** CHIEF AUDITOR**

New Delhi

Dated the

September 2006

ANNEXURES

Annexure-I
(Para 1.16.4.B (a))

Statement of Heads of Account with Nil Expenditure

S.No.	Head of Account	(Rs. in lakh)	
		B.E. 2004-05	R.E. 2004-05
1	C.1.11 TA/DA	1.00	1.00
2	C.3.8.(XI) Human Resource Development	23.50	7.50
3	C.3.9(C) Ex Gratia payment to family of deceased, CPF Retiree	11.00	10.00
4	C.7.5.(II) Sports & Games	10.00	10.00
5	C.7.5.(V) Establishing club for Class III & IV employees	10.00	1.00
6	C.7.6.(I)(a) Payment of compensation	10.00	10.00
7	C.7.10 Holiday home for NDMC employees at hill resorts	10.00	10.00
8	D.1.3.5(I) Free Text Books	1.00	1.00
9	D.1.3.13 Sports Material	1.00	1.00
10	D.1.4.9(I)(G) LTC	0.20	0.10
11	D.1.4.9(II)(A) Salary & Allowances	8.92	9.77
12	D.1.6.4(a) Social Education	--	2.00
13	D.1.6.4(b) LWO	--	1.00
14	D.1.7.6 Organization of seminars/talent scholarship	1.00	1.00
15	D.1.7.6.A(I) Salary & Allowances	8.66	9.63
16	D.1.8.1 Salary & Allowances	1.33	1.43
17	D.1.10.14 LTC	0.20	2.00
18	D.1.19.1 Salary & Allowances	18.16	20.44
19	D.1.20.4 Other Charges	2.00	2.00
20	D.2.3.13 Original Works (Cap)	24.00	19.00
21	D.2.4.8 Original Works (Cap)	1.00	6.00
22	D.2.5.8 Original Works (Cap)	1.00	1.00
23	D.2.8.11. LTC	1.40	1.40
24	D.2.10.6. Bonus	--	2.07
25	D.2.17.4. Purchase of safety equipment	10.00	1.00
26	D.2.17.7. R&M of Diesel Pumps	0.50	1.00
27	D.2.17.10. Other Charges	3.00	1.00
28	D.2.17.12(A) Rehabilitation of old sewers	2.00	--
	Rev. Cap	--	500.00
29	D.2.17.14 Purchase of pick-up vans/ vehicles	4.00	4.00
30	D.2.17.15 Purchase of pumps	6.00	6.00
31	D.2.18.4 R&M of Vans	1.00	1.00
32	D.2.20.1 Salary & Allowances	10.68	11.15
33	D.4.1.4 Maintenance (Civil)	10.00	10.00
34	D.4.1.6 Original Works (Cap)	18.00	9.50
35	D.4.3.1 Salary & Allowances	11.25	12.42
36	D.4.3.9 LTC	1.00	1.00
37	D.4.4.7 Purchase of vehicles including water tankers for spraying water on road Berms	25.00	1.00
38	D.4.4.9 Purchase of Tools & Plants	15.00	1.00
39	D.4.5.1 Salary & Allowances	54.34	59.07
40	D.4.5.6 Ex Gratia	1.07	1.09
41	D.4.6.6.10 Original Works (Cap)	5.00	3.00
42	D.4.11.3 Relocation of J.J.Clusters	40.00	4.00
43	D.4.13.6 LTC	1.00	1.00
44	D.8.7 LTC	1.11	1.00
45	E.2.1 Payment for computerization of E/W charges bill	10.00	5.00
46	F.10 Purchase of pick-up vans	5.00	5.00

47	G.1.1.3 Repairing & canning of Tools & Plants and Office furniture	--	1.00
48	H.1.4 Repair & Maintenance of buildings		
	(ii) Special repairs	30.00	20.00
	(iv) Repairs to commercial projects	10.00	10.00
49	H.2.6 Purchase of Equipment & Machinery	1.00	1.00
50	H.3.4(a) Payment to DDA	1.00	1.00

Annexure-II
(Para 1.16.4.B(c))

Statement of Heads of Account with Savings Exceeding 50 per cent of Revised Estimates

S.No.	Head of Account					
		B.E. 04-05	R.E. 04-05	Actual 04-05	Saving	(Rs. in lakh) Percentage
1	A.1.4 Other Charges	16.00	2.00	0.46	1.54	77.00
2	A.1.5 Ex Gratia	1.30	1.24	1.16	0.08	64.52
3	A.1.7 Hon./OTA	10.00	10.00	1.51	8.49	84.90
4	A.1.8 LTC	1.00	1.00	0.05	0.95	95.00
5	C.2.4 Other Charges	3.00	2.00	0.25	1.75	87.50
6	C.2.9 LTC	1.00	0.40	0.01	0.39	97.50
7	C.3.8 (XIII) Fire/ Fighting arrangements in Mpl. Bldgs	10.00	60.00	19.24	40.76	67.93
8	C.3.16 Adoption of Double Entry System of accounting	100.00	70.00	14.24	55.76	79.66
9	C.4.4(I) Fee for suits	5.00	5.00	0.74	4.26	85.20
10	C.4.8 LTC	1.05	0.50	0.02	0.48	96.00
11	C.5.7 Bonus	0.10	0.09	0.03	0.06	66.67
12	C.6.4 Scheme for propagation including purchase of tape recorder & photographic equip.	2.00	2.00	0.49	1.51	75.50
13	C.6.6 R&M of Jeeps	1.00	0.50	0.09	0.41	82.00
14	C.7.11 Management Meeting	1.00	1.00	0.31	0.69	69.00
15	C.7.17 LTC	0.25	0.20	0.01	0.19	95.00
16	C.8.8 Hon./OTA	1.00	1.00	0.46	0.54	54.00
17	C.10.7 Hon./OTA	0.20	0.05	0.01	0.04	80.00
18	C.11 Propagation of Punjabi	1.00	1.50	0.66	0.84	56.00
19	C.12.7 Other Charge	33.00	30.00	12.15	17.85	59.50
20	C.14.7 Other Charges	4.00	4.00	1.43	2.57	64.25
21	C.14.11 Bonus	0.12	0.12	0.05	0.07	58.33
22	C.14.13 LTC	0.75	0.75	0.10	0.65	86.67
23	C.14.15 Building Maintenance	8.00	8.00	0.48	7.52	94.00
24	C.15.1 Salary & Allowances	62.99	37.56	17.11	20.45	54.45
25	C.15.4 Installation of Computers	600.00	353.00	133.46	219.54	62.19
26	C.15.5 Other Charges	50.00	25.00	1.23	23.77	95.08
27	D.1.1.6 R&M of Jeeps	1.00	1.00	0.44	0.56	56.00
28	D.1.1.8 Bonus	0.58	0.75	0.12	0.63	84.00
29	D.1.1.11 LTC	0.50	1.00	0.02	0.98	98.00
30	D.1.2.4 Scholarship	1.00	0.20	0.06	0.14	70.00
31	D.1.2.5 Science Equipment	1.00	1.00	0.47	0.53	53.00
32	D.1.2.8 (I) Lib. Books	2.00	2.00	0.98	1.02	51.00
33	D.1.2.8.(II) Purchase of repair of Furniture & equipment	1.00	0.50	0.06	0.44	88.00
34	D.1.2.15 Hon./ OTA	2.00	2.00	0.68	1.32	66.00
35	D.1.2.16 LTC	3.00	3.00	1.31	1.69	56.33
36	D.1.2.A.4 Other Charges	2.50	2.00	0.07	1.93	96.50
37	D.1.2.A.11 LTC	2.00	2.00	0.54	1.46	73.00
38	D.1.3.5 (V) Other Items	3.00	2.00	0.77	1.23	61.50
39	D.1.3.6 Original Works (Cap)	61.00	36.50	3.93	32.57	89.23
40	D.1.3.8 Qualitative improvement in elementary Education	60.00	60.00	15.70	44.30	73.83
41	D.1.3.12 LTC	1.00	1.00	0.22	0.78	78.00
42	D.1.4.5 (III) Free Uniforms	25.00	20.00	1.06	18.94	94.70

43	D.1.4.5(VIII) Other Items	5.00	5.00	1.46	3.54	70.80
44	D.1.4.6 Grant-in-Aid RM Girls Pry. School No.1 Doctors Lane	32.00	37.36	14.85	22.51	60.25
45	D.1.4.7 Original Works (Cap)	137.50	56.70	23.55	33.15	58.47
46	D.1.4.7.A Ex Gratia	4.88	4.90	2.34	2.56	52.24
47	D.1.4.9(II)D Bonus	0.12	0.12	0.02	0.10	83.33
48	D.1.5.4 Other Charges	4.50	1.90	0.32	1.58	83.15
49	D.1.5.12 Hon./OTA	0.10	0.10	0.02	0.08	80.00
50	D.1.5.13 LTC	0.40	1.00	0.11	0.89	89.00
51	D.1.6.6 Scheme for Social Education	2.00	2.00	0.04	1.96	98.00
52	D.1.7.4. Other Charges	0.50	0.50	0.15	0.35	70.00
53	D.1.7.7.1 Salary & Allowances	2.54	2.85	0.02	2.83	99.30
54	D.1.7.7.7.A Work Exp. & Hobby Scheme	1.00	2.00	0.46	1.54	77.00
55	D.1.10.5 R&M of Vans	1.00	1.00	0.01	0.99	99.00
56	D.1.10.11 Ex Gratia	0.43	0.42	0.20	0.22	55.00
57	D.1.14.4 Other charges	2.50	2.50	0.73	1.77	70.80
58	D.1.16.1 Salary & Allowances	28.10	30.30	11.49	18.81	62.08
59	D.1.16.6 Bonus	0.15	0.15	0.02	0.13	86.67
60	D.1.19.4 Other charges	3.50	3.50	1.62	1.88	53.71
61	D.1.26 Educational Vocational Guidance	7.00	5.00	2.49	2.51	50.20
62	D.2.1.10 Bonus	0.29	0.29	0.14	0.15	51.72
63	D.2.1.12 LTC	1.78	2.20	0.82	1.38	62.73
64	D.2.1.13 TA/DA	0.50	0.50	0.12	0.38	76.00
65	D.2.2.11 Original Works(Cap)	20.00	9.00	2.35	6.65	73.89
66	D.2.2.11.C Honorarium/OTA	0.55	0.55	0.04	0.51	92.73
67	D.2.2.A.12 Disposal of Hospital Waste	13.00	7.00	3.26	3.74	53.43
68	D.2.2.A.13 EPBAX /Telephone charges	1.00	1.00	0.23	0.77	77.00
69	D.2.3.20 LTC	6.00	6.00	2.11	3.89	64.83
70	D.2.4.13 LTC	1.55	1.55	0.14	1.41	90.97
71	D.2.5.6 Other Charges	0.30	0.30	0.01	0.49	96.67
72	D.2.5.13 LTC	1.50	1.50	0.30	1.20	80.00
73	D.2.7.1 Salary & Allowances	22.79	16.88	7.87	9.01	53.38
74	D.2.7.7. Ex Gratia	0.10	0.13	0.05	0.08	61.54
75	D.2.7.8 Bonus	0.34	0.27	0.03	0.24	88.89
76	D.2.7.9 R&M of Vans	0.25	0.25	0.03	0.22	88.00
77	D.2.12.6 Other Charges	1.25	1.15	0.54	0.61	53.04
78	D.2.12.15 LTC	2.50	2.52	0.21	2.31	91.67
79	D.2.13.1 Salary & Allowances	27.64	31.39	2.94	28.45	90.63
80	D.2.13.8 Bonus	0.20	0.20	0.05	0.15	75.00
81	D.2.15.1 Salary & Allowances	116.64	127.75	39.44	88.31	69.13
82	D.2.15.9 Ex Gratia	1.03	1.06	0.20	0.86	81.13
83	D.2.15.12 LTC	2.95	2.25	0.19	2.06	91.56
84	D.2.16.13 Annual R & M of Dustbins	2.00	7.00	0.06	6.94	99.14
85	D.2.16.17 LTC	24.80	23.61	0.85	22.76	96.40
86	D.2.18.11 LTC	0.24	0.24	0.02	0.22	91.67
87	D.2.19.7 Other Charges	10.00	3.00	2.00	1.00	67.67
88	D.2.19.13 LTC	1.20	1.20	0.10	1.10	91.67
89	D.2.20.9 LTC	0.20	0.20	0.01	0.19	95.00
90	D.2.21.7 Strengthening of Health Education Unit	10.00	10.00	4.98	5.02	50.20
91	D.2.21.9 Bonus	0.17	0.15	0.02	0.13	86.67
92	D.3.1.4 Other Charges	1.00	1.00	0.45	0.55	55.00
93	D.3.1.15 LTC	1.00	0.50	0.02	0.48	96.00

94	D.4.1.1 Salary & Allowances	65.44	71.40	28.05	43.35	60.71
95	D.4.1.9 Ex Gratia	0.94	0.79	0.29	0.50	63.29
96	D.4.1.10 Bonus	0.20	0.29	0.13	0.16	55.17
97	D.4.2.1.5 Other Charges	3.00	0.50	0.18	0.32	64.00
98	D.4.2.2.7 Bonus	0.57	0.45	0.19	0.26	57.78
99	D.4.3.5 R&M of Vans	0.50	0.50	0.15	0.35	70.00
100	D.4.4.4.B Civil	30.00	30.00	9.42	20.58	68.06
101	D.4.4.13 Compost Plant (Cap)	50.00	5.00	0.07	4.93	98.60
102	D.4.4.14 Hon./OTA	5.00	5.00	0.45	4.55	91.00
103	D.4.6.4.A R&M of Vans	2.00	2.00	0.60	1.40	70.00
104	D.4.6.7.1 Salary & Allowances	34.10	37.94	4.99	32.95	86.85
105	D.4.7.1 Social & Cultural Institutions	12.00	8.00	3.80	4.20	52.50
106	D.4.7.2 Samaj Kalyan Samiti	30.00	30.00	1.58	28.42	94.73
107	D.4.12.1 Original Works (Cap)	527.50	250.00	102.97	147.03	58.81
108	D.8.1 Salary & Allowances	56.96	59.00	0.52	58.48	99.12
109	D.8.3 Other Charges	50.00	50.00	7.63	42.37	84.74
110	E.1.2 Contribution to PF	4.00	4.00	0.02	3.98	99.05
111	E.4.3 Tools & Plants	--	31.40	0.27	31.13	99.14
112	E.6(VII) Provision for Security arrangements for General Store	0.50	0.50	0.01	0.49	98.00
113	E.11 Purchase of Stores	500.00	500.00	46.39	453.61	90.72
114	F.11 Original Works(Cap)	127.00	81.00	40.30	4070	50.25
115	F.14 Bonus	12.25	15.46	0.33	15.13	97.86
116	F.16 LTC	5.00	10.00	1.14	8.86	88.60
117	G.1.1.4 Operation & Maintenance of Casting Yard	15.00	20.00	8.77	11.23	56.15
118	G.2.5 Purchase of tower ladders	16.00	12.00	0.15	11.85	98.75
119	H.1.8 Original Works (Cap)	1238.00	675.62	337.17	338.45	50.09
120	H.1.13 R&M of Stores	4.50	5.50	2.04	3.46	62.91
121	H.1.13A R&M of Material Testing Laboratory	5.00	5.00	0.98	4.02	80.40
122	H.1.19 Hon./OTA	15.00	15.00	6.21	8.79	58.60
123	H.1.21 TA/DA	1.00	1.00	0.25	0.75	75.00
124	H.2.5 R&M of vans	7.00	5.00	1.99	3.01	60.02
125	H.2.12 Hon./OTA	1.00	1.00	0.06	0.94	94.00
126	H.2.13 LTC	2.95	3.00	0.05	2.95	98.33
127	H.3.8 Hon./OTA	0.50	0.50	0.22	0.28	56.00
128	H.5.10 TA/DA	1.50	1.50	0.13	1.37	91.33
129	I-(a) Purchase of conveyance	30.00	30.00	3.00	27.00	90.00
130	I-(b) House Building Advance	40.00	40.00	1.33	38.67	96.67
131	I-(d) Computer Purchase Advance	2.00	1.50	0.56	0.94	62.67

Annexure-III
(Para 1.16.4.B (d))

Statement of Heads of Accounts of Persistent Savings exceeding 50 per cent of Revised Estimates

(Rs. in lakh)							
S.No.	Head of Account	Year	BE	RE	Actual	Savings	Percentage
1	D.1.25- (10+2) Pattern of Education	2002-03	--	5.00	--	5.00	100.00
		2003-04	--	1.00	--	1.00	100.00
		2004-05	1.00	0.10	--	0.10	100.00
2	C.2.4- Other Charges	2002-03	1.00	3.00	0.30	2.70	90.00
		2003-04	3.00	3.00	0.47	2.53	84.33
		2004-05	3.00	2.00	0.25	1.75	87.50
3	C.12.7- Other Charges	2002-03	28.00	30.00	10.10	19.90	66.33
		2003-04	32.00	32.00	10.26	21.74	67.94
		2004-05	33.00	30.00	12.15	17.85	59.50
4	D.1.2.A.12- Lab./ Library Furniture	2002-03	2.00	1.00	--	1.00	100.00
		2003-04	1.00	1.00	--	1.00	100.00
		2004-05	1.00	0.20	--	0.20	100.00
5	D.1.2.A.13- Sports Material	2002-03	2.50	2.00	--	2.00	100.00
		2003-04	1.00	2.00	--	2.00	100.00
		2004-05	1.00	0.20	--	0.20	100.00
6	D.1.3.6- Original Works (Cap.)	2002-03	56.00	59.20	8.99	50.21	84.81
		2003-04	69.00	65.50	13.80	51.70	78.93
		2004-05	61.00	36.50	3.93	32.57	89.23
7	D.1.4.7- Original Works (Cap.)	2002-03	109.00	132.50	15.81	116.69	88.07
		2003-04	223.00	157.00	30.42	126.58	80.62
		2004-05	137.50	56.70	23.55	33.15	58.47
8	D.2.17.4-Purchase of Safety Equipment	2002-03	5.00	4.00	0.71	3.29	82.25
		2003-04	4.00	4.00	--	4.00	100.00
		2004-05	10.00	1.00	--	1.00	100.00
9	D.2.18.4- Running & Maintenance of Vans	2002-03	1.00	1.00	--	1.00	100.00
		2003-04	1.00	1.00	--	1.00	100.00
		2004-05	1.00	1.00	--	1.00	100.00
10	D.4.2.1.5-Other Charges	2002-03	3.00	2.00	0.21	1.79	89.50
		2003-04	4.00	1.00	0.17	0.83	83.00
		2004-05	3.00	0.50	0.18	0.32	64.00
11	D.4.4.4.B-Civil	2002-03	50.00	50.00	19.08	30.92	61.84
		2003-04	30.00	75.00	17.05	57.95	77.27
		2004-05	30.00	30.00	9.42	20.58	68.06
12	D.4.4.8-Purchase of Equipment	2002-03	15.00	20.00	1.11	18.89	94.45
		2003-04	15.00	10.00	--	10.00	100.00
		2004-05	9.00	0.10	--	0.10	100.00
13	G.1.1.4-Operation & Maintenance of Casting Yards	2002-03	20.00	20.00	5.05	14.95	74.75
		2003-04	20.00	20.00	7.10	12.90	64.50
		2004-05	15.00	20.00	8.77	11.23	56.15
14	H.1.13-Running & Maintenance of Stores	2002-03	4.00	5.00	0.64	4.36	87.20
		2003-04	4.00	5.00	0.11	4.89	97.80
		2004-05	4.50	5.50	2.04	3.46	62.91
15	D.1.5.4-Other Charges	2002-03	6.50	2.70	0.26	2.44	90.37
		2003-04	4.50	3.30	1.10	2.20	66.67
		2004-05	4.50	1.90	0.32	1.58	83.15
16	D.4.1.6- Original Works (Cap)	2002-03	9.00	15.00	2.18	12.82	85.47
		2003-04	20.50	21.00	0.04	20.96	99.81
		2004-05	18.00	9.50	--	9.50	100.00
17	D.2.11-Collection of Vital Statistics	2002-03	15.91	14.08	2.17	11.91	84.59
		2003-04	13.81	13.96	(-)0.11	14.07	100.79
		2004-05	25.18	21.76	4.58	17.18	78.95

Annexure-IV
(Para 1.16.4.B (e))

Statement of Heads of Accounts of Excess Expenditure

(Rs. in lakh)						
S.No.	Head of Account	B.E. 2004-05	R.E. 2004-05	Actual 2004-05	Excess expenditure over R.E.	Percentage
1	C.3.8-(II)-(A) Telephone Charges/ PBX Vidyut Bhawan	13.00	10.75	23.18	12.43	115.63
2	C.3.15 LTC	6.46	3.00	6.49	3.49	116.33
3	C.3.17 TA/ DA	1.50	0.50	3.54	3.04	608.00
4	C.7.1 Salary & Allowances	21.47	23.28	49.59	26.31	113.02
5	C.7.5(ii) Sports & Games (Cap)	7.00	1.00	2.94	1.94	194.00
6	D.1.1.4 Other Charges	60.00	60.00	85.67	25.67	42.78
7	D.1.4.7.C Honorarium/OTA	6.00	1.00	3.17	2.17	217.00
8	D.1.6.1 Salary & Allowances	105.92	93.62	133.44	39.82	42.53
9	D1.7.1 Salary & Allowances	4.82	5.38	17.97	12.59	234.01
10	D.2.2.11.D LTC	2.00	2.00	3.71	1.71	85.50
11	D.2.16.12 Mechanization of Sanitation Scheme for removal of Garbage & Solid Waste	30.00	20.00	58.25	38.25	191.25
12	D.2.17.9 R&M of Vans	2.00	3.00	5.06	2.06	68.67
13	D.2.17.11 (A) Anti Flood	462.00	55.50	88.78	33.25	59.91
14	D.4.2.2.1 Salary & Allowances	24.31	22.20	49.81	27.64	124.37
15	D.4.2.5.1 Salary & Allowances	9.24	7.33	9.18	1.85	25.24
16	D.4.6.1 Salary & Allowances	28.75	31.50	48.00	16.50	52.38
17	D.7.4 Maint. Of Indoor Stadium (Elect. Portion)	30.00	25.00	33.97	8.97	35.88
18	E.6.(I)(a) Purchase of Vehicles (Elect 11 KV)	25.00	6.00	11.58	5.58	93.00
19	F.13 Ex Gratia	9.09	4.51	16.72	12.21	270.73
20	H.1.5 Ground Rent for Land a) Civil b) Horticulture c) Compost Plant	38.41	21.40 0.05 3.39	41.93	17.09	68.80
21	H.1.7 Other Charges	300.00	200.77	314.22	113.45	56.51
22	H.1.8.A Env. Imp. Along Road & Nallahs	25.00	20.00	197.39	177.39	886.95
23	H.1.20 LTC	5.00	5.00	6.26	1.26	25.20

Annexure-V
(Para 2.1.5.A.I.3 (e))

Details of expenditure incurred by NDMC on Site Office

S.No.	Name of work	Name of Agency	Expenditure (in Rs.)
1.	P/F Cotton curtains in NDCC Phase-II site office in the Meeting Room	Smt. Kiran Gupta	4,738
2.	P/F Coir mat in Temp. Office of NDCC Phase-II	M/s Kerala State Coir Corporation Ltd.	18,015
3.	P/F Windows in Meeting Room	Sh.Roshan Lal Sharma	2,590
4.	Repair of Project Site Office	M/s P.K.Enterprises	6,605
5.	Renovation of Project Site Office, NDCC Phase-II	M/s Mack Builders	24,403
6.	P/F False Ceiling in Project Site Office	M/s Vijay Kumar	18,111
		Total	74,462

Annexure-VI
(Para 2.1.5.A.1.4)

Details of Abnormally High Rated Items executed

Item No. and description as per agreement	Rate (in Rs.)	Quantity as per agreement	Amount as per agreement (in Rs.)	Actual quantity executed	Amount paid (in Rs.)	Difference (in Rs.)
2(b). Dia 37.5 cm. Bulb	4822 FR* 3617 PR*	114 Nos.	549708	497 Nos. 10 Nos.	2432704	1882996
7. Extra for cutting reinforcement bars in RCC or RB work	177	193 sqm.	34161	220.23 sqm.	38981	4820
9. Add or deduct for more or less depth of cast in situ under reamed reinforcement cement concrete piles (b) 37.5 cm. dia piles	641 FR 570 PR	37 mtr.	23717	41.06 sqm. 166.56 sqm.	121259	97542
16. P/L integral acrylic based impregnated water proofing treatment on horizontal surface over cement concrete consisting of 1st layer of 20 mm thick cement mortar 1:4	520 PR 531 FR 500 PR	12842 sqm.	6677840	13582.57 sqm. 250.60 sqm.	7188236	510396
36. Centring and shuttering including strutting propping etc. and removal of form for	77 FR 75 PR	65653 sqm.	4923975	72035.95 sqm.	5402696	478721
(b). walls(any thickness) including attached pilasters, buttresses, plinth and string courses etc.						
(d). Lintels, beams, girder, bressumers and cantlevers	94FR 84PR	12572 sqm.	1181768	12573 sqm. 9547.20 sqm.	1983827	802059
119. Dismantling stone slabs flooring laid in cement mortar including stacking of serviceable material and disposal of unserviceable material within 50 mtr. lead.	18	200 sqm.	3600	492.33 sqm.	8862	5262
Total			13394769		17176565	3781796
Rebate @0.22%			29468		37788	8320
Net amount			13365301		17138777	3773476

*FR represents Full Rate & PR represents Part Rate.

Annexure-VII
(Para 2.1.5.A.I.4)

Details of Abnormally Low Rated Items executed/not executed

Item No. and description as per agreement	Rate (in Rs.)	Quantity as per agreement	Amount as per agreement (in Rs.)	Actual quantity executed	Amount (in Rs.)	Difference (in Rs.)
3. Conducting tension pile load test (a) 50 cm. Dia	27115	4 No.	108460	2 No.	54230	54230
9. Add or deduct for more or less depth of cast-in-situ under reamed RCC piles (a) 50 cm. Diameter piles	292	152m	44384	45.9m	13403	30981
35. Extra for cement concrete grade M40 in place of grade M20 cement concete	397	50 cm	19850	Nil	Nil	19850
40. Lap welding of steel reinforcement by electric welding.....						
(a) 32 mm dia bars	118	75 m	8850	Nil	Nil	8850
(b) 28 mm dia bars	112	75 m	8400	Nil	Nil	8400
(c) 25 mm dia bars	106	75 m	7950	Nil	Nil	7950
(d) 20 mm dia bars	106	75 m	7950	Nil	Nil	7950
(e) 16 mm dia bars	100	75 m	7500	Nil	Nil	7500
46. Providing and fixing in position PVC water stops....	230	552 m	126960	Nil	Nil	126960
50. Providing and fixing in position approved neoprene bearing pads as per drawings including necessary trimming and leveling of surface complete.	01	55200 cum	55200	Nil	Nil	55200
64. Providing 40X3 mm flat iron hold fast 40 cm long.....	15	2058 Nos.	30870	Nil	Nil	30870
68. Providing and fixing aluminum handles.	26	343 Nos.	8918	Nil	Nil	8918
98. Making khurras 45X45 cm.	53	266 Nos.	14098	Nil	Nil	14098
102. Extra for finishing the exposed surface RCC work.....	130 FR* 125 PR* 50 PR	24012 sqm.	3001500	6347.91 681.80	827579	2173921
111. Demolishing deep underground heavy RCC foundation.....	171 PR 177 FR	350 cum	59850	253.04 cum	43270	16580
118. Cutting WBM road including disposal of unserviceable material within 50 mtr lead.	20PR 24 FR	2000 sqm.	40000	1365.91 sqm.	27318	12682
Total			3550740		965800	2584940
Rebate @0.22%			7812		2125	5687
Net Amount			3542928		963675	2579253

*FR represents Full Rate & PR represents Part Rate.

Annexure-VIII
(Para 2.1.5.A.1.5 (i), (ii) & (iii))

Statement showing details of Mobilisation Advance and Special Advance paid to M/s NBCC Ltd. and recovery thereof

S.No of bill & date	M.B. No. & page	Amount of Advance		Recovery			
		Mobilization	Special	Mobilization Advance		Special Advance	
		(in Rs.)	(in Rs.)	Principal (in Rs.)	Interest (in Rs.)	Principal (in Rs.)	Interest (in Rs.)
07.10.94	5598/P.4	5500000	-	-	-		
1st/16.2.95	-	-	-	-	-		
2 nd /03.05.95	2/P.11	-	-	49300	370685		
July 95		2000000	-	-			
August 95		1500000	-	-			
September 95		1600000	-	-			
3 rd /28.9.95	2/21	-	-	215000	257568		
15 th Nov.95		400000	-	-	-		
4 th /13/12/95	2/33	-	-	143327	305344		
5 th /11.1.96	2/35	-	-	380566	141270		
6 th /22.2.96	2/49	-	-	173215	104077		
7 th /29.3.96	2/69	-	-	324673	132014		
8 th /16.5.96	2/89	-	-	148890	130939		
9 th /27.6.96	52/25	-	-	171970	161162		
10 th	-	-	-	-	-		
11/23.9.96	52/51	-	-	217681	232062		
12 th /5.11.96	52/73	-	-	162541	191475		
13 th	-	-	-	-	-		
14 th /8.1.97	52/94	-	-	178296	162972		
15 th /19.3.97	-	-	-	-	-		
16 th /25.4.97	55/46	-	-	204393	334018		
17 th /28.5.97	55/81	-	-	213340	99306		
18 th	-	-	-	-	-		
19 th /20.6.97	9/32	-	-	178179	69180		
20 th /19.8.97	9/64	-	-	186478	154858		
21 st /11.9.97	9/99	-	-	179056	60888		
22 nd /6.10.97	55/99	-	-	-	-		
23 rd /20.10.97	18/38	-	-	190438	100948		
24 th /8.12.97	18/85	-	-	162845	116187		
25 th /15.1.98	25/48	-	-	139576	101363		
26 th /19.2.98	25/100	-	-	82329.61	87349.64		
27 th /30.3.98	56/52	-	-	92181.66	93573.16		
28 th /22.4.98	18/91	-	-	194231.59	47380.11		
29 th /22.5.98	59/49	-	-	222082.96	71459.60		
30 th /22.6.98	60/42	-	-	189103.38	66964.04		
31 st /22.7.98	59/89	-	-	143611	67268.88		
32 nd /24.8.98	60/83	-	-	102010.37	70050.73		
16.11.98		-	10000000	-	-		
34 th /3.12.98	28/39	-	-	107705.29	129278.40		
35 th /11.1.99	29/86	-	-	110463.60	157605.71		
8 th Escalation bill/1.2.99	29/86	-	-	112015.96	30855.93		
36 th /18.1.99	28/82	-	-	495140.50	15427.97	1000000.00	200547.95
37 th /1.3.99	42/49	-	-	448198.82	44075.26	1000000.00	130191.78
38 th /31.3.99	42/94	-	-	137976.29	49027.42	1000000.00	81534.25
39 th /22.4.99	43/46	-	-	37962.86	32259.51		48328.76
40 th /9.6.99	43/86	-	-	134322.17	70292.51		108164.38
41 st /7.7.99	61/44	-	-	156874.32	38315.27	224663.32	64438.36

42 nd /3.8.99	62/46	-	-	257219.67	32969.12	445598.27	62370.22
43 rd /23.8.99	61/85	-	-	237139.08	25877.50	410811.37	43701.21
44 th /1.10.99	62/86	-	-	225276.34	43863.34	386188.01	73946.04
45 th /3.11.99	69/17	-	-	134795.83	33487.29	233515.54	56388.46
46 th /3.12.99	69/34	-	-	-	31077.56		52266.31
47 th /30.12.99	69/52	-	-	-	32113.46		54008.52
48 th /21.1.2000	69/70	-	-	263554.16	24862.05	456571.91	41813.05
49 th /21.2.00	69/89	-	-	-	26579.58		44578.92
50 th /16.3.00	29/95	-	-	-	21833.23		36618.41
51 st /7.5.00	71/20	-	-	951351.56	43666.45		73236.81
10 th Escalation bill/19.5.00	71/21	-	-	-	-	1648087.82	
52 nd /1.6.00	71/42	-	-	129896.56	19731.43	225828.21	44478.71
53 rd /7.7.00	71/64	-	-	173319.56	17813.76	300252.68	29288.57
54 th /10.8.00	71/86	-	-	160149.83	16641.11	277437.91	27204.75
55 th /11.9.00	76/22	-	-	259290.36	18398.01	449185.45	29881.68
56 th /18.10.00	76/45	-	-	133481.75	15956.48	231239.07	25547.30
Arbitration claim bill/19.12.00	76/74	-	-	346710.50	5913.70	1480730.13	9249.49
57 th /5.12.00	76/69	-	-	133164.99	15266.19	230690.31	24194.33
58 th /22.1..01	71/89	-	-	150000	6115.07		
59 th /1.3.01	124/25	-	-	150000	4882.19		
60 th /29.3.01	124/50	-	-	150000	2663.01		
61 st /	124/78	-	-	-			
62 nd /	71/92	-	-	-			
63 rd /	129/25	-	-	-			
64 th /	129/53	-	-	-			
28.6.01		-	2000000	-			
24.8.01		-	1000000	-			
8.10.01		-	1000000	-			
65 th /11.1.02	129/81	-	-	-			
66 th /28.11.02	43/95	-	-	-		393573.55	209095.87
Total		11000000	14000000	10241324.57		10394373.55	

Annexure-IX
(Para 2.1.5.A.1.7 (b))

Details of hindrances in submission of drawings

S.No.	Reasons	Period	No. of days of delay	Overlapping period	No. of days excluding overlapping period
1.	Revision of drawings for Auditorium and library block	02.08.1995 to 16.12.1995	137	-	137
2.	Lay out plan in B block	16.12.1995 to 06.07.1996	204	01	203
3.	Structural design of retaining walls and piles caps shaft in B Block of NDCC Phase-II	08.06.1996 to 23.06.1997	381	29	352
4.	Non-availability of structural drawings for Auditorium-cum-Library block	23.06.1997 to 24.03.1999	640	01	639
5.	Non-availability of structural drawings for Auditorium-cum-Library block	31.12.1998 to 07.04.1999	98	84	14
6.	Non-availability of details for under layer flooring	15.02.1999 to 13.03.2000	393	52	341
7.	Non-availability of toilet drawings	22.03.1999 to 07.06.1999	78	78	-
8.	Non-availability of details/drawings for toilet flooring	22.03.1999 to 15.03.2000	360	358	2
9.	Non-availability of drawings/details for finishing items	03.04.1999 to 15.03.2000	348	348	-
10.	Non-availability of details/drawings for toilets	16.03.2000 to 13.12.2000	273	-	273
11.	Non-availability of details/drawings for finishing items	16.03.2000 to 15.12.2000	275	273	2
Total			3187	1224	1963

Annexure-X
(Para 2.1.5.A.I.8 (a))

Statement showing Other Works executed under NDCC Phase-II

S. No.	Work Order/ Agreement No.	Name of work	Name of Agency	Expenditure incurred (in Rs.)
1.	W.O.7/92-93	P/F MS. Square Bar Grill at Shivaji Stadium	M/s Subhash Chander	9,146
2.	Agr.10/92-93	P/F Wooden partition in the basement of Polyclinic at SBS Marg	M/s Surinder Pal	21,824
3.	Agr.12/92-93	P/F Wooden partition in basement of Palika Kendra	M/s P.K. Enterprises	16,642
4.	Agr.11/92-93	P/F Wooden partition in basement of Pragati Bhawan	M/s Surinder Pal	21,684
5.	Agr.13/92-93	C/o Room for Health Deptt. at the plot adjoining to 36, Mahadev Road	Sh. Mohan Lal Chauhan	35,368
6.	Agr.14.92-93	C/o Cabins in Upper Basement of Palika Kendra	M/s Subhash Chander	29,581
7.	Agr.15/92-93	P/F Wooden partition in Shivaji Stadium	-do-	66,086
8.	Agr.16/92-93	C/o Temp. shed for Health Enforcement Behind Palika Kendra	M/s Mohan Lal Chauhan	32,905
9.	Agr.17/92-93	P/F Wooden partition at Piazza level, Palika Kendra	M/s Subhash Chander	1,07,527
10.	Agr.21/92-93	C/o Boundary wall & Temp. shed under Safdarjung Flyover for Enforcement of Store	M/s Arvind Builders	89,926
11.	Agr.4/93-94	C/o Cabins for EE(Auto) at Piazza level, Palika Kendra	M/s C.S. contractors	12,400
12.	Agr.5/93-94	C/o Cabins at 3 rd floor of Mohan Singh Place	Sh. Subhash Chander	2,40,682
13.	Agr.7/93-94	C/o Cabins in upper basement of Palika Kendra	Sh. Surinder Pal	18,037
14.	Agr.11/93-94	C/o Temp. shed & boundary wall under Safdarjung Flyover for Health Enforcement Store	Sh. Shailender Kr. Singh	1,13,752
15.	Agr.12/93-94	C/o Strong room for Cash Branch	Sh. Subhash Chander	1,88,758
16.	Agr.10/93-94	C/o Temp shed for kitchen	Sh. Shailender Kr. Singh	95,049
17.	Agr.13/93-94	C/o Cabins for Security Officer and Fire Officer at mazzanine floor	M/s P.K. Enterprises	24,300
18.	Agr.15/93-94	C/o Cash counter /enclosure at Palika Kendra	M/s Khanna Enterprises	2,13,766
19.	Agr.16/93-94	C/o Cabins at upper basement of Palika Kendra	Sh. Subhash Chander	31,969
20.	Agr.17/93-94	C/o Enclosures of Ayurvedic dispensary at Piazza level of Palika Kendra	-do-	92,203

21.	Agr.13/93-94	Fixing of Ms. Angle & barbed wire on boundary wall under Safdarjung flyover for Enforcement Store	M/s N.V. Builders	2,938
22.	W.O.16/93-94	P/F of glass panes in temporary sheds under Safdarjung flyover for Enforcement store	M/s N.V. Builders	1,088
23.	W.O.20/93-94	Providing toilets for Thareja Commission at 3 rd floor, Mohan Singh Place	Sh. Shailender Kumar	6,505
24.	W.O.22/93-94	Shifting of canteen from Palika Kendra Annexe Building	M/s Prem Nath Motors Ltd.	21,843
25.	W.O.26/93-94	P/F M.S. Sq. Bar Grill at Shivaji Stadium	Sh. Surinder Pal	3,658
26.	W.O.27/93-94	C/o Cabins for caretaker service centre, North Div. AR(LRC)	-do-	4,366
27.	W.O.1/94-95	C/o Boundary wall in Temp. shed under Safdarjung flyover for Health Enforcement store	Sh. Anil Mahajan	4,219
28.	W.O.3/94-95	Fixing of partition for AE(North), AS(Cash) & Typing Branch	Sh. Surinder Pal	3,284
29.	W.O.5/94-95	P/F M.S. Grill for Health Enforcement store under Safdarjung flyover	Sh. Mukesh Mishra	7,310
30.	Agr.3/94-95	Improvement work of kitchen at 9 th floor, Palika Kendra	M/s R.S. Pandey	43,990
31.	Agr.5/94-95	P/F MS pipe for Gas in kitchen at 9 th floor, Palika Kendra	M/s Prem Nath Motors Ltd.	88,459
32.	Agr.4/95-96	C/o Cabins in upper basement Palika Kendra for kitchen store	Sh. Surinder Pal	7,887
33.	W.O.1/99-2000	Repair of office furniture	Sh. Raghubir Singh	3,090
34.	W.O.4/2001-02	Repair to chairs	M/s Anmol Furniture Decorators	4,860
Total				16,65,102

Annexure-XI
(Para 5.1)

Details of outstanding licence fee of Rs.1.67 crore in respect of parking lots for the period from 1997 to 2002

S. No.	Premises No. & locality	Name of occupant	Date of Eviction	Rate of licence fee	Licence fee due (in Rs.)
1.	I.P. Estate, Hans Plaza	Sh.Dharamdev	2/2002	80700	211852
2.	Atma Ram House, Rohit House, Tolstoy Marg	Nk..Virender Singh	2/2002	14160	126867
3.	H-Block, Con. Circus	Sh.A.K. Kapila	2/2002	12300	112065
4.	K-Block Radial Rd. No. 4, CP	Capt. P.S. Ahluwalia	1/2002	25000	181774
5.	G-Block Radial Rd., CP	Nb. Sub. Suraj Singh	12/2001	16666	80104
6.	D-Avenue, Sarojini Ngr.	Sh. Davinder Singh Dahiya	2/2002	31999	354738
7.	G.Avenue, Sarojini Ngr. 1 st crossing from temple	Sh. Ramesh Chander	2/2002	22999	141022
8.	Opp. Gopal Dass Tower, C.P	Sh. Samey Singh	8/2000	74000	67922
9.	Infront of ECE House	Sh.Samey Singh	9/2000	9211	89733
10.	M-Block Outer Circle, C.P	Sh. Kanvanjit Singh	6/2000	50200	398093
11.	Behind Hindustan Times Bldg.	Cdr. D.J. Singh	3/2000	200500	2212855
12.	F-Block, Inner Circle, C.P	Sh. Rajbir Singh	11/1999	142000	1167647
13.	N-Block, Con. Circus, Opp. Statesman	Sh. Raj Singh	10/1999	31000	241610
14.	B-Block Radial Rd-3	Sh. S.C. Acharya	3/2000	12200	176412
15.	Bhagwan Dass Rd., Opp. Supreme Court	Sh. S.V. Sharma	8/1999	31102	246552
16.	Kailash Bldg.K.G.Marg	Hon. Capt. .A.S. Rawat	9/1998	6051	14724
17.	In front of Jeevan Vihar & Jeevan Deep	Sub. R.P. Dhankar	3/1998	6776	27104
18.	Thapar House, Janpath	Maj. K.L.Batra	9/1998	14769	190089
19.	Behind Mohan Dev Bldg., Tolstoy Marg.	Capt. P.S. Ahluwalia	9/1998	9317	26694
20.	Akash Deep Bldg.	Capt. Anil Joshi	9/1998	4477	57800
21.	Patiala House	Capt. R.L. Dua	8/1998	20704	69702
22.	In front of Hindustan Times Bldg.	Hav. Dharam Jit Singh	8/1998	5700	133323
23.	Surya Kiran Bldg. , K.G.Marg	Sgt. R.B.S. Verma	8/1998	7866	10657
24.	Behind Hindustan Times Bldg.	Comd. D.J. Singh	2/1999	55000	143393
25.	Safdarjung Tomb	Hony. Sub.Maj. A.N. Sharma	8/1998	2200	781
26.	In front of Mercantile Bldg	Sub.O.P. Sharma	8/1998	8250	35927
27.	Amba Deep Bldg.	Hav. S.N. Kaushik	9/1998	7150	37180
28.	Atma Ram House	Wing. Com.A.J. Singh	2/1999	5500	84207
29.	D.C.M. Bldg., B.K.Rd.	Capt. Chander Prakash	5/1998	43575	114374
30.	Tolstoy House	Nb. JWO Ram Kishan	9/1998	5378	15596
31.	Antriksh Bldg., K.G. Marg.	Capt. Gurdev Singh	10/1998	6050	50742
32.	Canning Lane	Capt. V.P. Kapur	8/1998	18750	62903

33.	Yashwant Place	Hony. Sub. Maj. D.N. Rai	12/1998	13000	86387
34.	Park Hotel & Allahabad Bank	Sgt. R.N. Divedi	1/1999	10500	98565
35.	Infront of Eastern Court	Sh. S.C. Sharma	7/1998	7877	88125
36.	Around Delhi High Court	Lt. Col.S.L. Bhandari	8/1998	17440	58508
37.	A-Block Inner Circle	Hav.Kartar Singh	11/1998	18940	59345
38.	B-Block Inner Circle	Sgt. Mohinder Singh	10/1998	18940	45212
39.	C-Block, Connaught Place	Maj. Bhola Nath	8/1998	8440	36755
40.	D-Block, Connaught Place	Hav. S.C. Kalra	3/1999	7310	56122
41.	E-Block, Connaught Place	Lt. Col. G.P. Saxena	9/1998	18375	30625
42.	F-Block, Connaught Place	Col. Shiv Ram	2/1999	20060	43579
43.	In front of P-Block, C.P.	Col. Bhupinder Singh	3/1999	8256	45242
44.	G-Block, Infront of Madras Hotel	SCPO Tarsem Singh	2/1999	7690	15910
45.	G-Block, Infront of P.K.Rd.	Col. S.K. Kapur	8/1998	12190	101845
46.	H-Block, Con.Circus	Wing Comd. K.L. Mehra	2/1999	10690	471466
47.	K-Block, Con.Circus	Sq. Ldr. R.K. Bandish	1/1999	8440	14157
48.	L-Block, Con.Circus	Sgt. A.S. Dahiya	10/1998	12560	42542
49.	M-Block, Con.Circus	Lt. Col. H.Dhingra	12/1998	23060	457561
50.	N-Block, Con. Circus-I, Opp. Statesman	Sgt. O.P. Sharma	3/1999	6190	52915
51.	N-Block, Con. Circus-II, Opp. Scindhia House	Capt. S.P. Mann	3/1999	11060	154800
52.	F-Block, Radial Rd., CP	Lt. Col. P.C. Gautam	3/1999	4690	64537
53.	F-Block, Radial Rd., B.K. Rd.	Brig. R.K. Verma	8/1998	4690	48564
54.	E-Block, Middle Circle	Sgt. Kuldip Rai	12/1998	10500	21677
55.	C-Block, Middle Circle	Wing. Com. M.K. Taneja	8/1998	3000	61065
56.	K-Block, Radial Rd., CP	Brig. S.R. Kapur	1/1999	4310	11540
57.	H-Block, Radial Rd. CP	Sgt. K.N. Putatunda	7/1998	4310	83349
58.	B-Block, Middle Rd., Con. Place	Col. R.S. Kansal	8/1998	8810	47176
59.	H-Block, Outer Circle	Lt. Col. B.C. Garg	10/1999	3375	89895
60.	M-Block, Radial Rd, Janpath	Wing. Cdr. N.K. Rai	8/1998	1690	12430
61.	N-Block, Radial Rd, Janpath	Wing. Cdr. A.S. Bedi	8/1998	1875	10040
62.	F-Block, Radial Rd, Janpath	Col. Mangat Shanker	8/1998	2060	731
63.	E-Block, Radial Rd., B.K. Rd	Sh. Shanti Swarup	8/1998	940	334
64.	D-Block, Middle Circle, Con. Place	Col. Jagjit Singh	8/1998	1875	6290
65.	C-Block, Radial Rd. Con. Place	Sh. S.S. Chauhan	12/1998	3190	3859
66.	B-Block, Radial Rd., C.P	Hony. Lt. Jagdish Rawat	3/1999	3190	17391
67.	A-Block, Middle Circle	Maj. S.S. Rai	11/1998	3750	1327
68.	Mohan Singh Place, C.P	Sh. R.S. Rawat	8/1998	3190	1327
69.	Indian Overseas Bank, Janpath	Sgt. Toni Abraham	8/1998	5625	24496
70.	C-2, back of M.P. State Emporium, BKS Marg	Sh. H.S. Bedi	3/1999	1875	2843
71.	Opp. Indian Coffee House, DLF Bldg.	Sub. Ram Singh	8/1998	13875	46548
72.	Newly dev. area, Sarojini Ngr.	Col. Janak Raj	5/1998	24565	514125
73.	In front of Kamani Auditorium	Hony. Sub. D.P. Badola	3/1999	5625	95625
74.	F-Block, Middle Circle, Con. Place	Lt. Col. S.P. Singh	5/1998	8440	19875
75.	In front of New Delhi House	Ex. Sgt. Arvesh Kr.	5/1998	1690	3980
76.	Doordarshan PNB Bldg.	Nk. Rajinder Singh	10/1998	9000	48484
77.	D-Block, Middle Circle, CP	Sh. Surinder Singh	8/1998	3560	15503
78.	Behind Sarojini Ngr. Veg. Mkt.	Nb. Om Parkash	3/1999	6000	150000
79.	Infront of Babu Mkt., Sarojini Ngr.	Sh. Kishan Lal	1/1999	2250	23500
80.	Scindia House, Janpath	Nb. Sub. Surjit Singh	8/1998	4690	15790
81.	Himalaya House, K.G. Marg	Capt. Sarfaraj Hussain	12/1998	2625	679

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82.	Mayur Bhawan	Maj.K.K. Gaddi	10/1998	50000	191936
83.	Palika Bazar	Sh. Gopal Rai	1/1999	6375	5758
84.	Ansal Bhawan, K.G.Marg	Col. Rajesh Kumar	8/1998	2440	3306
85.	Outside Hans Plaza	Sh. M.P. Sethi	8/1998	3375	7948
86.	Narindra Place, DLF Bldg., Parliament Street	Sh. H.S. Chadha	8/1998	12190	291675
87.	Patiala House Boundry Wall	Sh. Ramesh Kr.	-	56600	768504
88.	BKS Marg, 2 Tier Car Parking	Lt. Col. P.C. Gautam	-	82200	622038
89.	Scindia House in front of Federal Motors	Sh. Jagan Nath	-	28800	288032
90.	A & B Estate Emporium B.K.S. Marg	Sh. Ishwar Singh	-	-	123031
91.	Outside Hans Plaza	Maj. K.L. Batra	-	-	244472
92.	Outside INA Mkt.	Col. S.S. Bhandari	-	-	1353800
93.	Scindia House, Janpath at Tribuvan Dass Bldg.	Nb. Sub. Surjit Singh	-	-	298190
94.	New Delhi House	Sh. Sardar Singh	-	-	201416
95.	Ansal Bhawan	Sh. Mohinder Singh Dahiya	-	-	241941
96.	H. Block Outer Circle Con. Place	Sh. Devender Parkash	-	-	20204
97.	H-Block Chemsford Road	Sh. Daya Ram Singh	-	-	19611
98.	H-Block Middle Circle C.P.	Sh. Sukhbir Singh	-	-	3742
99.	Jeevan Bharti Bldg.	Lt. Col. B.S. Kala	-	-	35390
100.	Palika Place, P.K.Rd.	Sh. Mohinder Singh	3/2002	19024	34928
101.	C-Block, Con. Circus	Mrs. Prem Lata	11/1999	90000	625940
102.	Scindhia House, Conn. Circus	Sh. L.D. Kandpal	7/1998	6375	19125
103.	A-Block, Middle Circle, C. P.	Sh. R.K. Sareen	7/1997	12560	315521
104.	Super Bazar, Conn. Place	Sh. H.S. Anand	3/1999	5065	42807
105.	Parking lot in front of Sona Rupa	Sh. Sajan Singh Rana	8/1998	6190	2268
106.	Janpath Guest House	Sh. H.S. Kalra	8/1998	7500	2750
107.	Akash Deep Building	Sh. D.N. Pandey	8/1998	4125	1907
108.	F-Block Radial Rd. B.K.Road	Sh. Krishan Pal	-	12444	44076
109.	Mayur Bhawan	Sh. P.B. Multani	-	81101	181888
110.	Mohan Singh Place	Sh. Gulab Chand	-	38805	176016
111.	Outside Bank of Baroda	Sh. Ajay	-	21005	286680
				Total	16741983

Annexure- XII
(Para 5.1)

Details of outstanding licence fee of Rs. 1.12 crore in respect of parking lots pertaining to period from 2002-03 to 2004-05

S.No.	Premises No. & locality	Name of occupant	Rate of licence fee	Licence fee due (in Rs.)	Interest (in Rs.)	Total dues (in Rs.)
1.	Bhagwan Dass Road Supreme Court	Maj.T.C. Yadav	48911	48911	1018	49929
2.	Outside Bank of Baroda	M/s Hindustan Trading Co.	42100	42100	842	42942
3.	Behind Hindustan Times	M/s Deepika & Co.	287777	-	5756	5756
4.	RBI Lane between PTI Building	M/s Hindustan Trading Co.	33651	141	17	158
5.	Jeevan Bharti Building Janpath	Sh. Rakesh Kumar	-	90	7	97
6.	Janpath Guest House	Maj.T.C. Yadav	61600	184800	7392	192192
7.	Opp. Indian Coffee House	Shri B.S. Lodha	140000	690000	80400	770400
8.	Narindra Place, DLF Building	Smt. Asha Narula	64250	-	1284	1284
9.	IOB, Janpath	Sh. Laxmi Narain	77777	211108	13558	224666
10.	Gopal Dass Tower, B.K. Road	Sh. Bhavjit Jouhar	24450	-	489	489
11.	Ist crossing Road-from Temple to the corner of 'G' Avenue, Sarojini Nagar	Sh. B.S. Lodha	115110	171794	38480	210274
12.	Palika Place, P.K.Road	Sh. Ranvir Singh	68400	68400	6840	75240
13.	Between A&B State Emporia B.K.S Marg	Shri Vinod Kumar Ahlawat	46001	230005	13800	243805
14.	A Block Middle circle Radial No.2 C. Place	Sh. Sunil Kumar	29780	29340	2356	31696
15.	B Block Inner Circle, C.P.	M/s Hindustan Trading Co.	172202	61876	17007	78883
16.	B.Block Middle Circle,Conn. Place	Maj.T.C. Yadav	81999	163998	4920	168918
17.	'E' Block Radial Road No.6 B.K. Rd.	Shri Manoj Kumar	20100	20100	804	20904
18.	'H' Block middle circle Conn. Place	Shri Jaivir Singh	20100	20100	804	20904
19.	'L' Block, Outer Circle Conn. Place	Smt. Rita Kapoor	152786	143618	11856	155474
20.	'N' Block opposite Scindia House	Shri Pappu	55789	-	600	600
21.	'A' Block middle circle Conn. Place	Smt. Sudha Sharma	53204	17735	1065	18800
22.	Radial Road No.7 'M' Block, C. P.	Sh. Ranjeet Singh	36900	1191	62	1253
23.	'H' Block, outer circle Conn. Place	Sh. Davender Prakash	19055	179485	22645	202130
24.	'F' Block Radial Road, Conn. Place	Sh. D.N. Rai	35551	71102	7110	78212
25.	Infront of Kamani Auditorium Mandi House	Shri Tony Abraham	6525	24416	1272	25688
26.	Outside INA Market	Sh. S.S. Bhandari	68000	1156000	294780	1450780
27.	Railway Museum, Chankya Puri	Lt. Col. K.R. Jaiswal	5100	2303	46	2349
28.	Sangeet Bharti, Mandi House	Sh. Ranjeet Singh	658	419	8	427
29.	Kwality Restaurant		6000	36000	2520	38520
30.	'F' Block Middle Circle, Conn. Place	M/s Hindustan Trading Co.	61000	25000	-	25000
31.	'G' Block B K S Marg	Sh. Naresh Maheshwari	16723	6721	-	6721
32.	Palika Bazar	Sh. Dalip Singh	115890	10090	-	10090
33.	'F' Block Radial Road, Conn. Place	Sh. Parvej Alam	87999	37999	-	37999
34.	Akash Deep Building	Sh. Anil Kumar Rathi	212212	50234	-	50234
35.	Patiala House boundary wall	M/s Sarthak Enterprises	91111	637777	51022	688799
36.	Delhi Haat	Sh. Mohinder Pal Singh	159200	20541	31840	52381
37.	Outside Connaught Hotel	Sh. N. Maheshwari	31288	31288	1878	33166
38.	Akash Deep Bldg. To World Trade Tower	Sh. Anil Kumar Rathi	112424	-	50234	50234

39.	'D' Block Inner Circle, Con. Place	Garuda Aviation	132796	658791	49805	708596
40.	'E' Block Inner Circle Connaught Place	Sh. Gurdeep Singh	267223	267223	5344	272567
41.	'F' Block Inner Circle Connaught Place,	Garuda Aviation	322786	1599291	125235	1724526
42.	'M' Block, Outer circus Conn. Place	Garuda Aviation	175786	871641	66876	938517
43.	'E' Block Radial Road No.6 B.K. Road	Sh. Ajit Kumar	30206	30200	4228	34428
44.	'G' Block Radial Road, B.K. Marg	Sh. S.K. Mohantri	25878	101390	6624	108014
45.	'G' Block opposite of Madras Hotel	Sh. A.K. Arora	78900	3530	355	3885
46.	Palika Bhawan, R.K. Puram	Sh. Manoj Yadav	55201	83871	3863	87734
47.	K. Block Radial Road No. 5, Near Masjid Wali Parking Con. Place	Sh. Chander Bhushan Kumar	117888	171330	18862	190192
48.	'N' Block opposite Statesman	Sh. Vikash Yadav	77999	77999	1560	79559
49.	Mayur Bhawan Specified Parking	Sh. Minsh Chopra	153787	307574	9227	316801
50.	Super Bazar	Sh. Ankur Lal	66666	124001	15572	139573
51.	Indian Coffee House, Janpath, New Delhi	Sh. Vipin Kumar	227999	15199	1824	17023
52.	Scindia House in front of T.B. Dass Jewellery Janpath	Sh. Lokpal Singh	71251	65635	8242	73877
53.	Kailash Building (Only single Row)	Sh. Minto Singh Walia	135000	135000	5400	140400
54.	Antriksh Bhawan	Sh. S.B. Silngh	43166	40577	6968	47545
55.	'H' Block Entry (Arch) only for scooter	Sh. Jai Veer Singh	45806	132308	8602	140910
56.	Between Garage & Park of Office Complex Yashwant Place, Satya Marg	Sh. Neeraj Jain	31368	-	629	629
57.	R.R. Zakir Hussain Marg	Sh. Ashok Kumar	151501	151501	8090	159591
58.	R.R. Tilak Marg	Sh. Uttam Singh	28222	56444	1693	58137
59.	R.R. Children Park	Sh. Uttam Singh	141000	135368	14044	149412
60.	Bhagwan Dass Road Opp. Supreme Court	Sh. Pradeep Kumar	86112	253514	18234	271748
61.	Around Delhi High Court	Sh. S.P. Sharma M.S. And Sons	48000	1874	37	1911
62.	Kamani Auditorium and Prasar Bharti	Sh. Mohan Rao	36157	36157	4338	40495
63.	Sangeet Bharti and FICCI Auditorium at Tansen Marg	Sh. Ankur Lal	74774	143656	17619	161275
64.	Opposite 8 Jantar Manter Road, SBBP Marg	M/s Hindustan Traiding Co.	67300	233307	13908	247215
65.	National Art Gallery Jaipur House	Sh. Lokesh Bhardwaj	12786	12786	256	13042
Total			10104849	1090147	11194996	

Annexure-XIII
(Para 5.4)

Details of loss of Rs. 73.78 lakh due to delays in allotment of parking lots

S.No.	Premises No. & Locality	Period for which parking lot remained unallotted	Total Period (in days)	Rate of Licence fee (per month)	Loss of Licence fee (in Rs.)
2003-04					
1.	B Block Inner Circle, Con. Place	01-05-2003 to 15-06-2003	46	186666	279999
2.	F Block, Inner Circle, Con. Place	01-05-2003 to 15-06-2003	46	155555	233332
3.	B Block Road No.3, opp. A Block, Petrol Pump	01-05-2003 to 15-06-2003	46	23323	34984
4.	D Block Middle Circle, Con. Place	01-05-2003 to 15-06-2003	46	19000	28500
5.	Shanker Market	01-05-2003 to 15-06-2003	46	103151	154726
6.	Delhi Haat	01-05-2003 to 15-06-2003	46	128000	192000
7.	Ist Crossing Road, 6 Avenue Sarojini Nagar	01-05-2003 to 15-06-2003	46	112666	168999
8.	Purana Quila Road, Near NSCI Club	01-05-2003 to 15-06-2003	46	7777	11665
9.	Bhagwan Dass Road, opp Supreme Court	01-05-2003 to 15-06-2003	46	31000	46500
10.	Behind Veg. Market, Sarojini Nagar	01-05-2003 to 15-06-2003	46	9999	14999
11.	Rail Musseum	01-05-2003 to 15-06-2003	46	15551	23326
12.	Malcha Market	01-09-2003 to 31-10-2003	61	49157	98314
13.	Mayur Bhawan	16-11-2003 to 15-12-2003	30	125125	125125
14.	Between A & B Estate Empire, B.K.S. Marg	01-09-2003 to 30-09-2003	30	15345	15345
15.	R.R. India Gate, Children Park	01-09-2003 to 31-10-2003	61	117222	234444
16.	In front of Allahabad Building	20-02-2004 to 05-04-2004	46	44777	67680
17.	Behind S. Nagar Veg. Market	16-11-2003 to 31-03-2004	137	9999	44996
18.	Around Delhi High Court	20-02-2004 to 05-04-2004	46	73137	110547
19.	Delhi Haat	05-03-2004 to 05-04-2004	32	107777	111833
20.	Palika Place	16-11-2003 to 31-03-2004	137	28000	126000
21.	Kamani Auditorium	16-11-2003 to 10-12-2003	25	24201	19908
22.	Palika Bhawan	20.02.2004 to 05.04.2004	46	22786	34441
23.	A Block, Inner Circle, Connaught Place	01-08-2003 to 31-08-2003	31	182030	182030
24.	D Block, Radial Road, No.6, C.P.	01-08-2003 to 31-08-2003	31	41786	41786
25.	F Block, B.K. Road, New Delhi.	01-08-2003 to 31-08-2003	31	30889	30889
26.	G Block in front of P.K. Road	01-08-2003 to 25-08-2003	25	30000	24194

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27.	H Block Middle Circle	01-08-2003 to 31-08-2003	31	28201	28201
28.	M Block Radial Road No.7, C.P.	01-08-2003 to 31-08-2003	31	30000	30000
29.	N Block Petrol Pump, Middle Circle	01-08-2003 to 31-08-2003	31	5555	5555
30.	Between A & B Emporium, BKS Marg	01-08-2003 to 31-08-2003	31	16000	16000
31.	Around Delhi High Court	01-08-2003 to 31-08-2003	31	41000	41000
2004-05					
1.	In front of Sona Roopa	01.09.2004 to 30.09.2004	30	114444	114444
2.	Pandara Road Mkt.	01.09.2004 to 19.09.2004	19	101000	63967
3.	B.K.S. Marg, Adj. Police Station	01.09.2004 to 28.09.2004	28	175888	164162
4.	Outside INA Mkt.	01.09.2004 to 19.09.2004	19	156000	98800
		05.12.2004 to 18.03.2005	104	163333	563763
5.	Pandara Road Mkt.	01.09.2004 to 19.09.2004	19	101000	63967
		05.12.2004 to 04.02.2005	62		203397
6.	Behind DPS Library, Sarojini Nagar	01.09.2004 to 19.09.2004	19	251000	158967
		05.12.2004 to 31.05.2005	178		1473613
7.	Palika Bhawan, R.K. Puram	01.09.2004 to 15.10.2004	45	24927	36988
8.	In front of Eastern Court	01.09.2004 to 18.10.2004	48	37000	58484
9.	R.R. Zakir Hussain Marg	01.09.2004 to 16.09.2004	16	151501	80800
10.	R.R. Children Park	01.09.2004 to 16.09.2004	16	141000	75200
11.	Bhagwan Dass Road, Opp. Supreme Court	01.09.04 to 19.09.2004	19	86112	54538
12.	A Block Middle Circle, C.P.	01.09.2004 to 15.09.2004	15	69400	34700
13.	F Block Radial Road, C.P.	01.09.2004 to 16.09.2004	16	129111	68859
14.	L Block Radial Road, C.P.	01.09.2004 to 15.09.2004	15	56000	28000
15.	B Block, Middle Circle, C.P.	01.09.2004 to 17.09.2004	17	108000	61200
16.	C Block, Middle Circle, C.P.	01.09.2004 to 16.09.2004	16	121166	64622
17.	K Block Connaught Circus	01.09.04 to 15.09.2004	15	102333	51166
18.	L Block outer Circle	01.09.2004 to 16.09.2004	16	195555	104296
19.	Mayur Bhawan	01.09.04 to 16.09.2004	16	153787	82020
20.	Two Tier Parking	01.09.2004 to 15.09.2004	15	189500	94750
21.	Bengali Market	01.09.2004 to 01.11.2004	62	48000	97600
22.	Rail Museum	01.09.2004 to 02.11.2004	63	30009	62018
23.	Opp. Jantar Mantar	01.09.2004 to 16.09.2004	16	67300	35893
24.	In front of Allahbad Bank Building	19.02.2004 to 05.04.2004	47	44777	69224
25.	Around High court	01.09.2004 to 31.10.2004	61	67505	135010
		19.02.2004 to 06.04.2004	48	73137	115506
		01.06.2004 to 31.07.2004	61	51666	103332
26.	Delhi Hatt	04.03.2004 to 05.04.2004	33	107777	115309
27.	Palika Place	16.11.2004 to 31.03.2005	136	28000	126000
28.	Palika Bhawan	19.02.2004 to 06.04.2004	48	22786	35986
29.	K Block Radial Road Near Maszid Wali Parking	26.05.05 to 05.07.2005	41	77000	104322
				Total	7378221

Annexure-XIV
(Para 5.5)

Details of cases with arrears of Advertisement Tax exceeding Rs. 10,000 each

S.No.	Name of Assessee	Arrears of tax (In Rs.)
1.	M/s Carona shoes	27270
2.	M/s Jiyajee Rao Cotton Mills	36280
3.	M/s ⁴ Kandhar Restaurant	23290
4.	M/s Magnum Motors	12231
5.	M/s Rana Motors	11398
6.	M/s Sahni Auto	10146
7.	M/s Vardman Chemicals	16810
8.	M/s Coola de Beverage	525805
9.	M/s Stadium Cinema	19000
10.	M/s Bush Barron Engg. Co.	19600
11.	M/s Sherwani Advt.	13065
12.	M/s India Education Centre	25889
13.	M/s Tagore College	28945
14.	M/s American Express	34200
15.	M/s Punjab Woolen Store	11177
16.	M/s Oriental Radio Elect. Store	14345
17.	M/s Odeon Cinema	342320
18.	M/s Biiss & Cotton	11092
19.	M/s Modi Carpets Co.	12750
20.	M/s Capital Store	14295
21.	M/s Brooke Bond Lipton India Ltd.	10949
22.	M/s Malhotra & Co.	45889
23.	M/s Jagat Narain Khanna	20617
24.	M/s Bharat Sales Ltd.	28120
25.	M/s Adwel Advt. Service	2456467
26.	M/s Auto Trim	18915
27.	M/s Bharat Lock House	21799
28.	M/s City Bank Service	162516
29.	M/s Competition Review (P) L.td.	100954
30.	M/s Dhawan Selection	26279
31.	M/s Delhi Ice Cream Co.	25200
32.	M/s Exide Products Ltd	54227
33.	M/s Gwalior Rayon	31605
34.	M/s Godfrey Food Ltd.	13600
35.	M/s J.B. Manga Ram & Sons	37982
36.	M/s Kala Textiles (P) Ltd.	23150
37.	M/s MRF Ltd.	42776
38.	M/s Maharaja Carpet India	11400
39.	M/s Phathak	10247
40.	M/s Pure Drinks, Okhla	141078
41.	M/s Phoenix Industries	26043
42.	M/s Reliance Textiles	10070
43.	M/s Stencil Apparels	34285
44.	M/s Kumar College	12010
45.	M/s East Bengal Chemical Corporation	19850
46.	M/s Chaska Food Products Ltd.	16105
47.	M/s Lakme India Ltd.	49681

48.	M/s Old Street	12000
49.	M/s T.T. Krishnamachari Ltd.	42000
50.	M/s Cocita Delco Telcom	10500
51.	M/s Rao Travels	42603
52.	M/s Zeddon Celgnamix Pvt. Ltd.	13292
53.	M/s Citizen Electronics	16817
54.	M/s Art Karat Jewellers	48000
55.	M/s M.M. Rubber (L)	12000
56.	M/s Lifeline Health Club	48767
57.	M/s Phoenix Industries Ltd.	68000
58.	M/s Cosmetic Store (P) Ltd.	25000
59.	M/s Prem Nath Motors (P) Ltd.	43275
60.	M/s Foremost Dairy	39616
61.	M/s Ambitious Gold Nib Mfg. Co.	10108
62.	Indian Oil Corporation	50002
63.	Rivoli (Board)	12940
64.	Hindustan Coca Cola	10900
65.	Kodak India Ltd.	10938
66.	Modi Fal	10061
67.	Modi Advtg.	10112
68.	Lion Travels	99860
Total		5298513

Annexure-XV
(Para 6.3)

Details of arrears of Property Tax amounting to Rs. 11.54 crore against institutes

S.No.	Name of Institute	Demand 2004-05	Addl. Demand	Arrear	Stay	Remand	Penalty	N/F	Less amount received	Balance
1	S.G.H.K. Girls Sr. School	6940	-	68618	-	-	5739	45	-	81342
2	Central Academy School	118880	-	1188100	-	-	98076	45	-	1405101
3	Harcourt Butler Sr. School, Mandir Marg	16660	-	164595	-	-	13756	45	-	195056
4	Krist Raja School, Bangla Sahib Road	70040	-	691645	-	-	57783	50	-	819518
5	Convent of Jesus & Mary School	260325	-	2059354	-	527561	-	30	-	2847270
6	Residential Building in Carmal Convent School, Malcha Marg	195040	-	-	-	-	-	10	156222	38828
7	British School Building	456768	-	-	-	-	-	5	342576	114197
8	Khalsa Boys Pr. School, Bangla Sahib Marg	1880	-	18574	-	-	1552	45	-	22051
9	R.M. Arya Girls Sr. Sec. School	44660	-	441066	-	-	36852	45	-	522623
10	Khalsa Middle School, Sarojini Nagar, behind Child Welfare Centre near XY Block, S. Nagar	35640	-	240572	111379	-	7128	25	-	394744
11	Bidhan Chandra Vidyalaya (The Secretary, Bengal Education Society)	23920	-	53820	-	-	-	20	-	77760
12	Shyama Prasad Mukharjee Sr. Sec. School	40160	-	391657	-	-	33144	40	-	465001
13	Delhi Kannada School, Lodhi Estate	343400	-	3326358	-	-	259659	40	-	3929457
14	Lady Irwin School FF, Lab	320	-	640	-	-	-	5	-	965
15	Kerla Education Society Sr. Sec. School	88540	-	831225	-	-	66429	30	-	986224
16	Temp. Str for Canteen School	160	-	-	-	-	-	-	-	160
17	Lady Irwin Sr. Sec. School	18500	-	18500	-	-	-	10	-	37010

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18	Guru Teg Bahadur Sr. Sec. School	14020	-	138521	-	-	11578	45	-	164164
19	Nirmal Shiksha Kendra	55080	-	543915	-	-	45441	35	-	644471
20	Matriyee College	724050	-	5912857	-	-	401791	40	-	7038738
21	Jesus & Mary College	208952	-	1521506	-	-	163550	5	-	1894013
22	Lady Irwin College	335050	-	3252000	-	-	254141	40	-	3841231
23	Lady Irwin College, Addl. constructed Flat	140	-	280	-	-	-	-	-	420
24	Lady Irwin College, Addl. Portion	960	-	-	-	-	-	-	-	960
25	A.K. Gopalan Trust, 27-29 Bhai Vir Singh Marg	234525	-	2499536	-	-	-	30	1357737	1376354
26	All India Council of Mayors, 8, Bhai Vir Singh Marg	94200	43200	452625	-	-	42075	45	-	632145
27	All India Quomi Ekta Trust, 31, Bhai Vir Singh Marg	37300	600455	298432	-	-	-	20	335752	600455
28	All India Women's Conference, 6, Bhagwan Das Road	2780730	5621940	669080	-	-	1163822	70	5280730	4954912
29	Bharat Sadhu Samaj	155560	-	1586854	-	-	132681	101	-	1875196
30	Centre for Women Development Studies, 25, Bhai Vir Singh Marg	355350	-	3838091	-	-	348621	35	-	4542097
31	Delhi School of Music, 8, Nyaya Marg School	10094	-	196632	-	-	27718	124	-	234568
32	Dr. Methews Manid Centre, 26, Bhai Vir Singh Marg	342400	-	3709821	-	-	337474	35	-	4389730
33	Garhwal Hiteshi Sabha (Regd.) Single Storey 4 rooms	140	-	280	121612	-	-	10	-	122042
34	Sh. K.T. Thomas, President IPC Northern Region, 14, Bhai Vir Singh Marg School	522270	-	3300303	-	-	72060	45	-	3894678
35	Indian National Trust for Art and Cultural Heritage 71, Lodhi Estate	2871960	-	-	-	-	57969	35	2871960	58004
36	Indian Council of World Affairs, Sapru House, Mandi House	65580	-	9408214	48338	-	1881643	30	65585	11338220

37	Indian National Theatre Trust Building (one portion 8692 Sq ft)	2020050	-	957839	-	-	-	41	142772	2835158
38	India International Centre, 40 Lodhi Estate	3120630	-	560512	-	-	-	15	3146895	534262
39	Jawahar Bhawan Trust, Raisina Road	1279770	-	9118505	-	-	-	34	-	10398309
40	Masonic Temple, Janpath	1376370	-	7193722	73375	-	49129	55	-	8692651
41	National Youth Hostel Trust of India, GF, FF, 2 nd FL, 3 rd FL, 5, Nyaya Marg	241625	-	-	-	-	-	5	-	241630
42	Natya Ballet Centre, 21, Bhai Vir Singh Marg	50420	-	36027	-	-	54202	30	87815	52864
43	Shastri Indo Canadian Institute 5, Bhai Vir Singh Marg School	319925	-	3487276	-	-	318138	35	-	4125374
44	Worldwide Fund Nature of India 172-B, Lodhi Estate	409700	-	3010660	-	-	-	25	750000	2670385
45	Yogoda Satsanga Sakha Kendra 11,12, Bhai Vir Singh Marg	395950	-	945280	-	2848675	-	58	-	4189963
46	Council for Social Development 53, Lodhi Estate	3206850	-	6460561	-	-	-	15	-	9667426
47	Indian Law Institute Bhagwan Das Road	2313750	-	6255659	-	-	-	5	-	8569414
48	Indian Society of International Law, 9 Bhagwan Das Road	1312620	-	3303508	62235	-	135958	10	913580	3900751
Total		26577854	6265595	88153220	416939	3376236	6078109	1563	15451624	115417892

Annexure- XVI
(Para 6.4)

Details of less recovery of property tax amounting to Rs. 53.41 lakh on account of non-revision of rateable value

S.No.	Year	Rateable Value		Rate of property tax (in per cent)	Property Tax		Less Recovery of Property Tax (in Rs.)
		Finalised (in Rs.)	Due (in Rs.)		Levied (in Rs.)	Due in (Rs.)	
1.	Property 'A' DCM Building						
	2002-03	9180000	11091600 (w.e.f. 15.10.2003)	20% on Rs. 5 lakh 30% on balance	2704000	2966848	262848
	2003-04	10214900	11091600	20% on Rs.5 lakh 25% on next Rs. 5 lakh 30% on balance	2989470	3252480	263010
	2004-05	10214900	11091600	20% on Rs. 10 lakh 25% on next Rs.10 lakh 30% on balance	2914470	3177480	263010
Total					8607940	9396808	788868
2.	Property 'B' DCM Building						
	2002-03	25800	264600 (w.e.f. 1.6.2002)	20	5160	44960	39800
	2003-04	25800	264600	20	5160	52920	47760
	2004-05	25800	264600	20	5160	52920	47760
Total					15480	150800	135320
3.	Property 'C' Kanchanjunga Building						
	1998-99	156900	15,96,200	20	31380	319240	287860
	1999-00	156900	1932300	25	39225	483075	443850
	2000-01	156900	1932300	25	39225	483075	443850
	2001-02	156900	1932300	25/30	31380	529690	498310
	2002-03	156900	1932300	20% on Rs. 5 lakh 30% on Balance	31380	529690	498310
	2003-04	156900	1932300	20% on Rs. 5 Lakh 25% on next Rs. 5 lakh 30% on Balance	31380	504690	473310
	2004-05	156900	1932300	20% on Rs. 10 lakh 25% on next Rs. 10 lakh	31380	433075	401695
Total					235350	3282536	3047186
4.	Property 'D' Kanchanjunga Building						
	99-2000	215700	780200	25	53925	195050	141125
	2000-01	215700	780200	25	53925	195050	141125
	2001-02	215700	780200	25	53925	195050	141125
	2002-03	215700	527200	20% on Rs. 5 lakh 30% on Balance	43140	108160	65020
	2003-04	215700	527200	20% on Rs. 5 lakh 25% on Balance	43140	106800	63660
	2004-05	215700	527200	20	43140	105440	62,300
Total					291195	905550	614355

5.	Property 'E' Kanchanjunga Building						
	2001-02	54000	248400 (w.e.f.1.10.01)	25	13500	37800	24300
	2002-03	54000	248400	20	10800	49680	38880
	2003-04	54000	248400	20	10800	49680	38880
	2004-05	54000	248400	20	10800	49680	38880
Total					45900	186840	140940
6.	Property 'F' Kanchanjunga Building						
	2001-02	170500	317800	25	42625	79450	36825
	2002-03	170500	317800	20	34100	63560	29460
	2003-04	170500	317800	20	34100	63560	29460
	2004-05	170500	317800	20	34100	63560	29460
Total					144925	270130	125205
7.	Property 'G' Kanchanjunga Building						
	99-2000	101400	152100	25	25350	38025	12675
	2000-01	101400	152100	25	25350	38025	12675
	2001-02	101400	152100	25	25350	38025	12675
	2002-03	101400	152100	20	20280	30420	10140
	2003-04	101400	191900	20	20280	38380	18100
	2004-05	101400	191900	20	20280	38380	18100
Total					136890	221255	84365
8.	Property 'H' Kanchanjunga Building						
	99-2000	99500	149300	25	24875	37325	12450
	2000-01	99500	149300	25	24875	37325	12450
	2001-02	99500	149300	25	24875	37325	12450
	2002-03	99500	149300	20	19900	29860	9960
	2003-04	99500	149300	20	19900	29860	9960
	2004-05	99500	149300	20	19900	29860	9960
Total					134325	201555	67230
9.	Property 'I' Amba Deep Building						
	99-2000	52000	216000 (w.e.f. 15.11.1999)	25	13000	25125	12125
	2000-01	52000	216000	25	13000	54000	41000
	2001-02	52000	216000	25	13000	54000	41000
	2002-03	52000	216000	20	10400	43200	32800
	2003-04	52000	216000	20	10400	43200	32800
	2004-05	52000	216000	20	10400	43200	32800
Total					70200	262725	192525
10.	Property 'J' Amba Deep Building						
	2000-01	49550	158300 (w.e.f. 4.10.2000)	25	24775	32175	7400
	2001-02	99100	158300	25	24775	39575	14800
	2002-03	99100	158300	20	19820	31660	11840
	2003-04	99100	197900 (w.e.f. 4.10.2003)	20	19820	35620	15800
Total					109010	178610	69600

11.	Flat 'K' Khan Market						
	2002-03	900	126900	20	180	25380	25200
	2003-04	900	126900	20	180	25380	25200
	2004-05	900	126900	20	180	25380	25200
Total					540	76140	75600
Grand Total					9791755	15132949	5341194