



नई दिल्ली नगरपालिका परिषद्

**Annual Audit Report  
Of the  
Chief Auditor**

**for the year ended March 2006**

**New Delhi Municipal Council**

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## **PREFACE**

This Annual Audit Report for the year ending 31 March 2006 has been prepared for submission to the Council in terms of sub-section 17 of Section 59 of the NDMC Act 1994 which envisaged 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 2005-06 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 2006 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 2005-06, three chapters containing reviews and ten other chapters containing 22 paragraphs dealing with results of audit of transactions of various Departments of the Council.

### Financial Results

Revenue receipts decreased from Rs. 1077.91 crore in 2004-05 to Rs.1049.71 crore in 2005-06 constituting a decrease of 2.62 per cent over the previous year. The share of tax revenue in total revenue receipts was Rs. 173.07 crore, which constituted 16.49 per cent of total revenues. House tax continued to be the major source of tax revenue, amounting to Rs. 147.10 crore i.e. 84.99 per cent of total tax revenue. Share of non-tax revenue was Rs. 842.59 crore, which constituted 80.27 per cent of total revenue receipts during 2005-06. The non-tax revenue decreased by 2.12 per cent in 2005-06 as compared to increase of 24.67 per cent in 2004-05. Major component of non-tax revenue was sale of energy, accounting for Rs.515.17 core, which constituted 61.14 per cent of total non-tax revenue.

Expenditure increased by 0.46 per cent from Rs. 966.49 crore in 2004-05 to Rs.970.91 crore in 2005-06. The share of Economic Services in total expenditure was Rs.628.10 crore, which accounted for 64.69 per cent of total expenditure. As compared to previous fiscal, expenditure on Social & Development Services and Economic Services in 2005-06 increased by 4.11 per cent and 13.71 per cent respectively. Expenditure on General Services decreased by 18.96 per cent.

During 2005-06 as against budget estimates of Rs. 1035.50 crore for revenue receipts the actual receipts were Rs. 1049.71 crore. While at aggregate level the variation between actual receipts and revised estimates was only Rs. 18.88 crore, in four cases against revised estimates of Rs. 0.73 crore, the receipts were nil. In another 12 cases, shortfall in receipts against revised estimates ranged from 52.20 per cent to 91 per cent. On the other hand in 12 cases, receipts collected were in excess of revised estimates with variation ranging from 59.9 per cent to 10911.11 per cent.



The actual expenditure had been consistently below the revised estimates. The savings were relatively more under non-plan. In 146 cases, the revised estimates of Rs.8.62 crore were not utilized at all. In 123 cases, savings ranged between 50 per cent to 99.78 per cent of budget estimates. In 11 cases, persistent savings exceeding 50 per cent of revised estimates were noticed during the last three years. In 86 cases, the expenditure was in excess of revised estimates ranging from 0.18 per cent to 14985 per cent. In eight cases having actual expenditure more than one lakh, the expenditure amounting to Rs. 67.43 lakh was incurred without any budget provision in the revised estimates.

Under plan expenditure in six heads, there were substantial savings ranging from 39.5 per cent to 99.02 per cent. In three cases, the revised estimates of Rs. 9 lakh remained wholly unutilized.

During 2001-02 to 2005-06 an amount of Rs. 67.74 crore was drawn as Miscellaneous Advances, out of which advances of Rs. 63.52 crore were adjusted against final heads of account, leaving an amount of only Rs. 4.22 crore unadjusted at the close of financial year 2005-06.

(Paragraph 1)

### **Annual Repairs and Maintenance of Buildings**

The Annual Repair and Maintenance Works of Buildings executed by Civil Engineering Department during the three years period of 2003-06 were reviewed. Estimates preparation exercise was observed to be deficient as there were delays and inconsistencies in estimates proposed and approved. ARMO norms for building maintenance were not adhered to by three Building Maintenance Divisions as incidence of original nature of works executed under head ARMO Buildings was significant. Schedule for upkeep of buildings was also not adhered to. Analysis of working of service centres revealed excess deployment of labour and improper maintenance of basic records like complaint registers. The Civil Engineering Department needs to review management of ARMO buildings and ensure adherence to laid down norms.

(Paragraph 2)



### **Functioning of Road Lighting Division**

Functioning of Road Lighting Division was reviewed for the five year period of 2001-02 to 2005-06. The important work of painting of road light poles was being done without any proper policy/norms. Energy charges, a critical component of expenditure of Division, were being paid without any scientific and rational basis as there was no correlation between number of fittings and amount of bills. Contract Management was not efficient as there were instances of splitting up of large number of works, award of works to select few contractors, violation of delegated powers etc. The Electricity Department needs to look into these critical areas and streamline the working of the Road Lighting Division.

**(Paragraph 3)**

### **Functioning of Estate Department**

The Estate Department of NDMC deals with allotment of commercial units to private parties/government agencies on monthly licence fee basis. Its performance review for the period 2000-2006 revealed effective action wanting on the part of Department for recovery of licence fee from allottees and ex-allottees of commercial units, resulting in accumulation of arrears amounting to Rs.590.94 crore as of March 2006. Inordinate delay in allotment of some commercial units resulted in revenue loss of Rs.1.21 crore. Prompt action was also not taken to move cases to Estate Officer's Court despite approval of competent authority. The Estate Department needs to review these areas and improve its overall functioning.

**(Paragraph 4)**

### **Non-recovery of misuse charges and damages for unauthorized construction**

Architecture Department, in violation of Ministry of Urban Development and Poverty alleviation's terms and conditions of allotment of hotel land measuring 6.08 acres at Barakhamba Road, allowed unauthorized construction of two commercial towers on the said land which resulted in unnecessary dispute with the Ministry and financial liability of Rs. 155.10 crore as of February 2002 which was increasing due to non-settlement.

**(Paragraph 5.1)**



### **Idle investment on acquisition of land**

Failure of the Civil Engineering/Electricity Department in taking physical possession of three plots of land acquired at a cost of Rs. 30.85 lakh between April 2000 and April 2006 resulted in blockage of funds. Besides, they also failed to obtain refund of excess payment of Rs. 5.61 lakh made to Land and Development Office.

**(Paragraph 6.1)**

### **Procurement and use of sub-standard material**

Executive Engineer, Store Division (Civil) without waiting for the test report, issued 146 drums (29.2 MT) of Bitumen Emulsion in February 2006. Subsequently, adverse test report was received and by that time 76 drums (15.2 MT) had already been used resulting in non-recovery of cost of this material amounting to Rs.2.10 lakh from the firm.

**(Paragraph 6.2)**

### **Non-recovery of arrears of electricity and water charges**

Commercial Department failed to take adequate action to recover the outstanding arrears of electricity and water charges from the defaulting consumers. Resultantly, arrears amounting to Rs. 103.79 crore were outstanding as of 31 March 2006.

**(Paragraph 7.1)**

### **Avoidable excess expenditure due to non-availing of rebate**

Failure of the Department to avail 2 per cent rebate by not making advance payment of electricity bills to M/s Delhi Transco Ltd. resulted in avoidable excess expenditure of Rs. 14.91 crore over the period 2003-04 to 2005-06.

**(Paragraph 7.2)**



### **Non-recovery of balance cost of deposit works**

Electricity Department in violation of provisions contained in CPWD Works Manual incurred expenditure of Rs. 14.33 lakh without obtaining prior deposits from PWD Government of NCT, Delhi. This amount was yet to be recovered as of April 2007.

**(Paragraph 8.1)**

### **Non-disposal of used transformer oil**

Non-disposal of used transformer oil resulted in accumulation of 50140 litres of used oil in various electric sub-stations of NDMC. This not only deprived the Council of revenue which could have been received by sale of this oil but also invited the risk of fire hazard, this being an inflammable item.

**(Paragraph 8.2)**

### **Wasteful expenditure on re-conditioning and repairing of defective transformers**

The Department failed to get four transformers repaired even after 20 months. Resultantly, these transformers had been lying unrepaired as of April 2007 rendering the expenditure of Rs. 2.35 lakh infructuous.

**(Paragraph 8.3)**

### **Delayed allotment of staff quarters**

Municipal Housing Department delayed allotment of staff quarters which resulted not only in loss of revenue of Rs.1.46 lakh to the Council but it had also to incur avoidable expenditure of Rs.16.61 lakh on account of payment of house rent allowance to the employees for the period of delayed allotment

**(Paragraph 9.1)**



### **Non-recovery of arrears of rent from the ex-allottees of Municipal quarters**

Failure of the Department to take adequate action to recover arrears of rent/damages outstanding against ex-allottees of staff quarters despite being pointed out in Annual Audit Report for the year ended March 2004 resulted in non-recovery of arrears of rent amounting to Rs. 65.29 lakh in 281 test checked cases as of March 2007.

(Paragraph 9.2)

### **Non-recovery of arrears of rent from retired/family of deceased employees retaining quarters unauthorisedly**

The Department failed to get municipal quarters vacated from the retired/ family of deceased employees even after the permissible period was over. It also failed to recover rent/damages amounting to Rs. 28.89 lakh in 29 test checked cases as of March, 2006.

(Paragraph 9.3)

### **Improper assessment of actual requirement of livery items**

General Administrative Department did not assess the requirements of livery items correctly resulting in unnecessary blockage of funds on account of excess purchase of liveries amounting to Rs. 8.56 lakh as of March 2006.

(Paragraph 10.1)

### **Infructuous expenditure on computerization project**

The Department without observing the provisions contained in the General Financial Rules regarding call of open tender, awarded work to M/s CMC Ltd. in April 2001 for development of 19 Application Software modules for various Departments of NDMC for implementation of e-governance programme at a cost of Rs. 2 crore. It also paid



Rs. 80 lakh as advance against permissible amount of Rs. 10 lakh. Further, it failed to get the work done within the scheduled period of 18 months. The firm, even after being granted extensions up to September 2004, could deliver only 2 complete and 6 partial software modules and thereafter, NDMC decided not to grant any further extension. The Department also procured computers and networking equipments costing Rs.3.61 crore during 2001-02 to 2004-05 for implementation of e-governance programme in most of the Departments. Failure of CMC in delivering the software modules resulted in under utilization of equipments and delayed/non-implementation of e-governance programme in NDMC.

**(Paragraph 11.1)**

### **Wasteful expenditure on purchase of Windows XP Professional Software**

The Department did not ensure compatibility of the available computers before procuring upgraded version of software in July 2003 resulting in wasteful expenditure of Rs. 7.55 lakh.

**(Paragraph 11.2)**

### **Unproductive expenditure on procurement of Oracle Software**

The Department failed to procure Oracle Software for NDMC schools including Navyug schools in time. It delayed procurement for about two years (April 2004 to March 2006). Further, it also failed to conduct study/survey about the compatibility of the existing computers before procurement of software in March 2006. Resultantly, the Department incurred an unproductive expenditure of Rs. 5.83 lakh.

**(Paragraph 11.3)**

### **Non-recovery of arrears of property tax**

House Tax Department did not take adequate steps for the recovery of property tax from the defaulting parties. Resultantly, arrears of property tax and penalty amounting to Rs. 323.09 crore could not be recovered from 5405 parties as of 31 March 2006.

**(Paragraph 12.1)**



### **Non-recovery of service charges in respect of Central Government properties**

The Department failed to take effective steps to recover service charges in respect of Central Government properties resulting in non-recovery of service charges amounting to Rs. 42.37 crore in respect of 958 properties as of 31 March 2006.

(Paragraph 12.2)

### **Non-recovery of property tax from institutes**

Failure of the Department to take adequate action to enforce recovery of property tax from the defaulting institutes resulted in accumulation of heavy arrears of property tax amounting to Rs. 11.61 crore as of 31 March 2006.

(Paragraph 12.3)

### **Loss of revenue due to incorrect assessment of rateable value**

While assessing rateable value of the property, the Department erroneously took the area as 147.5 sq.ft. whereas the actual area was 1475 sq. ft. resulting in less recovery of property tax amounting to Rs. 10.45 lakh during 1994-95 to 2005-06.

(Paragraph 12.4)

### **Deficient management of Compost Plant**

Compost Plant, Okhla was not being run efficiently. The capacity utilization of the plant ranged between 17 per cent and 30 per cent during 2002-03 to 2005-06 (up to December 2005). Actual production of compost ranged between 20 per cent and 42 per cent of the quantity of garbage processed against the output norms of 50 per cent. The management could sell only 4024 MT out of 13289 MT compost produced during the above period. As a result 9265 MT valuing Rs. 3.61 crore had been lying unsold. In absence of adequate arrangements for storage huge quantity of compost was lying in open space susceptible to deterioration and pilferage.

(Paragraph 13.1)



### **Avoidable extra expenditure on hiring of small private trucks for garbage removal**

Five TATA 407 trucks were hired without any justification during April 2005 to September 2005. Resultantly, avoidable extra expenditure of Rs. 5.39 lakh was incurred.

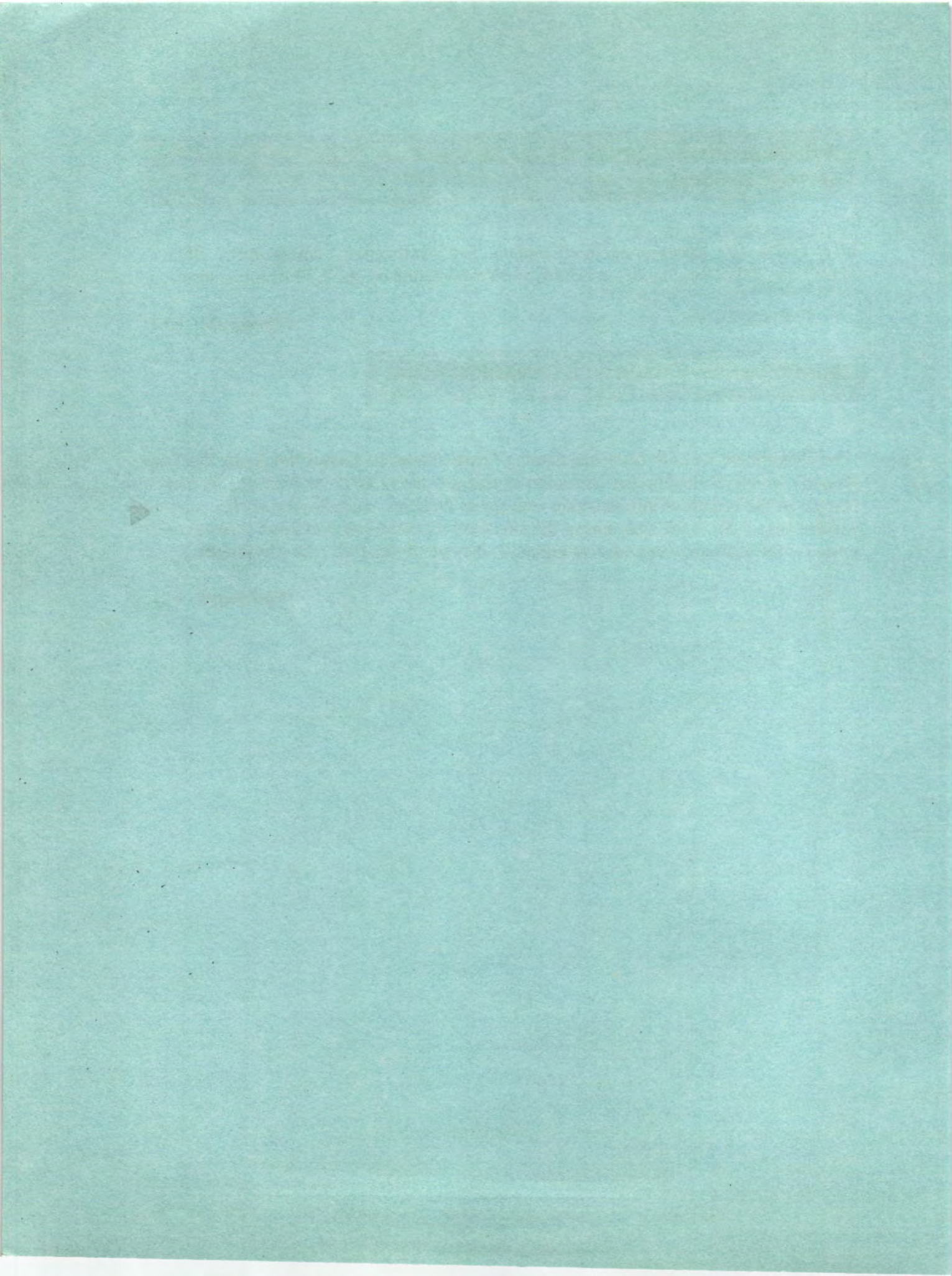
**(Paragraph 13.2)**

### **Non-utilization of stadium at Laxmi Bai Nagar**

The Department had not been maintaining Game Courts of Laxmi Bai Nagar Stadium properly which resulted in non-utilisation of stadium during 2003-06 depriving the sports persons of the benefit of infrastructure and sports facilities. Besides, it had also incurred expenditure of Rs. 9.40 lakh during the said period on the pay and allowances of staff posted at the stadium which was continuing at the rate of Rs. 0.26 lakh per month.

**(Paragraph 14.1)**







**FINANCE  
&  
ACCOUNTS**



## **Chapter I : 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 2005-06. 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 2006 were not furnished to audit along with the Annual Accounts inspite 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 2005-06, there was a surplus of Rs.16.64 crore, leading to a closing balance of Rs.82.35 crore as on 31 March 2006.

### **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 decreased from Rs.1077.91 crore in 2004-05 to Rs.1049.71 crore in 2005-06, registering a decrease of 2.62 per cent.



The revenue expenditure increased from Rs.899.20 crore in 2004-05 to Rs.928.89 crore in 2005-06. The capital expenditure in respect of works relating to NDMC increased from Rs.27.10 crore in 2004-05 to Rs.34.86 crore in 2005-06.

#### 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 2005-06 were as under:

**Table 1.1: New Delhi Municipal Fund**

	(Rs. in crore)	
	2005-06	2004-05
Opening Balance as on 1 April	65.71	76.64
<b>Add</b>		
Receipts during the year	2066.11	2086.37
<b>Total</b>	<b>2131.82</b>	<b>2163.01</b>
<b>Less</b>		
Expenditure during the year	2049.47	2097.30
Surplus (+)/deficit(-) during the year	(+)16.64	(-)10.93
<b>Closing Balance as on 31 March</b>	<b>82.35</b>	<b>65.71</b>

It would be seen from the table above that there was a surplus of Rs.16.64 crore during 2005-06. The closing balance at the end of 2005-06 based on G-4 statement was Rs.82.35 crore.

The receipts of Rs.2066.11 crore included total ordinary receipts (budgeted) amounting to Rs.1050.80 crore, Deposits of Rs.103.08 crore, Reserve Fund/General Fund Investment of Rs.907.39 crore and Suspense & Remittances of Rs.4.84 crore. The total receipts on account of interest on investment were Rs.155.80 crore.

The expenditure of Rs.2049.47 crore included total ordinary expenditure amounting to Rs.970.91 crore, Deposits of Rs.96.03 crore, Reserve Fund of Rs.991.34 crore and Suspense Stock and Advances amounting to Rs. (-) 8.81 crore.



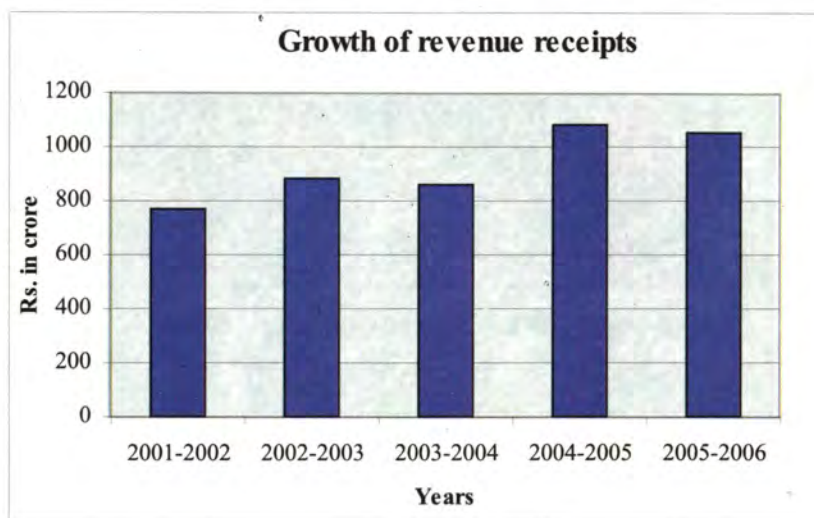
## 1.5 Revenue Receipts

### 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**

(Rs. in crore)		
Year	Actual revenue receipts	Percentage increase (+)/ decrease(-) over previous year
2005-06	1049.71	(-) 02.62
2004-05	1077.91	(+) 25.05
2003-04	861.97	(-) 0 2.28
2002-03	882.11	(+) 14.65
2001-02	769.42	(+) 02.97



The decrease of 2.62 per cent in revenue receipts in 2005-06 over the previous year was due to decrease in non-tax revenue receipts particularly on account of sale of energy and interest on investment.



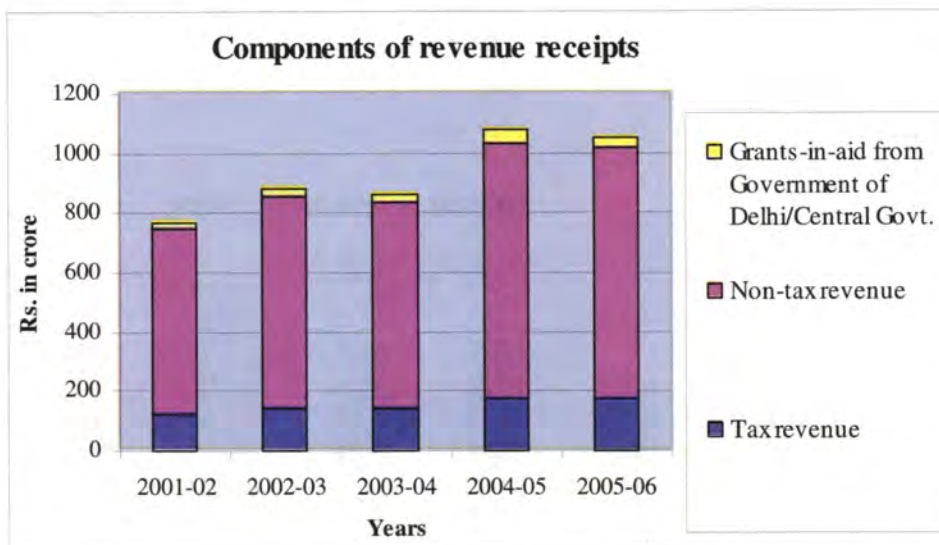
### 1.5.2 Components of revenue receipts

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	2005-06	2004-05	2003-04	2002-03	2001-02
Tax revenue	173.07 (16.49)	172.27 (15.98)	142.31 (16.51)	144.71 (16.40)	120.70 (15.69)
Non-tax revenue	842.59 (80.27)	860.85 (79.86)	690.49 (80.11)	713.51 (80.90)	625.18 (81.25)
Grants-in-aid from Government of Delhi/ Central Government	34.05 (3.24)	44.79 (4.16)	29.17 (3.38)	23.81 (2.70)	23.54 (3.06)
<b>Total</b>	<b>1049.71</b> <b>(100.00)</b>	<b>1077.91</b> <b>(100.00)</b>	<b>861.97</b> <b>(100.00)</b>	<b>882.11</b> <b>(100.00)</b>	<b>769.42</b> <b>(100.00)</b>

\* 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 81.25 per cent in 2001-02 to 80.27 per cent in 2005-06. Grants-in-aid from Government of NCT of Delhi/Central Government, which accounted for a very small proportion of total resources, increased marginally from 3.06 per cent in 2001-02 to 3.24 per cent in 2005-06. Share of tax revenue, however, increased from 15.69 per cent to 16.49 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 2001-02 to 2005-06 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
2005-06	173.07	0.46	16.48
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

The tax revenue had been showing a consistently rising trend over last five years except for the year 2003-04. In the year 2005-06 tax revenue receipts increased marginally by 0.46 per cent in comparison to previous year. This was due to increased collection of assigned share of taxes. The receipts under tax revenue increased from Rs.120.70 crore in 2001-02 to Rs.173.07 crore in 2005-06. The rate of growth of tax revenue had been fluctuating between (-)1.66 and 21.05 per cent over last five years. The exceptionally high rate of growth of 21.05 per cent during 2004-05 was largely on account of enhancement of rate of house tax.

### 1.6.2 Components of tax revenue

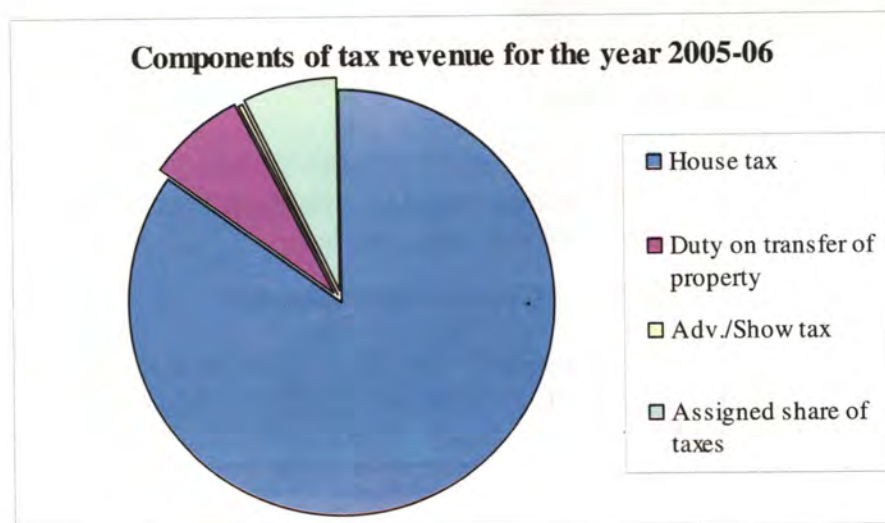
The growth pattern of different components of tax revenue over last five years is detailed below:

**Table 1.5 : Components of tax revenue**

(Rs. in crore)					
Components	2005-06	2004-05	2003-04	2002-03	2001-02
House tax	147.10 (84.99)	147.60 (85.68)	127.89 (89.87)	132.81 (91.78)	110.26 (91.35)
Duty on transfer of property	13.15 (7.60)	13.28 (7.70)	7.94 (5.58)	5.58 (3.85)	6.10 (5.05)
Advertisement/show tax	0.14 (0.08)	0.10 (0.06)	0.09 (0.06)	0.04 (0.03)	0.06 (0.05)
Assigned share of taxes	12.68 (7.33)	11.29 (6.55)	6.39 (4.49)	6.28 (4.34)	4.28 (3.55)
<b>Total</b>	<b>173.07</b> <b>(100.00)</b>	<b>172.27</b> <b>(100.00)</b>	<b>142.31</b> <b>(100.00)</b>	<b>144.71</b> <b>(100.00)</b>	<b>120.70</b> <b>(100.00)</b>

- 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 84.99 per cent and 91.78 per cent of total tax revenue during 2001-02 to 2005-06. The receipts under duty of transfer of property increased from Rs.6.10 crore in 2001-02 to Rs.13.15 crore in 2005-06. The receipts on account of assigned share of taxes, however, increased both in absolute and relative terms during 2005-06.

## 1.7 Non-tax revenue

### 1.7.1 Growth of non-tax revenue

The growth of non-tax revenue during 2001-02 to 2005-06 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
2005-06	842.59	(-)02.12	80.27
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

The non-tax revenue constituted 80.27 per cent of the total revenue receipts of the Council during 2005-06. Its share declined from



81.25 per cent in 2001-02 to 80.27 per cent in 2005-06. The rate of non-tax revenue has been fluctuating between (-)0.55 per cent and 24.67 per cent over the last five years. However, it decreased by (-)2.12 per cent in 2005-06 as compared to increase of 24.67 per cent in 2004-05. This was due to decrease in sale of energy and interest on investment.

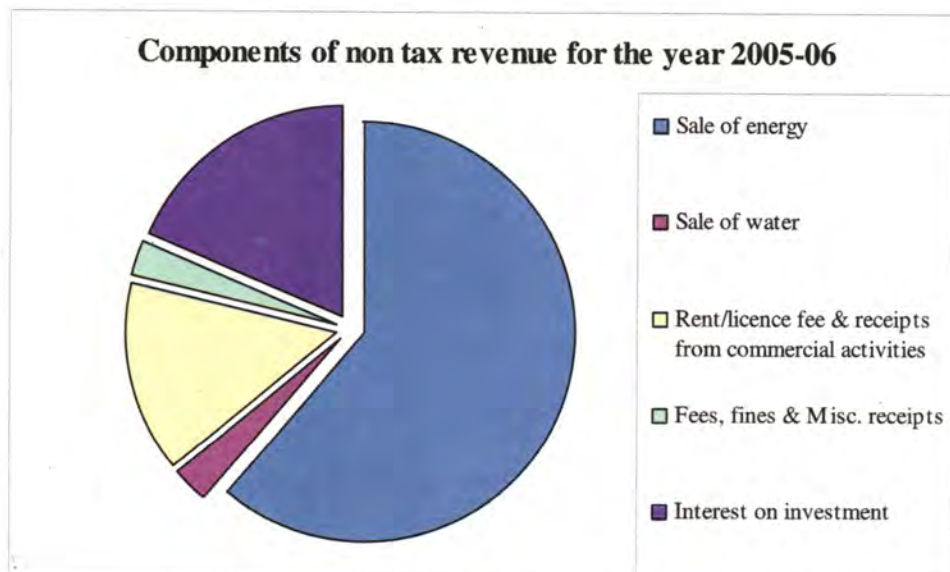
### 1.7.2 Composition of non-tax revenue

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**

(Rs. in crore)					
Components	2005-06	2004-05	2003-04	2002-03	2001-02
Sale of energy	515.17 (61.14)	533.09 (62.03)	532.50 (77.12)	531.85 (74.53)	480.96 (76.93)
Sale of water	23.50 (2.79)	14.32 (1.66)	15.00 (2.17)	0.001	2.02 (0.32)
Rent/licence fee and receipts from commercial activities	124.58 (14.79)	110.76 (12.87)	97.77 (14.16)	115.55 (16.19)	100.92 (16.14)
Fees, fines and misc. receipts	23.61 (2.80)	23.04 (2.68)	17.94 (2.60)	33.899 (4.75)	16.74 (2.68)
Interest on investment	155.73 (18.48)	178.74 (20.76)	27.28 (3.95)	32.29 (4.53)	24.54 (3.93)
<b>Total</b>	<b>842.59</b> <b>(100.00)</b>	<b>860.85</b> <b>(100.00)</b>	<b>690.49</b> <b>(100.00)</b>	<b>713.59</b> <b>(100.00)</b>	<b>625.18</b> <b>(100.00)</b>

\* 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 61.14 per cent and 77.12 per cent in terms of share of total tax revenue over last five years.

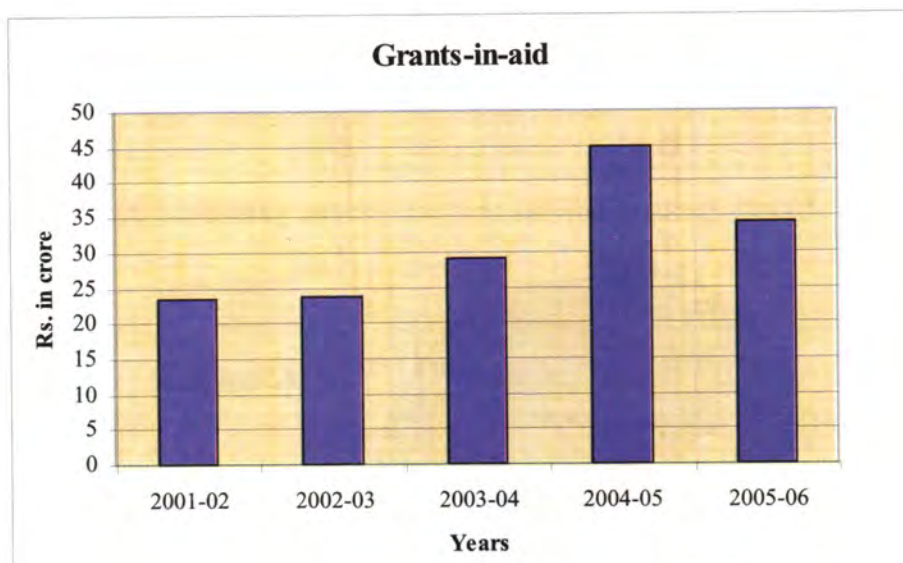
### 1.8 Grants-in-aid

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

**Table 1.8 : Grants-in-aid**

(Rs. in crore)		
Year	Grants-in-aid	As percentage of total receipts
2005-06	34.05	4.04
2004-05	44.79	4.16
2003-04	29.17	3.38
2002-03	23.81	2.70
2001-02	*23.54	3.01

\*Also includes Central assistance of Rs. 0.37 crore



The assistance from Government of NCT of Delhi increased from Rs.23.54 crore in 2001-02 to 34.05 crore in 2005-06. As a percentage of total receipts, it increased from 3.01 per cent in 2001-02 to 4.04 per cent



during 2005-06. The Council did not take any loan from the Government of NCT of Delhi during 2001-02 to 2005-06.

### 1.8.1 Non-adjustment of grants-in-aid of the previous year

There were unspent balances of grants-in-aid received from Govt. of NCT of Delhi at the close of financial year 2004-05 in respect of some schemes. Normally, unspent balances need to be taken into account before further release. Audit scrutiny revealed that in respect of five schemes the unspent balances were not adjusted against the releases for 2005-06. 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 01.04.2005	Amount of Grants-in-aid sanctioned during 2005-06	Actual amount received	Amount of unspent balance upto 31.03.2005 not adjusted in 2005-06
1	Anti flood and covering of nallah (Plan)	42.67	125.00	125.00	42.67
2	Mid day meal (Non-Plan)	31.28	12.00	12.00	31.28
3	Mid day meal (Plan)	33.06	100.00	75.00	33.06

### 1.8.2 Non-utilization of grants-in-aid

In five schemes, grants-in-aid received from Government of NCT of Delhi during 2005-06 remained significantly un-utilized. Details are given below:

**Table 1.10 : Non-utilization of grants-in-aid**

(Rs. in lakh)				
S. No.	Name of Scheme	Amount received during 2005-06	Amount utilized	Unspent balance as on 01.04.2006
1	Anti flood and covering of nallah (Plan)	125.00	66.88	58.12
2	Mid day meal(Non-Plan)	12.00	-	12.00
3	Anti malaria	20.00	19.36	0.64
4	Health education and pub.	5.00	4.68	0.32
5	MLA Fund	365.00	219.97	145.03



As per the guidelines issued by Government of NCT of Delhi in respect of grants-in-aid, the Department is required to maintain separate account of grants-in-aid received. However, the prescribed records were not found maintained. In absence of the same, audit could not verify the actual utilization of grants-in-aid.

### 1.9 Arrears of revenue receipts

During 2005-06, NDMC earned revenue through electricity charges (49.08 per cent), house tax (14.01 per cent) and rent/licence fee (12.47 per cent). Commercial Department recovered Rs.9.20 crore and Enforcement Department Rs. 26 lakh as arrears during 2005-06. In respect of Estate Department, the amount of arrears recovered during 2005-06 was not available. Year-wise break up of the arrears was also not indicated in the Accounts except in the case of house-tax. 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

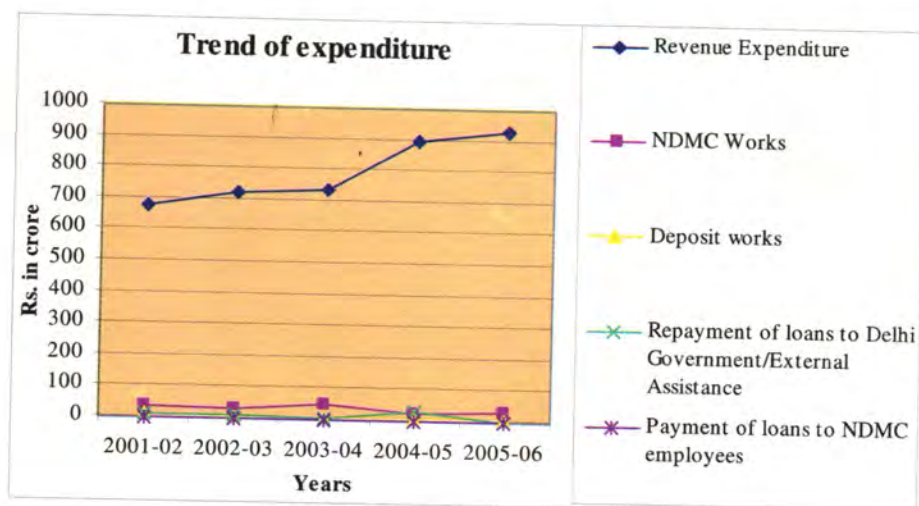
In this report, total expenditure denotes all expenditure including revenue and capital, external assistance and disbursement of loans to NDMC employees. The Council spent a total of Rs.970.91 crore in 2005-06. The trend of expenditure during 2001-02 to 2005-06 was as under:

**Table 1.11: Trend of expenditure**

Year	Revenue expenditure	Capital expenditure		Repayment of loans to Delhi Govt./external assistance	Payment of loans to NDMC employees	Total
		NDMC works	Deposit works			
2005-06	928.89	34.86	6.24	0.33	0.59	970.91
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

(Rs. in crore)





- (1) Total expenditure increased from Rs.743.67 crore in 2001-02 to Rs.970.91 crore in 2005-06. Expenditure during 2005-06 increased by 0.46 per cent over the previous year.
- (2) Capital expenditure in respect of works relating to NDMC decreased from Rs.38.68 crore in 2001-02 to Rs.34.86 crore in 2005-06 whereas it increased by 28.63 per cent in comparison to previous year. The revenue expenditure increased by 3.30 per cent over the previous year.
- (3) Expenditure during 2005-06 on Roads (3.80 per cent), Water Supply (3.66 per cent) and Administrative Services (18.48 per cent) decreased whereas expenditure on MLA Constituency Fund (31.11 per cent) and Medical and Public Health (4.93 per cent) increased in comparison to expenditure incurred during 2004-05. 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

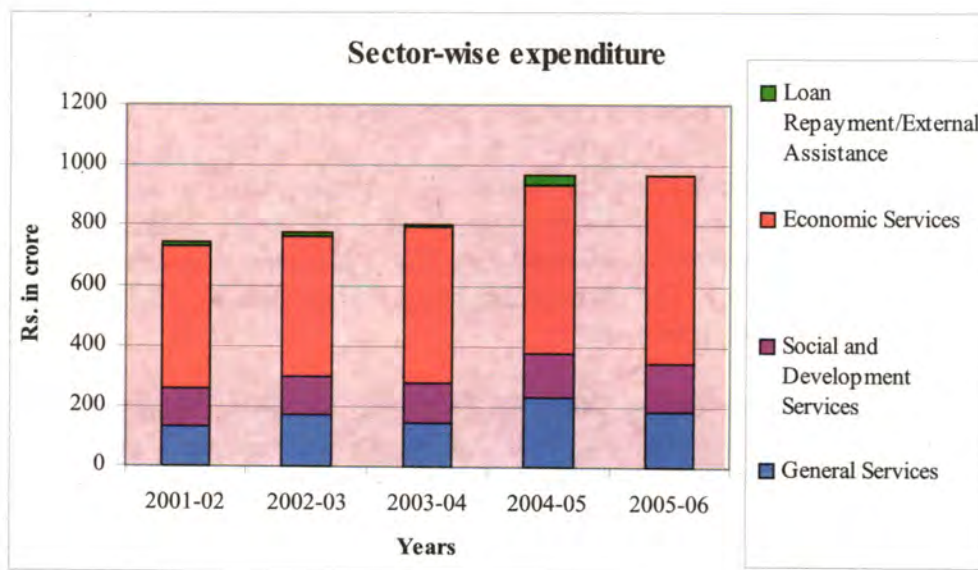
Table 1.12 shows the movement of expenditure on General, Social, and Economic Services over last five years:



**Table 1.12 : Sector-wise expenditure**

(Rs. in crore)						
S. No.	Sector	2005-06	2004-05	2003-04	2002-03	2001-02
1	General Services	187.68 (19.53)	231.58 (23.96)	145.52 (18.16)	174.65 (22.52)	133.32 (17.93)
2	Social and Development Services	154.80 (15.95)	148.69 (15.38)	136.24 (17.00)	121.65 (15.68)	124.21 (16.70)
3	Economic Services	628.10 (64.69)	552.39 (57.16)	512.38 (63.93)	468.94 (60.45)	473.89 (63.72)
4	Loan repayment/refund of unspent balance	00.33 (0.03)	33.83 (3.50)	7.34 (0.92)	10.46 (1.35)	12.25 (1.65)
	<b>Total</b>	<b>970.91</b> <b>(100.00)</b>	<b>966.49</b> <b>(100.00)</b>	<b>801.48</b> <b>(100.00)</b>	<b>775.70</b> <b>(100.00)</b>	<b>743.67</b> <b>(100.00)</b>

\* Figures given in brackets indicate percentage with respect to total expenditure



The component of General Services indicated fluctuating trend over the period 2001-02 to 2005-06. There was a decline in share of expenditure on Social and Development Services from 16.70 per cent in 2001-02 to 15.95 per cent during 2005-06. In the Economic Services, there was a minor increase in expenditure from 63.72 per cent in 2001-02 to 64.69 per cent during 2005-06. However, the expenditure increased during 2005-06 on Social and Development Services (4.11 per cent), Economic Services (13.71 per cent), and decreased in General Services (18.96 per cent) and Loan Repayment/External Assistance (99.02 per cent) in comparison to the expenditure incurred during previous year i.e. 2004-05.



### 1.11 Financial assistance to Non-Government Organisations

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 1.13: Grants-in-aid by the Council**

(Rs. in lakh)						
S. No.	Name of body	2005-06	2004-05	2003-04	2002-03	2001-02
1	Navyug School Society	824.54	800.00	716.95	635.55	518.41
2	R.M. Arya Primary School	30.32	25.18	14.29	24.20	28.96
3	Nirmal Primary School	16.60	26.00	12.73	12.34	29.48
4	R.M. Girls Primary School	13.90	14.85	25.13	15.43	19.18
5	Khalsa Boys Primary School	8.49	13.00	5.71	15.98	12.74
6	Social and Cultural Organization/Non-Government Organization	2.40	3.80	7.45	11.40	9.10
7	Samaj Kalyan Samiti	00.32	1.58	0.88	22.52	10.87
8	Palika Service Officers Institute	-	-	-	10.70	-
	<b>Total</b>	<b>896.57</b>	<b>884.41</b>	<b>783.14</b>	<b>748.12</b>	<b>628.74</b>

The amount of grants-in-aid increased from Rs.884.41 lakh to Rs.896.57 lakh in 2005-06, due to increase in the amount of grants-in-aid released to Navyug School Society. Amount 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.

Though, the Accounts Department had assured that financial assistance to Samaj Kalyan Samiti would be booked as grants-in-aid w.e.f. 2005-06 in compliance with the directives of the Standing Committee of Audit, needful was not done by the Department.

Under Rule-212 of GFR, the Department was required to obtain Utilisation Certificate of the institution concerned within 12 months after the close of the financial year. Department did not produce any Utilisation



Certificate in respect of grants released by the NDMC for previous years as well as for the current year.

### 1.12 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 1.14 : Surplus & Reserve Funds**

Name of Fund	(Rs. in crore)				
	Opening Balance as on 01.04.05	Addition during 2005-06	Total	Expenditure during 2005-06	Balance as on 31.03.06
DRF Electrical	268.59	30.00	298.59	0.76	297.83
DRF Water	186.36	25.00	211.36	0.32	211.04
DRF Building	264.63	30.00	294.63	-	294.63
DRF Pension & Gratuity	843.66	368.50	1212.16	48.41 172.00	991.75
Social Welfare Fund	0.53	0.37	0.90	0.27	0.63
Compassionate Fund	0.20	0.02	0.22	0.01	0.21
General Reserve Fund	59.97	408.50	468.47	769.00	(-)300.53
General Fund (Blds./Market Fund)	5.00	44.00	49.00	00.01	48.99
GPF Interest (Deficit)	6.00	1.00	7.00	00.55	6.45
<b>Total</b>	<b>1634.94</b>	<b>907.39</b>	<b>2542.33</b>	<b>991.33</b>	<b>1551.00</b>

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 above, closing balance as on 31 March 2006 worked out to Rs.1551.00 crore, whereas Department had shown the closing balance of Reserve Fund as Rs.2421.80 crore in Statement II of the Budget Book. Thus there is a difference of Rs.870.80 crore. Reasons for this were not explained to audit.
3. Similarly difference of Rs.472.86 crore between closing balance of Rs.1634.94 crore as on 31 March 2005 and Rs.2107.80 crore as appearing in Statement-II of Budget Book 2007-08 and 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 2006-07 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 1.4.2003 as per "Depreciation Reserve Funds Statement" for the years 2002-03, 2003-04, 2004-05 respectively remained unexplained.

4. During 2005-06 an amount of Rs.907.39 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 2004-05 and 2005-06 were also at variance with actuals for these years in the Budget Book for the year 2006-07 and 2007-08 respectively as detailed below:

**Table 1.15 : Depreciation & Reserve Funds**

(Rs. in crore)

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	Difference
2007-08	2005-06	2421.80	1796.53	625.27
2006-07	2004-05	2117.80	1566.47	551.33

The reasons for difference of Rs.625.27 crore and Rs.551.33 crore in two statements as reflected above were not available on record.

### **1.13 Non-accountal of expenditure**

During 2001-02 to 2005-06, an amount of Rs.67.74 crore was drawn as Miscellaneous Advances, out of which advances to the tune of Rs.63.52 crore were adjusted against final heads of account, leaving an amount of Rs. 4.22 crore unadjusted at the close of financial year 2005-06. The improvement in adjustment of the advances was on account of recommendations made by the Standing Committee on Audit and subsequent follow up by the Department. Year-wise details of drawal and adjustments of advances were as under:



**Table 1.16 : Miscellaneous Advances**

(Rs. in crore)

Year	Amount of advance released	Amount of advance adjusted	Amount remaining unadjusted
2005-06	3.44	17.60	(-)14.16
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
<b>Total</b>	<b>80.50</b>	<b>76.28</b>	<b>4.22</b>

**1.14 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 the following six heads of account, Department had reflected minus balance in the G 4 statements:

**Table 1.17 : Minus entries**

( in Rupees)			
S. No.	Head of A/c	Description	Amount
1.	D.1.6.4	Other Charges	(-)1120
2.	D.1.9.1	Salary and Allowances	(-)1690
3.	D.2.14.2	Contribution to PF	(-) 100
4.	D.2.15. 8	Establishment & Strengthening of Chest Clinic (Non-Plan)	(-)7323
5.	G.1.1.4	Operation & Maintenance of Casting Yards	(-)816531
6.	G.2.6	Replacement of old R/L pole and fittings in NDMC area (Non-Plan)	(-) 20380



### 1.15 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.

#### 1.15.1 Actual collection of revenue vis-a vis estimates

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

**Table 1.18 : Actual collection of revenue vis-à-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
2005-06	1035.50	1030.83	1049.71	(+) 14.21	(+) 1.37
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

The revenue receipts during 2005-06 were Rs.14.21 crore above the budget estimates. However, the increase with reference to revised estimates for 2005-06 was Rs.18.88 crore. The major contribution towards increase in receipts was from House tax, Duty on Transfer of Property, Other Fees & Fines, Water Supply, Other Municipal Works and Deposit Works.

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

- (a) Under the following four heads of accounts, receipts remained 'Nil' as against the revised estimates of Rs.72.80 lakh:

**Table 1.19 : Nil Receipts**

(Rs. in lakh)							
S. No.	Head of A/c	Description	BE 2005-06		RE 2005-06		Actual 2005-06
			Rev.	Cap.	Rev.	Cap.	
1	H.XIII	Departmental charges on Road, Anti -Flood, Water Supply and Sewerage works etc.	9.80	-	1.80	-	NIL
2	H.XX	Fire Fighting Charges	5.00	-	1.00	-	NIL
3	J.1(I)(a)	Grants-in-aid for electricity and water consumption at Dhobi Ghats in NDMC Area	-	-	10.00	-	NIL
4	J.2.(I)(g)	Urban Development	60.00	-	60.00	-	NIL
		Total	74.80	-	72.80	-	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 12 heads of account, the shortfall in receipts as compared to revised estimates ranged from 52.20 per cent to 91 per cent. Reasons for same were not available on record:

**Table 1.20 : Shortfall in receipts**

S.No.	Head	Description	(Rs. in lakh)				
			BE 2005-06	RE 2005-06	Actual 2005-06	Shortfall	Percentage variation
1	A.VI(b)	Dog Token Fee	5.00	5.00	4.5	0.5	91.00
2	A.VIII(2)	Plumbing Licence	3.00	2.00	0.7	1.3	65.00
3	A.VIII(10)	Sewer connection fee	35.00	100.00	10.38	89.62	89.62
4	A.VIII(12)	Compounding fee	15.00	15.00	7.17	7.83	52.20
5	A.VIII(14)	Funeral Van charges	3.00	3.00	1.1	1.9	63.33
6	B.(ii)	Interest on Advances	15.00	20.50	7.03	13.47	65.71
7	D.I.(b)	Bus fee Sr. Sec./Primary School	3.00	3.00	1.22	1.78	59.33
8	D.VIII	Receipts from Compost Plant	40.00	40.00	13.98	26.02	65.05
9	E.(ii)	Meter Rent (Electricity)	120.00	120.00	54.27	65.73	54.78
10	F.(ii)	Meter Rent (Water Supply)	13.00	13.00	2.43	10.57	81.31
11	H.(i)	Rent/Licence Fee from Completed projects including shops & stalls	8600.00	10600.00	4631.70	5968.30	56.30
12	J.3.C	G.I.Aid for MLA, Minto Road Constituency - Plan (Cap.)	55.00	55.00	15.00	40.00	72.73



Under the heads A.VIII(2)-Plumbing licence, A.VIII(10) Sewer connection fee and A.VIII(14) – Funeral van charges, the shortfall in receipts with reference to revised estimate was more than 50 per cent even in 2003-04 and 2004-05.

- (c) Under 12 heads of account, the receipts were in excess of the revised estimates, ranging from 59.9 per cent to 10911.11 per cent as detailed below:

**Table 1.21 Excess collection of receipts**

(Rs.in lakh)							
S. No	Head	Description	BE 2005-06	RE 2005-06	Actual 2005-06	Variation	Percentage variation
1	A.1(b)	Other than PWD building arrear	100.00	200.00	319.81	119.81	59.91
2	A.III	Advertisement tax	7.00	5.00	14.19	9.19	183.80
3	A.VIII(16)	Inspection fee	3.51	0.72	79.28	78.56	10911.11
4	A.VIII(17)	Sewer blockage and sewer inspection fee	0.50	0.50	46.08	45.58	9116.00
5	C.(i)	Misc. receipts (General)	29.20	50.00	103.52	55.32	110.64
6	D.V	Swimming pool	6.00	3.01	5.97	2.96	98.34
7	E.V	Recovery of storage charges	22.00	9.00	23.90	14.90	165.56
8	E-VI	Other receipts ( Petty items)	78.10	39.40	80.11	40.71	103.32
9	F.(i)	Sale of water	2000.00	1450.00	2350.00	900.00	62.07
10	H.VII	Reservation of parks/playgrounds	11.00	11.00	24.25	13.25	120.46
11	H.XIII(a)	Deptt. charges on deposit works of Civil Engg. Deptt.	33.18	34.00	90.72	56.72	166.82
12	K.II	Civil Engg. Deptt. (CAP)	45.00	10.00	163.77	153.77	153.77

Under the heads A.1(b)-Other than PWD building arrears, A.III-Advertisement tax, C.(i)-Misc. receipts (General), D-V Swimming Pool, E.VI-Other Receipts (petty items) and H.II-Reservation of parks/playgrounds, even during the year 2004-05 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.

**1.15.2 Actual collection of tax revenue vis-à-vis estimates**

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

**Table 1.22 : 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 receipts over budget estimates	Percentage increase(+)/decrease (-) over budget estimates
2005-06	148.60	157.73	173.07	(+) 24.47	(+) 16.47
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

The increase of 16.47 per cent during 2005-06 in the actual collection of tax revenue with reference to budget estimates was mainly due to higher collection of House Tax by 15.83 per cent, Duty on Transfer of property by 46 per cent and Advertisement/Show Tax by 75 per cent over and above the budget estimates.

**1.15.3 Actual collection of non-tax revenue vis-à-vis budget estimates**

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

**Table 1.23: Actual collection of non-tax revenue vis-à-vis budget estimates**

( Rs. in crore)

Year	Budget estimates	Revised estimates	Actual non-tax revenue	Increase(+)/decrease(-) of non-tax revenue receipts over budget estimates	Percentage increase(+)/decrease(-) over budget estimates
2005-06	827.24	845.57	842.59	(+) 15.35	(+) 1.86
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



Non-tax revenue during 2005-06 was Rs.15.35 crore more than the budget estimates.

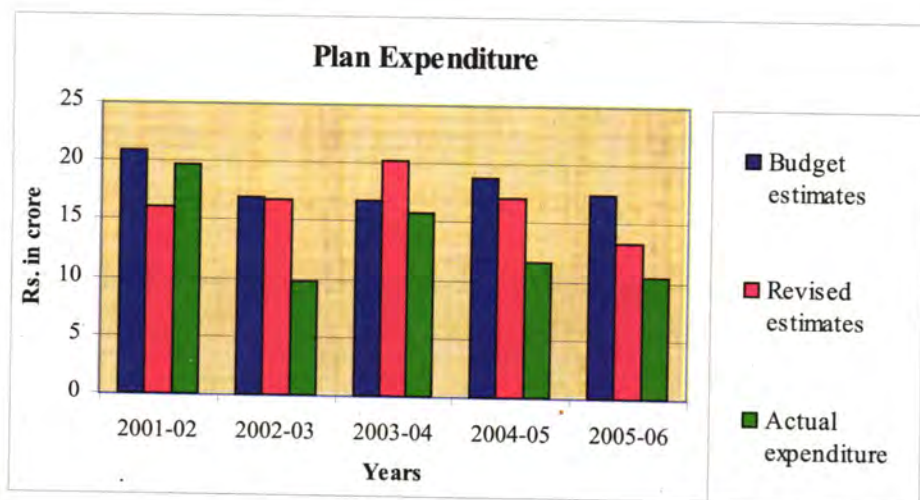
#### 1.15.4 Actual expenditure vis-à-vis revised estimates

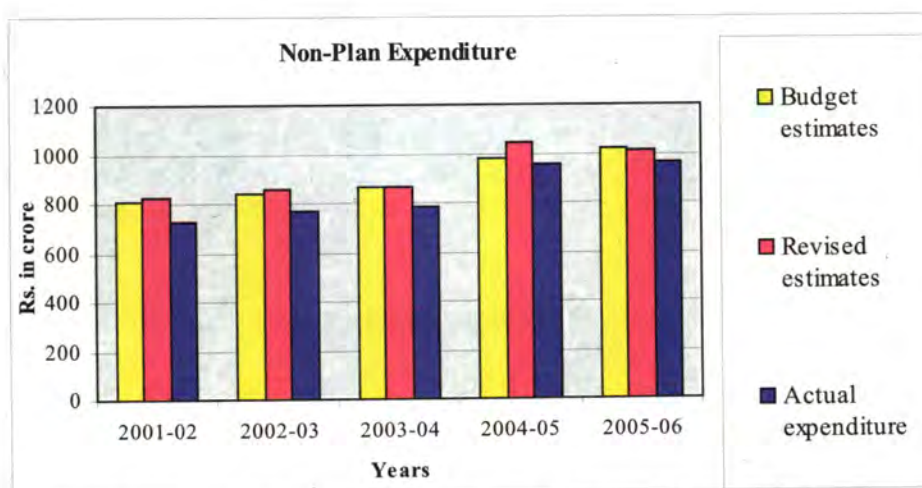
The actual expenditure had been consistently below the revised estimates in all the five years and also below the budget estimates.

**Table 1.24 : Actual expenditure vis-à-vis revised estimates**

Year	Budget estimates			Revised estimates			Actual expenditure			(Rs. in crore) Excess(+)/savings(-)		
	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total	Plan	Non-plan	Total
2005-06	17.40	1017.48	1034.88	13.31	1015.58	1028.89	10.37	960.54	970.91	(-)2.94 *22.09	(-) 55.04 *5.42	(-)57.98 *5.64
2004-05	18.90	977.20	996.10	17.19	1043.96	1061.15	11.64	954.85	966.49	(-)5.55 *32.29	(-) 89.11 *8.54	(-)94.66 *8.92
2003-04	16.84	867.42	884.26	20.14	863.64	883.78	15.80	785.68	801.48	(-)4.34 *21.55	(-) 77.96 *9.03	(-) 82.03 *9.31
2002-03	16.90	844.00	860.90	16.80	858.23	875.03	9.80	765.90	775.70	(-)7.00 41.67	(-) 92.33 *10.76	(-)99.33 *11.35
2001-02	20.82	807.90	828.72	16.14	824.50	840.64	19.61	724.06	743.67	(-)3.47 *21.50	(-) 100.44 *12.18	(-)96.97 *11.54

\* Indicates percentage excess/savings





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

#### 1.15.5 Savings in comparison to revised estimates

The actual expenditure had been considerably below the revised estimates in the year 2005-06 and there were huge savings in the following heads of accounts :

**Table 1.25 : Less expenditure incurred against revised estimates**

(Rs. in crore)					
S.No.	Head of account	Description	RE 2005-06	AE 2005-06	Saving
1.	C	Administrative Department	192.37	186.15	6.22
2.	D.1	Education	51.40	48.20	3.20
3.	D.2	Medical and Public Health	100.00	80.64	19.36
4.	D.4.4	Garden Parks & Fountains	22.81	17.92	4.89
5.	D.4.12	Housing Harijan Basti	2.68	1.22	1.46
6.	E	Electricity Supply	403.00	401.73	1.27
7.	F	Water Supply	68.66	59.28	9.38
8.	G	Roads	20.66	18.33	2.33
9.	H.1	Other Municipal Work(Civil Engg. Deptt.)	126.58	122.92	3.66
10.	H.4	M.L.A. Constituency Fund	3.82	2.30	1.52
11.	-	Others	36.91	32.22	4.69
<b>Total</b>			<b>1028.89</b>	<b>970.91</b>	<b>57.98</b>

The total savings during 2005-06 were Rs. 57.98 crore and in the above heads of accounts actual saving was more than one crore. Reasons for savings were not on record.



**1.15.6 No expenditure incurred against salary and allowance**

In the following 10 cases, revised estimates for salary & allowances were made but no expenditure was incurred during 2005-06. Under two heads, minus expenditure was booked against salary and allowances.

**Table 1.26 : NIL expenditure against salary and allowances**

(In Rupees)					
S.No.	Head of account	Description	RE 2005-06	AE 2005-06	No. of posts sanctioned
1.	C.16.1	Engineer-in-Chief	500000	NIL	1 (GroupA), Engg.-in-chief
2.	D.1.4.9(ii)a	Cultural Education	808000	NIL	5(GroupB) Band Masters
3.	D.1.7.7	Work Experience Prog. & Hobby Centre	119000	NIL	1 Librarian 1 Sweeper
4.	D.1.8.1	Public Reading Rooms	153000	NIL	1 Library Incharge 10 Social Edn. Teachers
5.	D.1.19.1	Social Welfare Worker	1581000	(-)1690	11 Student Welfare Workers
6.	D.2.2.12	Estt. of Blood Bank	2012000	NIL	1 Photologist 4 Lab Technicians 1 Nurse 1 Jr. Asstt. 1 Attendant 1 Sweeper
7.	D.2.11.1	Collection of vital statistics	1716000	NIL	1 Sr. Investigator 2 Stastical Asstt. 1 Jr. Steno 4 Stastical Clerk 1 Jr. Asstt. 1 Daftry
8.	D.2.20.1	Birth Control of Stray Dogs	1186000	(-)10	3 Dog cum Jackal shooters 6 Dog Catchers
9.	D.4.3.1	Funeral Van Service	1324000	NIL	4 Heavy Vehicle Drivers-cum-Fitters 4 Light Vehicle Drivers
10.	D.4.5.1	Cattle Pound	6103000	NIL	1 Municipal Supervisor 5 Heavy Vehicle Drivers-cum-Fitters 2 Asstt. Municipal Supervisors 3 Muharars 3 Naib Muharars 27 Chowkidars 3 Sweepers

Reasons for the same were not available on record.

### 1.15.7 Plan

The plan expenditure accounted for a very small percentage of total expenditure. Overall savings under plan heads remained at 40.40 per cent of budget estimates during 2005-06 i.e. Rs.7.03 crore.

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

- (a) Under three heads of account, Rs.9.00 lakh remained wholly unutilized as detailed below:

**Table 1.27 : Heads of account with Nil expenditure**

(Rs. in lakh)				
S. No.	Head of accounts	Description	RE 2005-06	Actuals 2005-06
1	D.1.2.2	Supply of canvas shoes	5.00	Nil
2	D.1.3.8	Qualitative improvement in elementary education	2.00	Nil
3	D.1.4.5(IV)	Supply of free stationery	2.00	Nil

- (b) Under the following six heads of account, savings with reference to revised estimates ranged between 39.5 per cent and 99.02 per cent:

**Table 1.28 : Heads of account with substantial savings**

(Rs. in lakh)						
S. No.	Head of account	Description	RE 2005-06	Actuals 2005-06	Savings	Shortfall in terms of percentage
1	D.1.4.5(iii)	Free uniform	25.00	3.88	21.12	84.48
2	D.1.4.5.(ix)	Free wool/woolen sweater	8.00	2.58	5.42	67.76
3	D.1.7.7.7.A	Work experience and hobby centre	1.00	0.20	0.80	80.00
4	D.1.10.9(i)	Mid-day meal	100.00	49.22	50.78	58.78
5	D.1.19.4	Scholarship and other incentives	4.00	2.42	1.58	39.5
6	D.2.17.11.(A)	Anti flood work	125.00	1.22	123.78	99.02

- (c) Under the following three heads of account, excess expenditure ranging between 42.42 per cent and 140 per cent was incurred with reference to revised estimates.



**Table 1.29: Heads of account of excess expenditure**

(Rs. in lakh)							
S. No.	Head of account	Description	BE 2005-06	RE 2005-06	Actuals 2005-06	Excess with ref. to RE	Excess in terms of percentage
1	D.1.7.6(iii)	Improvement of science and inservice programme	5.00	2.00	4.00	2.00	100.00
2	D.1.26	Educational vocational guidance	6.00	2.00	4.80	2.80	140.00
3	D.2.16.12	Mechanization of sanitation and garbage removal scheme	50.00	45.00	64.09	19.09	42.42

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.

#### **1.15.7.A Non-Plan**

During 2005-06 actual expenditure under non-plan was less than the revised estimates. Overall savings were Rs.55.04 crore i.e. 5.42 per cent. Further, a detailed head-wise comparison of actual expenditure with reference to revised estimates revealed that:

- (a) Under 146 heads of account, revised estimates of Rs.8.62 crore remained wholly unutilized. Details of 85 cases with revised estimates exceeding one lakh are given in Annexure-I.
- (b) Under the following 17 heads of account, the provisions were made at the revised estimates stage while budget estimates against them were nil. However, no expenditure was incurred against these heads:

**Table 1.30 : Heads of account with NIL expenditure against revised estimates**

S. No.	Head of A/c	Description	(Rs. in lakh)		
			BE 2005-06	RE 2005-06	Actuals 2005-06
1.	D.1.4.5(iii)	Free uniform (Non-plan)	-	25.00	-
2.	D.1.4.5(iv)	Supply of free stationery (Non-plan)	-	3.50	-
3.	D.1.4.5(ix)	Supply of wool/woolen sweater (Non-plan)	-	9.00	-
4.	D.1.7.6(iii)	Improvement of science & inservice programme (Non-plan)	-	3.00	-
5.	D.1.19.4	Scholarship & other incentive (Non-plan)	-	2.00	-
6.	D.2.7.11	LTC	-	1.00	-
7.	D.2.12.4.A	Equipment	-	3.50	-
8.	D.2.12.5	Diet	-	2.00	-
9.	D.2.15.6	Other charges	-	1.00	-
10.	D.4.4.13	Compost plant (Non-plan)	-	1.00	-
11.	D.4.6.6.9	LTC	-	1.00	-
12.	D.4.9.1.A	Annual repairs of public toilets & urinals	-	7.00	-
13.	E.2.2	Expenditure for electric consumer grievances redressal forum	-	20.00	-
14.	E.2.4	Payment for consultancy fee/legal fee/professional charges	-	5.00	-
15.	G.1.1.2	Special repairs & maintenance	-	16.00	-
16.	G.1.1.5	Improvement to mild steel chains & channel guards	-	4.00	-
17.	H.1.21	Travelling allow./daily allowance	-	1.00	-

- (c) Under 123 heads of account, the savings ranged between 50 per cent and 99.78 per cent of budget estimates. Details are given in Annexure-II.
- (d) Under 11 heads of accounts as per Annexure-III, persistent savings exceeding 50 per cent of revised estimates were noticed during the last three years. Out of 11 heads, under the following five heads provisions at the revised estimates stage was Rs. one lakh and above but persistent saving was 50 per cent and above of revised estimates during the last three years:



**Table 1.31: Heads of account with persistent savings above 50 per cent of RE and above Rs. 1 lakh during last three years**

(Rs. in lakh)							
S. No.	Head of Account	Year	BE	RE	Actuals	Savings	Savings in terms of percentage
1	C.12.7 Other Charges	2003-04	32.00	32.00	10.26	21.74	67.94
		2004-05	33.00	30.00	12.15	17.85	59.50
		2005-06	35.00	20.00	7.55	12.45	62.25
2	D.1.4.7 Original Works(Cap.)	2003-04	223.00	157.00	30.42	126.58	80.62
		2004-05	137.00	56.70	23.55	33.15	58.47
		2005-06	102.00	54.00	-	54.00	100.00
3	D.4.4.4.B-Civil	2003-04	30.00	75.00	17.05	57.95	77.27
		2004-05	30.00	30.00	9.42	20.58	68.06
		2005-06	80.00	66.50	19.89	46.61	70.09
4	H.1.13 Running & Maintenance of Stores	2003-04	4.00	5.00	0.11	4.89	97.80
		2004-05	4.50	5.50	2.04	3.46	62.91
		2005-06	20.00	10.00	0.20	9.80	98.00
5.	D.1.5.4 Other Charges	2003-04	4.50	3.30	1.10	2.20	66.67
		2004-05	4.50	1.90	0.32	1.58	83.15
		2005-06	2.50	2.50	1.07	1.43	57.20

- (e) Expenditure under 86 heads of account was incurred in excess of budget provisions. The excess expenditure ranged between 0.18 per cent and 14985 per cent of revised estimates. Details of 45 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) Expenditure under 56 heads of account was incurred without any revised budget provision. Details of eight heads of account having actual expenditure more than one lakh are given below:

**Table 1.32: Expenditure incurred without any budget provision in RE**

(Rs. in lakh)					
S. No.	Head of account	Description	BE 2005-06	RE 2005-06	Actuals 2005-06
1.	C.2.10	TA/DA	-	-	1.76
2.	C.3.3	Contribution towards pension in r/o deputationists	17.00	-	13.42
3.	D.2.2.12.8	LTC	-	-	1.54
4.	D.2.4.4.A	Equipment	-	-	2.46
5.	F.6(1)	Maintenance of booster pumps(electric)	-	-	3.61
6.	F.15	Honorarium/OTA	-	-	5.20
7.	H.1.19	Honorarium/OTA	-	-	6.34
8.	J.2	External assistance	-	-	33.10

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.

## **1.16 Rush of Expenditure**

### **1.16.1 March Rush**

Scrutiny of expenditure statements and other records for the last three years i.e. 2003-04, 2004-05 and 2005-06 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 expenditure during the month of March consistently for three years are given below:

**Table 1.33: Rush of expenditure in March**

Department	2003-04			2004-05			2005-06		
	Exp. during year	Exp. during March	Percentage exp. in March	Exp. during year	Exp. during March	Percentage exp. in March	Exp. during year	Exp. during March	Percentage exp. in March
Water Supply	35.21	12.87	36.55	33.63	4.96	14.73	34.74	9.19	26.45
Roads	21.90	4.94	22.55	15.57	2.41	15.45	14.67	2.98	20.31
Deposit works of various departments	5.89	0.90	15.23	5.42	0.74	13.66	6.12	0.67	10.95

(Rs. in crore)

### **1.16.2 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 some Departments are given below:-



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

(Rs. in crore)

Department	2003-04			2004-05			2005-06		
	Exp. during year	Exp. Jan to March	Percentage exp. in last quarter	Exp. during year	Exp. Jan to March	Percentage exp. in last quarter	Exp. during year	Exp. Jan to March	Percentage exp. in last quarter
Water supply	35.21	18.72	53.18	33.63	1.069	31.77	34.74	19.24	55.38
Roads	21.90	7.52	34.32	15.58	4.74	30.00	14.67	5.95	40.56
Deposit work of various departments	5.89	2.27	38.59	5.42	1.22	22.48	6.12	1.58	25.82
Administrative departments	-	-	-	-	-	-	53.85	13.80	25.63

**1.17 Follow up on Audit Reports****1.17.1 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/Office 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, 699 Local Audit Reports containing 3069 audit paras were pending as on 31 March 2006.

Department-wise details of outstanding paras of LAR as on 31 March 2006 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, 2006
1	Accounts	171
2	Architect & Environment	69
3	Civil Engineering	658
4	Commercial	44
5	Education	371
6	Electricity	576
7	Enforcement	48
8	Estate	93
9	Fire Maintenance	52
10	General Administration	94
11	Public Health	134
12	Medical Services	125

13	Horticulture	70
14	Property tax	81
15	I.T.	20
16	Law	8
17	Personnel	181
18	PRO	43
19	Security	46
20	Welfare	185
	<b>Total</b>	<b>3069</b>

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.

### 1.17.2 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, three meetings were held in which Standing Committee settled 60 audit paras 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 2007 was as under:



**Table 1.36 : Paragraphs included in AAR and outstanding**

<b>Year of report ended 31 March</b>	<b>No. of paragraphs included in the report</b>	<b>No. of paragraphs outstanding</b>
<b>1997</b>	124	56
<b>1999</b>	98	82
<b>2000</b>	45	25
<b>2001</b>	42	22
<b>2002</b>	38	15
<b>2003</b>	36	18
<b>2004</b>	36	21
<b>2005</b>	37	25
<b>Total</b>	<b>456</b>	<b>264</b>

# **SECTION – A**

## **REVIEWS**



**DEPARTMENT  
OF  
CIVIL ENGINEERING**

**ANNUAL REPAIRS AND  
MAINTENANCE OF BUILDINGS**



## **CHAPTER-II : DEPARTMENT OF CIVIL ENGINEERING**

### **Annual Repairs and Maintenance of Buildings**

Audit reviewed the work of annual repairs and maintenance of buildings carried out by the Civil Engineering Department for the period 2003-06. Significant delays were observed in preparation and finalisation of annual estimates of ARMO in two out of the three years covered by audit. The three Building Maintenance Divisions did not adhere to the ARMO norms as original nature of works were found to be executed in large number of cases under the head of account ARMO Buildings. The schedule for upkeep of buildings was also not adhered to in a number of test checked cases. The working of service centres was found to be deficient as there seemed to be no co-relation between work load and staff deployed. Essential records like complaint registers were also not properly maintained in the service centres. The Civil Engineering Department needs to look into these areas and ensure adherence to norms of annual repairs and maintenance of buildings.

#### **Highlights**

- Preparation and finalisation of annual estimates of ARMO Buildings(Civil) were delayed significantly in all the three Building Maintenance Divisions during 2003-04 and 2004-05. Expenditure was incurred in excess of sanctioned estimates.
- Norms for annual repair and maintenance of Buildings were not adhered to as in 48 per cent test checked cases original nature of works were executed under head ARMO Buildings during the three year period of 2003-06.
- Schedule of white wash/distemper for upkeep of buildings was not adhered to in 44 per cent of buildings test checked.
- General maintenance of buildings and complaint redressal mechanism was also not found to be very efficient.



- Complaints attended per day per person by service centres in three Divisions ranged between 0.11 to 0.20 during 2003-06. Excess labour thus seems to have been deployed in service centres. Record maintenance in the centres was not satisfactory.

## **2.1. Introduction**

New Delhi Municipal Council has a large number of buildings including housing complexes, office complexes, commercial complexes, school buildings, dispensaries etc. The Civil Engineering Department is responsible for maintenance of these buildings. Expenditure on annual repairs and maintenance of buildings is charged to head of account, H.1.4: Repairs & Maintenance of Buildings. The sub-head 'Annual Repairs' under this head of account refers to Annual Repairs and Maintenance of (ARMO) Buildings. This includes activities undertaken to maintain buildings in proper condition.

## **2.2. Building maintenance – meaning thereof**

As per the CPWD Maintenance Manual-2000, building maintenance work is undertaken to keep, restore or improve every facility in every part of a building, its services including horticulture operations to a currently acceptable standard and to sustain the utility and value of the facility.

The main objectives of maintenance are to:

- (i) preserve machinery, buildings and services in good operating conditions,
- (ii) restore it back to its original standards and
- (iii) improve the facilities depending upon the development that is taking place in the building engineering.

Maintenance should normally ensure safety to the occupant or the public at large and should comply with statutory requirements. The need for maintenance depends upon intensity of usage and the purpose for which building was designed and being used. As per para 1.2 of CPWD Maintenance Manual 2000, the repair works are classified in the following three categories:

- Day to Day repairs/service facilities
- Annual repairs
- Special repairs

### **2.2.1 Day to day repairs/service facilities**

As per para 3.1 of Chapter 3 of CPWD Maintenance Manual 2000, day to day repairs are carried out in all the buildings under its maintenance on the basis of complaints received at the service centres. These include works such as removal of chokage of drainage pipes, restoration of water supply, masonry works etc. The purpose of this facility is to ensure satisfactory continuous functioning of services in the buildings.

### **2.2.2 Annual repairs**

These repairs are carried out periodically to maintain the aesthetics of buildings and services as well as to preserve their life, for example white washing, distempering, painting, cleaning of lines, tanks etc. Periodicity of various items of annual repairs is prescribed vide Annexure 23 of CPWD Maintenance Manual 2000.

### **2.2.3 Special repairs**

These repairs are undertaken to replace the existing parts of buildings and services which deteriorate over a period of time. It becomes necessary to prevent the structure from deterioration and undue wear and tear as well as to restore it back to its original condition to the extent possible. Categories of works in general which fall under special repair are detailed in Chapter-4 of CPWD Maintenance Manual.

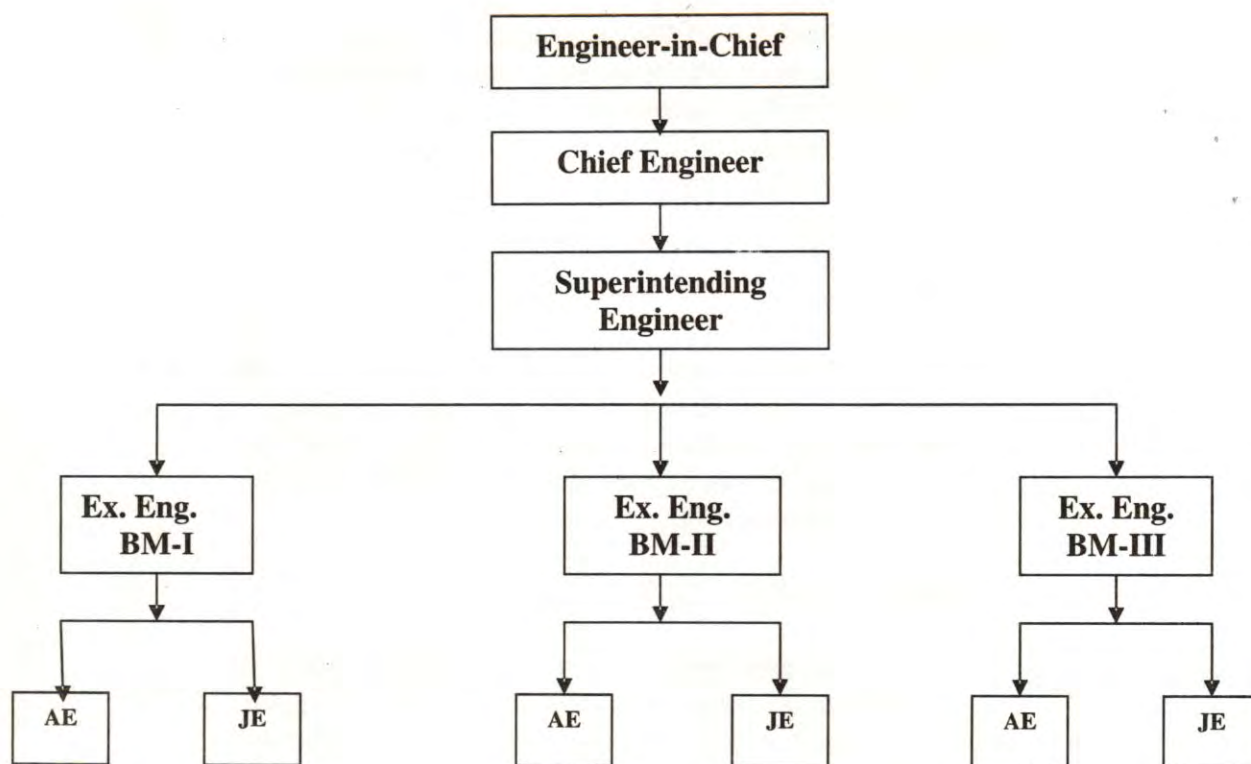
## **2.3. Organisational set up and jurisdiction of Divisions**

### **2.3.1 Organisational structure**

Building Maintenance Divisions (BM-I, BM-II and BM-III) of the Civil Engineering Department are responsible for maintenance of buildings owned by NDMC. The Engineer-in-Chief is overall incharge of Civil Engineering Department. He is assisted by Chief Engineer (Civil) alongwith one Superintending Engineer and three Executive Engineers in charge of each Division. The Executive Engineers are being assisted by Assistant Engineers/Jr. Engineers with specific duties relating to areas and 27 service centres. The organisational chart is given below:



### Organisational Chart



### 2.3.2 Jurisdiction of Divisions

The three Building Maintenance Divisions (BM-I, BM-II and B.M-III) are responsible for maintenance of all the NDMC buildings including housing complexes, schools, electric sub-stations, commercial complexes etc. The category-wise details of these buildings are given below:

Table 1

S.No.	Description	Number
1.	Barat Ghars	11
2.	Community Centres	13
3.	Commercial Complexes	47
4.	Dispensaries & Hospitals	19
5.	Electric Sub Stations	81
6.	Housing Complexes	93
7.	Office Complexes	12
8.	Schools	59
9.	Service Centres	22
10.	Others	45
<b>Total</b>		<b>402</b>

## **2.4. Scope of Audit**

Review of works charged to ARMO Buildings in respect of civil works for the years 2003-04, 2004-05 and 2005-06 was conducted with reference to the records of the Building Maintenance Divisions, Service Centres and the Office of Chief Engineer.

## **2.5. Audit Objectives**

The objectives of audit were to assess whether:

- (i) the funds allocated for the purpose were being fully utilized for the intended purposes keeping in view the imperatives of economy and efficiency;
- (ii) execution of various works was undertaken efficiently as per norms;
- (iii) a system of effective monitoring and control existed.

## **2.6. Audit Methodology**

The Building Maintenance Divisions are responsible for maintenance of all the buildings owned by NDMC. Accordingly, records of these three Divisions and 26 service centres (presently these being 27) were test checked. Audit test checked 25 per cent of agreements entered into by the Divisions over the three year period of 2003-04 to 2005-06. Audit methodology included:

- (i) direct examination of records of the executing Divisions;
- (ii) examination of primary records of service centres;
- (iii) client survey through predesigned questionnaire.

## **2.7. Financial Outlays**

Expenditure incurred by the Building Maintenance Divisions (Civil) on maintenance of buildings in NDMC is charged to head of account H.1.4: Repairs and Maintenance of Buildings. The sub-heads under this head of account are given below:

- (i) Annual repairs
- (ii) Special repairs
- (iii) Minor works
- (iv) Repairs to commercial projects



Budget estimates/revised estimates and actual expenditure under the head of account H.1.4 as per Budget Book for the years 2003-04, 2004-05 and 2005-06 are given below:

Table : 2

(Rs. in lakh)				
Year	Budget estimates	Revised estimates	Actual expenditure	Savings (-) excess(+)
2003-04	435	370	579.42	+209.42 (56.6%)
2004-05	390	495	363.04	-131.96 (26.65%)
2005-06	685	550	346.36	-203.64 (37.03%)

As could be seen from the table above, there was no co-relation between budget estimates/revised estimates and actual expenditure. While, in 2003-04 expenditure was in excess of revised estimates by 56.6 per cent, in subsequent years the savings ranged from 26.65 per cent to 33.01 per cent. Interestingly, expenditure in 2004-05 and 2005-06 was much less than the expenditure incurred in 2003-04, both with respect to budget estimates and revised estimates. Since, revised estimates are finalised at the fag end of the financial year, huge variation between revised estimates and actual expenditure indicated that budgeting was not realistic.

Sub-head wise details of budget estimates/revised estimates and actual expenditure are given below:

Table : 3

(Rs. in lakh)									
Head of account	2003-2004			2004-2005			2005-2006		
	BE	RE	AE	BE	RE	AE	BE	RE	AE
H.1.4 Repairs & Maintenance of Buildings									
(i) Annual repairs	350	350	579.42	350	465	363.04	570	452	329.57
(ii) Special repairs	60	10	-	30	20	-	40	30	1.43
(iii) Minor works	-	-	-	-	-	-	50	48	15.36
(iv) Repairs to commercial projects	25	10	-	10	10	-	25	20	Nil
<b>Total</b>	<b>435</b>	<b>370</b>	<b>579.42</b>	<b>390</b>	<b>495</b>	<b>363.04</b>	<b>685</b>	<b>550</b>	<b>346.36</b>

\*BE stands for Budget estimate

RE stands for Revised estimate

AE stands for Actual expenditure

A perusal of the table above, indicated that while provision was made for 'Special repairs and repairs to commercial projects' year after year, no

expenditure was booked against the sub-heads of accounts during 2003-04 and 2004-05. During 2005-06 also there was no expenditure under the head 'Repairs to Commercial Projects'. By not booking expenditure under these heads, of accounts the Divisions defeated the very purpose of separate sub-heads of accounts.

The budget approved by the Council is subsequently allocated to the Divisions and the Divisions are expected to restrict the expenditure within the allotment. Budget allocation and Division-wise expenditure incurred during the years i.e. 2003-04, 2004-05 and 2005-06 in respect of the head of account H.1.4: Annual Repairs is given below:

Table : 4

(Rs. in lakh)

Year	BM-I		BM-II		BM-III		Total	
	BA	AE	BA	AE	BA	AE	BA	AE
2003-04	70.00	126.78	175	189	91.24	80.63	336.24	396.41
2004-05	79.95	98.00	140	143	82.27	81.49	302.22	322.49
2005-06	82.70	106.38	151	152	76.79	81.31	310.49	339.69

\*BA stands for Budget Allotment

It was observed that actual expenditure as reported by Divisions was at variance with actual expenditure as per Budget Book shown in Table-2. In fact, in all the years expenditure reported by the Divisions was much less than the expenditure reflected in the Budget Book. The reasons for the same were called for from the Divisions. However, no reply was received.

## 2.8. Preparation of estimates

As per para 1.4.1 of C.P.W.D. Maintenance Manual 2000, annual repairs and maintenance estimates for buildings and services are to be prepared at the beginning of the year. After preparation of the estimate for annual repairs and maintenance of buildings at the divisional office level, estimates are routed through Superintending Engineer for sanction by Chief Engineer who had been vested full powers for sanction of estimates for maintenance works within the prescribed norms. With effect from 28.11.2003, powers to sanction estimates for annual repairs and maintenance of buildings have been delegated to Engineer-in-Chief. Estimates for original works are prepared on individual basis. All such estimates are to be routed through Planning Division of Engineering



Department and Finance Department for administrative approval and expenditure sanction.

### 2.8.1 Delay in preparation of annual estimates

The details of annual estimates prepared by Building Maintenance Divisions for annual repairs and maintenance of buildings during the last three years i.e. 2003-04, 2004-05 and 2005-06 indicating time taken in processing the proposal and approval thereof and the position of sanctioned estimate vis-à-vis actual expenditure were as under:-

Table : 5

(Rs. in lakh)

S. No	Details of time taken/amount approved	2003-2004			2004-2005			2005-2006		
		BM-I	BM-II	BM-III	BM-I	BM-II	BM-III	BM-I	BM-II	BM-III
1.	Date of moving proposal by the division	14.5.03	13.5.03	2.5.03	18.8.04	24.7.04	9.9.04	21.3.05	24.3.05	19.3.05
2.	Amount proposed	104.00	140.00	84.55	80.39	143.44	94.42	82.35	151.72	82.27
3.	Returned by AS(W) with queries (date)	11.9.03	20.5.03	27.5.03	9.9.04	10.8.04	18.10.04	23.3.05	25.4.05	20.4.05
4.	Amount recommended by EE(P)/AS(W)	126.00	169.00	91.24	79.95	140.40	82.27	82.20	150.88	76.79
5.	Date of sanction by Eng.-in-Chief	5.4.04	-	23.3.04	4.11.04	4.11.04	3.11.04	24.5.05	20.5.05	26.5.05
6.	Amount finally approved	126.00	169.00	91.24	79.95	140.40	82.27	82.20	150.88	76.79
7.	Expenditure incurred	126.78	189.00	80.63	98.00	143.00	81.49	106.38	152.00	81.31
8.	Excess/less expenditure	(+)0.78	+20.00	(-)10.61	(+)18.00	(+)2.60	(-)0.78	(+)24.18	(+)1.12	(+)4.52

In this connection, the following discrepancies were noticed:

The estimates for the annual repairs and maintenance should be finalised at the beginning of financial year. However, there was considerable delay in initiation and finalisation of estimates for annual repairs. The estimates for the year 2003-04 were sanctioned in March 2004 and April 2004 i.e. after the end of the relevant financial year. Similarly, proposals for the year 2004-05 were initiated during July/September 2004 and estimates for all the three Divisions were sanctioned in November 2004 after a delay of about seven months.



The system of preparation of estimates was, however, streamlined to some extent after approval of norms for annual repairs and maintenance in July 2004.

- (ii) There was no co-relation between amount proposed by the Divisions and the amount finally sanctioned. Interestingly, the estimates for all the three Divisions for the year 2003-04 were sanctioned for amounts considerably higher than the amounts proposed by the Divisions. The estimates for BM-I and BM-II were sanctioned for Rs.126 lakh and Rs. 169 lakh respectively as against their proposals for Rs.104 lakh and Rs. 140 lakh. The reasons for sanctioning estimates in excess of proposals initiated by the Divisions, were not available in records produced to audit.
- (iii) The basis for preparation of estimates was also not clear. There were considerable variations in the amount sanctioned for annual repairs for all the Divisions over the years. While, the estimate for BM-I Division for 2003-04 was sanctioned for Rs.126 lakh the estimate for the year 2004-05 came down to only Rs.79.95 lakh, a fall of about 37 per cent . The estimate for the year 2005-06 was sanctioned for Rs.82.20 lakh, a marginal increase of about 3 per cent. Similarly, the estimate for BM-II Division decreased from Rs.169 lakh in 2003-04 to Rs.140.40 lakh in 2004-05 and again increased to Rs.150.88 in 2005-06. The estimate sanctioned for BM-III Division indicated downward trend during these years as the amount of estimates decreased from Rs.91.24 lakh in 2003-04 to Rs.82.27 lakh in 2004-05 and to Rs.76.79 lakh in 2005-06.
- (iv) The Divisions failed to restrict the expenditure within the sanctioned estimates. BM-I Division incurred excess expenditure of Rs.18 lakh in 2004-05 and Rs.24.18 lakh in 2005-06. BM-II Division incurred excess expenditure of Rs.20 lakh, Rs.2.60 lakh and Rs.1.12 lakh during 2003-04, 2004-05 and 2005-06 respectively. BM-III Division also incurred excess expenditure of Rs.4.52 lakh during 2005-06.

## **2.8.2 Violation of norms**

### **2.8.2.1 Execution of original nature of works under the head ARMO Buildings**

Test check of agreements and work orders executed by the Divisions for the years 2003-2004, 2004-05 and 2005-2006, revealed that in contravention of the extant provisions, the Divisions had booked original nature of works under the head of account ARMO Buildings.



Primarily the expenditure on following works was booked to the head 'Annual Repairs' whereas the works were original in nature:

- (i) Providing and fixing fibre sheets ;
- (ii) Installation of water pumps, MS railing on boundary wall, ceramic/glazed/vitrified tiles, aluminum partitions at Palika Parking etc., retro-reflective sign boards, porta cabins, sanitary fittings, water storage tank, water level controller, bamboo zaffary;
- (iii) Construction of additional toilets, toilets blocks, store room, walking track
- (iv) Replacement of damaged WC bath shutter with rolling shutters, damaged doors, damaged flooring;
- (v) Anti termite treatment;
- (vi) Improvement of dhobhi ghats ;
- (vii) Replacement of existing pipeline for underground tank;.
- (viii) Procurement of polysheet roof ;
- (ix) Renovation of toilets;

Audit test checked 210 agreements and 138 work orders. Division-wise details of cases test checked, number of works of original nature and total expenditure thereon charged under the head ARMO Buildings are given below:

Table : 6

Name of Division	Agreements		
	2003-06		
	No of cases selected for audit	No. of cases of original nature of work	Amount (Rs. in lakh)
BM-I	62	42	36.00
BM-II	92	25	22.25
BM-III	56	30	24.72
<b>Total</b>	<b>210</b>	<b>97</b>	<b>82.97</b>
<b>Per cent</b>		<b>46%</b>	

Table : 7

Name of Division	Work Orders		
	2003-06		
	No of cases selected for audit	No. of cases of original nature	Amount (Rs. in lakh)
BM-I	48	21	8.64
BM-II	46	25	7.40
BM-III	44	25	6.24
<b>Total</b>	<b>138</b>	<b>71</b>	<b>22.28</b>
<b>Per cent</b>		<b>51%</b>	

As can be seen from the table above, of the 348 cases test checked, 168 works amounting to Rs.1.05 crore were of original nature. Thus, in 46 per cent of agreements and 51 per cent of work orders test checked, expenditure on original nature of works was booked to the head of account H.1.4: Annual Repairs as per details given in Annexure V. It may be mentioned here that it was not merely a case of misclassification of expenditure in accounting sense of term. By booking the expenditure to 'Annual Repairs' the Divisions bypassed the scrutiny by Finance Department and Planning Division.

Reasons for charging expenditure on original works to ARMO Buildings when there was separate budget provision for execution of such works were not on record.

### **2.8.3 Irregularities in execution of works**

#### **2.8.3.1 Deviation of work beyond the limit of delegated powers**

As per delegation of Financial Powers circulated vide No.Fin./2003/DF-11/496 dated 28.11.2003, Executive Engineers are empowered to sanction extra and additional items upto 20 per cent of the contract value or Rs. 20,000 whichever is lower provided estimate does not exceed by 10 per cent.

Test check of records revealed that in some cases the Divisions had exceeded powers of sanctioning expenditure on extra and additional items. Division-wise number of cases is as under:

**Table : 8**

<b>Division</b>	<b>No. of cases</b>	<b>Excess expenditure (in Rs.)</b>
BM-I	2	77373
BM-II	15	182014
BM-III	10	106416
<b>Total</b>	<b>27</b>	<b>365803</b>

The details of these cases are given in Annexure-VI. Approval of the competent authority, if any, was not found on records made available to audit.

### **2.8.4. Non-adherence to schedule for upkeep of buildings**

As per norms fixed for maintenance of buildings, circulated vide No. EO (C)/171/D dated 11.03.1996, whitewashing/colour washing of housing complexes, school buildings, barat ghars and community centres



is to be undertaken annually/half yearly and cement wash (exterior) bi-annually.

Audit test checked records pertaining to barat ghars, community centres, commercial complexes, dispensaries and hospitals, housing complexes, schools under the three Divisions. Audit scrutiny revealed that schedules for whitewash/distemper were not followed. The total buildings under these categories and the number of buildings whitewashed/distempered by the three Divisions during 2003-06 were as detailed below:

Table : 9

Sl. No.	Type of buildings	Total	Attended
1.	Barat Ghars	11	09
2.	Community Centres	13	09
3.	Commercial Complexs	47	13
4.	Dispensary & Hospitals	19	08
5.	Housing Complexes	93	53
6.	Schools	59	44
	<b>Total</b>	<b>242</b>	<b>136</b>

It could be seen that norms for whitewashing/distemper were not followed in about 44 per cent of buildings under these categories. The reasons for non-adherence to norms in respect of large number of buildings were not on record.

#### 2.8.5 General maintenance and complaint redressal mechanism

In order to ascertain the standards of general maintenance of the buildings by the various Divisions and the efficacy of the complaint redressal mechanism, audit conducted client survey using predesigned questionnaire. The same was circulated in various schools, hospitals and dispensaries. Audit observations in this regard pertaining to 53 units are given below:-

- i) As against the requirements of annual whitewash of the buildings, in several units the whitewash was not done for last two to five years as per details given below:

Table : 10

Sl. No.	Name of units	Last white wash done
1.	N.P. Boys Sr. School, Mandir Marg	January 2004
2.	Ayurvedic Dispensary, Sarojini Nagar	March 2002
3.	Allopathic Dispensary, Netaji Nagar	May 2004
4.	Homeopathic Dispensary, Sarojini Nagar	May 2002
5.	M & C Welfare Centre, Sarojini Nagar	2001
6.	Lodhi Road Allopathic Dispensary, Palika Kunj	September 2003

In addition to above, in N.P. Primary School No.2, Kidwai Nagar though whitewash was completed in May 2006, the work was not reported to be satisfactory. In N.P. Primary School No.4, Sarojini Nagar, whitewash was started in February, 2006 but it was not completed till August 2006(i.e. date of submission of the report by the school).

- ii) The norm of painting of doors and windows every two years was not followed in the following schools/dispensaries:

Table : 11

S. No.	Name of unit	Last painting done
1.	N.P. Girls Sr. Sec. School, Balmiki Basti	Not done
2.	N.P. Model Pry.School No.2, Kidwai Nagar	Not satisfactory
3.	N.P. Boys Sr. School, Balmiki Basti	Not done
4.	Ayurvedic Dispensary, Sarojini Nagar	February 2002
5.	Welfare Centre, Sarojini Nagar	2001
6.	Lodhi Road Allopathic Dispensary, Palika Kunj	September 2003

- iii) Seepage on walls/ceiling was prominent in as many as 42 per cent buildings covered by survey. In some school buildings, the seepage problem was very acute and required immediate repair.
- iv) The roofs and canopies of buildings also need to be regularly cleaned for proper up-keep of the buildings. However, these were regularly cleaned in only 50 per cent of the buildings as per information submitted by the various schools and dispensaries.
- v) The frequency of visits by field officers JE/AEs/EEs is an indicator of efficiency of system in place. As per instructions contained in Para 6.2.1 of CPWD Maintenance Manual, all buildings should be inspected by JE/AE in March and April. In general JE should inspect each and every building under his charge once in every six months, the AE once a year and EE should inspect all buildings



where serious defects have been brought to his notice. However, the information received from the various units indicated that the various field officers did not inspect the buildings under their jurisdiction regularly. While, in about 26 per cent of cases, the AE had visited the buildings once a month in about 47 per cent cases, the buildings were never visited by the concerned AE. Though, the JEs were found to be visiting their units in 28 per cent of cases, in another 28 per cent cases they never visited units or visited only on call basis.

- vi) Of the 24 units who responded to this query, in 14 cases the complaint was attended immediately i.e. on the same day. In remaining 10 cases the time taken ranged from 1-10 days.
- vii) Repair and maintenance work of the buildings, doors, windows, gates, lights, switch boards etc. was not satisfactory as many of these items were not repaired even after a period of one to three years. The detailed position is given below:

Table : 12

Particulars of items	Period from which the complaints were pending					Total
	Upto one month	From 2-6 months	From 7-12 months	From 1-3 years	More than 3 years	
Doors	9	15	10	43	3	80
Windows	7	97	77	180	1	362
Fans	4	18	1	-	-	23
Lights	32	124	-	127	-	283
Toilets	-	-	-	9	-	9
Gates	-	-	-	-	1	1
<b>Total</b>	<b>52</b>	<b>254</b>	<b>88</b>	<b>359</b>	<b>5</b>	<b>758</b>
<b>Per cent</b>	<b>6.9%</b>	<b>34%</b>	<b>11.6%</b>	<b>47.3%</b>	<b>0.63%</b>	

As can be seen from the above table, out of the total complaints in respect of about 758 doors, windows, lights, fans etc., five items were not repaired even after a period of more than three years, as many as 359 of the items (i.e. 47.3 per cent) were not attended for a period of one to three years, 88 items were not repaired even after a period of 7-12 months, 254 items (i.e. 34 per cent) were lying unrepaired from two to six months and only 6.9 per cent were pending repair for a month. There was also a case of a gate of Homeopathic Dispensary at Sarojini Nagar, New Delhi lying out of order for the last eight years.

The above position clearly indicated that general maintenance of the buildings and complaints handling by the Divisions was unsatisfactory and needs to be improved in accordance with the laid down norms.

## 2.8.6 Non-maintenance of records

### 2.8.6.1 Improper maintenance of history sheets of buildings

The adherence to periodicity of repairs can only be monitored when proper record in respect of each building under the purview of Building Maintenance Divisions is maintained upto date.

During the scrutiny of records of Divisions, it was noticed that history sheet in respect of most of the buildings was not being maintained properly. At the time of preparation of estimates and submission of proposals for a particular work, the details as to when that particular work was done on previous occasion were not mentioned by the Department. The Department moved the proposal only to carry out the works under ARMO Buildings, without giving the required information. In absence of complete information in the register, it could not be ascertained whether the periodicity of annual repairs was being adhered to or not.

## 2.8.7 Working of service centres

### 2.8.7.1 Deployment of excess labour in service centres

There were 26 service centres under the three Building Maintenance Divisions. The service centres are responsible for general maintenance and upkeep of buildings. Accordingly, the service centres have unskilled/semi skilled and skilled workers. The strength of skilled/unskilled workers excluding TMRs/RMRs in the service centre under three Divisions was as under:

Table : 13

S. No.	Category of staff	BM-I	BM-II	BM-III	Total
1	Unskilled workers	261	255	209	725
2	Semi skilled/skilled workers	92	107	69	268
	<b>Total</b>	<b>353</b>	<b>362</b>	<b>278</b>	<b>993</b>

Audit further analysed the complaints attended to by various service centres. The details of complaints attended by staff during the years 2003-2006 were as under :



Table : 14

Division	Year	Number of complaints during the year.	Complaints attended per person per day for 300 working days
<b>BM-I</b>			
	2003-04	11294	0.11
	2004-05	12379	0.12
	2005-06	12189	0.12
	<b>Total</b>	<b>35862</b>	<b>0.11</b>
<b>BM-II</b>			
	2003-04	21334	0.19
	2004-05	21854	0.20
	2005-06	21215	0.19
	<b>Total</b>	<b>64403</b>	<b>0.19</b>
<b>BM-III</b>			
	2003-04	11806	0.14
	2004-05	11250	0.13
	2005-06	12218	0.15
	<b>Total</b>	<b>35274</b>	<b>0.14</b>

It was clear from the position given in Table 13 and 14 above that complaints attended per day per person in three Divisions ranged between 0.11 to 0.20 during the last three years of audit. This implied that nine persons attend to one complaint per day or one employee gets one complaint to attend in nine days.

In view of above, the staff position in respect of each service centre needs to be streamlined and rationalised with reference to actual work load in order to check avoidable expenditure being incurred on surplus staff

#### **2.8.7.2 Improper maintenance of complaint registers at service centres**

In the course of audit of service centres of the Divisions, it was observed that complaint registers were not being maintained properly. Columns indicating time of receipt of complaint, time of compliance, signature of attendant, remarks of supervisor were left blank at almost all service centres. Further, the nature of complaint alongwith details of repair works could not be ascertained from the register. It was not clear how control over issue of material was being exercised in absence of this vital information.

Further scrutiny of records in the three Divisions revealed that cement and other material were shown as issued on certain dates in the

MAS account, whereas no complaint of any nature pertaining to the particular building was found in the complaint register on the dates as detailed in Annexure VII.

It was observed that during 2003-06 on 173 occasions material was issued by the three Divisions without complaints. Material issued included 130 bags of cement, 129 mtrs. GI pipes, 27 kg. distemper powder, 50 kg. samosam, 364 ltrs. paint and other miscellaneous items.

The Department was requested to ascertain the reasons/circumstances under which material was issued without any complaints.

### **Conclusion**

Review of works of Annual Repair and Maintenance of Buildings for the years 2003-2004, 2004-2005 and 2005-06 revealed that original nature of works were carried out under the head ARMO Buildings without approval of the competent authority. Norms for whitewash/exterior paint were not followed in many cases and periodicity of works done was also not recorded. The staff posted at service centres was underutilised. Essential records like complaint register were not maintained properly by the Divisions/Service Centres. The Civil Engineering Department thus needs to review the management of ARMO Building Funds and also streamline and rationalise the procedures to ensure adherence to laid down norms.



MAS account, whereas no complaint of any nature pertaining to the particular building was found in the complaint register on the dates as detailed in Annexure VII.

It was observed that during 2003-06 on 173 occasions material was issued by the three Divisions with complaints.

**DEPARTMENT  
OF  
ELECTRICITY**

**FUNCTIONING OF ROAD  
LIGHTING DIVISION**



## **CHAPTER-III : DEPARTMENT OF ELECTRICITY**

### **Functioning of Road Lighting Division**

Review on the functioning of Road Lighting Division was conducted for the five year period of 2001 -02 to 2005 -06. No policy/norms were found framed/ maintained by the Division for painting of road light ing poles. Energy charges which were more than 50 per cent of total expenditure of the Division, were paid without proper verification o f the bills and there was also no co - relation between number of fittings and amount of bills. Contract management was deficient as there were instances of splitting up of large number of works, predominance of few contractors in agreements/work/supply orders awarded, expenditure in excess of annual ceiling etc. The Department of Electricity needs to look into these areas and streamline the functioning of Road Lighting Division.

#### **Highlights**

- Energy charges, a critical component of the expenditure of Division, were being paid without proper cross checking of bill amounts and without any linkage with the fittings installed.
- Of the total 469 agreements/work/supply orders awarded during the five year period of 2001-02 to 2005-06, splitting up of works was observed in 106 cases (23 per cent), involving Rs. 87.60 lakh.
- In 266 cases (57 per cent of the total 469 agreements/work/supply orders during the review period), works were awarded to select few contractors, putting a question mark on transparency of the system.
- The Road Lighting Division did not have any proper policy/norms regarding painting of road light poles.

### 3.1. Introduction

Road lighting is an obligatory function of NDMC. Road Lighting Division is responsible for repair and maintenance of road lights in NDMC area. It was established in 1979 as Road Maintenance Division. Subsequently, in 2003, it was renamed as Road Lighting Division. The Engineer-in-Chief is the over all incharge of Road Lighting Division. He is assisted by a Chief Engineer and Superintending Engineer. The Executive Engineer is the head of the Division. He is assisted by four Assistant Engineers in four sub-Divisions of Road Lighting Division.

### 3.2. Jurisdiction of the Division

The area covered by Road Lighting Division is divided into eight zones. The distribution of road lights in different zones in the Division is given below:

**Table : 1**

S. No.	Zone	No. of poles	No. of fittings
1	I	1920	2070
2	II	2175	2455
3	III	1826	1919
4	IV	2788	3078
5	V	1621	1919
6	VII	1798	2403
7	IX	2916	3254
8	X	2851	2997
	<b>Total</b>	<b>17895</b>	<b>20095</b>

### 3.3. Scope of Audit

Review of Road Lighting Division for the years 2001-02 to 2005-06 was conducted with reference to the records of Road Lighting Division and eight service centres.

### 3.4. Objectives of Audit

The objectives of the Audit were to assess:

- i) whether the Division executed various works of repair and maintenance etc. efficiently;
- ii) whether norms/policy regarding various repair and maintenance activities were adhered to;
- iii) whether an effective system of redressal of complaints, existed.



### 3.5. Audit Methodology

Road Lighting Division is responsible for repair and maintenance of all road lights in NDMC area. Accordingly, audit test checked 25 per cent of agreements/work orders entered into by the Division over the five year period of 2001-02 to 2005-06. Audit methodology included:

- i) direct examination of records of executing Division;
- ii) examination of primary records of service centres.

### 3.6 Acknowledgement

The executing officers provided information and documents and facilitated conduct of audit.

### 3.7. Financial Outlays

The main head of account operated by the Division is G.2.4 (Repairs & maintenance). Budget estimates, revised estimates and actual expenditure for the last five years in respect of the head of account, G.2.4 are detailed below:

**Table : 2**

(Rs. in lakh)

Year	Budget estimates	Revised estimates	Actual expenditure as per Budget Book	Actual expenditure as per Division	Percentage savings(-) excess(+) of AE as per Div. with reference to RE
2001-02	450.08	450.50	390.45	390.45	(-) 13.33
2002-03	500.6	500.6	465.90	474.76	(-) 5.17
2003-04	500.6	500.5	577.89	474.43	(-) 5.21
2004-05	550.5	550.5	473.63	507.41	(-) 7.83
2005-06	575	550	503.88	503.88	(-) 8.39
<b>Total</b>	<b>2576.78</b>	<b>2552.10</b>	<b>2411.75</b>	<b>2350.93</b>	<b>(-) 7.89</b>

As can be seen from the table above, savings under the head of account G.2.4 with reference to revised estimates ranged from 5.17 per cent to 13.33 per cent. However, actual expenditure as reported by the Division during the years 2002-03, 2003-04 and 2004-05 was at variance from that depicted in the Budget Book. The highest difference amounting to Rs. one crore was in the year 2003-04. Reasons for the variation were not on record.

### 3.8. Manpower Status

The manpower position of unskilled/semi-skilled/skilled categories of employees during the last five years is given below:

**Table : 3**

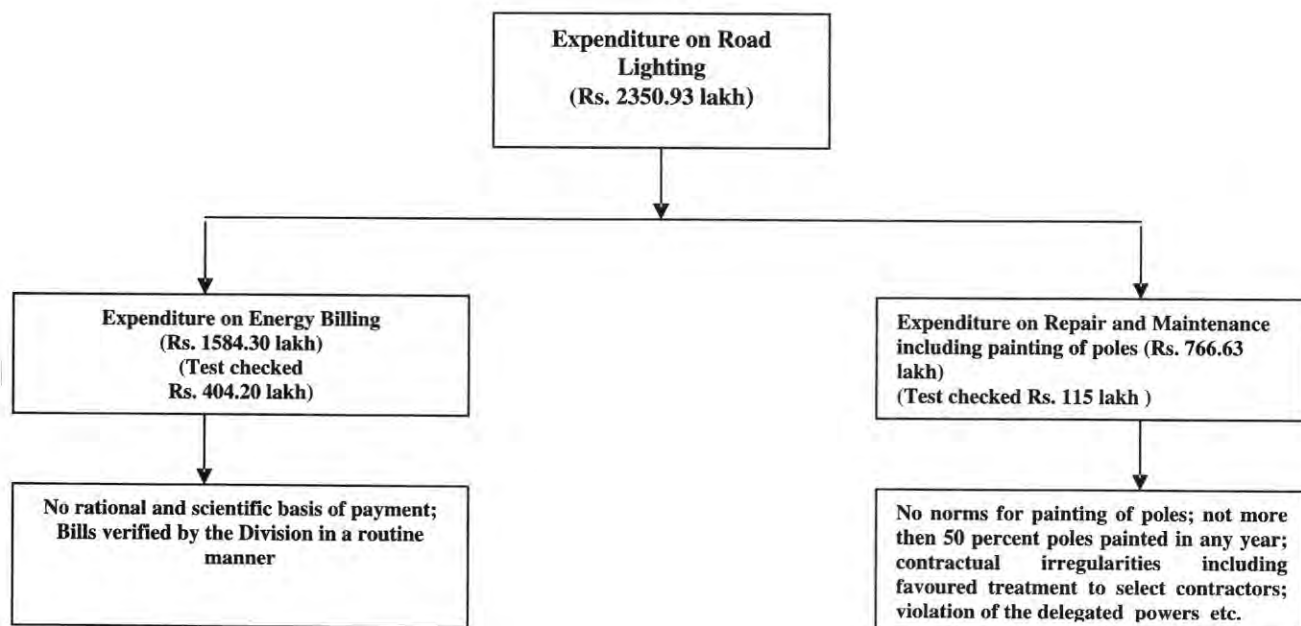
Years	Sanctioned strength			Men-in-position			Total vacancy	RMR/TMR daily wagers
	Unskilled	Skilled/semi-skilled	Total	Unskilled	Skilled/semi-skilled	Total		
2001-02	127	84	211	101	73	174	37	88
2002-03	127	84	211	102	77	179	32	88
2003-04	127	84	211	101	77	178	33	88
2004-05	127	85	212	101	76	177	35	88
2005-06	127	85	212	100	77	177	35	100

As could be seen from the table above, against vacancies ranging from 32 to 37, Division employed RMR/TMR/Daily wagers ranging from 88 to 100 over the five year period.

### 3.9. Audit Findings

The significant audit comments during the five year review period on the expenditure incurred by Road Lighting Division are depicted in the Finance Tree given below:

#### Finance Tree





### 3.9.1 Energy charges

Road Lighting Division was responsible for payment of energy charges for road lighting to the Commercial Department of NDMC. Expenditure on this account was booked under the head of account, G.2.4 (Repairs & maintenance).

The following energy charges for road lights were paid during 2001-02 to 2005-06, as ascertained from the Division:

**Table : 4**

(Rs. in lakh)		
Year	Energy charges paid	Expenditure on energy charges as percentage of total expenditure
2001-02	288.16	73.80
2002-03	328.29	70.46
2003-04	304.63	52.71
2004-05	335.66	70.87
2005-06	327.53	65.00

Scrutiny of energy bills of Road Lighting Division paid during the years 2001-02 to 2005-06 revealed that the Division had verified these Bills for payment in a routine manner without actually cross checking the amounts with any records whatsoever. Proper records had not been maintained by the Division which could indicate whether the meters were installed and working properly, details of the sanctioned load on installed meters etc. There was no indication whether the bills were raised at flat rates or on the basis of readings recorded from the meters. In the absence of relevant records produced, the authenticity of the verification of bills by the Division could not be examined in audit.

Scrutiny of test check of records of 10 of the 76 switching stations revealed the following discrepancies:

- i) In case of monthly bills of five switching stations, amount was same each month for three years, implying that the bills were not based on the meter readings. Details are given below:-

**Table : 5**

S. No.	Location of switching station/meter number	Months	Amount of bills	Number of poles/fittings
1.	Babar Road/ K-99147	April 2003 to March 2006	Rs.1930 per month	234 /272
2.	Sarojini Nagar Block-I/ K-42900	April 2005 to March 2006	Rs.56770 per month	404/404
3.	Kidwai Nagar (West)/ K-45033	April 2001 to March 2003	Rs.72 per month	63 /63
4.	33 KV Nehru Park, Rose Garden/ K-90976	April 2001 to March 2006	Rs.157570 per month	144/144
5.	Kidwai Nagar (East)/ K-31948	April 2003 to March 2006	Rs.60550 per month	488 /488

It would be seen from the table above that there was no co-relation between fittings installed on the poles and the energy charges paid by the Division. For instance, energy charges of Rs.1930 per month were paid in respect of 272 fittings installed on poles covered under Babar Road switching station, whereas for only 144 fittings installed on poles covered under Nehru Park Rose Garden, the energy charges paid were to the tune of Rs.157570 per month. Similar variations between the number of fittings and amount of energy bills could be seen at Kidwai Nagar East and Kidwai Nagar West switching station.

ii) In another five test checked cases, monthly/yearly bill amounts indicated huge variation from month to month with no basis for such variations. The details are given below:

**Table : 6**

S. No.	Location of switching station/meter number	Months	Amount of bills	Number of poles/fittings
1.	Ansari Nagar West/ K-100024	December 2001 to June 2005	Nil per month to Rs.94494 per month	73 /73
2.	Karbala Aliganj/ K-24223	April 2002 to March 2006	Rs.11352 per month to 290921 per month	108/108
3.	Shahajahan Road/ K-86604	April 2001 to March 2004	Rs.26 per month to 305494	317/317
4.	Lodhi Road/ K-86852-A	March 2002 to March 2005	Rs.12 per month to 123380 per month	240/240
5.	Jor Bagh/ K-100020	April 2004 to March 2005	Rs.70 per month to 234581 per month	220/220



It can be seen from the above details that for 108 fittings installed on poles covered under switching station Karbala Aliganj, the energy charges varied from Rs.11352 per month to Rs.290921 per month whereas for 220 fittings installed on poles covered under Jor Bagh switching station, the energy charges varied from Rs. 70 to Rs.234581 per month. This again suggested that there was no co-relation between fittings installed and energy charges paid by the Division. Further, huge variations in monthly energy bills were also not analyzed by the Division.

The Department is requested to take effective steps in this regard to rectify the defective meters to avoid excess billing. There is also a need to evolve a mechanism for proper verification of amounts as shown in the bills.

### 3.9.2. Absence of policy in respect of painting of road light poles

The painting of road light poles in various zones of NDMC is one of the important works of the Division. The zone-wise details of number of poles painted during last five years is given below:-

**Table : 7**

	2001-02		2002-03		2003-04		2004-05		2005-06	
Name of zone	Total poles	Poles painted	Total poles	*Poles painted	Total poles	*Poles painted	Total poles	Poles painted	Total poles	Poles painted
I	2016	104	2016		2016		1980	2213	1920	227
II	2175	972	2175		2175		2175	895	2175	664
III	1825	305	1825		1825		1825	47	1825	680
IV	2776	541	2776		2776		2776	2289	2788	590
V	1621	0	1621		1621		1621	1106	1621	1618
VII	1892	139	1892		1892		1892	1570	1798	0
IX	2916	1119	2916		2916		2916	601	2916	1486
X	2855	1486	2855		2855		2855	0	2851	1762
<b>Total</b>	<b>18076</b>	<b>4666</b>	<b>18076</b>	<b>6782</b>	<b>18076</b>	<b>3649</b>	<b>18040</b>	<b>8721</b>	<b>17895</b>	<b>7027</b>
<b>Percent of poles painted during the year</b>		<b>25.8</b>		<b>37.5</b>		<b>20.1</b>		<b>48.31</b>		<b>39.27</b>

\*Zone-wise figures not available

Scrutiny of records revealed that there was no policy/norms framed/maintained in Road Lighting Division for painting of road light poles. As can be seen from the table above, there were huge variations in number of poles painted each year ranging from 20 per cent of poles painted during the year 2003-04 to 48 per cent painted during the year

2004-05. Road Lighting Division did not have a uniform policy to paint the road light poles and fittings in respect of different zones even in the same year. In the year 2001-2002, while no poles were painted in Zone-V but 52 per cent of total poles in Zone-X were got painted. Similarly, during the year 2004-2005, no poles were got painted in Zone-X and 115 per cent poles were got painted in Zone-I. Again, while no poles were painted in Zone-VII, 100 per cent of poles in Zone-V were got painted during the year 2005-06.

The reasons for huge variations were not on record. The Division needs to frame policy/norms in this regard.

### **3.9.3 Contract Management**

#### **3.9.3.1 Splitting of works**

As per Para 15.4.1 of CPWD Manual, generally splitting of works for the purpose of inviting tenders should not be resorted to. Tenders are to be invited in the most open and public manner possible, by advertisement in press. For works estimated to be more than Rs. 2 lakh, brief advertisement inviting tenders are invariably to be inserted in the press in the classified category as per provisions made in Para 16 of CPWD Manual.

Review of works for the period 2001-02 to 2005-06 revealed that in large number of cases, similar types of works were awarded within short intervals separately and some times on the same day without calling for tenders and without obtaining sanction from higher authority. Out of 181 total agreements amounting to Rs.3.73 crore during the audit period, splitting up of works was observed in 43 cases amounting to Rs.71.07 lakh. This accounted for 19 per cent of money value of total agreements and 24 per cent of total number of cases where works were awarded on agreement basis. Illustrative list of 20 such cases of splitting of works awarded on agreement basis is given in Annexure-VIII.

As can be seen from the details at Annexure-VIII, various works of painting/dressing of poles etc. were splitted up and awarded around same date and in some cases to the same contractor in violation of rules. As the proper tendering process was not followed, the Department was deprived of the benefits of competitive rates.

Similarly, supply orders/work orders were issued in piecemeal for similar type of works/supplies of materials on short intervals by avoiding sanction from higher authority and regular tendering process. Delegation



of financial powers issued by NDMC vide endorsement No. Fin/2003/DP-II/496/D dated 20.11.03 clearly specifies that contracts should be awarded only after inviting open tenders. Award of work/supply order without call for tenders should be infrequent and only when there are very special reasons for making an exemption from the said rule. The Division issued various work/supply orders in very short intervals by obtaining quotations from few contractors. During the period 2001-02 to 2005-06, out of total of 288 work/supply orders amounting to Rs. 74.37 lakh, splitting up of works was observed in 63 cases amounting to Rs. 16.53 lakh. This accounted for 22 per cent of money value as well as number of work/supply orders awarded during the audit period. Illustrative list of 33 of such cases is given in Annexure-IX.

It may be further mentioned that by awarding works on quotation basis, the department was deprived of the benefit of obtaining security deposit/performance guarantee based on which it could take further action in case of default in work execution and supply during the maintenance period.

In reply the Division stated that henceforth the codal formalities would be complied with.

### 3.9.3.2 Expenditure in excess of annual ceilings

As per delegation of financial powers, the powers for award of work of EE/SE/CE without call of tenders are as under: -

**Table : 8**

S. No.	Designation	Upto 2004-05		2005-06	
		Amount per work/supply order	Annual ceiling	Amount per work/supply order	Annual ceiling
1	Executive Engineer	Rs. 15000	Rs. 4.00 lakh	Rs. 25000	Rs.6.00 lakh
2.	Superintending Engineer	Rs. 25000	Rs. 5.00 lakh	Rs. 50000	Rs. 10.00 lakh
3.	Chief Engineer	Rs. 50000	Rs.10.00 lakh	Rs.100000	Rs. 20.00 lakh

For execution of agreements the powers delegated to EE/SE/CE are as under:-

**Table : 9**

S. No.	Designation	Upto 2004-05	2005-06
1.	Executive Engineer	Upto Rs. 2.00 lakh	Upto Rs. 5.00 lakh
2.	Superintending Engineer	Upto Rs. 4.00 lakh	Upto Rs. 10.00 lakh
3.	Chief Engineer	Upto Rs. 10.00 lakh	Upto Rs. 25.00 lakh

Scrutiny of year-wise work/supply orders for the period 2001-02 to 2005-06 revealed that annual ceiling/limits as per delegated powers had been exceeded at various levels of EE/CE as detailed below: -

**Table : 10**

S. No.	Year	Competent authority	Total amount of WO/SO issued	Excess amount (Rs.)
1.	2002-03	Executive Engineer	522537	122537
2.	2003-04	Executive Engineer	517599	117599
3.	2004-05	Chief Engineer	1292000	292000

Reasons for awarding work/supply orders in excess of annual ceilings were not available on records produced to audit.

### 3.9.3.3 Undue benefit to contractors

Scrutiny of agreements /supply orders/work orders revealed that out of total 469 cases, in 266 cases, works were awarded to select eight contractors during the five year period of 2001-02 to 2005-06. The percentage of such cases in a year varied from 41 per cent to 66 per cent. Interestingly, every year contractor M/s Arcee Trading Company bagged largest numbers of orders ranging from 16 per cent to 29 per cent of total works awarded. The year- wise break up of such cases is given below:

**Table : 11**

Year	Total no. of WO/SO/ agreements during the year	Name of the contractor	Number of agreements/ supply/work orders issued	Percentage of agreements/ supply/ work orders issued to select contractors	Percentage of first contractor to total
2001-02	61	M/s Arcee Trading Corp.	10		
		M/s Goel Elect. Works	03		
		M/s Twinkle Industries	06		
		M/s Fairdeal Electricals	04		
		M/s Goyal Enterprises	02		
		<b>Total</b>	<b>25</b>	<b>41</b>	<b>16</b>



<b>2002-03</b>	83	M/s Arcee Trading Corp.	19		
		M/s Goel Elect. Works	01		
		M/s Fairdeal Electricals	09		
		M/s Bansal Traders	08		
		M/s Goyal Enterprises	11		
		<b>Total</b>	<b>48</b>	<b>58</b>	<b>23</b>
<b>2003-04</b>	116	M/s Arcee Trading Corp.	30		
		M/s Goel Elect. Works	05		
		M/s Kamal Electricals	13		
		M/s Kapila Engineers	22		
		M/s Goyal Enterprises	05		
		<b>Total</b>	<b>75</b>	<b>65</b>	<b>26</b>
<b>2004-05</b>	99	M/s Arcee Trading Corp.	21		
		M/s Goel Elect. Works	09		
		M/s Kamal Electricals	08		
		M/s Kapila Engineers	07		
		<b>Total</b>	<b>45</b>	<b>45</b>	<b>21</b>
<b>2005-06</b>	110	M/s Arcee Trading Corp.	32		
		M/s Goel Elect. Work	09		
		M/s Kamal Electricals	20		
		M/s Goyal Enterprises	12		
		<b>Total</b>	<b>73</b>	<b>66</b>	<b>29</b>

Predominance of few contractors puts a question mark on transparency of system of awarding works/awards.

#### 3.9.3.4 Other irregularities

Scrutiny of records for the period from 2001-02 to 2005-06 revealed the following irregularities in respect of framing of estimates and award of works:

##### a) Preparation of estimates

- (i) Estimates were found on record in all the 48 test checked cases out of total 181 cases where work was awarded on agreement basis. However, these estimates in most of the cases were based on market rates. Delhi Schedule of Rates was not referred to for the items for which NDMC Schedule Rates were not available. For market rates also, no supporting documents were found on record. In 72 test checked cases of work/supply orders out of total 288 cases, no estimates were found on record.

- (ii) In 58 of the total 120 test checked cases of agreement/work/supply orders, no justification/analysis of rates were found on record while considering award of work to lowest tenderer although it was mentioned that rates were reasonable and justified.

**b) Miscellaneous**

As per terms and conditions of NIT (21A & 21B), the contractor must produce Sales Tax Registration certificate and Income Tax Clearance Certificate before sale of tender. Test check of files revealed that in 75 out of 120 cases of agreement/ work/supply orders, the firms did not produce the same. Even then tenders were sold to them and the firms were considered for award of work. Further, firms not registered with Sales Tax/VAT Department were also considered/called to quote the rates. Thus, the terms and conditions of NIT were not adhered to by the Division.

**3.10. Material management**

**3.10.1 Purchases from open market**

Road Lighting Division requires various types of electric material like lamps, holders, chokes, tubes, wires, fittings etc. for its efficient functioning. Normally, the procedure should be to prepare annual estimates of these requirements well in time i.e., before the start of the financial year, so that the same are procured and made available by the concerned Stores Division.

A test check of annual estimation files of Road Lighting Division revealed that the process of estimation was started only after commencement of the financial year and as late as July during the year 2005-06. These estimates were approved finally as late as August-December during all the years from 2001-02 to 2005-06 except for the year 2003-04. As a result of this delayed process of framing the estimates and their approval, the material and other requirements of the Division were not met by the Stores Division. Resultantly, purchases were made in most cases from open market by Road Lighting Division.

Further, scrutiny of works files of Road Lighting Division for the period 2001-02 to 2005-06 revealed that in 42 test checked cases, only an indication was given that the items required were not available in the store. In the notes of relevant work files, proposals were made and



approvals obtained for purchasing the required material from the open market without obtaining non-availability certificates from the concerned Stores Division.

The Division needs to take corrective steps in this regard and streamline the procedure for procurement of materials etc.

### **3.11 Loss of road light poles and fittings to the tune of Rs.2.55 lakh due to theft**

Perusal of the theft case files/register during the year 2001-02 to 2005-06, revealed that some items of fittings, lamps etc. were stolen from different poles in various zones of Road Lighting Division. NDMC had suffered a loss to the tune of Rs. 2.55 lakh due to the theft of fittings etc. during the last five years. The action taken by the Division for preventing theft of material/fittings etc was not on record.

Scrutiny of theft register/theft files produced to audit further revealed that:

- (i) No departmental enquiry was conducted in any case.
- (ii) In none of the theft cases, the investigation report by concerned SHO had been obtained. Further, it was observed that no reminder had been sent to concerned SHO to know about the status of theft cases.
- (iii) Some of the theft cases were not found recorded in the theft register maintained by Road Lighting Division though the same were reported to concerned police stations. On pointing out the omission the Division incorporated the left over cases also in the register.

A proper procedure of incorporating all the cases of theft in the theft register thus needs to be adopted to ensure proper monitoring of action taken in all cases.

### **3.12. Improper maintenance of records by complaint centres/site offices**

There are eight complaint centres/site offices of Road Lighting Division in various areas of NDMC. They attend to complaints received from the public as well as faults intimated by NDMC officers. The complaint centres/site offices attend complaints by locating cable faults as well as faults in the road light poles.

Scrutiny of records of the complaint centres/site offices revealed that the complaint registers were not being maintained properly. Although location of complaint and nature of fault is indicated in the complaint register yet no columns indicating the time of receipt of the complaint, date and time of compliance/completion, signature of the attendant, remarks of Junior Engineer have been opened in the complaint register maintained in various complaint centres/site offices. Further, no details as to how much material was required/consumed, nature/kind of material issued on each complaint was on record in the complaint register.

Appropriate steps need to be taken to maintain proper complaint register at complaint centres/site offices to ensure that complaints are attended in minimum possible time.

### **Conclusion**

The review of functioning of Road Lighting Division for the period 2001-02 to 2005-06 revealed critical shortcomings. There was absence of proper policy/norms in respect of painting of road light poles. Contract management was not efficient as there were large number of cases of splitting of work, violation of delegated powers, irregularities in tendering, award of work to limited contractors etc. Energy charges, a critical component of the expenditure of Road Lighting Division, were paid without any proper verification and there was no co-relation between number of fittings and amount of bill. The Department of Electricity needs to look into these areas and streamline the functioning of Road Lighting Division.



**DEPARTMENT  
OF  
ESTATE**

**FUNCTIONING OF ESTATE  
DEPARTMENT**



## CHAPTER-IV : DEPARTMENT OF ESTATE

### FUNCTIONING OF ESTATE DEPARTMENT

Audit reviewed the functioning of Estate Department for the period 2000-2006 with a view to examine its performance in assessment, raising of demands, collection of revenue etc. Functioning of main branches of Estate Department i.e. Administrative Section and Accounts Section was found to be deficient. The Department did not take appropriate action to recover the licence fee from the allottees and ex-allotees of the commercial units, thereby resulting in accumulation of arrears to the tune of Rs 590.94 crore as of 31 March 2006. There was inordinate delay in allotment of commercial units resulting in loss of revenue to the tune of Rs. 2.41 crore due to vacancy of units. The Demand and Collection Registers, Damage Registers etc. were not maintained properly.

#### Highlights

- Outstanding amount of arrears from allottees of commercial units and hotels was Rs.518.85 crore as of 31 March 2006. In 21 cases, amount due from individual licensees was in excess of Rs. one crore.
- Outstanding amount of arrears from ex-allotees of commercial units had accumulated to Rs.72.09 crore as of 31 March 2006.
- Licence fee of Rs.1.04 crore on account of dishonoured cheques remained unrecovered as of 31 March 2006.
- Shops/units remained vacant for a period ranging from six months to more than five years resulting in loss of revenue to the tune of Rs.2.41 crore as of 31 March 2006.
- The Department failed to send the cases to the Estate Officer's Court even after lapse of nine months to six years from the date of passing orders by competent authority.

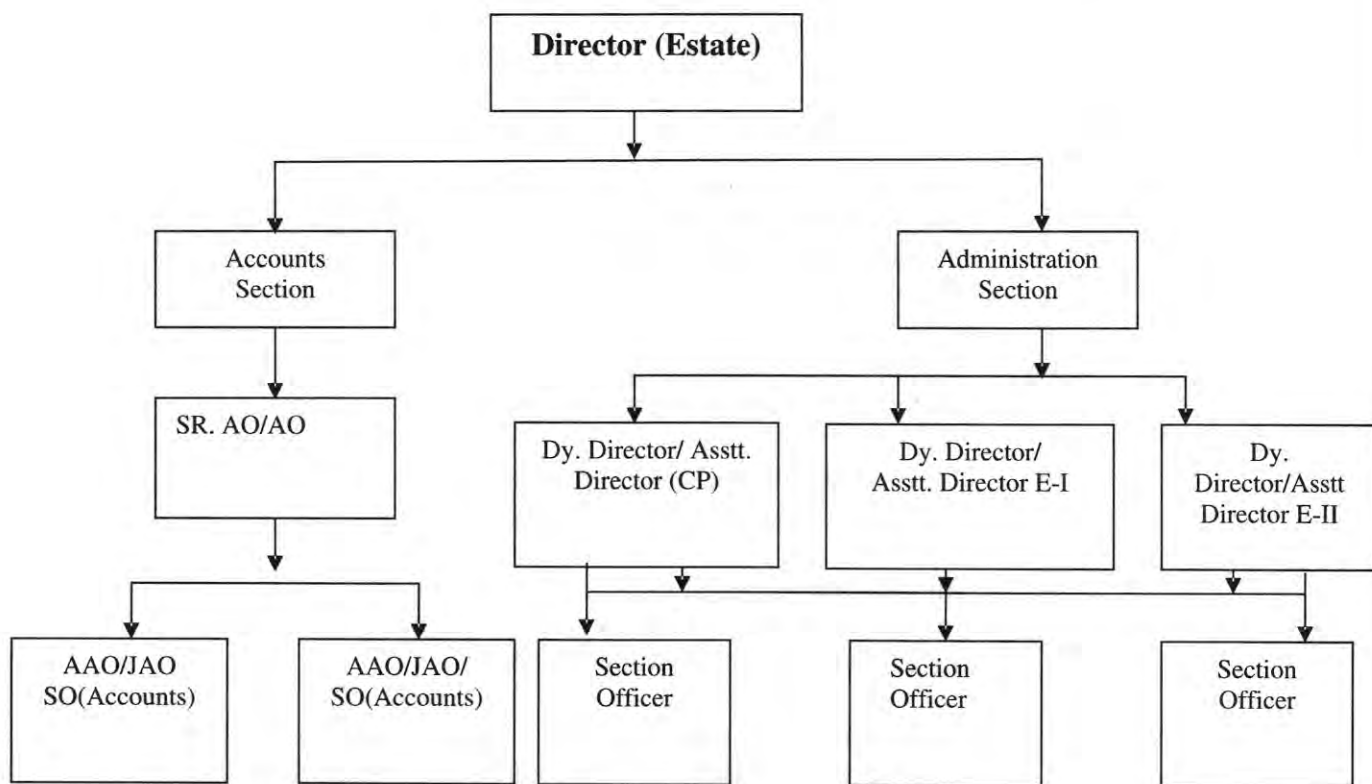


#### 4.1. Introduction

The Estate-I Department of NDMC deals with the allotment of commercial units in licensed markets, commercial complexes and office buildings to private parties/Government agencies on monthly licence fee basis. This discretionary function of NDMC helps in generation of revenue for the Council. Presently, there are 38 markets with 3272 shops/units under the jurisdiction of this Department, as per information furnished by the Department.

#### 4.2(a) Organisational structure of Estate Department

The overall control of Estate Department vests with Director (Estate). He is assisted by Sr. Accounts Officer in charge of Accounts Branch and Dy. Director/Asstt. Director in charge of the Administration Section of the Department. The organizational chart is given below:



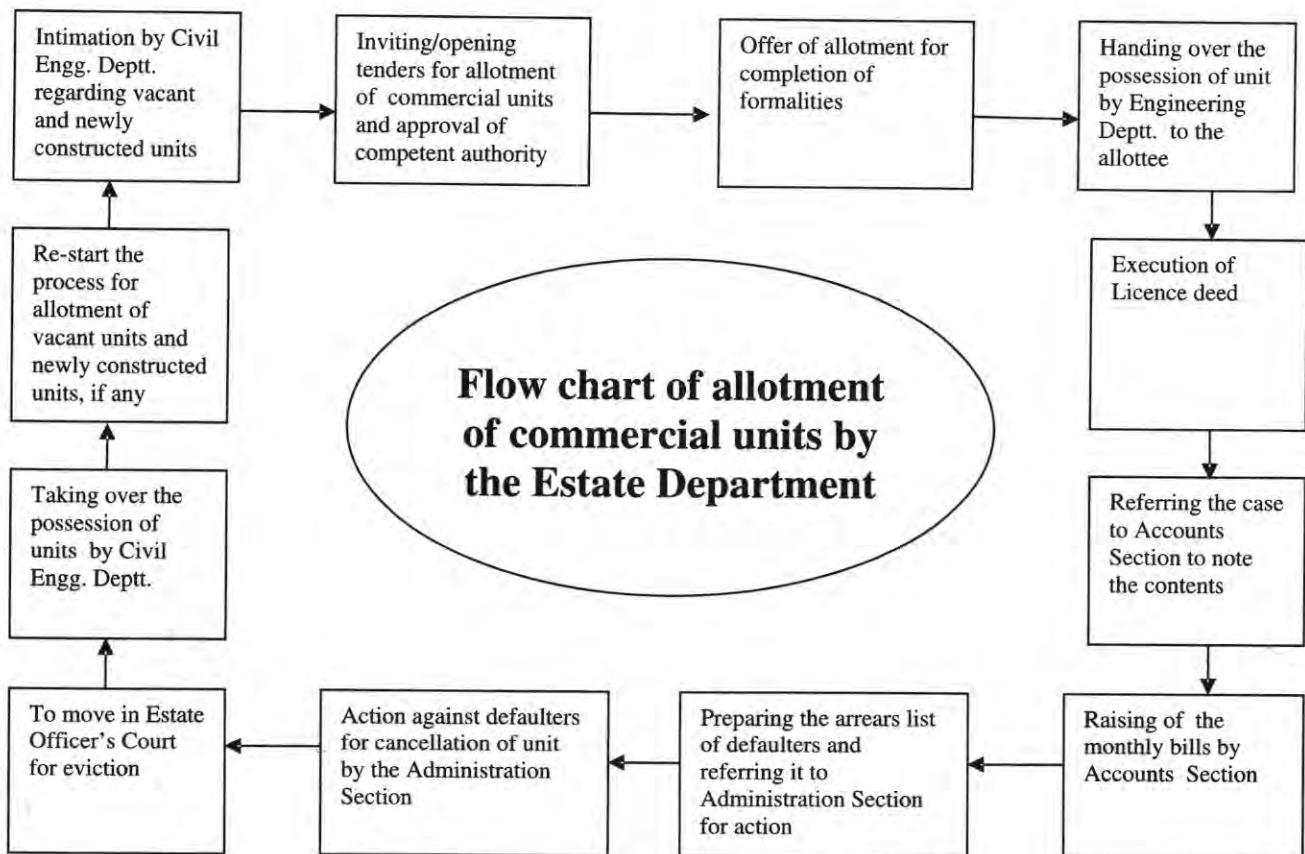
**i) Accounts Section**

Sr. Accounts Officer/Accounts Officer is in charge of Accounts Section. With the assistance of AAO/JAO/SO (Accounts) he maintains Demand & Collection Registers and other allied registers, generates monthly demands from licensees of commercial units and scrutinizes the referred cases.

**ii) Administration Section**

The Section headed by Dy. Director/Asstt. Director is responsible for allotment of commercial units both on rehabilitation basis or open tender basis, granting permission for change of trade, renewal of licence of units, transfer of allotment, periodical inspections of the commercial units and monitoring recoveries from them. They are assisted by Section Officers (Admn.) and other staff.

Flow chart of main function of the Estate Department i.e. allotment of commercial units is given below:





#### **4.3. Scope of Audit**

An audit appraisal of the functioning of the Estate Department was conducted for the period 2000-01 to 2005-06 with reference to records of the Estate Department.

#### **4.4. Audit Objectives**

The primary objective of the audit was to ascertain whether the Department has been discharging its function of estate management efficiently and effectively. This was further sub-defined to ascertain:

- (a) arrears of licence fee;
- (b) delays in allotment of units;
- (c) adherence to codal provisions and Council Resolutions.

#### **4.5. Audit Methodology**

The Estate Department deals with allotment of commercial properties/units owned by NDMC to private parties/Government organizations on licence fee basis. There are a total of 38 markets covering 3272 shops/units. Audit test checked 10 per cent of these cases. The audit methodology included:

- (a) direct examination of records of Accounts Branch of the Department;
- (b) direct examination of records of the Administration Branch of the Department.

#### **4.6. Acknowledgement**

The executing officers provided information and documents and facilitated conducting of Audit.

#### **4.7. Trend of revenue receipts**

The Department collects revenue receipts on account of licence fee of shops (H-I & H-II), licence fee of kiosks (H-VIII), other receipts (H-XV) and fire-fighting charges (H-XX). These receipts account for a significant proportion of non-tax revenue receipts of the Council. The trend of actual revenue receipts in last six years was as under:

**Table : 1****(Rs. in lakh)**

<b>Description</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
Licence fee of shops	7584	7942	9402	7889	8419	10727
Licence fee of kiosks	89	61	74	64	48	92
Other receipts	39	21	70	17	4	11
<b>Total</b>	<b>7712</b>	<b>8024</b>	<b>9546</b>	<b>7970</b>	<b>8471</b>	<b>10830</b>

A perusal of the table above indicated that over a period of six years the receipts of the Department increased by 40 per cent. There was no specific trend in respect of receipts. The receipts were showing a consistently rising trend upto 2002-03 and then registered a decline, which was partially recovered in 2004-05 and 2005-06. The reasons for significant decline in receipts in general and licence fee of shops in particular in 2003-04 were neither analyzed by the Department nor available on record.

#### **4.8. Vacancy position of commercial units**

As per statement provided by Estate Department, 35 shops and eight office units were vacant as of 31 March 2006 for a period ranging from six months to more than five years. Details are given below:

**Table : 2**

<b>S. No.</b>	<b>Period</b>	<b>No. of units</b>
1.	Units vacant upto 6 months	NIL
2.	Units vacant for more than 6 months but less than 1 year	03
3.	Units vacant for more than 1 year but less than 2 years	14
4.	Units vacant for more than 2 years but less than 3 years	08
5.	Units vacant for more than 3 years but less than 4 years	05
6.	Units vacant for more than 4 years but less than 5 years	07
7.	Units vacant for more than 5 years	06
	<b>Total</b>	<b>43</b>

#### **4.9. Audit findings**

##### **4.9.1 Arrears of licence fee**

##### **4.9.1.1 Non- recovery of arrears of licence fee from the licensees of commercial units**

Section 363 of the NDMC Act provides that any sum due to the Council on account of any charge, costs, expenses, fees, rates or rent or on



any other account under the Act may be recoverable from any person from whom such sum is due as an arrear of tax under the Act. Provided that no proceedings for the recovery of any sum under this section shall be commenced after the expiry of three years from the date on which such sum becomes due.

It was highlighted in Para 33 of the Annual Audit Report for the year ended March 2000 that the Department had not taken adequate action to recover huge arrears of licence fee, damages etc. from the defaulting parties. Resultantly, arrears of licence fee, damages and interest thereon amounting to Rs.376.63 crore were outstanding from 819 licensees as of 31 March 2001.

A further review of the Demand & Collection Registers and Damage Registers, however, revealed that instead of any improvement, the position of outstanding arrears had deteriorated and the amount of arrears of licence fee, damages and interest increased from Rs.376.63 crore (819 parties) in March 2001 to Rs.518.85 crore (639 parties) by 31 March 2006. Thus, despite a decrease of about 22 per cent in the number of defaulting parties, the amount of arrears increased by 37.76 per cent during a period of six years. The total arrears of Rs. 518.85 crore included arrears of licence fee and damages amounting to Rs. 249.10 crore and interest charges of Rs.269.75 crore as detailed below:

Table : 3

(Rs. in crore)

S.No.	Break-up	Licence fee	Interest	Total
1	Demand & Collection Register	1.92	0.73	2.65
2	Damage Register	124.73	132.12	256.85
3	Hotels	122.45	136.90	259.35
	<b>Total</b>	<b>249.10</b>	<b>269.75</b>	<b>518.85</b>

A detailed analysis of the outstanding dues further revealed that in 525 cases, the amount of outstanding licence fee was upto Rs.5 lakh only. In 35 cases, the amount due from individual parties ranged between Rs.5 lakh to Rs.10 lakh, in 45 cases the amount ranged from Rs. 10 lakh to Rs. 50 lakh, in 13 cases it ranged from Rs. 50 lakh to one crore and in 21 cases the amount due from individual licensees was in excess of Rs.one crore and upto Rs.209.25 crore as indicated in the table below:

**Table : 4**

S.No.	Range of arrears	No. of cases	( Rs. in crore)
			Total arrears
1.	Up to 5 lakh	525	3.26
2.	Above Rs. 5 lakh to Rs.10 lakh	35	2.34
3.	Above Rs.10 lakh to Rs.25 lakh	28	4.19
4.	Above Rs.25 lakh to Rs.50 lakh	17	5.25
5.	Above Rs.50 lakh to Rs.1 crore	13	7.11
6.	Above Rs.1 crore	21	496.70
	<b>Total</b>	<b>639</b>	<b>518.85</b>

There was significant increase in arrears from Rs.169.42 crore to Rs.287.82 crore during the three year period i.e. 2001-02 to 2003-04. This was mainly due to increase in licence fee annually by 10 per cent w.e.f. year 2000 onwards and non-payment by the licensees at the enhanced rate.

The Demand & Collection Registers and the Damage Registers did not indicate the date from which the arrears were due from the licensees, the year-wise break up of the arrears and the action taken by the Department to recover the same. In absence of this information, the correctness of the arrears could not be verified in audit. Further, it could also not be verified whether any claim had become time-barred. In some cases, the parties had disputed the claim of the Department. However, the disputes had not been settled despite lapse of considerable time.

Thus, Department's inability to take adequate action for the recovery of arrears of licence fee from the defaulting licensees had resulted in accumulation of arrears of licence fee, damages and interest thereon to the astronomical level of Rs.518.85 crore as of 31 March 2006.

### **Recommendations**

There is a need to strengthen the recovery process. The progress of recovery of arrears needs to be monitored regularly at appropriate level. Department may also ensure that all the columns in the Demand and Collection Registers are filled properly, year-wise break up of arrears are indicated and the entries are attested by competent authority to ensure their authenticity.



#### 4.9.1.2 Non-recovery of arrears of licence fee from the ex-allottees of the commercial units

A review of the position of outstanding arrears against the ex-allottees of the commercial units revealed that despite being pointed out repeatedly in audit, the arrears against the ex-allottees continued to increase. These arrears increased from Rs.40.16 crore from 321 parties as of 31 March 2002 to Rs.72.09 crore from Rs.387 parties as of 31 March 2006 i.e. increase of about 80 per cent over a period of four years. The arrears of Rs.72.09 crore included arrears of licence fee amounting to Rs.22.19 crore and interest charges of Rs.49.90 crore. The year-wise trend of arrears during the last six years is as under:

**Table : 5**

<b>(Rs. in crore)</b>	
<b>Period</b>	<b>Arrears</b>
<b>2000-01</b>	40.29
<b>2001-02</b>	40.16
<b>2002-03</b>	52.74
<b>2003-04</b>	56.31
<b>2004-05</b>	63.06
<b>2005-06</b>	72.09

It was further observed that full particulars of these ex-allottees indicating the date of vacation of the premises, date from which the arrears were due, the total amount outstanding etc. were not recorded in the Demand & Collection Registers. In the absence of proper records, the exact amount of dues against such ex-allottees and their age-wise position could not be verified in audit. Reasons for non-payment and also the action taken by the Department for the recovery of their dues were also not available on records produced to audit.

A detailed analysis of the outstanding dues, further revealed that while in 130 cases the outstanding amount of licence fee from ex-allottees was upto Rs.5 lakh, in 249 cases the amount due from ex-allottees ranged between Rs.5 lakh and Rs.1 crore and in eight cases the outstanding amount was even more than one crore and upto Rs.7.83 crore as indicated below:

**Table : 6****(Rs. in crore)**

<b>S. No.</b>	<b>Range of arrears</b>	<b>No. of units</b>	<b>Amount</b>
1.	Upto Rs. 5 lakh	130	2.63
2.	Rs.5 lakh to Rs.10 lakh	67	5.09
3.	Rs.10 lakh to Rs.25 lakh	132	20.29
4.	Rs.25 lakh to Rs.50 lakh	39	13.11
5.	Rs.50 lakh to Rs.1 crore	11	7.20
6.	Rs.1 crore and above	8	23.77
	<b>Total</b>	<b>387</b>	<b>72.09</b>

It was observed that despite having powers for enforcing recovery of their dues under Section 101,102 and 363 of the NDMC Act, the Department had not taken adequate action for the recovery of the outstanding dues from the defaulting parties. Consequently, the progress of recovery of old outstanding dues was unsatisfactory.

#### **4.9.1.3 Non-recovery of licence fee on account of dishonoured cheques amounting to Rs.104.42 lakh**

Section 138 of the Negotiable Instruments Act, 1881 provides that when a cheque is dishonoured by the bank, the party should be given a written notice within 15 days of receipt of information from the bank to deposit the amount within 15 days of receipt of the notice. In case payment is not received within the stipulated period, the defaulting party shall be punished with imprisonment upto one year or with fine upto double the amount of the cheque.

Despite being pointed out in audit, the Department failed to take adequate corrective measures. Consequently, the problem of dishonoured cheques continued unabated.

As per information available in the register of dishonoured cheques, 101 cheques involving payment of licence fee amounting to Rs.22.45 lakh were dishonoured during 2005-06. As of 31 March 2006, an amount of Rs.104.42 lakh was outstanding against 564 cheques dishonoured during 1996-97 to 2005-06. The correctness of these figures, however, could not be verified in audit as the register was not maintained properly and the entries were not upto date. The details of cheques dishonoured, amount involved therein and amount still outstanding are given in the table below:



Table : 7

(Rs. in lakh)

Year	No. of cheques dishonoured as of 31 March 2005	No. of cheques cleared during 2005-06	No. of cheques still outstanding as of 31 March 2006	Amount
1996-97	24	----	24	6.25
1997-98	8	----	8	0.31
1998-99	12	----	12	3.07
1999-00	10	----	10	2.61
2000-01	22	----	22	7.39
2001-02	25	----	25	9.23
2002-03	61	----	61	10.01
2003-04	78	04	74	6.23
2004-05	285	58	227	36.87
2005-06	--	--	101	22.45
<b>Total</b>	<b>525</b>	<b>62</b>	<b>564</b>	<b>104.42</b>

The unrecovered amount of dishonoured cheques decreased from Rs.110.71 lakh as of 31 March 2005 to Rs.104.42 lakh as of 31 March 2006. However, the number of dishonoured cheques increased from 525 as of 31 March 2005 to 564 as of 31 March 2006. It was further observed that a sum of Rs.6.25 lakh in respect of 24 cheques dishonoured during 1996-97 had not been recovered from the parties concerned even after a period of about nine years. In view of same, deterrent measures as provided under the law are required to be taken against the defaulting parties so as to control the incidence of dishonoured cheques.

#### 4.9.2 Lack of co-ordination between Accounts and Administration Sections

Scrutiny of the records revealed that Accounts Branch had been issuing monthly demands bills (licence fee) for each licensee unit and recorded/entered the licence fee receipts in the Demand & Collection Registers and Damage Registers through the counter foils/copy of challans received from the Cash Department, NDMC.

It was further noticed that the Administration Branch had been checking the position of arrears and status of licence fee of the unit from the Accounts Branch on following occasions i.e. at the time of:

- (a) Renewal of licence
- (b) Processing case for transfer on the legal heir basis or otherwise

## (c) Submission of Inspection Report

Though Accounts Branch was stated to have sent arrears list on monthly basis to Dy. Director/Asstt. Director of Administration section but the same was not found placed in records/unit files for taking action against the defaulters. Resultantly, show cause notices were not sent regularly by the Administration section for recovery of outstanding dues and the arrears continued to accumulate.

**4.9.3 Irregularities in tendering and allotment process**

As per policy of NDMC regarding allotment of commercial units, tenders are floated through advertisement in newspapers/website for allotment of shops/offices in the NDMC area. The tender files for the period 2000-01, 2001-02 and 2004-05 were not produced to audit. Scrutiny of tender files of 2002-03 and 2003-04 revealed the following lapses:

**4.9.3.1 Inordinate delay in processing the tender files and retendering of shops/units**

Scrutiny of tender files revealed that no uniform policy had been adopted by the Estate Department with regard to floating of tenders i.e. tender files were not being processed at regular intervals despite the availability of vacant shops. Further, tenders were not floated in time due to non-availability of tender forms and also due to missing tender files in June 2003.

It was also observed that a number of shops/units were recommended for re-tendering, as per details given below:

**Table : 8**

S. No.	Date of opening of tenders	Total no. of units put to tender	No. of units allotted /negotiated	No. of units recommended for retendering
1.	14.02.03	39	15	24
2.	01.03.04	49	30	19
3.	26.10.05	42	Nil	Tenders not finalized
4.	31.03.06	*43	8	35

\* In addition one unit had been allotted but possession was not handed over to allottee.

It is apparent from the table above that the Department floated the tenders after a gap of one year in March 2004 and after one and a half years in October 2005 respectively. Resultantly, the Department suffered a huge loss of revenue due to non-allotment of vacant units. Further,



despite the delayed tendering process, a number of shops/units were again recommended for re-tendering. As of 31 March 2006, eight units were allotted, 35 units remained un- allotted and were recommended for retendering.

Analysis of status of 42 shops put to tender in October, 2005 revealed that 20 shops were retendered time and again ranging from 2 to 11 times due to poor response/no response.

The Finance Department vide their note dated 12 December, 2003 recommended to :

- (i) fix a reserve price;
- (ii) formulate a uniform policy to regulate the allotment of all types of commercial units under the jurisdiction of various Departments of NDMC by constituting a Sub-Committee of officers of concerned Departments.

The Department had not so far fixed any reserve price of shops for purposes of tendering. Further, it could not be gathered from the records that any such Sub-Committee was formed to formulate an appropriate/uniform policy for efficient and timely allotment of shops.

#### **4.9.3.2 Loss of revenue to the tune of Rs.2.41 crore due to vacancy of units**

Scrutiny of records/information furnished by the Department revealed that 35 shops were lying vacant as of 31 March 2006 as stated below:

**Table : 9**

<b>Vacancy period</b>	<b>No. of shops</b>
0-18 months	07
18-36 months	18
36 months and above	10

This had resulted in loss of revenue amounting to Rs.1.17 crore upto 31 March 2006.

In addition, eight office units in Palika Bhawan were put to tender in March 2004 but were not allotted to M/s IRCON, being the highest bidder, on the plea that the said company was involved in litigation with NDMC and huge amount was also outstanding against them. These units

were vacant for periods ranging from 41 months to 60 months. On account of failure to allot the office units, NDMC suffered a loss of Rs. 1.23 crore as of 31 March 2006.

Thus, due to non-allotment of shops and office units in time, Council suffered a loss of Rs. 2.41 crore.

#### **4.9.4 Deemed renewal of shops upto 31 March 2005**

In order to streamline backlog of pending renewals of licenses, it was decided that there may be a deemed renewal in all cases where:

- (i) There are no arrears of licence fee or damages;
- (ii) No transfer is involved;
- (iii) There is no pending court case. This renewal should be in the form of a letter to the licensee that the licence has been renewed upto 31 March 2005, as licensees have already occupied the premises upto 31 March 2005 and have cleared the licence fee, renewal of licence upto 31 March 2005 should not be withheld. A formal deed of renewal beyond 1 April 2005, may be executed for a period of 10 years from 1 April 2005 on the existing terms and conditions and payment of licence fee, as per Council's Policy from time to time. It may be specifically mentioned in the renewal deed that if there are any violations or unauthorized construction, the Department reserves right to get the violations removed and the licence beyond 31 March 2005 shall continue only when the violations are removed.

While obtaining the approval of competent authorities, it was certified by the Department that there were no arrears of licence fee or damages and the licence beyond 31 March 2005 could be continued only after removal of violations wherever applicable.

Test check of 114 cases in six markets revealed the following shortcomings:-

- (i) As per policy, a formal deed was supposed to be executed beyond 1 April 2005 for a period of 10 years. No such deed was found on record.
- (ii) As per policy, the licence beyond 31 March 2005 shall continue only when there were no violations. There was nothing on record to indicate that Department carried out inspections in order to confirm that no violations were involved in the said cases.



- (iii) As per policy, only those cases were to be considered for deemed renewal where there were no arrears of licence fee or damages as on 31 March 2005. However, as per Demand & Collection /Damage Registers some units having outstanding dues on 31 March 2005 were considered for deemed renewal contrary to the policy. List of some such cases is given below:

**Table : 10****(Amount in Rs.)**

S.No.	Name of market	Shop/stall Number	Name of occupant	Amount outstanding as of 31 March 2005
1.	Palika Bazar	Shop No. 45	Smt. Deepti Nath	5806
2.	Palika Bazar	Shop No. 69	Smt. Leela	47154
3.	Palika Bazar	Shop No. 78	Sh. Surender Tandon	23260
4.	Palika Bazar	Shop No. 254	Mohd. Abdul Saleem	6337
5.	Palika Bazar	Stall No. S-2	Sh. Hari	4930
6.	Basrurkar Market	Shop No. 9	Sh. Umesh Bhatia Sh. Dinesh Bhatia	14118
7.	Basrurkar Market	Shop No. 20	Smt. Radhika Devi	701
8.	Basrurkar Market	Shop No. 36	M/s Secy. Moti Bagh Consumers Co-op Stores Ltd.	643
9.	Basrurkar Market	Shop No. 39	Sh. Om Prakash	1632
10.	Gole Market	Shop No. 25	Sh. R.D. Sharma	1158
11.	Gole Market	Shop No. 35	Sh. R.K. Bansal	617

#### **4.9.5 Rebates/surcharge not allowed as per Council resolution**

Council resolution dated 30 September 2004, stipulated that in case of government units and tendered units a rebate of two per cent and rehabilitation units, a rebate of five per cent shall be allowed for making prompt payment of monthly licence fee either in advance or by due date. Further, a surcharge @ five per cent shall be charged from all the units (i.e. tender units, rehabilitation units & government units) which did not pay the licence fee on or before the due date.

Test check of records for the month of March 2005 for six big markets revealed that in many cases the rebate allowed was in excess of permissible two per cent to five per cent. As the category of property was

not indicated explicitly, actual financial implication of rebate could not be worked out.

Test check also revealed that in 383 (44.64 per cent) out of 858 cases, rebate was allowed @2 per cent in case of government units and tendered units and 5 per cent in case of rehabilitation units though monthly licence fee was received after the due date. The Department should have actually charged a surcharge @5 per cent from these units as per resolution dated 30 September 2004 instead of allowing rebate. Non-levy of surcharge on licence fee of Rs.56.28 lakh not received in time had resulted in undue benefit to the licensees and loss of revenue of Rs. 2.81 lakh for a period of six months only (October 2004 to March 2005) to the Council.

#### 4.9.6 Non-processing of cases to Court of Estate Officer

Test check of unit files revealed that in number of cases competent authority had approved the proposal for cancellation of the licence of the shops or move the cases to Estate Officer's Court under section 5 & 7 of Public Premises Act 1971 for recovery of dues and eviction for violation of various conditions in the lease deed such as non-payment of dues, carrying on unapproved trade, non-regularisation of licence, premises remaining closed etc. No action was taken by the Estate Department to send the cases to the Estate Officer's Court even after lapse of nine months to six years from the date of passing orders. Details of the cases noticed during the test check are given below:

**Table : 11**

S.No	Shop No. & market	Nature of order	Date of passing the order	Reason/violation	Remarks
1.	M-5, Palika Bhawan	Move the case to Estate Officer for recovery & eviction under P.P. Act 5 & 7	18.10.99	Non-payment of arrears and shop remaining closed	Case not moved to Estate Officer. Resultantly, allottee left the shop with huge arrears i.e. Rs.6.53 lakh (upto 30.6.05).
2.	M-19, Palika Bhawan	-do-	29.1.01	Due to entering of partnership of a pvt. company (Ltd.) with an individual person	Case not moved to Estate Officer.



3.	M-29, Palika Bhawan	Prepare plaintiff for eviction & recovery under PP Act and file it before 10.10.02	30.9.02	Due to non-payment of arrears	Case not moved to Estate Officer. Resultantly, arrears increased to Rs.2.45 lakh as of 30 June 2005.
4.	5, Palika Bazar	Move the case to Estate Officer	22.2.05	On account of trade violation	Case not moved to Estate Officer.
5.	M-37, Palika Bhawan	-do-	13.6.05	Unauthorised occupant and not paying dues	-do-
6.	91, Palika Bazar	Cancellation of allotment of shop	27.1.05	On account of trade violation	-do-
7.	18, Palika Bazar	-do-	2.2.05	-do-	-do-
8.	9, Palika Bazar	-do-	21.2.05	-do-	-do-
9.	14, Palika Bazar	-do-	22.2.05	-do-	-do-

Reasons for not taking necessary action were not on record.

#### 4.9.7 Rehabilitation of shops/stalls etc.

Scrutiny of records pertaining to newly constructed 26 shops/stalls (13 shops & 13 stalls) at Udyan Marg, Mandir Marg in lieu of demolished 22 shops/stalls (10 shops & 12 stalls) at Birla Mandir Parking vide orders of Ministry of Tourism dated 13 January 2004 revealed that there had been delays in execution of licence deeds, handing over the possession of shops/stalls, non-execution of other required formalities, non-payment of pending arrears and non-processing of transfer cases, as stated in the table below:

**Table : 12**

S. No.	Shop number	Nature of irregularity
1	Shop No.1 Udyan Marg Mandir Marg in lieu of Shop No.13 Birla Mandir Parking.	Regularised in the name of Shri Sanjeev Sharma. Possession handed over on 16 February 2006 but licence deed not executed as of 31 October 2006.
2	Shop No.2, Udyan Marg Mandir Marg in lieu of Shop No.14 Birla Mandir Parking.	Regularised in the name of Shri Rajender Singh Rana on 5 December 2005 but possession not handed over as of 31 October 2006.
3	Shop No.3 Udyan Marg, Mandir Marg in lieu of Shop No.15, Birla Mandir Parking.	Regularised in the name of Shri Sanjeev on 20 January 1995. Possession letter issued on 3 March 2006 but from the records it was not clear whether possession was handed over or not.
4	Shop No.4 Udyan Marg, Mandir Marg in lieu of Shop No.16, Birla Mandir Parking.	Possession handed over to Shri Pradeep Sharma on 16 March 2005 but licence deed not executed.

5	Shop No.5, Udyan Marg, Mandir Marg in lieu of Shop No.17, Birla Mandir Parking.	Possession handed over to Shri Thakur Man Singh on 23 December 2005 but formalities were not completed.
6	Shop No.6, Udyan Marg, Mandir Marg in lieu of Shop No.18, Birla Mandir Parking.	Regularised in the name of Shri Ghan Shyam Dass. It was not clear as to whether the possession of the shop was handed over or not.
7	Shop No.7, Udyan Marg, Mandir Marg in lieu of Shop No.19, Birla Mandir Parking.	Originally allotted to Shri Sudhir Singh Rawat on 11 December 1991. An amount of Rs.5.64 lakh was due upto 13 January 2004 (date of demolition of shop). The dues had not been recovered as of 31 October 2006.
8	Shop No.8, Udyan Marg, Mandir Marg in lieu of Shop No.20, Birla Mandir Parking.	Originally allotted to Shri Ashvani Kumar on 11 December 1991. Partnership & dissolution deed executed on 1 August 1998 & 6 October 1998 respectively but transfer case was pending.
9	Shop No.9, Udyan Marg, Mandir Marg in lieu of Shop No.21, Birla Mandir Parking.	Originally allotted to Shri I.R. Hamilton. Partnership & dissolution deed executed on 5 August 2003 & 20 November 2003. Transfer case was pending.
10	Shop No.10, Udyan Marg, Mandir Marg in lieu of Shop No.22, Birla Mandir Parking.	Originally allotted to Shri Deepak Bedi on 21 December 2005. An amount of Rs.66883 was due upto 13 October 2006. Licence deed was however not executed.

Department needs to take corrective measures to avoid the delays and also clarify the late action in allotment of shops/stalls.

#### **4.9.8 Violation of terms and conditions of licence deed**

As per licence deed, the overall control and supervision of the shops shall remain vested in the licensor whose officials shall at all reasonable hours be entitled to inspect the premises with respect to its bonafide use and in connection with the fulfillment of other terms and conditions of the licence w.r.t. renewal of licence, payment of licence fee by due date, running of trade, subletting, transfer of shops, addition and alternations to the premises, damage to the shop due to negligence, encroachment of space, forfeiture of security deposit due to break of terms and conditions of licence deed, consumption of electricity, fire prevention and fire safety arrangements and entertainment of cases by Estate Officer etc.

##### **4.9.8.1 Non- adherence to terms and conditions of licence deed**

Scrutiny of unit files revealed number of violations of terms and conditions of the licence deed as per Annexure-X. Details of such cases with brief remarks of irregularities are as under:



**Table : 13**

<b>S.No.</b>	<b>Nature of irregularities</b>	<b>Premises</b>
1.	Non-adherence to fire safety measures	Shops No.115, 117,123,126, Palika Bazar
2.	Non-renewal of licence	Shop No. M-13, M-43 Palika Bhawan and 25, 42, 49, 127 Palika Bazar
3.	Non-completion of formalities required for renewal of licence deed	Shop No.9, Palika Parking, and 23,133,22 Palika Bazar
4	Non-implementation of the orders of competent authority for moving the case to Estate Officer's Court for eviction & recovery	Shop No. M-5, Palika Bhawan and Stall No.3, Palika Bazar
5	Encroachment of Municipal space outside the shop	Shop No.50, Palika Bazar
6.	Submission of forged documents by the allottees	Shop No.122, Palika Bazar Shop No.6, CSC Sarojini Nagar and Stall no. 11, Palika Bazar
7.	Security deposit amounting to Rs. 50596 unforfeited as the same was untraceable	Shop No.G-14, Palika Bhawan
8.	Clubbing of shops and accumulation of dues	Shop No. M-51,52 Palika Bhawan
9.	Pendency of transfer cases	Shop No. 1,2,3,6 XY Block, Sarojini Nagar Shop No. M-5 Bhagat Singh Market Shop No. 4, Hanuman Temple Shop No. 22, Gole Market Shop No. 24, Palika Bazar
10.	Non-processing of unit files	Shop No. G-3, Palika Bhawan Stall No. 2, CSC Hailey Lane
11.	Violations made by the allottees	Shop No. 58, SBS Place Shop No. 5, SBS Place Stall No. 127, Connaught Circus Stall No.1, CSC Kaka Nagar Shop No. 94, SBS Place Shop No. 25, SBS Place

As per terms and condition of licence deed, the breach of any condition will make the licence liable to cancellation with immediate effect notwithstanding the provision contained with reference to renewal of licence in the licence deed thereof and eviction of the licensees besides forfeiture of security deposit on revocation/cancellation of the licence. The Department failed to take necessary action against the licensees as stated in the paragraph. Reasons for the lapses need to be explained to audit.

#### **4.9.8.2 Misuse of show windows**

As per clause 5 of licence deed between NDMC and allottees, show windows shall be used for publicity purpose only and shall in no case be used as a store or a counter for booking orders and/or sale of any goods or articles of any kind. Also, as per directives, the allottee would

not encroach upon municipal land by putting counters in passage causing hindrances in the smooth movement of public.

Scrutiny of records/files revealed that show windows were being used as sale counters for the sale of articles such as bags, electronic items, decorations etc. for as long as 24 years in the cases under scrutiny. There were also cases of non-renewal, non-transfer, non-eviction and non-clearance of outstanding dues in contravention of the Council resolutions and deed of licence. Some instances are mentioned below:-

**Table : 14**

S. No	Show window No. & address	Date of allotment	Date of issue of inspection	Date of issue of show cause notice	Date of cancellation	Remarks
1	03, Palika Bazar	18.4.80	23.7.80 06.5.82 13.5.82 22.7.82	26.7.80 31.5.82	06.1.83	(i) Licensee was not evicted. (ii) Renewal pending w.e.f. 11 April 1985. (iii) Outstanding dues of Rs. 1.20 lakh as per show cause notice i.e. dated 25 May, 2005
2	09, Palika Bazar	17.8.79	-	24.10.79	17.11.79	Transfer case pending
3	21, Palika Bazar	22.7.80	25.4.81 22.6.89	27.7.81 31.5.82	10.9.82	(i) Eviction order passed on 8 December, 1987 but not evicted. (ii) Was conducting sale of item on 22 June, 1989
4	25, Palika Bazar	19.11.81	30.5.83	17.5.82 01.6.83	14.7.82	(i) Eviction order passed on 9 September, 1983 but not evicted (ii) Outstanding dues of Rs. 4.40 lakh were pending as of 30 September 2001
5	22, Palika Bazar	5.12.80	-	-	10.9.82	(i) Transfer case pending (ii) Involved in video piracy
6	20, Palika Bazar	5.10.93	-	-	-	(i) Was selling goods (ii) Licence not renewed
7	29, Palika Bazar	24.7.95	-	02.07.02	-	(i) Term expired on 23 July, 2000 (ii) No action against the sale of goods by the Department
8	07, Palika Bazar	12.4.80	-	-	2.2.84	(i) Was selling goods at show window (ii) Not evicted as of 31 October 2006
9	28, Palika Bazar	10.8.79	19.11.04	-	-	(i) Glasses of show window were broken

Department failed to take necessary action against the defaulters on account of violating the terms and conditions of licence deed.



#### 4.9.8.3 Misuse of telephone booths

Scrutiny of records pertaining to telephone booths revealed that the telephone booths were being used for the sale of bags, CD/VCD etc. by the allottees when the premises were inspected by the Estate Department during the year 1996, 1998 and in 2002. No action was taken by the Department to cancel the licence for violation of terms and conditions. It was further observed that in all cases detailed below ( except S.No.1), the terms of licence had also expired:

**Table : 15**

S.No.	Telephone booth	Allotment	Misuse of telephone booth
1	Telephone booth near shop No.35, Palika Bazar	Allotted to Shri Vijay Kumar on 7 November 1991	The booth was being used for the sale of bags since 1998.
2	Telephone booth between shop No.23 & 24 Palika Bazar	Allotted to Shri Har Bhagwan w.e.f. 24 September 1991	The booth was being used for sale of bags.
3	Telephone booth between shop No.M-4 & M-5 Palika Bazar	Allotted to Shri Mohd. Ishaar on 16 October 1991	The booth was being used for sale of goods as per inspection in 1995 and for sale of CD and VCD in 2002.
4	Telephone booth between shop No. M-15 & M-16 Palika Bazar	Allotted to Shri Abdul Walid on 16 October 1991	The booth was being used for sale of bags as per inspection during 1996 and sale of CD and VCD in 2002.
5	Telephone booth between shop No.12 & 12A, Palika Bazar	Allotted to Shri Balbir Singh w.e.f. 24 September 1991	The booth was being used for keeping bags for sale purpose as per inspection in 1996

#### 4.9.9 Miscellaneous points

##### 4.9.9.1 Delayed decision with reference to commencement of licence fee

The Godown No.I, Netaji Nagar was allotted to Sh. Mohd. Sharique at a monthly licence fee of Rs.3966 for a period of five years. Estate Department issued a letter on 21 March 1995 in continuation of letter dated 10 March 1995 to allottee for taking over the possession from Executive Engineer (West), NDMC and also informing him that licence fee would commence w.e.f. 17 March 1995. He deposited security equal to four months licence fee amounting to Rs.15864.

Mohd. Sharique approached the concerned authority for possession of godown but he was not handed over the possession as the premise were

occupied with the seized goods of ex-allottee. The goods were released to ex-allottee on 30 May 1995 with the approval of competent authority. On 6 June 1995, a letter was issued to allottee to take over the possession of the premises immediately. The letter was received by the allottee on 9 June 1995 but he took over the possession on 26 July 1996 without assigning any reason for the late possession of the godown. Further, the Department could not decide the date from which the demand for recovery of licence fee would be made till March 1998. On 3 June 1998 the Department decided to waive the fee for the period from 17 March 1995 to 8 June 1995 since the godown was allotted to the allottee on 6 June 1995. The Department took almost three years to decide the date of commencement of licence fee.

A demand of Rs. 2.11 lakh was worked out by the Department on 1 March 2000. As per unit file no demand notice was sent to the allottee. The accumulated arrears had increased to the tune of Rs.7.77 lakh as of 31 March 2006.

On 28 February 2000 an inspection was made and the premises were found locked. During the inspection on 2 March 2000 the premises were found unlocked and abandoned. The possession of godown was taken over on 28 July 2000 in the abandoned state with the approval of Director (Estate) dated 9 June 2000. As per unit file no action was taken by the Department after 14 September 2000. The godown remained unallotted as of October 2006.

The reasons for not raising demand in time and not taking action for recovery of outstanding dues by the Department were not on record.

#### **4.9.9.2 Improper maintenance of registers/records**

Scrutiny of Demand & Collection Registers and Damage Registers maintained by the Accounts Branch revealed that most of the columns in the registers like rate of licence fee, rate of damages, date of cancellation, date of expiry of term, authority of cancellation, date of vacation of premises were left blank. The registers were not found checked by any officer of the Estate Department. Even the cuttings in the registers were not attested by any Officer. Thus, correctness of carrying forward of balances and genuineness of entries recorded could not be ascertained.

Further, details of ex-allottees were also not maintained properly. In some cases it was maintained in Demand & Collection Registers and in others it was maintained in Damage Registers. These entries of ex-allottee were also not found authenticated by any officer of Estate Department.



Audit also observed that yearly abstract indicating month-wise receipt was not found prepared in the Demand & Collection and Damage Registers at the close of financial year. The Department needs to take necessary steps to authenticate the entries by the officer concerned to avoid the variations, if any.

Improper maintenance of records is evident from the fact that three unit files were found opened for Shop No. M-45, Palika Bhawan. Originally the shop was allotted to Sh.Rajesh Kumar Srivastava on 4 July 1984 and got vacated on 4 December 1989. In another file, the shop was allotted to Smt. C.R.Sharma on 2 July 1991. In the third file, the shop was allotted to Smt. Pratima Bhardwaj w.e.f. 2 July 2004. It was not understood as to why three files were maintained in respect of the same shop.

### **Conclusion**

Review of the functioning of Estate Department for the period 2000 to 2006 revealed numerous deficiencies. System of recovery of dues by the Department was not very effective as outstanding amount of arrears from allottees and ex-allottees of commercial units increased to Rs.590.94 crore as of 31 March 2006. Like-wise, licence fee of Rs.104.42 lakh on account of dishonoured cheques remained unrecovered. Inordinate delays in processing, tendering and retendering of vacant commercial units resulted in loss of Rs.2.41 crore. Despite approval of competent authority, cases were not moved to the Estate Officer's Court for recovery and eviction of the units. Action was also found wanting by the Department in a number of cases of violation of licence deed, misuse of telephone booths, show-windows etc. Essential records like Demand & Collection Registers, Damage Registers were not maintained properly. The Estate Department needs to review these areas and improve its overall functioning.



**SECTION - B**  
**TRANSACTION**  
**AUDIT PARAGRAPHS**



**DEPARTMENT  
OF  
ARCHITECTURE &  
ENVIRONMENT**

## **CHAPTER-V : DEPARTMENT OF ARCHITECTURE & ENVIRONMENT**

### **5.1 Non-recovery of misuse charges and damages for unauthorized construction**

**Failure of the Department to adhere to the terms and conditions for allotment of land by Government of India, Ministry of Urban Development and Poverty Alleviation at Barakhamba Road measuring 6.0485 acres to NDMC for construction of Hotel and allowing unauthorized construction of commercial towers on the said land resulted in unnecessary dispute with the Ministry and financial liability of Rs. 155.10 crore as of February 2002 which was increasing due to non-settlement.**

Ministry of Urban Development and Poverty Alleviation (Previously known as Ministry of Works & Housing), Land and Development Office allotted a plot of land measuring 6.0485 acres at Barakhamba Road to NDMC in March 1977 for construction of a hotel. The allotment was, however, cancelled in March 1978. Subsequently, the allotment was restored in February 1981.

NDMC allotted the above land to M/s Delhi Automobiles in March 1981 for construction and running of a five star hotel on payment of licence fee of Rs.1.45 crore per annum. M/s Delhi Automobiles formed a Public Limited Company under the name of M/s Bharat Hotels Ltd. for construction and running of the hotel. A separate agreement was, therefore, executed with the new company in April 1982.

The Ministry had allotted the land exclusively for construction of a hotel. The agreement finalised by NDMC with the party also stipulated that the party will construct a hotel of international standards containing 500 guest rooms with spacious dinning halls, banquet hall, conference hall, shopping arcade, swimming pool, bar and other conveniences.

In violation of the terms of agreement, M/s Bharat Hotels constructed two separate multi-storyed commercial towers (World Trade



Centre and World Trade Towers) and leased the commercial space to various parties. In addition to the two towers they had also carried out some other unauthorized constructions.

In September 2000, the Ministry claimed an amount of Rs.99.01 crore on account of:

(i)	Balance amount of interest on premium	Rs. 6.78 crore
(ii)	Balance amount of ground rent	Rs. 6.75 crore
(iii)	Interest on ground rent	Rs. 6.03 crore
(iv)	Misuse charges in respect of World Trade Centre and World Trade Tower	Rs. 79.19 crore
(v)	Damages for unauthorized constructions	Rs. 0.26 crore
	<b>Total</b>	<b>Rs. 99.01 crore</b>

The Ministry directed to furnish an undertaking to remove the breaches or get them regularized beyond 14 July 2000 on payment of such charges as may be decided by the Ministry. The Ministry further indicated that if payment was not made within 45 days, interest charges at 10 per cent would be charged on the total dues.

The record made available to audit revealed that Architecture and Environment Department confirmed that the hotel had made some unauthorized constructions. Though, some of the unauthorized constructions were removed by the Department, the remaining could not be removed as the matter was pending in the Court. The Department further contended that World Trade Centre and World Trade Tower were approved by them as commercial space.

The matter was, however, not settled. The Ministry vide their letter dated 11 February 2002 again intimated that the breaches in the construction/allotment terms and conditions of hotel premises would be regularized temporarily upto 14 July 2002 provided a sum of Rs.155.10 crore as per details given below was deposited within 45 days:

(i)	Interest on delayed payment of premium	Rs. 6.78 crore
(ii)	Ground rent/interest on delayed payment of ground rent	Rs. 5.88 crore
(iii)	Misuse charges in respect of World Trade Centre and World Trade Tower from 16.4.1993	Rs. 141.55 crore
(iv)	Damages for unauthorized constructions	Rs. 0.89 crore
	<b>Total</b>	<b>Rs. 155.10 crore</b>

The records made available to audit did not reveal whether the matter was settled with the Ministry or taken up with the hotel for recovery of misuse charges and damages from them as they were actually liable for payment of these charges. Further developments in the case could also not be ascertained from the records made available to audit.

The land was allotted to M/s Bharat Hotels exclusively for construction and running of a hotel. As per Delhi Building Bye Laws, 5 per cent of FAR can be used for the commercial space related to hotel function. However, as per completion plan, the total commercial area was 34.85 per cent of the total covered area. The records made available to audit did not reveal the reasons for allowing utilization of 34.85 per cent of covered area for commercial purpose. Moreover, the two towers were not at all linked with the functioning of the hotel. The construction of these towers was, therefore, not permissible under the terms of agreement.

The irregular approval given for construction of these exclusive commercial towers and Department's failure to check unauthorized constructions in hotel premises resulted in unnecessary dispute with the Ministry and financial liability of about Rs.155.10 crore.

The Department also failed to settle the various issues with the Ministry. Resultantly, their claim on various counts increased from Rs.99.01 crore in September 2000 to Rs.155.10 crore in February 2002. The liability on this account would continue to increase unless the matter is resolved.

The matter was referred to the Department in April 2007; their reply was awaited as of June 2007.



**DEPARTMENT  
OF  
CIVIL ENGINEERING**

## **CHAPTER-VI : DEPARTMENT OF CIVIL ENGINEERING**

### **6.1 Idle investment on acquisition of land**

**The Department failed to take physical possession of three plots of land acquired at a cost of Rs. 30.85 lakh between April 2000 and April 2006. Further it also failed to obtain refund of excess payment of Rs. 5.61 lakh made to Land and Development Office.**

It was highlighted in Para 4.1 of Annul Audit Report for the year ended March 2003 and again in Para 3.1 of the Annual Audit Report for the year ended March 2005 that land acquired at considerable cost for specific works was not utilized for years resulting in unnecessary blockage of municipal funds.

During scrutiny of records of Electricity and Civil Engineering Departments it was further observed that some other plots of land acquired for construction of electric sub-station, switching station and service centre were not utilized for the last three to six years. Resultantly, municipal funds amounting to Rs.30.85 lakh remained blocked without any benefit to the Council as detailed below:

(i) A plot of land measuring 557.50 sq.mts. at Sanjay Camp, Chankyapuri was allotted by Land & Development Office (L&DO), Ministry of Urban Development to the Council in April 2000 for construction of a switching station. As per letter of allotment, the Council was required to deposit the cost of land (Rs.3.03 lakh), ground rent from 5 April 2000 to 4 April 2001 (Rs.7577) and cost of preparation of agreement (Rs.30) within 45 days. The Electricity Department, however, arranged payment of Rs.3.11 lakh on 8 August 2001. Therefore, the Department also had to pay interest charges of Rs.0.13 lakh in September 2001. The physical possession of the land was taken on 6 February 2002.

Subsequently, another piece of land measuring 1271.12 sq.mts adjoining to the earlier plot was also allotted to the Council in July 2002 for construction of 33 KV Electric Sub-Station. A sum of Rs.7.08 lakh (cost of land Rs.6.91 lakh, ground rent of Rs.0.17 lakh and agreement



preparation charges of Rs.30) was deposited with L & DO in January 2003. The physical possession of the land was taken over on 25 April 2003.

Both the plots of land were allotted on as is where is basis. As per terms of allotment, NDMC was responsible for the removal of squatters/structures on the allotted land. After inspection of the sites, it was found that there were 35 jhuggies on the 1271.12 sq.mts. plot allotted for construction of 33 KV sub-station and 16 jhuggies and a small temple on the 557.50 sq.mts. plot meant for 11 KV switching station. The Enforcement Department was requested in April 2004 to remove the unauthorized structures on these sites that is after one to two years of taking possession of land. The Enforcement Department, however, took no action in the matter despite repeated requests from Electricity Department in August 2004, November 2004 and April 2005.

Thus, due to Department's failure to get the encroachments removed, the two plots acquired for important works remained unutilized and investment of Rs.11.22 lakh on account of cost of land (Rs.9.94 lakh), ground rent up to 2005-06 (Rs.1.15 lakh) and interest (Rs.0.13 lakh) remained idle and unproductive.

(ii) Land & Development Office (L&DO) had also allotted a plot of land measuring 837 sq.mt. at Fire Brigade Lane to NDMC in January 2001 for setting up a service centre for the Civil Engineering Department. As per letter of allotment, NDMC was required to deposit a sum of Rs.13.99 lakh towards cost of land (Rs.13.65 lakh) and ground rent etc. (Rs.0.34 lakh) within 45 days. The depreciated cost of a bungalow existing on this land was also payable to L&DO. As the Department failed to deposit the cost of land within the stipulated period and payment was actually made in June 2001, they had to pay interest charges of Rs.0.62 lakh also. Subsequently, payment of Rs.3.32 lakh representing the depreciated cost of the existing bungalow was also made to L&DO in December 2003. However, despite payment of full cost of land and bungalow thereon the Department failed to take the physical possession of the land.

Subsequently, the adjoining land along with some portion of the land and bungalow allotted to NDMC was allotted to Delhi Metro Rail Corporation. Thereafter, physical possession of only 608.92 sq.mts. land instead of 837 sq.mts. and bungalow with plinth area of only 161.86 sq.mts. instead of 250.05 sq.mts. was handed over to NDMC on 18 April 2006, about five years after the cost of land etc. was deposited with L&DO. The handing over of less area resulted in excess payment of

cost of land, ground rent etc. amounting to Rs.5.61 lakh as per details given in the table below:

S.No.	Particulars	Amount		Excess payment (in Rs)
		Paid (in Rs.)	Due (in Rs.)	
1	Premium for land	1365058	993084	371974
	Ground rent for six years (2001-02 to 2006-07)	204762	148963	55799
3	Cost of bungalow	331552	214617	116935
4	Interest charges	62102		16589
	<b>Total</b>	<b>1963474</b>	<b>1356664</b>	<b>561297</b>

The records made available to audit did not indicate whether the Department had taken up the matter of refund of the excess amount with the L&DO.

The abnormal delay in physical possession of the land not only resulted in idle investment of about Rs.19.63 lakh but also excess payment of Rs.5.61 lakh.

Thus, investment of about Rs.30.85 lakh on account of cost of land (Rs.27.66 lakh) and ground rent (Rs. 3.19 lakh) remained unproductive for the last three to six years due to non-utilization of these three plots.

The matter was referred to the Departments in April 2007.

The Department in their reply (April 2007) regarding plot measuring 557.50 sq.mts. at Sanjay Camp stated that though the plot was physically available with them but it could not be used on account of approximately 135 jhuggies on the plot. It also informed that Enforcement Department had been repeatedly requested for removal of encroachment to make available the vacant land. The status of another plot measuring 1271.12 sq.mts. was not specifically intimated though it was stated that approximately 3500 jhuggies existed in the entire Sanjay Camp area. It was interesting to know that against only 6 jhuggies existed on plot measuring 557.50 sq.mts. during inspection conducted in April 2004, the number of jhuggies increased to 135 which indicated that Department failed to check further encroachment after April 2004.

As regards plot of land measuring 837 sq.mts. at Fire Brigade Lane, Department while admitting payment of Rs. 0.62 lakh as compensation for delayed payment stated that delay occurred in seeking Council's approval and processing the payment. It also informed that



matter had been taken up with L & DO for refund of excess payment of Rs. 5.61 lakh.

## 6.2 Procurement and use of sub-standard material

**Executive Engineer, Store Division (Civil) procured (15 January 2006 to 10 February 2006) 49.405 MT Bitumen Emulsion and issued immediately 146 drums (29.2 MT) to various divisions without waiting for the test report. Subsequently, adverse test report was received on 20 February 2006. By this time, the Division had already used 70 drums (14 MT) and only 76 drums (15.2 MT) were replaced by the firm. Resultantly, cost of material amounting to Rs. 2.10 lakh already used could not be recovered from the firm as of March 2007.**

Executive Engineer, Store Division (Civil), NDMC placed order with M/s M.K. Petro Products (India) Private Limited vide supply order No. EE(Store)/AB/A-1/D/3429-37 dated 12 January 2006 for supply of 50 Metric Ton (MT) Bitumen Emulsion (MS) @ Rs. 15003 per MT at the tendered amount of Rs. 7,50,150. Against this order, the firm supplied 49.405 MT costing Rs. 7,41,223 in installments between 15 January and 28 April 2006 of three different batches i.e. No. 601051, 601061 and 604211. Out of the above quantity of material received, one batch (No. 601051) of Bitumen Emulsion consisting of 146 drums of 200 kilogram each totalling 29.2 MT was received in the store as detailed below :-

Date of receipt	Quantity
15.01.2006	10 Drums (2.0 MT)
23.01.2006	47 Drums (9.4 MT)
27.01.2006	24 Drums (4.8 MT)
28.01.2006	25 Drums (5.0 MT)
10.02.2006	40 Drums (8.0 MT)
<b>Total</b>	<b>146 Drums (29.2 MT)</b>

Audit scrutiny of records (November 2006) revealed that the Store Division sent a sample out of above batch of Bitumen Emulsion to M/s Shri Ram Institute for Industrial Research (Institute) on 6 February 2006 for testing. In the meantime Store Division had issued 70 drums (14 MT) of Bitumen Emulsion to different Divisions without waiting for

the test report. The Institute delivered the test report (certificate No. 506420) on 20 February 2006 which was found adverse. Further, on request from the supplier firm, sample from the same batch was again sent to the same Institute and the report of this sample was also found adverse. On the basis of these reports, Store Division rejected the material of batch No.601051 on 17 April 2006 and the firm was asked to lift the rejected material and give a fresh lot/batch in lieu of rejected material. Audit also noticed that out of 146 drums (29.2 MT) of Bitumen Emulsion of the said batch, 70 drums (14 MT) had already been used by the various Divisions of NDMC and only 76 drums (15.2 MT) were replaced by the firm.

Thus, though the first installment of batch No. 601051 was received on 15 January 2006, the Store Division sent the material for testing on 6 February 2006 i.e. after 22 days from the date of receipt of first installment. Further, the Division without waiting for the test reports, issued the material resulting in use of sub-standard Bitumen Emulsion raising the doubt about the quality of work executed. Besides, it also resulted in non-replacement of Bitumen Emulsion costing Rs. 2.10 lakh.

The matter was referred to the Department in March 2007, in response to which Executive Engineer(Store) stated that in view of mounting pressure from field engineers, issue of material without waiting for test reports was started with due permission on 01.02.2006. The reply was not tenable as the said permission was granted on 13 January 2006 for issue of only paint material without waiting for the test report and not for Bitumen Emulsion, the supply of which was started by the firm from 15 January 2006 onwards. However, EE (Store) informed that action was being taken to recover the cost of sub-standard material.



**COMMERCIAL  
DEPARTMENT**



COMMERCIAL  
IDENTIFICATION



## CHAPTER-VII : COMMERCIAL DEPARTMENT

### 7.1 Non-recovery of arrears of electricity and water charges

**The Department did not take adequate action to recover the outstanding arrears of electricity and water charges from the defaulting consumers. Resultantly, arrears amounting to Rs. 103.79 crore were outstanding as of 31 March 2006.**

According to Section 195 of New Delhi Municipal Council Act, 1994, it is the duty of the Council to develop and maintain an efficient, co-ordinated and economical system of electricity supply for New Delhi area under its jurisdiction and for that purpose to take steps from time to time to acquire supplies of electricity and distribution to consumers. Further, Section 200 of the said Act stipulates that subject to the provisions of any law for the time being in force, the Council shall levy charges for the supply of electricity at such rates as may, from time to time, be fixed by it. It is also stipulated in the instructions contained in the electricity bills that in case of non-payment of the bill, the electricity supply shall be disconnected without any further notice and that may be treated as the required notice.

Scrutiny of Demand and Collection Registers revealed that recovery of electricity and water charges amounting to Rs.103.79 crore was in arrears as of 31 March 2006. This amount included arrears of water charges also. The water charges were included in the electricity bills upto June 2005. Thereafter, water bills were raised separately. Review of position of arrears during last six years further revealed that the position had deteriorated alarmingly over the years. The arrears of electricity and water charges (upto June 2005 which were included in the electricity bills) increased from Rs.49.41 crore as of March 2001 to Rs.103.12 crore as of March 2006 indicating an increase of about 109 per cent as per details given below:

Period	Total demand during March (Rs. in crore)	Component of arrears in total demand (Rs. in crore)	Percentage of arrears in total demand	Percentage increase in arrears
March 2001	71.40	49.41	69.20	--
March 2002	113.87	70.70	62.08	(+) 43.10
March 2003	116.33	70.99	61.02	(+) 0.41
March 2004	146.02	99.01	67.80	(+) 39.47
March 2005	135.76	90.18	66.43	(-) 8.92
March 2006	144.88	# 103.12	71.18	(+) 14.35

# Does not include water charges

The above figures indicated some improvement in the position of arrears during 2005 as the arrears came down from Rs.99.01 crore as of 31 March 2004 to Rs.90.18 crore as of March 2005. But, the position again deteriorated and the amount of arrears increased to Rs.103.12 crore as of 31 March 2006, an increase of about 14.35 per cent over previous year. The overall increase since March 2001, however, worked out to about 109 per cent. The dates from which the arrears were outstanding and the reasons for non-payment by the consumers were not intimated to audit despite reminder.

In addition to the above, arrears of water charges amounting to Rs.67 lakh for the period from July 2005 to March 2006, bills for which were raised separately, were also outstanding against consumers. The fact that the Department was not able to recover fully even the current dues of water charges reflected on the efficacy of recovery mechanism of the Department.

The overall position of arrears clearly indicated that adequate action was not taken for the recovery of outstanding arrears of electricity and water charges from the defaulting consumers. Resultantly, recovery of electricity and water charges amounting to Rs.103.79 crore could not be made as of 31 March 2006.

The matter was referred to the Department in April 2007.

The Department while confirming the facts and figures stated that arrears were mainly against two categories i.e. bulk category and private category. The arrears towards bulk category were mainly for government buildings where the disputes were on account of water charges being billed by NDMC on provisional basis because of buried meters which had been objected to by various government departments. The arrears in the case of private category were stated to be mainly due to pending court cases. It also stated that increase in arrears was due to levy of surcharge @ 1.5 per cent per month and efforts were being made to recover the arrears.

The reply of the Department was not tenable as it should have installed new water meters instead of continuously raising provisional bills. Further, the Department should have sorted out the issues at appropriate level to check the accumulation of arrears.



## **7.2 Avoidable excess expenditure due to non-availing of rebate**

**The Department failed to avail 2 per cent rebate per month from M/s Delhi Transco Ltd. on NDMC's electricity bills by not making advance payment as per the rebate clause resulting in avoidable excess expenditure of Rs. 14.91 crore over the period 2003-04 to 2005-06.**

The New Delhi Municipal Council is required to supply and distribute electricity to the public in the NDMC area as per clause 11(d)(i) of the New Delhi Municipal Council Act, 1994. In pursuance to the obligatory function of the Council, the Commercial Department, NDMC purchases electricity from M/s Delhi Transco Ltd.(DTL), a Public Sector Undertaking of Government of NCT of Delhi. The electricity is received through 66/33/11 KVA sub-stations located in the NDMC area. The supply of electricity is measured through meters installed at various points and the payments are made on the basis of monthly bills received from DTL, under the provisions of Bulk Supply Tariff.

Audit scrutiny of records of the Commercial Department revealed that in February 2003 DTL offered to incorporate a clause in the Draft Bulk Supply Agreement relating to rebate on advance payment of electricity bills, to be executed between DTL and NDMC. Clause 5.7 of the said draft agreement stated

“ If LICENSEE makes the payment of the Bulk Supply Tariff to Transco either under the Letter of Credit or otherwise before the due date, Transco shall allow the LICENSEE the rebate in accordance with the provisions of the Bulk Supply Tariff ”

The Commercial Department did not consider the rebate clause for over 2½ years and the draft agreement remained unsigned. On 2 November 2005, Commercial Department sought detailed terms and conditions which would qualify the Council for 2 per cent rebate per month on early payment of electricity bills. DTL clarified on 23 November 2005 that on finalization of Bulk Supply Agreement incorporating inter-alia rebate clause, NDMC will have to open and maintain an unconditional, irrevocable and non-transferable Letter of Credit (LC) in favour of DTL at its own cost and expenses from a Nationalized/Scheduled Bank for at least 140 per cent (or any other amount as may otherwise agreed to by DTL) of the monthly simple average of the most recent power purchase cost for the past three months.



The rebate was to be accrued from the date of advance payment corresponding to the amount paid. The amount of advance paid was to be adjusted in the final payment against monthly invoice.

Commercial Department sent the offer of the DTL for rebate of 2 per cent against advance payment to Director (Accounts), NDMC on 12 December 2005 to examine whether the offer was economical for the Council. Director(Accounts) observed that NDMC being cash rich organization had been investing surplus funds with the empanelled banks in the form of Fixed Deposit Receipts and getting interest @ 7per cent per annum. He also observed that in case the Council accepts the offer of 2 per cent rebate per month (or say 24 per cent per annum), it would get advantage of Rs. 5.95 crore per annum i.e. Rs. 49.6 lakh per month at a differential rate of 17 per cent per annum (rebate @ 24 per cent - interest 7 per cent per annum) assuming the Council's monthly electricity bill at Rs. 35 crore per month. However, while agreeing with the proposal to avail rebate, he suggested that Council might negotiate with DTL for accepting advance payment by Cheque instead of opening LC to save LC opening charges. Finance Department also endorsed the views of the Director(Accounts).

Audit, however, noticed that the Commercial Department had already sent finally drafted bulk supply agreement to DTL on 2 November 2005 without inserting the rebate clause. It did not even wait for the clarification from the DTL. Further, Commercial Department also did not pursue the matter with DTL for availing the rebate even after obtaining the opinion of the Accounts/Finance Department. Resultantly, even if, the Council had to open L.C. for 140 per cent of the expected monthly bill, Audit worked out minimum excess avoidable expenditure of Rs. 41.42 lakh per month [Rs. 70 lakh (i.e. 2 per cent of Rs. 35 crore) minus Rs. 28.58 lakh {i.e. interest @ 7 per cent per annum or 0.5833 per cent per month of Rs. 49 crore (140 per cent of Rs. 35crore)}]. The total of such expenditure for the period 2003-04 to 2005-06 worked out to Rs. 14.91 crore.

The matter was referred to the Department in April 2007; their reply was awaited as of June 2007.



**DEPARTMENT  
OF  
ELECTRICITY**

## **CHAPTER-VIII : DEPARTMENT OF ELECTRICITY**

### **8.1 Non-recovery of balance cost of deposit works**

**The Department without obtaining prior deposits for the work incurred additional liabilities of Rs. 14.33 lakh on behalf of PWD, Government of NCT, Delhi. This amount was yet to be recovered as of June 2007.**

As per provisions contained in Para 3.5.1 of CPWD Works Manual whenever a deposit work is to be carried out, the cost of the work should be realized from the concerned Department before any liability is incurred on account of the work. Rules further provide that it should also be ensured that the expenditure should not exceed the amount of deposit made by the Department concerned.

Audit scrutiny of deposit works carried out by Executive Engineer(E), Construction Division-II, N.D.M.C., revealed that Executive Engineer Public Works Department (PWD), Division XIV, Government of National Capital Territory of Delhi (Govt. of NCT, Delhi) on receipt of estimates from Planning Division 11 KV, NDMC deposited Rs. 9.03 lakh on 2.4.2002 for shifting of electrical services in connection with Flyover along Ring Road 'B' Avenue, Sarojini Nagar intersection. The work was to be executed by the Executive Engineer(E) Construction Division-II, NDMC. In August 2002, after a site meeting with the Executive Engineer, PWD the scope of work was enhanced and revised estimate amounting to Rs. 39.19 lakh was sent to PWD in January 2003 with the request to deposit the balance amount of Rs. 30.16 lakh (Rs. 39.19-Rs. 9.03 lakh already deposited).

Executive Engineer (E) Construction Division-II, without getting deposit of Rs. 30.16 lakh from PWD completed the work in December 2004 at a total cost of Rs. 23.36 lakh. Thus additional expenditure of Rs. 14.33 lakh in violation of codal provisions, was incurred. Further, the estimates prepared by the Department were also not



realistic as against original estimate of Rs. 9.03 lakh which was revised to Rs. 39.19 lakh, the actual expenditure was only Rs. 23.26 lakh.

The matter was referred to the Department in April 2007.

The Department in their reply in May 2007 stated that PWD, Govt. of NCT Delhi had been requested many times to deposit the excess expenditure incurred by NDMC but no proper response had been received till date. It proposed to adjust the excess expenditure from the unspent amount of PWD pertaining to other schemes lying with it. The response of the Department is not tenable in audit as para 3.5.6 of CPWD Works Manual stipulates that in no case money received in respect of one deposit work should be diverted to other deposit works. However, the fact remains that Rs. 14.33 lakh was yet to be recovered as of June 2007.

## **8.2 Non-disposal of used transformer oil**

**The Department did not dispose of used transformer oil periodically resulting in accumulation of 50140 litres of used oil in various electric sub-stations. Non-disposal of oil not only deprived the Council of revenue which could have been received by sale of this oil but also invited the risk of fire hazards, this being an inflammable item.**

Executive Engineer 33KV(Maintenance) Division is responsible for operation, maintenance including preventive maintenance and attending to break-down in the entire 33/66 KV system network in NDMC area. The Division, through its three Sub-Divisions, looks after the maintenance of transformers installed at various electric sub-stations. The oil of these transformers is periodically changed and the used oil drawn from the transformers is stored in the drums. The unserviceable oil is required to be sold through auction. The market value of such oil is stated to be Rs.14 per litre (approximately).

Audit scrutiny of records (January 2007) of the Division revealed that 50,140 litres (250 Drums approximately) of used transformer oil was

lying in various Electric sub-stations for the last many years. The Division did not make any efforts to dispose of the used oil periodically.

Sub-station wise details of used transformer oil stored at each sub-station were as under:-

S.No.	Name of sub-station	Quantity of oil (in litres)
1.	ESS Vidyut Bhawan	9899
2.	ESS Nirman Bhawan	10813
3.	ESS Bapu Dham	6169
4.	ESS School Lane	11286
5.	ESS Tilak Marg	6270
6.	ESS Connaught Place	2673
7.	ESS Hanuman Road	3030
	<b>Total</b>	<b>50140</b>

The storage of such a huge quantity of used transformer oil, which is a highly inflammable item, in the sub-stations invites the risk of fire hazards besides its leakage and pilferage. In addition, non-disposal of 50,140 litres of oil deprived the Council of Rs. 7 lakh approximately, which could have been received by sale of this oil. The reasons for non-disposal of oil were not found on record.

The matter was referred to the Department in April 2007; their reply was awaited as of June 2007.

### **8.3 Wasteful expenditure on re-conditioning and repairing of defective transformers**

**The Department failed in getting four transformers re-repaired even after 20 months. Resultantly these transformers had been lying unrepaired as of April 2007, rendering the expenditure of Rs. 2.35 lakh infructuous.**

Tenders were invited by Executive Engineer(Electrical) Maintenance South, NDMC on 8 August 2002 for reconditioning and repairing of 11 defective transformers (6 nos. of 1000 KVA and 5 nos. of 500 KVA). The offer of M/s Surya Electronics, Keshav Nagar, Kanpur was accepted on 7 February 2003 for a negotiated amount of Rs.7.38 lakh. All the 11 transformers were received from the firm after



repairs on 27 April, 2004 and firm was paid the amount of contract after obtaining 10 per cent Performance Bank Guarantee. The guarantee period under the contract was 12 months from the date of commissioning or 18 months from the date of the delivery of the repaired transformers, whichever was earlier.

Audit scrutiny of records revealed that the following four transformers had again become defective within the guarantee period as detailed below :-

S.No.	Particulars of transformer	Date of installation-cum-commissioning after repair	Date from which lying defective after repair
1.	1000 KVA(GEC Make Sl. No. B-26062)	29.4.2005	17.5.2005
2.	500 KVA (East India Company ( Sl.No. 448/2)	7.6.2005	7.6.2005 (same day)
3.	500 KVA ( Sl.No. 500/5)	3.5.2005	3.6.2005
4.	500 KVA (Sl. No.560/9)	5.6.2004	2.5.2005

The position shown above indicates that transformers at Sl. No. 1 to 3 had become defective within one month of their installation and transformer at Sl. No. 4 after 11 months.

According to terms and conditions of contract each and every transformer was required to be tested for all routine tests after repairs in the presence of NDMC representative or any other agency to be nominated by the NDMC for this purpose. Further, the payment was to be made only after ensuring satisfactory repairs and testing. The Department had made final payment to the contractor in July 2004 including Rs.2.35 lakh on repairs of these four transformers, but there was nothing on record to show that such tests were carried out before release of payment.

Audit also observed that the Department failed to get the four defective transformers repaired from the firm even after 20 months. Resultantly, four transformers had been lying unrepaired as of March 2007 rendering the expenditure of Rs. 2.35 lakh infructuous.

The matter was referred to the Department in March 2007. In response the Department stated in April 2007 that after serving final notices the firm had since taken up the issue and repaired two transformers and other two transformers which had also been repaired but failed testing, were being repaired again. However, the fact remains that the Department did not pursue the matter with the firm vigorously. As a result expenditure of Rs. 2.35 lakh incurred on repair of four transformers remained infructuous for over 20 months. Further, two transformers were yet to be repaired.



**DEPARTMENT  
OF  
ESTATE  
(MUNICIPAL HOUSING)**

## **CHAPTER-IX : DEPARTMENT OF ESTATE (MUNICIPAL HOUSEING)**

### **9.1 Delayed allotment of staff quarters**

**Delayed allotment of staff quarters resulted not only in loss of revenue of Rs.1.46 lakh to the Council but it had also to incur avoidable expenditure of Rs.16.61 lakh on account of payment of House Rent Allowance to the employees for the period of delayed allotment.**

Section 12(n) of the New Delhi Municipal Act 1994 provides for buildings or purchase and maintenance of dwelling houses for municipal officers and other municipal employees, as discretionary function of the Council. As per Allocation of Business Order 2006, Municipal Housing Department is responsible for providing staff quarters to municipal officers and employees.

Audit scrutiny of records of Municipal Housing Department revealed that number of quarters had remained vacant for the period ranging from 5 to 27 months as of November 2006 as per details given below:

<b>Type of quarter</b>	<b>Number of quarters</b>	<b>Duration of vacation</b>
I	11	5 to 18 months
II	15	6 to 27 months
III	21	6 to 16 months
IV	11	6 to 19 months
V	10	6 to 16 months

Further examination revealed that the Department did not develop any mechanism to ensure that quarters were allotted immediately on their falling vacant, to the employees who had been waiting for the allotment. The reasons for delayed allotment of quarters were not available on records produced to Audit.

The delay in timely allotment of these quarters resulted not only in loss of revenue of Rs.1.46 lakh to the Council but it had also to incur avoidable expenditure of Rs.16.61 lakh on account of payment of house rent allowance to the employees for the period of delayed allotment of



staff quarters worked out as 30 per cent of the minimum of the pay scale plus dearness pay per month in respect of each category of staff as detailed in Annexure XI.

The matter was referred to the Department in April 2007.

The Department in their reply (May 2007) stated that on vacation of quarter, the report was received after 15 days to one month or more and thereafter the case was processed for approval of allotment of quarter from the competent authority which also took one month or more. It also informed that allotments were made after getting vacation reports of quarters in bunch and not for one or two quarters.

The reasons for delay were not convincing as sufficient scope existed with the Department to evolve a system of speedy allotment of quarters to avoid loss of revenue to the Council.

## **9.2 Non-recovery of arrears of rent from the ex-allottees of Municipal quarters**

**The Department failed to take adequate action to recover arrears of rent/damages outstanding against ex-allottees of staff quarters despite being pointed out in Annual Audit Report for the year ended March 2004. In 281 test checked cases, an amount of Rs. 65.29 lakh was outstanding as of March 2006.**

A mention was made in para 8.1 of Annual Audit Report for the year ended March 2004 in which position of arrears of rent outstanding against ex-allottees of Municipal quarters was highlighted.

Further review of position in this regard revealed that Municipal Housing Wing had not taken adequate action to recover the arrears of rent /damages outstanding against ex-allottees of staff quarters. It was also noticed in audit that the Municipal Housing Wing had not been maintaining proper records to watch the recoveries of rent. As a result, the total amount of arrears of rent and period from which outstanding against the ex-allottees of staff quarters was not available in respect of each allottee. However, a test check of records revealed that rent/damages amounting to Rs. 6529064 were outstanding as of March, 2006 against 281 ex-allottees of Municipal quarters. Further analysis revealed that the amount due from the individual ex-employees ranged from Rs.34 to Rs.491399. Detailed analysis of the outstanding arrears

further revealed that in 244 cases the amount due from individual employees was upto Rs. 50,000 in 18 cases the arrears due from individual employees was between Rs. 50,001 to Rs. one lakh and in 19 cases the amount of arrears against individual employees was more than Rs. one lakh and as high as Rs. 491399. The detailed analysis of the arrears is given in the table below:-

S.No.	Range of arrears	No. of employees	Total arrears
1	Upto Rs. 25000	228	1275568
2	Above Rs. 25000 and upto Rs. 50000	16	592190
3	Above Rs. 50000 and upto Rs. 1 lakh	18	1333501
4	Above Rs. 1 lakh	19	3327805
	<b>Total</b>	<b>281</b>	<b>6529064</b>

The Department had not been monitoring the position of outstanding rent regularly. The Department issues Final Demand Certificate to the concerned establishment branch for recovery from the allottee only after the vacation of quarters instead of regularly watching the recoveries. Resultantly, huge amount of arrears of rent accumulated against the individuals.

Audit noticed that majority of the ex-allottees were retired employees of NDMC and the Department had not been observing prescribed rules regarding issue of 'No Demand Certificate' as laid down under Rule 57 and 72 of Central Civil Services Pension Rules, 1972 which are also applicable in NDMC. According to Rule 57, the concerned establishment branch was required to intimate Municipal Housing Department at least two years before the anticipated date of retirement of allottee of staff quarter to enable it to issue 'No Demand Certificate' in respect of the period preceding eight months of the retirement of the allottee. On receipt of intimation, Municipal Housing Department was required to scrutinize its records and inform the concerned establishment branch eight months before the date of retirement of the allottee, if any licence fee was recoverable. The concerned establishment branch was required to ensure that licence fee for the next eight months, that is up to the date of retirement of the allottee, was recovered every month from the pay and allowances of the allottee in addition to the amount recoverable as intimated by the Municipal Housing Department. The recovery of licence fee for the occupation of accommodation beyond the permissible period after the date of retirement was the responsibility of the Municipal Housing Department who could recover through the concerned Accounts Officer from the dearness relief of the ex-employee/pensioner without his consent.



Thus, due to non-observation of prescribed rules and inadequate monitoring of recoveries of rent from the allottees of municipal quarters despite being pointed out in earlier Annual Audit Report, resulted in accumulation of huge arrears of rent amounting to Rs. 65.29 lakh.

The matter was referred to the Department in April 2007; their reply was awaited as of May 2007.

### **9.3 Non-recovery of arrears of rent from retired/family of deceased employees retaining quarters unauthorisedly**

**The Department failed to get the municipal quarters vacated from the retired/ family of deceased employees even after the permissible period was over. It also failed to recover rent/damages amounting to Rs. 28.89 lakh in 29 test checked cases as of March, 2006.**

As per rules, the employees on their retirement and the family of the deceased employees, in case of the death of the employee, are permitted to retain the municipal accommodation allotted to them for certain periods at payment of licence fee at the rates specified as under:-

<b>(A) In case of retirement</b>	
(i) Normal	(i) 2 months on normal licence fee and another (ii) 2 months on double the normal licence fee
(ii) On medical/ educational grounds	Further retention for 2 months on four times the normal licence fee. Subsequent 2 months on six times the normal licence fee.
<b>(B) In case of death</b>	
(i) Upto 12 months	Normal licence fee
(ii) Another 12 months provided the deceased employees or his/her dependents do not have a house at the place of posting	Normal licence fee

Retention of Municipal accommodation beyond above limits is treated as unauthorized occupation and damages at the specified rates are levied in such cases.

Audit scrutiny of records of the Municipal Housing Department revealed that number of retired employees and the families of deceased employees had not vacated the municipal accommodations even though the permissible period was over long back and accordingly damage charges had been imposed on them. The amount of arrears recoverable in respect of such employees could not be ascertained as Demand and Collection Registers were not being maintained. On being pointed out in audit, the Department stated that collection of licence fee was being effected through Computer Billing Section since 1996. Audit, however, noticed that the Department had not developed any mechanism to monitor the recoveries of arrears/damage charges. Consequently, details of outstanding recoveries were not available on record. A test check of allotment files revealed that in 29 cases, Rs.28.89 lakh as detailed in Annexure XII was recoverable from the retired/family of deceased employees. In 14 cases, the status regarding eviction of quarters was not available on record. Apparently, the outstanding recoveries were due to delayed finalisation of dues by the Department and their intimation to the concerned Establishment Branch for recovery. Consequently, the Establishment Branch retained insufficient amount out of their retirement benefits. Reasons for non-recovery of arrears and non-vacation of quarters from unauthorized occupants were not explained to audit.

The position regarding outstanding recoveries amounting to Rs. 21.43 lakh was also highlighted in para 8.2 of Annual Audit Report for the year ended 2004, but no improvement had been made in this regard.

The matter was referred to the Department in May 2007; their reply was awaited as of June 2007.



**DEPARTMENT  
OF  
GENERAL  
ADMINISTRATION**

## **CHAPTER-X : DEPARTMENT OF GENERAL ADMINISTRATION**

### **10.1 Improper assessment of actual requirement of livery items**

**Department failed to assess actual requirement of livery items correctly resulting in unnecessary blockage of funds on account of excess purchase of liveries amounting to Rs. 8.56 lakh as of March 2006.**

The General Branch of the Council is responsible for procurement and distribution of uniforms to all the eligible staff of the Council. It was, however, observed that the Department did not assess the requirement of various items of livery resulting in avoidable blockage of funds.

During scrutiny of records of General Branch it was observed that an estimate for procurement of summer uniform for 11000 employees (9400 male and 1600 female employees) and winter uniforms for 2750 employees (2400 males and 350 females) for the year 2004-05 was prepared in May 2004. However, the list of the 11000 and 2750 employees who were entitled to summer and winter uniforms respectively during 2004-05 and the basis on which the assessment was made were not made available to audit. In absence of any supporting documents, the correctness of the estimate could not be ensured in audit.

However, as per information furnished by Computer Billing Section (CBS), the number of Group 'C' and Group 'D' employees under various categories drawing washing allowance during the last three years was as under:

March 2004	9583
March 2005	9491
March 2006	9332

From the above details, it was evident that the estimate prepared by the Branch for the purchase of uniform to the staff for the year 2004-05 was on higher side.



Based on the above estimate, tenders under three cover system were invited in November 2004 for procurement of livery items for the year 2004-05. 24 tender documents were sold and offers were received from 22 firms. The technical bids were opened on 24 November 2004 wherein only 12 tenderers were found eligible. Financial bids were opened on 10 December 2004. Supply orders for supply of various items at a total cost of Rs.63.05 lakh were placed on three firms in December 2004. The firms supplied the material by March 2005.

Scrutiny of stock register of livery items revealed that large quantities of some of the livery items purchased during 2004-05 were still lying in stores at the end of March 2006. The total value of such items worked out to Rs.8.56 lakh as per details given in the table below:

S.No.	Description	Quantity		Rate (in Rs.)	Value (in Rs.)
		Purchased	Balance as on 31.3.06		
1	Grey tericot cloth	24180 mtrs.	3679 mtrs.	82	301678
2	Grey woolen cloth	7350 mtrs.	381.20 mtrs.	172	65566
3	White tericot cloth	260 mtrs.	123 mtrs.	82	10086
4	Gents sandle	9400 pairs	1639 pairs	139	227821
5	Gents shoes	2400 pairs	65 pairs	275	17875
6	Ladies sandle	1600 pairs	1064 pairs	123	130872
7	Grey saree with blouse	1450 nos.	197 nos.	215	42355
8	White saree with blouse	150 nos.	103 nos.	215	22145
9	Grey jersey	2750 nos.	197 nos.	185 +4%	37903
	<b>Total</b>				<b>856301</b>

The fact that the above items were not issued to the staff even after one year, clearly indicated that the items were purchased in excess of actual requirement. Purchase of livery items without proper assessment of actual requirement was unjustified and resulted in unnecessary blockage of Municipal funds amounting to Rs.8.56 lakh.

In addition to the above items worth Rs.8.56 lakh, other items in large quantities were also lying in the stores as detailed in Annexure-XIII. The exact date of purchase and value of these items were not available on record. However, some of the items were reported to be purchased before 1996 and were now rendered unusable.

It was clear from the above facts that the requirement of livery items was not assessed correctly. The Department had not maintained any reliable record of staff entitled to the livery items. The items were purchased without proper assessment of actual requirement which resulted in excess procurement of various items. Non-utilization of the excess items not only resulted in blockage of funds but also loss to the Council as a large number of items have now become unusable. However, the loss suffered on this account could not be assessed as the date of purchase and value of all the items lying surplus in the store was not made available to audit despite reminders.

The matter was referred to the Department in April 2007; their reply was awaited as of June, 2007.



**DEPARTMENT  
OF  
INFORMATION  
TECHNOLOGY**



## **CHAPTER-XI : DEPARTMENT OF INFORMATION TECHNOLOGY**

### **11.1 Infertuous expenditure on computerization project**

The Department, in violation of General Financial Rules regarding call of open tender, awarded work to M/s CMC Ltd. in April 2001 for development of 19 Application Software modules for various Departments of NDMC for implementation of e-governance programme at a cost of Rs. 2 crore. It also paid Rs. 80 lakh as advance against permissible amount of Rs. 10 lakh. Further, it failed to get the work done within the scheduled period of 18 months. The firm, even after being granted extensions up to September 2004, could deliver only two complete and six partial software modules and thereafter, NDMC decided not to grant any further extension. The Department also procured computers and networking equipments costing Rs. 3.61 crore during 2001-02 to 2004-05 for implementation of e-governance programme in most of the Departments. Failure of CMC in delivering the software modules resulted in under utilization of equipments and delayed/non-implementation of e-governance programme in NDMC.

NDMC decided to computerize activities/tasks of various Departments under its e-governance programme in November 2000. In order to achieve this goal, development of Application Software for different Departments was necessary. The work of development of these softwares was awarded to M/s CMC Ltd., a Govt. of India Undertaking (now under the control of TATA Group after disinvestment) in March 2001 at a cost of Rs. 1.90 crore for development of Application Software and Rs. 10 lakh for consultancy service.

The work was awarded to the firm without inviting any tenders simply on the ground that it was Public Sector Undertaking and had special expertise in software development and had developed and implemented similar software in Vijaywada Municipal Corporation, Railways, Delhi Vidyut Board and U.P. Power Corporation. Award of



work without open tenders denied the Council the benefit of competitive rates.

The Department awarded lumpsum contract instead of analyzing the module-wise cost, in violation of General Financial Rules. It also violated these Rules regarding grant of advance payment to the contractor. According to GFRs, advance payment to Public Sector Undertakings up to 90 per cent of the total value of the contract subject to maximum of Rs. 10 lakh can be made against which the Department paid Rs. 80 lakh i.e. 40 per cent of the total value of the contract.

The scope of work under the agreement included following items;

- i) Development/customization/testing and installation of the Application Software for different Departments;
- ii) Acceptance of Application Software to demonstrate the successful completion of installation of the system;
- iii) Design, develop and supply
  - (a) CD ROM based multimedia presentation containing information about NDMC activities;
  - (b) A Master cassette containing information on the VOICE system;
- (iv) Interactive Voice Response System (IVRS);
- (v) Preparation of Web Site Portal;
- (vi) Consultancy for procurement of computer equipment.

The project inter-alia involved development of 19 Application Software modules including two separate modules of Health Department i.e. (i) Health Programme and (ii) Trade Licences system, preparation of two System Administration and User/Operational Manuals as detailed in Annexure XIV. The Application Software modules were to be completed in three phases within 18 months i.e. by September 2002.

As per clause 4.4 of the agreement, in case of delay in completion of the project, penalty @ 0.5 per cent of the delayed milestone/target date for every month of delay for reasons solely attributable to the firm, subject to a maximum of five per cent of total contract value was recoverable from the firm. A Project Steering Group and a Project Monitoring & Review Group were also constituted in April, 2002 and

December 2002 respectively for effective evaluation, assessment and continuous monitoring of the project.

The firm failed to complete the project by September 2002 due to reasons attributed to frequent reshuffling of manpower of the firm and resistance from different Departments/offices of NDMC. The firm was, therefore, granted extensions from time to time. Last extension was granted upto 31 May 2004 for Phase-I and 30 September 2004 for the entire project.

Audit noticed that the firm failed to complete the project even up to March 2005. Out of total 19 modules to be developed as per agreement, only eight modules were delivered by the firm. Subsequently, in July 2005 these modules were sent to M/s STQC IT Services, a unit of Ministry of Information Technology, for testing who furnished final report in December 2005. M/s STQS IT Services was paid Rs. 9.54 lakh for testing of various modules. In September 2006, Project Steering Group decided that each of the eight modules as tested by M/s STQC Services be evaluated by the concerned Heads of user Departments and Director(IT). Their evaluation revealed that except Software modules of 2 Units i.e. Birth and Death and Law Department, remaining six modules pertaining to Departments viz. Architect, Enforcement, Estate, Health, Personnel and Public Grievances were only partially complete ranging from 75 to 93 per cent. It was also observed that M/s CMC had not provided user manual, training to the NDMC staff and web based software as envisaged in the agreement.

IT Department worked out the cost of work done as Rs. 48.04 lakh. After proposed deduction of Rs. 10 lakh as liquidation damages for delay in completion of work, the amount payable worked out to Rs. 38.04 lakh. However, Audit noticed that as of March 2007 the amount so worked out was yet to be adjusted and excess amount recovered against the advance of Rs. 80 lakh paid to the firm in April 2001.

It was also observed that the work of development of software applications was divided in three phases. These phases were prepared keeping in view the priorities of work/activities in the Council for implementation of e-governance programme. The Department did not ensure development of software for the Departments/ activities envisaged in the first phase. It allowed the firm to take up Departments proposed to be covered in second phase first. Resultantly, Law, Enforcement and part of Health Departments which were to be covered in second phase, were covered in the first phase indicating that priorities envisaged at the time of entering the contract were not adhered to.



During the period 2001-02 to 2004-05 besides advance payment of Rs. 80 lakh paid to CMC for development of softwares etc., NDMC had incurred an expenditure of Rs. 1.48 crore on purchase of computers and peripherals, Rs. 16.13 lakh on routers and Rs. 1.67 crore on networking equipments. Computer and networking equipments etc. costing Rs.3.31 crore were purchased for computerization in various Departments on the recommendation of the firm without ensuring that the required software applications had been developed. The Department also did not ascertain the requirements from the user departments before procurement of computers and peripherals. The Department purchased the computers and networking equipments on the basis of limited tenders instead of inviting open tenders as required under instructions contained in the General Financial Rules and also under the order issued by the Central Vigilance Commission in this regard. Audit also observed that adequate importance was not given to the monitoring as is evident from the fact that Project Steering Group which was responsible for closely monitoring the progress of work was constituted in April, 2002 i.e. after one year of award of contract.

Thus, due to lack of proper control over expenditure, excess payment of advance and inadequate monitoring of the project, the computerization programme with application of 19 modules which was scheduled to be implemented in all Departments by September 2002 could not be implemented even after an expenditure of Rs. 4.11 crore. Moreover, after a delay of more than four years only two out of 19 softwares modules were found acceptable depriving the benefits of the e-governance programme to the Council.

The matter was referred to the Department in May 2007; their reply was awaited as of June 2007.

### **11.2 Wasteful expenditure on purchase of Windows XP Professional Software**

**The Department without ensuring compatibility of the available computers procured upgraded version of software in July 2003 resulting in wasteful expenditure of Rs. 7.55 lakh.**

Information Technology (IT) Department, NDMC is responsible for implementation of computer programmes in various Departments of the Council.

IT Department, NDMC on the recommendations of M/s CMC Ltd., a firm hired for consultancy services, placed a supply order on 27 June 2003 with M/s K.S. Softnet Solution Pvt. Ltd., an authorized channel partner of Microsoft, for upgradation of operating system from Windows 98 to Windows XP Professional in the existing 120 IBM computers in the NDMC offices at a cost of Rs. 8.39 lakh including Rs. 4760 on account of media and documentation charges. An agreement was signed with the firm on 7 July 2003. The firm supplied the operating system MS Window XP Professional for 120 computers along with media and documentation kit on 8 July 2003. The firm was paid Rs. 6.29 lakh in November 2003 i.e. 75 per cent of the contract value against delivery and Rs. 1.26 lakh in September 2006 i.e. 15 per cent after acceptance of software. The balance amount of Rs. 0.84 lakh i.e. 10 per cent was deducted as penalty for delay and non-installation of software.

Audit scrutiny revealed that upgraded XP Professional Software could not be installed as the software was not compatible with the existing hardware configuration. The 120 IBM computers installed at Palika Kendra had only 32 MB RAM. The specification for installation of Windows XP Professional interalia included 128 MB of RAM.

It was also observed that 75 per cent payment was released to the firm against delivery in November 2003. Apparently, the software was loaded on 30 IBM machines and performance was not found satisfactory because of slow speed of upgraded IBM computers. There is nothing on record to indicate that matter was taken up in this regard either with the firm or the CMC. Interestingly, while software could not be loaded on 90 remaining machines due to incompatibility, balance 15 per cent amounting to Rs. 1.26 lakh was paid to the firm in September 2006. As the software was not installed in the computers because of their incompatibility, acceptance of software and consequent release of 15 per cent payment was also irregular.

Thus, failure of the Department to make proper study/survey of the capacity of available computers before purchase of upgraded version of software resulted in wasteful expenditure of Rs. 7.55 lakh.

The matter was referred to the Department in May 2007; their reply was awaited as of June 2007.



### **11.3 Unproductive expenditure on procurement of Oracle Software**

**The Department delayed procurement of Oracle Software for NDMC schools including Navyug schools for about two years (April 2004 to March 2006). Further, it also failed to assess the compatibility of the existing computers before procurement of software in March 2006. Resultantly, the Department incurred unproductive expenditure of Rs. 5.83 lakh.**

Information Technology (IT) Department, NDMC is responsible for implementation and support of computer programmes in various Departments and schools of NDMC.

Computer education is being imparted in NDMC Schools including Navyug Schools. These schools are following the CBSE approved syllabus. Informatics Practices is one of the elective subjects at 10+2 level in four NDMC and four Navyug Senior Secondary Schools. During the year 2002-03 CBSE revised the syllabus of Informatics Practices for class XI and introduced ORACLE as a programming language as part of the syllabus.

Education Department in order to meet the academic requirements of its various NDMC and Navyug Senior Secondary Schools requested IT Department in June 2004 to arrange for purchase of Oracle Software. IT Department, after seeking various clarifications from Education Department, started procurement process only in December 2004. It took another one year in seeking administrative approval and expenditure sanction. The Department failed to identify authorized dealers/channel partners at the time of seeking administrative approval in June 2005. The exercise of identifying the channel partners began only after June 2005. Consequently the order was placed on 30 January 2006 vide order No. SO/31/2006 with M/s Sparc InfoTech Pvt. Ltd., New Delhi for supply of Oracle Database Standard Edition software plus licence pack along with , Media Kit at a cost of Rs. 9.02 lakh including sales tax. This amount included Rs. 1.20 lakh as cost of faculty training.

The software was to be installed in 120 computers in the schools. An agreement was executed with the firm on 23 February 2006 and the material was delivered on 15 March 2006. The firm was paid Rs. 5.83 lakh in June 2006 i.e. 75 per cent against the delivery of material after deducting Rs. 1.20 lakh being the cost of training as no training was provided to faculty.

Audit scrutiny of records of IT Department revealed that against supply order of installation of the Oracle Software in 120 computers, upto May 2006 the software was installed only in 36 computers and by February 2007 it was installed in 80 computers as configuration of other computers (Pentium II) available with the schools was not compatible with Oracle Software. The firm also did not provide training to the school faculty till the date of audit (February 2007). In the absence of faculty's training, the utility of Oracle programme education to the students needs to be ascertained.

Thus, IT Department not only delayed the procurement of software by about 2 years (April 2004 to March 2006) to meet the requirements of Education Department, it also failed to assess the compatibility of the existing computers before placing the supply order with the firm. Resultantly, the Department incurred an unproductive expenditure of Rs. 5.83 lakh besides depriving the students of the desired facility of learning Oracle as a programming language as provided for in the syllabus.

The matter was referred to the Department in May 2007; their reply was awaited as of June 2007.



**DEPARTMENT  
OF  
PROPERTY TAX**







## **CHAPTER-XII : DEPARTMENT OF PROPERTY TAX**

### **12.1 Non- recovery of arrears of property tax**

**The Department failed to take adequate steps for the recovery of property tax from the defaulting parties. Resultantly, arrears of property tax and penalty amounting to Rs. 323.09 crore could not be recovered from 5405 parties as of 31 March 2006. Further, recovery of Rs. 269.13 crore was involved in remand and cases under stay.**

Section 101 of the New Delhi Municipal Act stipulates 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 arrears 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 moveable property or the attachment and sale of the immoveable property of the defaulter.

It was, however, observed that despite specific provisions in the Act for enforcing recovery of municipal taxes from the defaulting parties, the Department did not take adequate action for enforcing recovery of property tax. Resultantly, arrears of property tax remained very high. Though, the matter was highlighted on various occasions in the previous Annual Audit Reports, there was no significant improvement.

As per information available in the Department, recovery of property tax and penalty amounting to Rs.323.09 crore was in arrears as of 1 April 2006. The amount of Rs.323.09 crore included arrears of tax amounting to Rs.315.34 crore and penalty of Rs.7.75 crore. The year-wise break up of the arrears of tax was, however, not made available to audit.

In addition to the arrears of Rs.323.09 crore towards arrears of property tax and penalty, recovery of property tax amounting to Rs.269.13 crore was under dispute as of 31 March 2006. Out of the amount of Rs.269.13 crore, recovery of Rs.139.31 crore was involved in remand cases and Rs.129.82 crore was involved in cases under stay.



It was further observed that while the amount involved in remand cases declined from Rs.141.08 crore as of 31 March 2005 to Rs.139.31 crore as of 31 March 2006, marginal improvement of 1.25 per cent, the amount involved in cases under stay increased from Rs.89.50 crore to Rs.129.82 crore indicating a sharp increase of about 45 per cent. The dates from which these cases were pending and reasons for the dispute were not readily available. It was however, clear that the Department could not settle these cases involving tax revenue of Rs.269.13 crore.

The analysis of outstanding arrears of tax revealed that while in 2995 cases, the arrears of tax against individual assesses were upto Rs.one lakh, in 39 cases the tax outstanding against individual assesses was more than Rs. one crore. The detailed analysis of outstanding tax arrears of property tax and penalty is given in the table below:

Amount of arrears	House tax		Penalty		Total Arrears
	No. of cases	Amount	No. of cases	Amount	
Upto Rs.50,000	2365	0.62	902	1.03	1.64
Above Rs.50,000 but less than Rs.1 lakh	630	4.61	199	0.23	4.84
Above Rs.1 lakh but less than Rs.5 lakh	1574	38.01	579	1.37	39.38
Above Rs.5 lakh but less than Rs.25 lakh	662	68.26	266	1.83	70.09
Above Rs.25 lakh but less than Rs.50 lakh	85	29.45	30	0.87	30.32
Above Rs.50 lakh but less than Rs.1 crore	50	34.97	19	1.11	36.08
Above Rs.1 crore	39	139.42	9	1.31	140.74
<b>Total</b>	<b>5405</b>	<b>315.34</b>	<b>2004</b>	<b>7.75</b>	<b>323.09</b>

It would be observed from the table above that though 5405 parties were in default of payment of house tax, penalty was levied in only 2004 cases i.e (about 37 per cent). No specific reasons were explained to audit.

It is clear from the above facts that recovery of tax amounting to Rs.592.22 crore was actually in arrears out of which tax recovery of Rs.269.13 crore was involved in remand and stay cases. The overall position was really unsatisfactory and indicated that Department had not taken effective action as provided under the Act for recovery of tax and settlement of disputes.

The matter was referred to the Department in April 2007, their reply was awaited as of June 2007.



## **12.2 Non-recovery of service charges in respect of Central Government properties**

**Failure of the Department to take effective steps to recover service charges in respect of Central Government properties resulted in non-recovery of service charges amounting to Rs. 42.37 crore in respect of 958 properties as of 31 March 2006.**

Article 285 of the Constitution provides that the properties of the Union shall, save in so far as Parliament may by law or otherwise provide, be exempt from all taxes imposed by a State or by any authority within a State. Section 65 of the New Delhi Municipal Council 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 these orders, the Ministry of Works & Housing communicated (August 1975) that service charges at 100 per cent will be paid in respect of Central Government properties in the Union Territory of Delhi.

It was, however, observed that despite specific orders of the Ministry of Finance, Ministry of Home Affairs and Ministry of Works & Housing, Department could not recover service charges in respect of a large number of properties of Central Government Departments located in NDMC area. Resultantly, heavy arrears of service charges accumulated against various Departments. Though, the matter was highlighted in paras 6.2 of Annual Audit Reports for each of the year ended March 2004 and March 2005, the position did not improve.

As per information available in the Department, service charges amounting to Rs.42.37 crore were outstanding in respect of 958 properties

of various Departments of Central Government as of 1 April 2006. Out of total arrears of Rs.42.37 crore, service charges of Rs.41.60 crore were due in respect of 137 properties against which the amount of arrears was more than Rs. one lakh each. The details of major defaulting Departments, number of properties involved and the total arrears of service charges against them are given in the table below:

S.No.	Name of the Department	No. of properties	Arrears (Rs.in crore)
1	CPWD/PWD	84	19.23
2	Hospitals	8	6.68
3	Garrison Engineer and other Defence Establishment	8	7.24
4	Sports Authority of India	1	3.65
5	Railways	32	2.96
6	Income Tax Department	1	0.53
7	Central Administrative Tribunal	1	0.88
8	Department of Post	2	0.43
	<b>Total</b>	<b>137</b>	<b>41.60</b>

The dates from which the arrears of service charges were due from these Departments and the reasons for non-payment could not be ascertained from the record made available to audit. The break up of service charges and penalty levied was also not intimated to audit despite reminder.

Heavy arrears of service charges indicated that despite being pointed out in audit, effective steps for the recovery of the service charges were not taken. Resultantly, recovery of Rs.42.37 crore remained in arrears as of 31 March 2006.

The matter was referred to the Department in April 2007; their reply was awaited as of June 2007.

### **12.3 Non-recovery of property tax from institutes**

**The Department did not take adequate action to enforce recovery of property tax from the defaulting institutes. Resultantly, heavy arrears of property tax amounting to Rs. 11.61 crore accumulated as of 31 March 2006.**

Section 62 of New Delhi Municipal Council Act stipulates that property tax shall be levied in respect of all land and buildings except land



and buildings or portions of land and buildings exclusively occupied and used for public worship or by a Society or body for a charitable purpose.

It was pointed out in Para 6.3 of Annual Audit Report for the year ended March 2004 and again para 6.3 of Annual Audit Report for the year ended March 2005 that adequate action was not taken by the House Tax Department for the recovery of property tax from the schools and other institutes. Resultantly, heavy arrears of property tax had accumulated against a large number of institutes.

A further review of position of recovery of property tax from institutes revealed that despite being pointed out in audit earlier, the position had not improved. The total arrears of property tax from institutes increased from Rs.11.54 crore from 48 institutes as of 31 March 2005 to Rs.11.61 crore from 42 institutes as of 31 March 2006 as detailed in Annexure XV. Though the number of defaulting institutes declined marginally since last year, the arrears against some other institutes increased considerably.

Out of total arrears of Rs.11.61 crore recovery of Rs.4.17 lakh remained under stay. However, the recovery of property tax involved in remand cases increased from Rs.33.76 lakh (2 cases) to Rs.1.56 crore (5 cases) since last year. The arrears against individual institutes ranged from Rs.340 to Rs.1.17 crore. An analysis of outstanding arrears further revealed that in eight cases, the amount of arrears of property tax against individual institutes was upto Rs. one lakh and in seven cases, the amount of arrears of tax was more than Rs.50 lakh and upto Rs.1.17 crore. The detailed analysis of the arrears of tax against institutes is given in the table below:

S.No	Range of arrears	No. of institutes	Arrears (Rs.in crore)
1	Upto Rs1 lakh	8	0.02
2	Above Rs. 1 lakh and upto Rs. 10 lakh	13	0.57
3	Above Rs. 10 lakh and upto Rs. 25 lakh	6	1.03
4	Above Rs. 25 lakh and upto Rs. 50 lakh	8	3.41
5	Above Rs.50 lakh	7	6.58
	<b>Total</b>	<b>42</b>	<b>11.61</b>

It would be seen from the table above that out of the total arrears of Rs.11.61 crore from 42 institutes, Rs.9.99 crore were due from 15 institutes.

The dates from which the institutes had not paid the tax and the year-wise break up of the arrears were not made available to audit. It was

further observed that penalty as required under the rules was not imposed against all the defaulting institutes. The reasons for not levying the penalty against these institutes were also not made known to audit.

The heavy arrears of property tax against institutes clearly indicate that adequate action was not taken by the Department to enforce recovery of tax which had resulted in non-recovery of property tax amounting to Rs.11.61 crore as of 31 March 2006.

The matter was referred to the Department in April 2007; their reply was awaited as of June 2007.

#### **12.4 Loss of revenue due to incorrect assessment of rateable value**

**The Department assessed rateable value of the property by taking the area as 147.5 sq.ft. whereas the actual area was 1475 sq. ft. resulting in less recovery of property tax amounting to Rs. 10.45 lakh during 1994-95 to 2005-06.**

Section 63 of the New Delhi Municipal Act, 1994 stipulates that the rateable value of any land or building assessable to any property tax shall be the annual rent at which such land or building might reasonably be expected to be let from year to year less a sum equal to ten per cent of the said annual rent for repairs etc.

During survey conducted by the Department on 11 November 1994, property (MC No II P/A 203) at UGF, Kanchanjunga building was found locked. The owner of the property was asked to furnish the details of the property. However, the party did not reply. The Department, therefore, finalized the assessment of the property in April 1997 at annual value of Rs.52144 less 10 per cent on comparable market rent basis for the years 1994-95 and 1995-96. The assessment was finalised for 147.5 sq. ft. area at a market rent of Rs.29.46 per sq. ft. per month. The party did not file any objection against the assessment. The same rateable value was maintained for the year 1996-97 also.

It was, however, observed from the copy of indemnity bond dated 16 January 1999 submitted by the new owner of the property, Smt. Kumkum Kanwaljit Singh, that the area of the property was 1475 sq. ft. and not 147.5 sq. ft. The assessment list for the year 2004-05



also indicated that the actual area of the property was 1475 sq. ft. This clearly proved that the rateable value of Rs. 46930 assessed in April 1997 for the assessment year 1994-95 and 1995-96 was not correct. The correct rateable value for 1475 sq. ft. area at market rent of Rs. 29.46 per sq. ft. per month worked out to Rs. 469298 (Rs. 521442 less 10 per cent). The incorrect assessment of the rateable value based on incorrect area continued for the subsequent years also, which resulted in less recovery of tax amounting to Rs.10.45 lakh during 1994-95 to 2005-06 as per details given below:

Year	Rateable value		Rate of tax	Property tax		Less recovery
	Fixed	Due		Recovered	Due	
	(in Rs)	(in Rs.)		(in Rs)	(in Rs)	(in Rs)
1994-95	46900	4,69,200	12.5 %	5862	58650	52788
1995-96	46900	4,69,200	15%	7035	70380	63345
1996-97	46900	4,69,200	15%	7035	70380	63345
1997-98	46900	4,69,200	20%	9380	93840	84460
1998-99	46900	4,69,200	20%	9380	93840	84460
1999-00	46900	4,69,200	30%	14070	140760	126690
2000-01	46900	4,69,200	30%	14070	140760	126690
2001-02	46900	4,69,200	25%	11725	117300	105575
2002-03	46900	4,69,200	20%	9380	93840	84460
2003-04	46900	4,69,200	20%	9380	93840	84460
2004-05	46900	4,69,200	20%	9380	93840	84460
2005-06	46900	4,69,200	20%	9380	93840	84460
			<b>Total</b>			<b>10,45,193</b>

The Department failed to detect its error of taking the area of property for the assessment year 1994-95 as 147.5 sq.ft. instead of 1475 sq.ft. while making assessment for subsequent years.

Thus, incorrect assessment of rateable value on the basis of incorrect area resulted in loss of revenue amounting to Rs 10.45 lakh during 1994-95 to 2005-06.

The matter was referred to the Department in November 2006; their reply was awaited as of June 2007.





**DEPARTMENT  
OF  
PUBLIC HEALTH**







## **CHAPTER-XIII :DEPARTMENT OF PUBLIC HEALTH**

### **13.1 Deficient management of Compost Plant**

**Management of Compost Plant, Okhla failed to run the plant efficiently. The capacity utilization of the plant ranged between 17 per cent and 30 per cent during 2002-03 to 2005-06 (upto December 2005). Against the output norms of 50 per cent of the quantity of garbage processed, actual production of compost ranged between 20 per cent and 42 per cent. Further, the management could sell only 4024 MT out of 13289 MT compost produced during the above period. As a result 9265 MT valuing Rs. 3.61 crore had been lying unsold. Further, stock registers were not being maintained properly. Adequate arrangement for storage of compost was also not made resulting in huge quantity of compost lying in open space subject to deterioration and pilferage.**

The Compost Plant was installed and commissioned at Okhla in 1985 at a total cost of Rs. 1.92 crore. Its day to day operations were looked after by the Manager, Compost Plant under overall administrative control of Health Department, NDMC. The plant was to be run in three shifts for 300 days in a year with installed capacity of processing of 200 Metric Ton (MT) of garbage per day or say 60,000 MT per year. The garbage was to be processed and converted into compost. The compost produced was to be sold in bulk to Horticulture Department, NDMC or in retail in the market at a price fixed by the Department. The sale price of the compost was revised from Rs. 2500 per MT to Rs. 4000 per MT plus loading and transportation charges w.e.f. 1 December 2002.

Audit scrutiny of records of Compost Plant revealed that Plant was not being run efficiently. Statement showing details of garbage processed, compost produced and its sale for the period 2002-03 to 2005-06 is given below:-



Year	Total capacity (in MT)	Garbage intake (in MT)	Compost produced (in MT)	Rate per MT (in Rs.)	Qty. sold (in MT)	Qty. unsold (in MT)	Amount realised by sale (Rs. in lakh)	Value of unsold stock (Rs. in lakh)
2002-03	60,000	14251 (24%)	2956 (21%)	2813	1204	1752	33.87	49.28
2003-04	60,000	17740 (30%)	4326 (24%)	4138	915	3411	37.86	141.15
2004-05	60,000	10283 (17%)	4311 (42%)	4160	1570	2741	65.31	114.03
2005-06 (upto Dec. 05)	45,000	8663 (19%)	1696 (20%)	4160	335	1361	13.94	56.62
<b>Total</b>			<b>13289</b>		<b>4024</b>	<b>9265</b>	<b>150.98</b>	<b>361.08</b>

An analysis of the figures in the statement indicated that installed capacity was not fully utilized. It ranged between 17 per cent and 30 per cent during 2002-03 to 2005-06 (upto December 2005). Further, normally the compost produced should have been 50 per cent of the quantity of garbage processed whereas, actual production of compost ranged between 20 per cent and 42 per cent during the above period.

Audit also observed that the Department had been selling the compost to Horticulture Department, NDMC in bulk and to outside agencies in bags through its three outlets located at INA, Mandir Marg and Sarojini Nagar in the NDMC area. The management of the compost plant did not make effort to increase the sale of the compost. Resultantly, against 13289 MT compost produced during 2002-03 to 2005-06 (upto December 05), the Department could sell only 4024 MT of compost valuing Rs. 1.51 crore. This included sale of compost to Horticulture Department of NDMC. 9265 MT of compost valuing Rs. 3.61 crore as worked out by Audit on the basis of actual sale and amount realised, had remained unsold during the above period. Audit also noticed that the Department had not been maintaining stock registers properly and storage of compost was also improper as huge quantity of compost was lying in open space of the plant. Resultantly, audit could not ascertain position of actual stock of compost lying unsold.

Thus, failure of the management to run the plant efficiently and sell the compost in the market effectively, resulted in accumulation of huge stock and consequential non-realisation of value of the unsold stock. Besides, the compost was subjected to deterioration and pilferage due to poor storage arrangement.



The matter was referred to the Department in April 2007; their reply was awaited as of June 2007.

### **13.2 Avoidable extra expenditure on hiring of small private trucks for garbage removal**

**The Department, without any justification, hired five TATA 407 trucks during April 2005 to September 2005. Resultantly, avoidable extra expenditure of Rs. 5.39 lakh was incurred.**

The Public Health Department of the Council is responsible for daily surface cleaning of all the streets and removal of garbage from the Council area. The Department has a large fleet of Departmental vehicles for removal of garbage from the Council area and dumping the same at Sanitary Land Fill Site. The Department also hires private trucks for this purpose.

In a meeting held on 1 August 2003, the senior supervisory staff of Sanitation Department pointed out that due to condemnation and auction of wheelbarrows and garbage trolleys, the garbage was dumped by the residents in open and the existing garbage trucks could not negotiate the narrow lanes and bye lanes. It was, therefore, proposed to hire small vehicles (TATA-407) for removal of garbage from narrow lanes for a period of at least three months or till the wheelbarrows were purchased.

The proposal was in principle approved by the competent authority on 13 August 2003. Subsequently, sanction to hire eight TATA-407 trucks at a rate of Rs.680 per day for three months was accorded by the competent authority on 11 September 2003. Accordingly, eight TATA-407 trucks were hired for a period of three months from 24 September 2003.

After expiry of three months, the Department continued to hire four trucks, instead of eight trucks on the ground that the small trucks were useful and effective in collecting garbage from narrow lanes. The trucks were hired from the same contractor on the same terms and conditions without inviting fresh tenders.

Meanwhile, the Department purchased 200 wheelbarrows at a cost of Rs.3.12 lakh in July 2004 and 1200 wheelbarrows at a cost of Rs.27.60 lakh in March 2005.

However, even after purchase of 1400 wheelbarrows at a cost of Rs.30.72 lakh, the Department continued to hire the small trucks without apparent justification. Incidentally, the Department had engaged four TATA 407 trucks during 24 December 2003 to 23 June 2004. Thereafter, the Department started hiring five trucks from 24 June 2004 without elaborating the justification for hiring additional trucks. The practice of hiring five TATA-407 trucks was still continuing as of March 2006.

The Department had initially justified the hiring of the small trucks (TATA 407) for a limited period of three months or till the purchase of wheelbarrows/trolleys on the ground that after condemnation and auction of wheelbarrows, difficulty was being experienced in removal of garbage from narrow lanes where the big trucks could not reach. The hiring of five TATA 407 trucks even after purchase of 1400 wheelbarrows at a cost of Rs.30.72 lakh was, therefore, not justified and resulted in avoidable extra expenditure of Rs.5.39 lakh (approx.) during April 2005 to September 2005. The total avoidable extra expenditure incurred on this account upto March 2006 could not be worked out as the requisite information was not made available to audit despite reminder.

Further, hiring of these trucks beyond 24 December 2003 to March 2006 from the same contractor without calling of fresh tenders was also irregular and deprived the Council the benefit of better competitive rates.

The matter was referred to the Department in April 2007; their reply was awaited as of June 2007.



**DEPARTMENT  
OF  
WELFARE**







## **CHAPTER-XIV : DEPARTMENT OF WELFARE**

### **14.1 Non-utilization of stadium at Laxmi Bai Nagar**

**The Department failed to properly maintain Game Courts of Laxmi Bai Nagar Stadium which resulted in non-utilisation of the stadium during 2003-06 and depriving the sports persons of the benefit of infrastructure and sports facilities. Besides, it had also incurred expenditure of Rs. 9.40 lakh during the said period on the pay and allowances of staff posted at the stadium which was continuing at the rate of Rs. 0.26 lakh per month.**

As per Section 12 of the New Delhi Municipal Council Act, one of the discretionary functions of the Council is to establish and maintain stadia for sports and games. For this purpose, the Council has set up various stadia in the NDMC area.

Welfare Department, NDMC is responsible for the management of stadia, organizing sports activities therein and ensure their utilization in the interest of sports.

Audit scrutiny revealed (May 2006) that Mini Stadium at Laxmi Bai Nagar was constructed in August 2000 at a cost of Rs. 8.26 lakh with facilities of Lawn Tennis, Basket ball, Badminton, Volleyball, Kabaddi Courts etc.


In the last three years i.e. 2003-2006 no sports activities were conducted at the stadium. Non-utilization of stadium was attributed to bad condition of the Games Courts. The Department had not taken any action to improve the condition of the courts to conduct sports activities in the stadium. Resultantly, the stadium remained unutilized for more than three years. This caused not only idling of investment of the Council but also deprived the sports persons of the intended benefit of infrastructure and sports facilities created for them. Action taken to improve the condition of the Courts was not found on the records of the Department.

Audit also noticed that the Council had also been incurring expenditure on the pay and allowances of staff (Game Attendant-one,

Safai Karamchhari-one, Peon-one and Security Guard-two) posted at the stadium. The expenditure on this account worked out in audit on the minimum of the pay scale of this staff for the year 2003-04 to 2005-06, was Rs. 9.40 lakh and was continuing at the rate of Rs. 0.26 lakh (approximately) per month. In addition, the Council had also been incurring expenditure on account of electricity and water charges, the details of which were not made available to audit despite requests.

Thus, failure on part of the Department in properly maintaining and conducting sports activities in the stadium resulted in idling of investment of Rs. 8.26 lakh on construction of stadium and infructuous expenditure of Rs. 9.40 lakh on pay and allowances of the staff. Besides, it also deprived the sports persons of the benefit of infrastructure and sports facilities for the last three years.

The matter was referred to the Department in April 2007; their reply was awaited as of June 2007.

  
(MEENAKSHI GUPTA)  
CHIEF AUDITOR

New Delhi  
Dated August 2007



# **ANNEXURES**





## Annexure-I

## {Para 1.15.7.A(a)}

## Statement of heads of account with Nil expenditure

(Rs. in lakh)

S.No		Head of account and description	B E 2005-06	R E 2005-06
1.	C.1.8	Purchase of staff car	10.00	6.00
2.	C.1.11	Travelling Allowance/Daily Allowance	1.00	1.00
3.	C.14.9	Compensation payable to Deceased/Court for Motor Accident Claims	10.00	1.00
4.	C.14.15	Building Maintenance	8.00	1.00
5.	C.16.	Engineer-in-chief	5.03	5.00
6.	D.1.1.6	Running & Maintenance of jeeps	1.00	1.00
7.	D.1.2.7	Running & Maintenance of Bus	0.20	1.00
8.	D.1.2.8(ii)	Purchase and repair of furniture & equipment	1.00	1.00
9.	D.1.2.12	Development of common playgrounds for NDMC schools	2.00	2.00
10.	D.1.2.17	Purchase of Sports Material	1.00	1.00
11.	D.1.2.A.13	Sports Material	1.00	1.00
12.	D.1.3.5(i)	Free Text Books	1.00	1.00
13.	D.1.3.5(vi)	Lab/Library Furniture	1.00	1.00
14.	D.1.3.13	Sports Material	1.00	1.00
15.	D.1.4.5(iii)	Free Uniform(N/P)	-	25.00
16.	D.1.4.5(iv)	Supply of free stationary (Non Plan)	-	3.50
17.	D.1.4.5(v)	Furniture /PT Equipment	1.00	1.00
18.	D.1.4.5(vi)	Library Book	1.00	1.00
19.	D.1.4.5(ix)	Supply of Wool/Woolen Sweaters	-	9.00
20.	D.1.4.5(x)	Sports Material	2.00	2.00
21.	D.1.4.5(xi)	Musical Instruments	1.00	1.00
22.	D.1.4.7	Original Works N/P(Cap.)	102.00	54.00
23.	D.1.4.9(ii) (A)	Salary & Allowance	10.22	8.08
24.	D.1.7.6 -	Organisation of Seminars/Talent Scholarships	1.00	1.00
25.	D.1.7.6(iii)	Improvement of Science & Inservice programme(N.P)	-	3.00
26.	D.1.7.7.1	Salary & Allowance	2.96	1.19
27.	D.1.8.1	Salary & Allowance	1.50	1.53
28.	D.1.10.5	Running & Maintenance of vans	1.00	1.00
29.	D.1.10.9(ii)	Other items	2.00	2.00
30.	D.1.10.14	LTC	2.00	2.00
31.	D.1.19.4	Other charges-scholarship & other incentive(N/P)	-	2.00
32.	D.1.20.4	Other charges	5.00	1.00
33.	D.1.21	Cash Award to teachers for best performance	1.50	1.50
34.	D.1.22	Supply of canvas shoes N/P	-	6.00
35.	D.2.2.7	Strengthening of Hospital Moti Bagh N/P	100.00	10.00
36.	D.2.2.11E	Strengthening of Thalassmia Unit (Cap.)	10.00	1.00
37.	D.2.2.12.1	Salary & Allowances	19.62	20.12
38.	D.2.2.A.13	EPBAX/Telephone charges	1.00	1.00
39.	D.2.5.8	Original works (Cap.)	3.00	1.00



40.	D.2.5.13	LTC	1.50	1.50
41.	D.2.6.12	Strengthening of NDMC Poly Clinic (N/P)	20.00	20.00
42.	D.2.7.11	LTC	-	1.00
43.	D.2.8.7	Strengthening of School Health Service (N/P)	2.00	2.00
44.	D.2.10.4	Other charges	0.10	1.00
45.	D.2.11.1	Salary & Allowances	16.70	17.16
46.	D.2.12.4.A	Equipment	-	3.50
47.	D.2.12.5	Diet	-	2.00
48.	D.2.13.4	Other charges	0.10	1.00
49.	D.2.13.9	Running & Maintenance of vans	1.00	1.00
50.	D.2.15.4	Running & Maintenance of vans	0.50	1.00
51.	D.2.15.6	Other charges	-	1.00
52.	D.2.16.13	Annual Repair & Maintenance of Dustbin (a) Health	2.00	2.00
53.	D.2.16.14	Ex-Gratia	45.14	45.05
54.	D.2.16.17	LTC	26.38	26.58
55.	D.2.17.8	Running & Maintenance of Diesel Sets	1.00	10.00
56.	D.2.18.5	Cost of Police	20.00	20.00
57.	D.2.20.1	Salary & Allowances	11.64	11.86
58.	D.4.1.4	Maintenance (Civil)	10.00	10.00
59.	D.4.3.1	Salary & Allowances	12.89	13.24
60.	D.4.4.7	Purchase of vehicles including water tankers for spraying water on Road Berms	25.00	25.00
61.	D.4.4.8	Purchase of Equipment	9.00	10.00
62.	D.4.4.9	Purchase of Tool & Plants	10.00	10.00
63.	D.4.4.13	Compost Plant (N/P)	-	1.00
64.	D.4.5.1	Salary & Allowances	61.82	61.03
65.	D.4.5.6	Ex-gratia	1.09	1.07
66.	D.4.6.6.9	LTC	-	1.00
67.	D.4.7.3	Palika Service Officers Institute	10.00	10.00
68.	D.4.9.1.A	Annual Repairs of Public Toilet & Urinals	-	7.00
69.	D.4.11.4	Socio Economic Survey(N/P)_	22.00	2.10
70.	D.4.13.6	LTC	1.00	1.00
71.	D.5.(III)	Electric	90.00	60.00
		Office contingencies	1.00	1.00
72.	D.8.4	Ex-gratia	1.25	1.26
73.	D.10(ii)	Contribution to Natural Calamities Relief Fund	150.00	50.00
74.	E.2.2.	Expenditure for Electric Consumer Grievances Redressal Forum	-	20.00
75.	E.2.4	Payment for Consultancy fee/Legal Fee/Professional charges	-	5.00
76.	F.10	Purchase of Pick up Van	5.00	5.00
77.	G.1.1.2	Special Repair & Maintenance	-	16.00
78.	G.1.1.3	Repairing of T&P & Canning of office furniture	1.00	5.00
79.	G.1.1.5	Improvement to Mild Steel Chains & Channel Guards	-	4.00
80.	H.1.4	Repairs & Maintenance of Building(iv) Repairs to Commercial Projects	25.00	20.00
81.	H.1.11	Purchase of Stores	110.00	110.00



82.	H.1.18	Purchase of Tools & Plants	5.00	5.00
83.	H.1.21	Travelling Allowance	-	1.00
84.	H.3.4(a)	Payment to DDA	1.00	1.00
85.	H.6	Consultancy/Evaluation Studies	50.00	24.00

**Annexure-II**  
**{Para 1 15.7.A(c)}**

**Statement of heads of accounts with savings exceeding 50 per cent of revised estimates**

(Rs. in lakh)							
S.No.	Head of account	Description	BE 2005-06	RE 2005-06	Actual Exp. 2005-06	Savings	Percentage
1.	A.1.4	Other charges	2.00	2.00	0.37	1.63	81.5
2.	A.1.6	Bonus	0.15	0.17	0.07	0.10	58.82
3.	A.1.7	Hon./OTA	20.00	5.00	0.49	4.51	90.2
4.	C.1.9	Hon./OTA	4.00	4.00	1.98	2.02	50.5
5.	C.1.10	LTC	0.20	0.50	0.13	0.37	74
6.	C.3.8(V) (a)	Postage & Revenue	2.50	2.00	0.87	1.13	56.5
7.	C.3.8(XIII)	Fire Fighting Arrangement in Mpl. Bldg.	168.00	23.00	8.15	14.85	64.57
8.	C.3.8(XV)	Bank Charges	5.00	7.00	3.38	3.62	51.71
9.	C.4.4	Other Charges	-	40.00	17.56	22.44	56.1
10.	C.5.7	Bonus	0.10	0.15	0.02	0.13	86.67
11.	C.7.5(III)	Staff Welfare Activity	10.00	37.50	16.52	20.98	55.95
12.	C.8.6	Bonus	0.10	0.10	0.02	0.08	80
13.	C.8.8	Hon./OTA	1.00	1.00	0.45	0.55	55
14.	C.10.4	Other charges	1.50	1.50	0.62	0.88	58.67
15.	C.11	Propagation of Punjabi	1.50	1.00	0.35	0.65	65
16.	C.12.7	Other Charges	35.00	20.00	7.55	12.45	62.25
17.	C.14.13	LTC	0.75	5.00	0.26	4.74	94.8
18.	C.15.1	Salary & Allowances	72.03	73.95	17.03	56.92	78.97
19.	D.1.1.10	Hon./OTA	0.50	0.50	0.16	0.34	68
20.	D.1.1.11	LTC	1.00	2.00	0.60	1.40	70
21.	D.1.1.13	Setting up of Computer Lab in School & Providing Addl. Computer in School.	1.00	20.00	5.36	14.64	73.2
22.	D.1.2.4	Scholarships	1.00	0.50	0.04	0.46	92
23.	D.1.2.5	Science Equipment	1.00	1.00	0.37	0.63	63
24.	D.1.2.8 1)	Other Charges Library Books	2.00	1.00	0.20	0.80	80
25.	D.1.2.16	LTC	4.00	4.00	0.21	3.79	94.75
26.	D.1.2.A.7	Library	1.00	0.30	0.05	0.25	83.33
27.	D.1.2.A.9	Science Equipment	1.00	1.00	0.21	0.79	79
28.	D.1.2.A.11	LTC	3.00	3.00	1.50	1.50	50
29.	D.1.2.A.12	Lab	1.00	0.50	.06	0.44	88
30.	D.1.3.5(V)	Other Charges Other Items	3.00	3.30	4.79	28.21	85.48



31.	D.1.3.8	Qualitative Imp. In Elementary Education(N/P Fund)	-	8.00	0.79	7.21	90.13
32.	D.13.12	LTC	1.50	1.00	0.22	0.78	78
33.	D.1.4.5 (IX)	Other Charges Supply of woolen Sweaters	17.00	8.00	2.58	5.42	67.76
34.	D.1.4.6	Grant-in-Aid RM Girls Pry. School No. 1 Doctor Lane	44.00	30.00	13.90	16.10	53.67
		Khalsa Boys Pry. School Bangla Sahib	31.00	31.00	8.49	22.51	72.61
35.	D.1.4.7(D)	LTC	4.00	4.00	1.31	2.69	67.25
36.	D.1.4.9.I(D)	Ex-Gratia	0.10	0.10	0.05	0.05	50
	(E)	Bonus	0.10	0.10	0.05	0.05	50
37.	D.1.4.9(II)(D)	Bonus	0.12	0.12	0.02	0.10	83.33
38.	D.1.5.4(II)	Other items	2.50	2.50	1.07	1.43	57.2
39.	D.1.5.13	LTC	2.00	2.00	0.05	1.95	97.5
40.	D.1.6.6	Scheme for Social Education(N/P Fund)	2.00	2.00	0.39	1.61	80.5
41.	D.1.7.6(V)	LTC	0.30	0.30	0.03	0.27	90
42.	D.1.7.6A(I)	Salary & Allowances	9.99	5.18	0.15	5.03	97.10
43.	D.1.8.4	Other charges	1.50	1.50	0.64	0.86	57.33
44.	D.1.10.11	Ex-gratia	0.42	0.42	0.15	0.27	64.29
45.	D.1.10.13	Honararium/OTA	0.10	0.15	0.02	0.13	86.67
46.	D.1.14.4	Other charges	2.50	2.50	0.94	1.56	62.4
47.	D.1.26	Educational Vocation Guidance(N/P)	-	4.00	0.39	3.61	90.25
48.	D.2.1.7.A	Strengthening of Central Medical Store	0.20	0.20	0.07	0.13	65
49.	D.2.1.10	Bonus	0.31	0.29	0.09	0.20	68.97
50.	D.2.2.10.A	Disposal of Hospital Waste	15.00	10.00	0.10	9.90	99
51.	D.2.2.11	Original works Non Plan Fund(Cap.)	58.00	26.00	6.31	19.69	75.73
52.	D.2.2.11.D	LTC	-	10.00	1.84	8.16	81.6
53.	D.2.2.14.4	Bonus	0.10	0.10	0.05	0.05	50
54.	D.2.2.A.4	Original Works Non-Plan(Cap.)	392.00	92.00	0.74	91.26	99.20
55.	D.2.2.A.12	Disposal of Hospital Work	7.00	5.00	0.32	4.68	93.6
56.	D.2.3.13	Original work(Cap.)	32.00	11.50	0.21	11.29	98.17
57.	D.2.3.20	LTC	6.00	5.00	0.95	4.05	81



58.	D.2.4.13	LTC	1.55	1.55	0.49	1.06	68.39
59.	D.2.5.4	Medicine	10.00	10.00	5.00	5.00	50
60.	D.2.5.10	Bonus	0.35	1.16	0.27	0.89	76.72
61.	D.2.6.8	Other Charges	0.70	0.70	0.44	0.26	59.10
62.	D.2.7.7	Salary & Allowances	24.41	25.94	6.94	19.00	73.25
63.	D.2.7.8	Bonus	0.36	0.37	0.12	0.25	67.57
64.	D.2.8.6	Running & Maint. of vans	0.50	1.00	0.13	0.87	87
65.	D.2.11.4	Other charges	0.15	5.00	0.24	4.76	95.2
66.	D.2.12.13	Running & Maint. of vans	0.50	1.00	0.42	0.58	58
67.	D.2.13.1	Salary & Allowance	32.26	32.96	8.17	24.79	75.21
68.	D.2.13.8	Bonus	0.20	0.20	0.05	0.15	75
69.	D.2.14.11	L.T.C.	0.25	0.25	.07	0.18	72
70.	D.2.15.1	Salary & Allowances	130.57	124.71	41.57	83.14	66.67
71.	D.2.15.9	Ex-gratia	0.85	0.95	0.22	0.73	76.84
72.	D.2.15.12	L.T.C.	0.28	0.28	.01	0.27	96.43
73.	D.2.16.13	Annual Repair & Maint. Of Dustbin (b)Civil	20.00	13.00	2.51	10.49	80.69
74.	D.2.17.10	Other charges	2.00	2.00	.01	1.99	99.5
75.	D.2.17.11	Original works & Sewerage Non Plan(Cap.)	236.50	54.80	0.12	54.68	99.78
76.	D.2.17.16	Ex.gratia	14.67	14.57	1.02	13.55	93
77.	D.2.19.6	Running & Maint. of vans	2.00	3.00	1.40	1.60	53.33
78.	D.2.19.13	LTC	2.10	2.10	0.14	1.96	93.33
79.	D.2.20.7	Running & Maint. of vans	0.50	1.00	0.33	0.67	67
80.	D.2.21.1	Salary & Allowances	15.37	13.88	6.45	7.43	53.53
81.	D.3.1.7	Disposal of Hospital Waste	7.00	7.00	.08	6.92	98.86
82.	D.3.1.10	Bonus	0.37	0.30	0.15	0.15	50
83.	D.4.1.1	Salary & Allowance	78.52	57.98	26.74	31.24	53.88
84.	D.4.1.5	Other Charges	9.00	9.00	3.86	5.14	57.11
85.	D.4.1.9	Ex-gratia	0.91	0.91	0.30	0.61	67.03
86.	D.4.1.10	Bonus	0.19	0.19	0.05	0.14	73.68
87.	D.4.1.12	LTC	0.40	1.00	0.02	0.98	98
88.	D.4.2.1.5	Other charges	4.00	4.00	0.48	3.52	88
89.	D.4.2.2.7	Bonus	0.57	0.67	0.25	0.42	62.69
90.	D.4.4.4.B	Civil	80.00	66.50	19.89	46.61	70.09
91.	D.4.4.10	Original Works Non-Plan Fund(Cap.)	77.90	151.50	55.00	96.50	63.70
92.	D.4.4.11	Ex-gratia	2.61	4.21	1.97	2.24	53.21



93.	D.4.6.4A	Running & Maint. of vans	2.00	3.00	0.35	2.65	88.33
94.	D.4.6.7.1	Salary & Allowances	38.20	40.00	2.53	37.47	93.68
95.	D.4.7.1	Social & Cultural Institutes	8.00	5.00	2.40	2.60	52
96.	D.4.7.2	Samaj Kalyan Samiti	30.00	76.00	0.32	75.68	99.58
97.	D.4.12.1	Original works Non-Plan Fund (Cap.)	532.25	268.06	122.11	145.95	54.45
98.	D.4.13.3B	Bonus	0.07	0.07	0.02	0.05	71.43
99.	D.4.13.3A	Ex-gratia	0.10	0.10	0.05	0.05	50
100.	D.D.7.6	Other Charges	5.00	5.00	0.74	4.26	85.2
101.	D.7.8	Bonus	.07	0.21	0.02	0.19	90.48
102.	D.7.9	Honorarium/OTA	0.30	0.30	0.07	0.23	76.67
103.	D.8.1	Salary & Allowances	69.29	72.10	0.79	71.31	98.90
104.	E.4.3	Tools & Plants	31.30	22.00	3.04	18.96	86.18
105.	E.6(I)	Purchase of Vehicles Electric 11 KV/33 KV	15.50	12.00	5.26	6.74	56.17
106.	E.6(VI)	Furniture Elect. 11KV/33KV	8.00	8.70	3.42	5.28	60.69
107.	E.6(VII)	Provision for Security Arrangement for General Stores	0.50	0.50	0.01	0.49	98
108.	E.7	Ex-gratia	58.55	28.86	0.87	27.99	96.99
109.	E.10	LTC	15.00	25.00	11.57	13.43	53.72
110.	E.11	Purchase of Store	600.00	950.00	119.01	830.99	87.47
111.	E.16	LTC	5.00	2.92	1.02	1.90	65.07
112.	H.1.4	Repair & Maint. of Bldg (ii) Special Repairs (iii) Minor Works	40.00 50.00	30.00 48.00	1.43 15.70	28.57 32.30	95.23 67.29
113.	H.1.8A	Environment Imp. Along Road and Nallahs Non Plan(Cap.)	15.00	25.00	0.25	24.75	99
114.	H.1.8.D	Const. of Working Girls Hostel	19.00	1.00	0.18	0.82	82
115.	H.1.13	Running & Maintenance of Store	20.00	10.00	0.20	9.80	98
116.	H.1.13.A	Running & Maintenance of Material Testing Lab	5.00	1.00	0.32	0.68	68
117.	H.1.20	LTC	0.12	25.00	5.19	19.81	79.24
118.	H.3.9	LTC	-	2.00	.04	1.96	98

119.	H.4.C	Minto Road Constituency(Cap.)	100.00	50.92	10.41	40.51	79.56
120.	I(a)	Purchase of Conveyance	30.00	20.00	9.82	10.18	50.9
121.	I(b)	House Bldg. Advance	40.00	20.00	1.89	18.11	90.55
122.	I(d)	Computer Purchase Advance	2.00	2.00	0.02	1.98	99
123.	K(I)	Horticulture(Cap.)	2.00	2.00	0.26	1.74	87
	K(II)	Civil Engg.(Cap.)	200.00	59.00	27.99	31.01	52.56



**Annexure-III**  
**{Para 1.15.7.(d)}**

**Statement of heads of account of persistent savings exceeding  
50 per cent of revised estimates**

(Rs. in lakh)								
S.No.	Head of account	description	Year	B E	R E	Actual	Savings	Percentage
1.	D.1.25 (10+2)	Pattern of Education	2003-04	-	1.00	-	1.00	100.00
			2004-05	1.00	0.10	-	0.10	100.00
			2005-06	-	0.10	-	0.10	100.00
2.	C.12.7	Other Charges	2003-04	32.00	32.00	10.26	21.74	67.94
			2004-05	33.00	30.00	12.15	17.85	59.50
			2005-06	35.00	20.00	7.55	12.45	62.25
3.	D.1.2.A. 12	Lab/ Library Furniture	2003-04	1.00	1.00	-	1.00	100.00
			2004-05	1.00	0.20	-	0.20	100.00
			2005-06	1.00	0.50	0.06	0.44	88.00
4.	D.1.2.A.13	Sports Material	2003-04	1.00	2.00	-	2.00	100.00
			2004-05	1.00	0.20	-	0.20	100.00
			2005-06	1.00	1.00	-	1.00	100.00
5.	D.1.4.7	Original Works (Cap.)	2003-04	223.00	157.00	30.42	126.58	80.62
			2004-05	137.00	56.70	23.55	33.15	58.47
			2005-06	102.00	54.00	-	54.00	100.00
6.	D.2.18.4	Running & Maintenance of vans	2003-04	1.00	1.00	-	1.00	100.00
			2004-05	1.00	1.00	-	1.00	100.00
			2005-06	2.00	2.00	-	2.00	100.00
7.	D.4.2.1.5	Other charges	2003-04	4.00	1.00	0.17	0.83	83.00
			2004-05	3.00	0.50	0.18	0.32	64.00
			2005-06	4.00	4.00	0.48	3.52	88.00
8.	D.4.4.4 B	Civil	2003-04	30.00	75.00	17.05	57.95	77.27
			2004-05	30.00	30.00	9.42	20.58	68.06
			2005-06	80.00	66.50	19.89	46.61	70.09
9.	D.4.4.8	Purchase of Equipment	2003-04	15.00	10.00	-	10.00	100.00
			2004-05	9.00	0.10	-	0.10	100.00
			2005-06	9.00	10.00	-	10.00	100.00
10.	H.1.13	Running & Maintenance of Stores	2003-04	4.00	5.00	0.11	4.89	97.80
			2004-05	4.50	5.50	2.04	3.46	62.91
			2005-06	20.00	10.00	0.20	9.80	98.00
11.	D.1.5.4	Other Charges	2003-04	4.50	3.30	1.10	2.20	66.67
			2004-05	4.50	1.90	0.32	1.58	83.15
			2005-06	2.50	2.50	1.07	1.43	57.20

**Annexure-IV**  
**{Para 1.15.7.A(e)}**

**Statement of heads of accounts of excess expenditure**

							(Rs. in lakh)
S.No.	Head of account	Description	B E	R E	Actual	Excess	Percentage
1.	A.1.1.	Salary & Allowances	134.80	140.74	150.02	9.28	6.59
2.	C.1.5	Other Charges	8.00	10.00	14.36	4.36	43.6
3.	C.3.8 (ii)(A)	Telephone Exchange /PBX Vidyut Bhawan	10.75	11.50	16.36	4.86	42.26
4.	C.3.8(iii)	Forms & Stationary	70.00	40.25	65.94	25.69	63.83
5.	C.3.8(viii)	Other Items General	20.00	18.00	21.01	3.01	16.72
6.	C.7.1	Salary & Allowances	23.55	24.48	43.47	18.99	77.57
7.	C.8.4	Other Charges	0.40	0.40	12.26	11.86	2965
8.	C.14.6	Running & Maintenance of Workshop Machines	3.00	0.20	3.59	3.39	1695
9.	C.15.5	Other Charges	50.00	2.00	3.02	1.02	51
10.	C.1.1.4	Other Charges	60.00	95.00	96.41	1.41	1.48
11.	D.1.2.A.1	Salary & Allowances	601.26	573.61	666.22	92.61	16.15
12.	D.1.4.1	Salary & Allowances	817.85	885.33	1064.16	178.83	20.20
13.	D.1.4.6	R.M. Arya Girls Pry. School-II	36.00	18.00	30.32	12.32	68.44
14.	D.1.4.7.B	Bonus	11.49	12.00	13.81	1.81	15.08
15.	D.1.4.9(I)(A)	Salary & Allowances	11.06	3.67	8.03	4.36	118.80
16.	D.1.4.10	Primary Edn. Enhancement Project Non-Plan(Cap.)	1008.97	1078.94	1164.20	85.26	7.9
17.	D.1.6.1	Salary & Allowances	121.91	110.98	131.67	20.69	18.64
18.	D.1.7.1	Salary & Allowances	5.67	6.22	22.58	16.36	2.63
19.	D.1.11	G.I.A to Navyug School Society	900.00	820.00	824.54	4.54	0.55
20.	D.2.1.12	LTC	3.35	1.55	4.96	3.41	2.20
21.	D.2.2.1	Salary & Allowances	554.03	432.35	585.89	153.54	35.51
22.	D.2.2.A.1	Salary & Allowances	230.18	206.29	230.91	24.62	11.93



23.	D.2.6.13	Running & Maintenance of vans	0.25	0.50	1.54	1.04	208
24.	D.2.15.13(i)	Salary & Allowances	18.73	19.23	29.25	10.02	52.11
25.	D.2.17.9	Running & Maintenance of vans	3.00	3.00	4.11	1.11	37
26.	D.2.17.17	Bonus	0.07	0.07	10.56	10.49	14985.71
27.	D.4.1.4	Maintenance(Elect.)	8.00	8.60	12.70	4.10	47.67
28.	D.4.2.2.1	Salary & Allowances	28.00	28.05	51.74	23.69	84.46
29.	D.4.6.1	Salary & Allowances	32.73	33.46	48.63	15.17	45.38
30.	D.6.7.4	Other Charges(N/P)	5.00	5.00	6.32	1.32	26.4
31.	D.7.4	Maintenance of Indoor Stadium	25.00	40.00	58.63	18.63	46.58
32.	D.8.3	Other Charges	50.00	50.00	68.31	18.31	36.62
33.	E.1.1	Salary & Allowances	4261.27	2429.28	3459.72	1030.44	42.42
34.	E.6(IV)	Telephones	32.60	35.76	36.90	1.14	3.19
35.	E.8	Bonus	2.72	2.02	45.80	43.78	2167.32
36.	F.5	Maintenance Works	55.00	55.00	57.09	2.09	3.8
37.	G.2.5	Purchase of Tower ladders	12.00	2.50	8.36	5.86	234.4
38.	H.1.6	Repairs & Maintenance of vans	35.00	20.00	45.61	25.61	128.05
39.	H.1.7	Other Charges	241.10	307.03	358.36	51.33	16.72
40.	H.1.8	Original Works(Cap.)	1755.00	329.90	354.39	24.49	7.42
41.	H.1.14	Ex-gratia	26.77	8.34	11.93	3.59	43.05
42.	H.2.4	Maint. of Works	540	500	665.21	165.21	33.04
43.	H.3.1	Salary & Allowances	178.76	148.68	173.48	24.80	16.68
44.	H.3.4	Other Charges	7.00	2.50	5.98	3.48	139.2
45.	K.III	Electrical(Cap.)	450.00	450.00	595.93	145.93	32.43

**Annexure-V**  
**(Para 2.8.2.1)**

**List showing works of original nature booked under head of account  
ARMO Building during the period 2003-2006.**

S.No	Agreement No.	Name of Work	Total Cost (in Rs.)
<b>BM-I Division (Agreements)</b>			
1.	11/2003-04	Installation Of 25 H.P. Motor Pump at S.P. Mukerjee Swimming Pool	96,485
2.	13/2003-04	Installation of 7.5 H.P. Pump at S.P. Mukerjee Swimming Pool.	95,937
3.	36/2003-04	Antitermite treatment in the basement of Palika Kendra.	62,146
4.	49/2003-04	Replacement of damaged rolling shutters under sub-Div-II	82,454
5.	100/2003-04	P/F M.S. railing on boundary wall of Babu Dham Housing Complex.	1,38,148
6.	09/2003-04	Construction of room for the handicapped at the entry of Palika Kendra.	64880
7.	14/2003-04	Replacement of damaged running PVC rain water pipe in Palika Dham	78116
8.	24/2003-04	Water proofing treatment at mezzanine floor above dispensary Palika Kendra	124320
9.	34/2003-04	Resurfacing at internal approach and opening space at Babu Dham Complex	324375
10.	38/2003-04	Replacement of broken door shutters at Aurangzeb Lane school	12340
11.	41/2003-04	Providing anti termite treatment at R.K.Ashram Marg	68772
12.	68/2003-04	Providing anti termite treatment in Kitchner Road School.	99285
13.	85/2003-04	Anti-termite treatment at Sr.Sec.School, Babu Dham	99407
14.	88/2003-04	Replacement of damaged doors & shutters at Babu Dham Housing Complex	84490
15.	101/2003-04	Replacement of damaged AC sheet with red stone slab etc. in Homeopathic Dispensary, Tuglak Crescent	72933
16.	102/2003-04	Replacement of broken windows etc. at Babu Dham	84519
17.	126/2003-04	Replacement of damaged sanitary and drainage system at Palika Dham .	55643
18.	127/2003-04	Replacement of damaged RCC Chajja at SBS Place.	90306
19.	131/2003-04	Providing Anti treatment at Palika Niketan Housing Complex.	102160
20.	48/2004-05	Prov. M.S. railing around sitting areas of Water body at T.K. Garden.	43683
21.	51/2004-05	Replacement of flush door and steel wire public in toilet windows at Swati Girls Hostel.	68547
22.	08/2004-05	Repair/Replacement of Motor pumps under Jaffary square service centre.	65793
23.	17/2004-05	P/F M.S. cupboard shutters at M.S. Grills etc. in Auto-work shop Mandir Marg	52095
24.	33/2004-05	Anti Termite treatment in labs of N.P. Girls Sr. Sec. School, Gole Market	104,587
25.	47/2004-05	Providing fixing of sign boards in various buildings under T.K. Indoor Stadium S/Center.	50419



26.	66/2004-05	P/F Sign Boards in various Housing Complexes, Schools under Edward Square S/centre	49739
27.	85/2004-05	Providing Chamber for tubewell, Dhobi Ghat No.1,4,5 & 6 (M/s Vishwa Const.)	43593
28.	89/2004-05	P/F Desh bastner to the existing granite store at Palika Kendra	115944
29.	74/2004-05	P/F Sign boards in various Housing Complex & schools under Mandir Marg S/centre.	50507
30.	65/2004-05	Replacement of damaged W.C. & door shutter in L.B. Sadan H.complex.	81644
31.	82/2004-05	Replacement of Heat Exchanger for warm up pool of SPM. Pool complex.	104321
32.	58/2004-05	P/F Sign Boards in various school under Shivaji Stdm. S/centre	62596
33.	05/2004-05	P/F. Poly vinyle tiles flooring, Venetian blinds etc. in SO, SE(E) Rooms	68863
34.	23/2004-05	Replacement of damaged bhatti & drain washing tub at Dhobi Ghat No. 4 & 6	65052
35.	80/2004-05	Providing anti-termite treatment in Hanuman Road Service Centre	95281
36.	96/2004-05	Construction of Addl. Under ground water storage tank at T.K.Garden	.71800
37.	98/2004-05	Providing anti-termite treatment at N.P.Pry.School, Mandir Marg	99976
38.	120/2003-04	Providing anti-termite treatment in media centre and charge room at T.K.Garden	91340
39.	29/2005-06	Prov./fixing ceramic tiles etc. in the room of E.E( Elect.) Mohan Singh Place	77589
40.	36/2005-06	Clearing of Blockage sewer line under Mandir Marg service centre	26234
41.	76/2005-06	Replacement of G.I. pipe line in T.K. Garden	153126
42.	31/2005-06	Providing/laying G.I. Pipes for steel Gate at sector-XI, Extn. Rohini	121404
<b>Total</b>			<b>3600849</b>

**BM-II Division (Agreements)**

1	165/2003-04	Providing & fixing display board in 'B' Avenue school at Sarojini Nagar.	73934
2	193/2003-04	Providing and fixing sign boards at Electric Sub-station Service centre and dispensaries under sub-Div-II (BM-II)	130628
3	51/2003-04	Providing parapet wall in existing garage roof at Palika gram, Sarojini Nagar.	65325
4	76/2003-04	Providing automatic pump system and water level indicator at Barat Ghar, East Kidwai Nagar.	101123
5	30/2003-04	P/F Collapsible shutters and MS sheet cupboard in OPD, CPH Moti Bagh.	123244
6	88/2003-04	Const. of temp room and Toilet for flat no.T-1 ESS Aurobindo Marg.	135946
7	28/2003-04	Replacement of sanitary fitting and brick work at N.P.Co.ed School L.B.Nagar	96506
8	103/2003-04	Anti termite treatment at Co-ed. School Kidwai Nagar	60000

9	53/2003-04	Replacement of sanitary fittings wood doors & flooring tiles at school of Moti Bag	47918
10	187/2003-04	Renovation of toilets of N.P.Co.ed school East Kidwai Nagar	67238
11	196/2003-04	Replacement of GI pipe at Pandara Road	72432
12	215/2003-04	Providing & fixing of sign boards at various housing complexes	94751
13	08/2004-05	P/F sign. boards at Aliganj Housing complex	134708
14	125/2004-05	Providing Anti-termite treatment in Navyug school Vinay Marg (Spl. Job).	117135
15	57/2004-05	Providing PVC overhead tanks and sanitary fitting at type-I flats East Kidwai Nagar.	115629
16	76/2004-05	P/L Kota stone slabs at drive way in Type-V flats at Satya Sadan and D-II/175 Chankaya Puri.	134918
17	18/2004-05	Improvement to toilet blocks attached with servant Qrs. Of flats No.2/75 and 21/76, Lodhi colony (Sh. V. Narula)	107788
18	57/2004-05	Supply and fixing of submersible monoblock pump set (5HP) at N.P. Co-ed. Sec. School Lodhi Estate.	27445
19	22/2005-06	P/F M.S. Railing over existing compound wall of Type-I Qrs. Vinay Marg.	118718
20	3/2005-06	Prov./Fixing M.S. Grill & Misc. repair work & toilets opening at Ansari Ngr. School.	109148
21	36/2005-06	Providing of informatory sig. boards at Yaswant place, service center.	10108
22	57/2005-06	Replacement/repair of Motor pump & accessories under Malcha Marg S/centre.	104192
23	170/2005-06	Renovation of toilets blocks in Qr. No.1/V Palika Vihar.	38270
24	75/2005-06	Rubbing, polishing, replacement of broken sanitary fittings at Barat Ghar-Aliganj.	100209
25	51/2005-06	Providing & fixing glazed tiles in the walls of Homeopathic Dispensary at Multi/storey, Aliganj (Sh. Surinder Pal)	37914
<b>Total</b>			<b>2225227</b>

**BM-III (Division ) (Agreements)**

1	105/2003-04	Replacement of damaged vertical pipes for drainage system at Palika Parking	111222
2	52/2003-04	P/F sheet cover in the service opening of false ceiling at Palika Bazar.	111408
3	90/2003-04	Replacement of pump sets for filter water supply at Palika Bazar.	87372
4	102/2003-04	Providing Anti termite treatment in shop of Palika Bazar Extn. Mkt.	82180
5	079/2003-04	Replacement of sewerline near Euro chamber at Palika Parking.	41632
6	87/2003-04	Replacement/repair of motor pumps & accessories under Sub-division.-I	134837
7	115/2003-04	Replacement of 10 HP monoblock submersible pump sets at M.S. Place.	80299
8	44/2004-05	Raising the height of gymnasium at P.R. lane.	54681
9	68/2004-05	P/F aluminum windows/doors shutters etc. at N.P. Pry. School Pandara Park.	136972



10	83/2004-05	Computerization of Birth/Death system at Babar road.	48513
11	75/2004-05	P/F aluminum partitions in Telephone Exchange at Vidyut Bhawan.	123233
12	90/2004-05	Replacement of damaged G.I. pipeline at Type-I& II flats at Kaka Nagar.	56676
13	53/2005-06	P/F of porta cabin at entry gate for two wheelers of Palika Parking.	31740
14	11/2004-05	P/F Water level controller in sample of P.Bazar/Palika Parking etc.	114780
15	17/2004-05	Construction of small store near shop No.5, Palika Parking.	51541
16	13/2004-05	Replacement of damaged M.S. Chequered plates at B-2 Palika parking	66970
17	15/2004-05	P/F ceramic glazed tiles on walls & stair case of Y.Place.	87203
18	33/2004-05	Providing rubber sets at Pump House, Palika Parking Palika Bazar etc.	60502
19	48/2004-05	P/F shaft doors with iron grills in Type-IV & II flats Golf Links sadan	90733
20	6/2004-05	Replacement of damaged broken RCC slab with PFRC slabs at Palika parking.	117031
21	34/2004-05	Repair/Replacement of G.I. sheet tray under expansion joints in Palika parking.	56166
22	93/2004-05	Replacement of sewerline at HCM lane flats.	98868
23	113/2004-05	P/F G.I. Tray under leakage train ceiling at Palika bazaar and K.G. Marg.	52124
24	52/2004-05	Anti termite treatment PSOI Nehru Park	83269
25	66/2004-05	Anti termite treatment in the flats of Aditya Sadan Housing complex	97446
26	01/2005-06	Replacement of damaged & choked sewerline in P.R. lane Qrts.	71923
27	06/2005-06	Cleaning, deslisting of shaft mainhole etc. under Kaka Nagar, Scentre.	33574
28	39/2005-06	P/F Signage boards at various housing complexes under Sub-Divn.-III	56791
29	51/2005-06	Replacement of A.C. sheet & false ceiling in Vidyut Bhawan.	84382
30	41/2005-06	Replacement of wooden partition with Aluminum partition for SDC room at Palika Parking.	148571
<b>Total</b>			<b>2472639</b>

**BM-I Division(Work Orders)**

1	01/2003-04	Providing/fixing vertical ventilation at Poly Clinic SBS Place, (Paragaon Business System)	24076
2	03/2003-04	Providing of Bamboo Zaffary at the terrace of F.No.24 Greater Kailash R.O Secy. NDMC.	23646
3	11/2003-04	Providing/fixing PVC door/shutter of WC Bath in Palika Awas, R.K. Marg	24913
4	31/2003-04	Providing/fixing of signage boards in schools at Malcha Marg.	24543
5	34/2003-04	Prov. M.S. railing in boundary wall near pump house at Palika Dham Housing Complex.	47974
6	24/2003-04	Anti-termite treatment at 48 Ashoka Road.	24596

7	46/2003-04	Improvement of drainage system of Palika Niketan Housing Complex.	24377
8	13/2003-04	P/F Almn. strip over alumn. grill at International Inoculation Centre, Mandir Marg.	13728
9	38/2003-04	P/F Black boards in Babu Dham school	20167
10	6/2003-04	P/F Rolling shutter & ceramic tiles in Poly Clinic, SBS Marg	14684
11	21/2004-05	Renovation of toilets at Anchal School	21004
12	58/2004-05	Providing/fixing vitrified tiles in the room of C.E (C )	19265
13	70/2004-05	Providing Tiles in the room of CE-II Palika Kendra.	40725
14	35/2004-05	P/F informatory display boards on various buildings under Jaffery square Service centre.	24894
15	33/2004-05	Repair/Replacement of motor pump at Palika Dham H.Complex.	14872
16	26/2004-05	Replacement of damaged slice valve & suction wheels at T.K. Garden.	14129
17	31/2004-05	Hiring of two nos. of JCBs at Mandir Marg, S/Centre.	19000
18	67/2005-06	Replacement of broken poly sheet, roofing at 36- Mahadev Road.	390000
19	47/2005-06	P/F Vitrified tiles & Venetian blinds in Room No.1317 of Dir. (E) Palika Kendra (Sh. Ashok Kumar)	43339
20	46/2005-06	P/F display boards in Poly clinic SBS Marg (Sh. Rajinder Kumar)	13628
21	96/2005-06	P/F M/S. sheet covers on under ground water tanks under Edward square service Center	20367
<b>Total</b>			<b>863927</b>

**BM-II Division (Work Orders)**

1	24/2003-04	Replacement of defective surgical Mixer in O.T. of CPH Moti Bagh	14406
2	25/2003-04	P/F Porta cabin for Police Assistance at Entry Gate of CPH Moti Bagh.	41058
3	29/2003-04	Providing AC sheet shed at Ram Lila stage at PR Lane.	50046
4	40/2003-04	Renovation of attached toilet at Type-IV Flat No.I above ESS Golf link.	21564
5	20/2003-04	Raising of Parapet wall at Flat No.-I Type-IV, Golf Link.	60986
6	89/2003-04	Construction of additional toilet block and repair to existing toilet block at ESS Begam Zaidi Moti Bagh	50972
7	69/2003-04	Improvement in old ground of newly constructed gym at PR lane (M/s Neel Kamal)	50320
8	74/2003-04	Renewing glass panes and fixing glazed tiles at Barat Ghar, Lodhi Colony.	48328
9	94/2004-05	Repair of damage floor at F-I Type-IV Golf link sadan	49318
10	10/2004-05	Replacement of damaged tiles in Barat Ghar, Lodhi colony.	20915
11	15/2004-05	Providing & fixing false ceiling in the rooms at Auto-work shop, Laxmibai Nagar.	24387
12	03/2004-05	Providing of fixing gate at Central Mkt. East Kidwai Nagar.	24855
13	04/2004-05	Providing, fixing door closer, floor polishing replacement of W.C. & bath door, khunti, mixer etc. at CWC Maternity Hospital Lodhi Colony	24805
14	27/2004-05	Supply of submersible pump set for borewell at Indira Niketan Girls Hostal, Laxmibai Nagar.	14911



15	02/2004-05	Providing & fixing ceramic glazed tiles at Central Market, East Kidwai Nagar.	24917
16	54/2004-05	Renovation of Kitchen block at Community Hall at S.P. Marg.	32706
17	05/2004-05	P/F signage boards at ESS Aliganj and No.2 and Tristi Hostel	24275
18	64/2004-05	P/F Gate at Recreation Hall, Aliganj	9563
19	10/2005-06	Replacement of damaged doors, shutters & cup boards in Sarojini Nagar Q.No.18.	21380
20	28/2005-06	Providing fiber glass sheets cover shaft and repair of damaged jaffery at PSOI	22698
21	38/2005-06	P/F fibre glass sheet, sun shade and grill in ventilator etc. at V-10 Satya Sadan.	14781
22	54/2005-06	P/F Wooden beading & Mirror in PSOI Ch. Puri.	14629
23	18/2005-06	Construction of brick partition of walls at T/S Aliganj community Hall & Mandir (Aliganj) Balance work.	11115
24	13/2005-06	Providing & fixing 02 Additional submersible pump at UG tank of T/S & D/S Aliganj.	42625
25	39/2005-06	Renovation of office unit D.4.320 at 3 <sup>rd</sup> Floor, SBS Place	24401
<b>Total</b>			<b>739961</b>

**BM-III Division (Work Orders)**

1	03/2003-04	Replacement of damaged flooring, providing drainage and other Misc. works at Palika Parking	88291
2	15/2003-04	Providing & fixing Aqua guard Hi-flow water fitter-cum-purifier at Palika Bazar.	56640
3	59/2003-04	Providing & fixing wash basins in the office of EE,AE, DA & HD at Palika Parking CP ND.	23285
4	89/2003-04	P/F anti skid ceramic tiles in toilets at V-12 Satya Sadan.	3738
5	55/2003-04	Augmentation of sewerline at ESS Netaji Nagar	14675
6	43/2003-04	Providing Stainless steel platform at L.N. Bhawan and C.L. Building.	24749
7	101/2003-04	Lifting of Building malba/rubbish from basement and ground floor of Lok Nayak Bhawan.	24995
8	41/2003-04	Providing and Fixing informatory sign. Boards at Palika Bazar and Mohan Singh place.	13587
9	10/2003-04	Providing & fixing aluminum portion for the office of Supdt. Tech (E) at Palika Bazar.	49351
10	46/2003-04	Providing fixing glass panes on the tables in the office of J.E's, DA and diaring branch	14386
11	18/2003-04	Providing & fixing display Boards, making boards & looking in CBM div. at Palika Parking.	14977
12	06/2003-04	P/F Hydraulic door closers at Mohan Singh place due to fire requirement.	21842
13	04/2004-05	Prov. & fixing water storage tank in fire control room and replacement of broken glass panes of fire control room & hydrant of Palika Bazar.	14927
14	24/2004-05	Replacement of damaged missing fitting in toilets and providing missing BCI pipes and fitting in shaft Lok Nayak Bhawan.	24844
15	49/2004-05	P/F Photo luminescent, Sign. Boards at Chander-Lok and Lok Nayak Bhawan.	24318

16	58/2004-05	Providing spiltoons in common area and staircase at Chander Lok Bldg.	14204
17	06/2004-05	Providing & fixing Retro reflective sign. Boards for fire control room at Palika Bazar, Parking and M. Singh Place.	24601
18	07/2004-05	Providing masonry chambers for hydrants on the roof of Palika Parking, Palika Bazar.	13428
19	31/2004-05	P/F Vertical Fabric/Venetian blind in the room of A/c branch of EE (BM-II) at 3 <sup>rd</sup> Floor, Mohan Singh place.	14338
20	12/2004-05	P/F Ceramic glazed tiles and granite stone on Hanuman Mandir sub-way	16007
21	19/2004-05	P/F Aluminum partition, Y3 Satya Sadan.	24028
22	22/2004-05	Prov. Aluminum partition & Venetian blinds etc. R.No.304 & 305 SBS Place.	23128
23	32/2004-05	P/F Aqua Guard & shifting water center IIIrd Floor, MS Place.	21221
24	39/2005-06	Fabrication & Fixing MS gate at the entrance of N.P. Co-ed Sec. School, Lodhi Estate.	20554
25	01/2005-06	Providing adequate drinking water supply arrangements at Type-V flat ESS Golf link.	38001
		<b>Total</b>	<b>624115</b>



### Annexure-VI (para 2.8.3.1)

#### List showing deviation of actual expenditure with reference to tendereed cost

(Amount in Rs.)

S. No.	Agreement No.	Name of work	Tendered Cost	Admissible deviation limit (20% of contract value or Rs.20,000 whichever is lower)	Total Amount Admissible	Actual Exp.	Excess Exp.
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**BM-I 2003-06**

1.	101/2004-05	Providing false ceiling at various floor of Palika Kendra	269416	20000	289416	343178	53762
2.	12/2004-05	Providing false ceiling at 3 <sup>rd</sup> Floor, Palika Kendra	151000	20000	171000	194611	23611
<b>Total</b>							<b>77373</b>

**BM-II 2003-06**

1	165/03-04	P/f Display Boards in V-Avenue School, Sarojini Nagar.	55930	11186	67116	73934	6818
2	59/03-04	W/washing, distempering and painting at CWC. H. Complex, Lodhi Colony	166714	20000	186714	197232	10518
3	193/03-04	P/F Sign. Boards at ESS Service Centers and Dispenseris	94619	18924	113543	130628	17085
4	30/03-04	P/F Collapsible shutter & MS sheet cup boards at CPH, Moti Bagh	97324	19465	116789	123244	6455
5	88/03-04	Construction of temporary room and toilet for flat No.1, ESS, Arbindo Marg.	105256	20000	125256	135946	10690
6	08/05-06	Addn./Alteration in operation theater, Moti Bagh.	269459	20000	289459	308344	18885
7	08/04-05	P/F Sign. Boards at Aliganj H. Complex	96685	19337	116022	134708	18886
8	101/04-05	Replacement of wooden doors, shutters etc at Vinay Marg	72914	14583	87497	96387	8890
9	57/04-05	Providing PVC overhead tanks and sanitary fittings at East Kidwai Nagar.	94146	18829	112975	115629	2654
10	76/04-05	P/F Kota stone slab at Satya Sadan, Chanakya Puri.	99008	19802	118810	134918	16108
11	96/04-05	Repair of motors and accessories under Laxmi Bai Nagar	90438	18088	108526	130445	21919
12	18/04-05	Imp. to toilet block attached with Servant Qtrs., Lodhi Colony	91635	18327	109962	107788	2174
13	08/04-05	P/F sign boards at Aliganj H. Complex	96685	19337	116022	134708	18686
14	17/05-06	Repair and Maintenance of Residential /Non-residential buildings under Lodhi Road Service Center	85084	17017	102101	106172	4071
15	75/05-06	Rubbing, polishing & replacement of broken sanitary fittings at Barat Ghar, Aliganj	68362	13672	82034	100209	18175
<b>Total</b>							<b>182014</b>

**BM-III 2003-06**

1.	70/2003-04	Washing, painting, distempering at Satya Sadan	95672	19134	114806	131003	16197
2.	87/2003-04	Replacement of motor pump under sub-division II	96640	19328	115968	134837	18869
3.	19/2003-04	Repairing of pump sets at B2 Level, Palika Parking & Palika Bazar	94450	18890	113340	129427	16087
4.	5/2004-05	Repair of damaged flooring at Palika Parking	102000	20000	122000	120806	1194
5	68/2004-05	P/F aluminium windows/doors shutters etc. at N.P.Primary School, Pandara Park	111976	20000	131976	136972	4996
6.	35/2004-05	Replacement of damaged wooden door with aluminum door at Palika Bazar	109822	20000	129822	135254	5432
7.	38/2004-05	Repair of monoblock/submersible pump at Palika Bazar	97746	19549	117295	133173	15878
8.	29/2004-05	Addition/alteration of of HA-cum-Accountant Room at Palika Parking	118234	20000	138234	152407	14173
9.	36/2004-05	Repair of plaster/flooring at B2 level Palika Parking	99106	19821	118927	122075	3148
10.	59/2005-06	Overhauling/repairing of submersible pump at Palika Bazar	78049	15610	99659	104101	10442
<b>Total</b>							<b>106416</b>



**Annexure-VII  
(Para 2.8.7.2)**

**Details of material issued without complaints**

S.No.	Name of Service Centre/Division	No.of days on which material was issued without any complaint				Details of material issued
		2003-04	2004-05	2005-06	Total	
	<b>BM-I Division</b>					
1	Hanuman Lane	4	3	6	13	3.5 cement bags, 2 GI union, 7.5 mtrs. GI pipe, 16.5 litres paint, 2 PTMT push cocks.
2	Palika Kendra	4	2	5	11	14 cement bags, 10 door stoppers, one GI socket, PTMT push cock, 30 kg. distemper.
3	Jaffery Square	3	4	4	11	8.5 cement bags, 2 bibcocks, 6 stop cocks, 4 litres paint.
4	Mandir Marg	4	0	3	7	21.5 cement bags, 528 tiles, 3 brass cocks.
5	Shivaji Stadium	0	7	0	7	38 litres paint, one iron bib cock, 1 bag cement.
6	Edward Square	1	4	0	5	1 cement bag, 3 GI nipples, 12 mtrs. GI pipe, 7 socket 15 mm.
7	Rohini H. Complex	2	2	1	5	1 cement bag, 15 kg. distemper, 4 brass stop cocks, 2 GI Union, 2 Socket Nipples.
8	T.K. Garden	0	1	0	1	11 GI bib cocks, 10 plastic bib cocks.
	<b>Total</b>	<b>18</b>	<b>23</b>	<b>19</b>	<b>60</b>	
	<b>BM-II Division</b>					
1	Sarojini Nagar	5	0	0	5	4 brass Stop cocks, 2 GI Tee, 28 litres paint, 4 PVC bib cocks, 5 elbow.
2	Moti Bagh	5	1	2	8	6.5 cement bags, 2 bib cocks, 11.75 Mtr. GI pipe.
3	Malcha Marg	1	4	1	6	17 litres paint, 2 looking mirrors, 2.9 mtrs. GI pipe, 3 GI unions.
4	Bapu Dham	4	1	0	5	6 cement bags, 12 litres paint, 5 bib cocks, 19 MS plugs, 12 GI Ts.
5	Yashwant Place	1	2	1	4	12 litres paint, 2 stop cocks, 4 power bolts
6	Palika Bhawan	2	2	1	5	4 cement bags, 3 metres GI pipe, 30 litres paint, 3 PTMT cocks.
7	Laxmibai Nagar	0	0	5	5	4 cement bags, 2 sliding bolts.
8	Lodhi Road	2	2	1	5	3.66 mtrs. glass panes, 2.5 meter GI pipes, 35 litre paint, 4 PVC bib cocks.
9	Aliganj	1	3	0	4	18 cement bags, 68 litres paint, 20 PVC bib cocks, 132 glazed tiles.

	Total	21	15	11	47	
	<b>BM-III Division</b>					
1	Kaka Nagar	6	1	2	9	2 cement bags, 16.35 Meter GI Pipes, 12 Kg. dry distemper, 16 GI sockets, 13 GI elbows, 3 aluminum handles.
2	Sangali Mess	8	1	2	11	1.5 cement bags, 18 ltrs. Paint, 7 mtrs. SCI pipe, 22 GI bands, 13 GI Tees & 8 GI valves.
3	Golf Link	4	3	0	7	1.75 cement bags, 22 GI Nipples, 5 GI sockets, 27 GI elbows, 9 GI Tees.
4	Vidyut Bhawan	2	1	2	5	3 GI pipes, 7 PTMT push cocks, 50 kg. samosam, 11 GI nipple, 5 GI elbows, 12 bib cocks.
5	Chanderlok Building	5	4	5	14	4 cement bags, 17 MS handle, 18.15 meter GI pipes, one looking mirror, 2 litres paint.
6	Tees Jan. Lane	5	0	0	5	38 bag cement, 29 GI Ts, 3 GI reducer.
7	Palika Bazar	3	1	3	7	2.5 cement bags, 13 GI Nipples, 16 GI elbows, 69 mtrs. GI pipe, 84 litre paint.
8	Aditya Sadan	3	3	2	8	6.10 mtrs. GI pipe, 3 GI sockets, 11 GI elbows, 7 GI nipples, 3 GI Ts.
	<b>Total</b>	<b>36</b>	<b>16</b>	<b>14</b>	<b>66</b>	



**Annexure-VIII**  
**(Para 3.9.3.1)**

**List showing splitting of works on agreement basis**

<b>S. No.</b>	<b>Agreement no. &amp; date</b>	<b>Name of the work</b>	<b>Name of agency</b>	<b>Amount (Rs.)</b>
1	24 dt. 06.08.02	Painting of steel tabular poles	M/s Goyal Enterprises	190013
2	26 dt. 07.08.02	-do-	-do-	175000
3	27 dt. 07.08.02	-do-	M/s Bansal Traders	194818
			<b>Total</b>	<b>559831</b>
4	19 dt. 22.05.03	Providing & fixing of SMC Junction boxes on street light poles	M/s Fairdeal Elect. Co	186900
5	20 dt. 22.05.03	-do-	M/s Aman Electricals	187200
			<b>Total</b>	<b>374100</b>
6	25 dt. 17.06.03	-do-	M/s Kapila Engineers	170281
7	26 dt. 17.06.03	-do-	M/s Fair Deal Elect. Co.	152635
			<b>Total</b>	<b>322916</b>
8	28 dt. 24.06.03	-do-	M/s Kapila Engineers	151950
9	32 dt. 30.06.03	-do-	-do-	189844
			<b>Total</b>	<b>341794</b>
10	03 dt. 29.04.04	Replacement of steel tabular poles	M/s Arcee Trading Corp.	110825
11	04 dt. 29.04.04	-do-	-do-	165293
			<b>Total</b>	<b>276118</b>
12	64 dt. 23.12.04	Dressing of street light poles	M/s Goel Elect. Work	161885
13	65 dt. 24.12.04	-do-	M/s Kamal Electricals	181480
			<b>Total</b>	<b>343365</b>
14	67 dt. 28.12.04	-do-	M/s Shubham Elect. Works	194499
15	68 dt. 31.12.04	-do-	M/s Goel Elect. Works	193805
			<b>Total</b>	<b>378304</b>

16	34 dt.20.12.05	Dressing of street light poles	M/s Arcee Trading Corp.	193664
17	35 dt. 26.12.05	-do-	M/s R.G. Engg. & Associate	188374
18	37 dt. 27.12.05	-do-	M/s Kamal Electricals	185279
19	38 dt.27.12.05	-do-	M/s Goyal Enterprises	193610
20	39 dt. 27.12.05	-do-	-do-	167391
			<b>Total</b>	<b>928318</b>



**Annexure-IX**  
**(Para 3.9.3.1)**

**List showing splitting of works on work/supply order basis**

S. No.	Work/ supply order no. & date	Name of work	Name of agency	Amount (in Rs.)
1	12 dt. 09.07.01	Painting cleaning and numbering of street light poles	M/s Vardan Associates	20280
2	13 dt. 09.07.01	-do-	M/s Seema Associates	44230
3	14 dt. 10.07.01	-do-	M/s Goel Elect. Works	49880
			<b>Total</b>	<b>114390</b>
4	16 dt. 12.07.01	Providing halogen and metallic light around Pakistan High Commission	M/s Sarswati Enterprises	43840
5	17 dt. 12.07.01	-do-	M/s Delhi Tent & Furniture House	38520
			<b>Total</b>	<b>82360</b>
6	30 dt. 13.09.01	Requirement of acrylic cables of HPSV street light fitting	M/s Twinkle Industries	75000
7	31 dt. 13.09.01	-do-	-do-	22000
			<b>Total</b>	<b>97000</b>
8	44 dt. 12.11.01	Supply of Ignitors	M/s Twinkle Industries	10800
9	45 dt. 12.11.01	-do-	-do-	10800
			<b>Total</b>	<b>21600</b>
10	46 dt. 12.11.01	Supply of lamp	M/s Arcee Trading Corp.	9800
11	47 dt. 12.11.01	Supply of choke	-do-	23814
12	48 dt. 12.11.01	Supply of lamp	-do-	10729
			<b>Total</b>	<b>44343</b>
13	5 dt. 09.04.02	Painting of street light poles	M/s Bansal Traders	49800
14	6 dt. 12.04.04	-do-	M/s Goyal Enterprises	48920
15	8 dt. 15.04.02	-do-	M/s Seema Associates	10730
			<b>Total</b>	<b>109450</b>

16	17 dt. 03.06.02	Purchase of lamp	M/s Sumer Enterprises	14700
17	18 dt. 05.06.02	-do-	M/s Arcee Trading Corp.	12620
			<b>Total</b>	<b>27320</b>
18	52 dt. 18.12.02	Supply of PVC wire	M/s Arcee Trading Corp.	14930
19	53 dt.18.12.02	Supply of frosted glass	-do-	14750
			<b>Total</b>	<b>29680</b>
20	74 dt. 21.03.03	Supply and fixing of road signs	M/s Glow Ads.	44680
21	76 dt. 21.03.03	-do-	M/s Bakshi Elect. Co.	14880
			<b>Total</b>	<b>59560</b>
22	75 dt.21.03.03	Dismantling and erection of Road Light Pillar	M/s Kapila Engg.	30638
23	78 dt.24.03.03	-do-	-do-	11216
			<b>Total</b>	<b>41854</b>
24	1 dt. 23.04.03	Supply of prefix covers	M/s Fairdeal Elect. Co.	49812
25	2 dt. 25.04.03	-do-	M/s Goyal Enterprises	48300
			<b>Total</b>	<b>98112</b>
26	76 dt.17.11.03	Supply of lamp	M/s Arcee Trading Corp	49250
27	77 dt.17.11.03	-do-	-do-	41500
			<b>Total</b>	<b>90750</b>
28	85 dt 09.03.05	Supply of PVC Tapes	M/s.A.S.Electricals	48585
29	87 dt. 10.03.05	-do-	M/s Arcee Trading Corp.	46875
			<b>Total</b>	<b>95460</b>
30	87 dt. 10.01.06	-do-	M/s Capcitech Engg. Pvt. Ltd.	47400
31	89 dt. 10.01.06	Supply of metal holide choke	M/s Arcee Trading Corp.	41400
			<b>Total</b>	<b>88800</b>
32	93 dt 17.01.06	Supply of materials	M/s Kamal Electricals	9600
33	95 dt 18.01.06	Supply of GLS lamp	M/s Fair Deal Electricals	49500
			<b>Total</b>	<b>59100</b>



**Annexure-X**  
**(Para 4.9.8.1)**

**Statement showing details of violation of terms and conditions of licence deed**

S.No.	Premises	Nature of irregularities	Remarks
1.	Shops No.115, 117,123,126, Palika Bazar	Non-adherence to fire safety measures.	Allottees of shops constructed wooden loft, which was against the fire safety measures. But no action had been taken by the Department upto 31 March 2006.
2.	Shop No. M-13, M-43 Palika Bhawan, and 25, 42, 49, 127 Palika Bazar	Non-renewal of licence.	M-13:- The allottee of the shop had not applied for renewal of licence as of 31 October 2006 while he should have applied for renewal before 60 days of expiry of the term. No action was also taken by the Department. M-43:- Renewal had not been made since 9 August 1999 and Department failed to get the shop vacated. 25, Palika Bazar:- Term expired on 23 November 1983. Arrears due Rs.83010. No action was taken by the Department as of 31 October 2006. 42, Palika Bazar:- Licence deed expired on 8 January, 2001. No further renewal was made and Department had not taken any action. File last put up on 30 December 2003. 49, Palika Bazar:- Renewal was pending. Neither allottee had applied for renewal nor any action was taken by the Department as of 31 October 2006. 127, Palika Bazar:- Term expired. Neither allottee applied for the renewal of licence nor any action was initiated by the Department.
3.	Shop No.9, Palika Parking, and 23,133,22 Palika Bazar	Non-completion of formalities required for renewal of licence deed	Shop No.9 Palika Parking:- Licensee had not fulfilled the required formalities for renewal as of 31 October 2006. Shop No.23:- Renewal was pending due to non-fulfillment of formalities. Allottee had requested for renewal after depositing Rs.3284 vide letter dated 24 October 2004. But Department failed to inform the allottee about requisite formalities as of 31 October 2006. Shop No.133, Palika Bazar:- Renewal of the licence was pending due to non-fulfillment of formalities for renewal. Shop No.22, Palika Bazar:- Licence expired on 7 April 1997. Transfer case in favour of legal heir was pending as of 31 October 2006.
4	M-5, Palika Bhawan and Stall No.3, Palika Bazar.	Non-implementation of the orders of competent authority for moving the case	M-5, Palika Bhawan:- Allottee abandoned the shop without paying arrears of Rs. 6.53 lakh. But no action was taken by Department to recover the arrears.

		to Estate Officer's Court for eviction & recovery.	
			Stall No.3, Palika Bazar:- Licence of shop was cancelled on 6 December 1992. Department moved to EO court for eviction but failed to get the shops evicted for the last 14 years.
5	50, Palika Bazar	Encroachment of Municipal space outside the shop.	50 Palika Bazar:- Licence expired on 17 May 1999. Licensee/allottee encroached the Municipal land on which no action was taken as of 31 October 2006 to remove the encroachment. Rather, Department had renewed the licence on deemed renewal basis upto 31 March 2005 inspite of violation of terms and conditions.
4	M-5, Palika Bhawan and Stall No.3, Palika Bazar.	Non-implementation of the orders of competent authority for moving the case to Estate Officer's Court for eviction & recovery.	M-5, Palika Bhawan:- Allottee abandoned the shop without paying arrears of Rs. 6.53 lakh. But no action was taken by Department to recover the arrears.
			Stall No.3, Palika Bazar:- Licence of shop was cancelled on 6 December 1992. Department moved to EO court for eviction but failed to get the shops evicted for the last 14 years.
5	50, Palika Bazar	Encroachment of Municipal space outside the shop.	50 Palika Bazar:- Licence expired on 17 May 1999. Licensee/allottee encroached the Municipal land on which no action was taken as of 31 October 2006 to remove the encroachment. Rather, Department had renewed the licence on deemed renewal basis upto 31 March 2005 inspite of violation of terms and conditions.
6.	122, Palika Bazar, 6, CSC Sarojini Nagar and Stall no. 11, Palika Bazar	Submission of forged documents by the allottees.	Shop no. 122, Palika Bazar:- Allottee Sh. Tek Chand expired on 3 January 1995 but the reply of show cause notice was received by the Department on 17 December 1996 with the signature of Sh. Tek Chand.
			Shop no. 6, CSC Sarojini Nagar:- Shop was allotted to Sh. Arvind Tikoo and & Sh. Ajay Kumar on 22 December 1981 for which licence deed was executed. Later on, Sh. Ajay Kumar made a complaint that Sh. Arvind Tikoo submitted the documents by forging his signature for which Ajay Kumar was called upon to appear on 30 August 1982. As per records he did not appear and complaint was pending as there was no clarification in this regard in the file. Licence of shop was cancelled w.e.f. 21 December 1986. Further, no licence fee was deposited by allottee and dues amounting to Rs.74542 were outstanding as of 13 October 2005.
			Stall no. 11, Palika Bazar:- Shri Ambey Lal submitted affidavit for dissolution of partnership



			on 18 August 1988 but the same was signed by Sh. Jasbir Singh. No action was taken by the Department till 31 October 2006.
7.	G-14, Palika Bhawan	Security Deposit amounting to Rs. 50596 untraceable & unforfeited.	Security deposited by allottee Sh. Ravinder Singh Rekhi was required to be forfeited after regularization of shop in the name of new partner. Same was not forfeited due to untraceability of the said security deposit amount.
8.	M-51,52 Palika Bhawan	Clubbing of shops and accumulation of dues.	The allottee entered into partnership in respect of Shop no. M-51 and 52 unauthorisedly without making payment of licence fee to the tune of Rs. 6.91 lakh up to March 2005 as per record.
9.	1,2,3,6 XY Block, Sarojini Nagar, M-5 Bhagat Singh Market 4, Hanuman Temple 22, Gole Market 24, Palika Bazar	Pendency of transfer cases.	Shop No. 1,2,6:- Transfer cases were pending upto 31 October 2006 from last 2 to 8 years. Rs.1859 and Rs.4149 were outstanding against shop no 1 and 2 respectively.
			Shop No.3:- Allotted to Sanjay Lakra on 10 October 1991. Applied for transfer on partnership basis but no action was taken till date. Dues outstanding were Rs.38817 as of 8 February 2006.
			M-5 Bhagat Singh Market:- Transfer case pending on partnership basis. All documents including consent and confirmation by original allottee had been submitted but case was still pending w.e.f. May 1997 for transfer.
			Shop No.4 Hanuman Temple:- Transfer case pending. No action was taken upto 31 October 2006 by the Department.
			22 Gole Market:- Transfer case on legal heir basis was pending. Licence deed expired on 7 April 1997. No action was initiated for renewal as of 31 October 2006
			24 Palika Bazar:- Transfer case pending on partnership and dissolution basis. No action was taken upto 31 October 2006 to transfer.
10.	G-3, Palika Bhawan Stall no. 2, CSC Hailey Lane	Non-processing of unit files.	Shop no. G-3, Palika Bhawan:- As per inspection report, shop remained closed most of the time. There were outstanding dues of Rs.46296 as on Jan-2004. Final notice issued on 2 January 2004 for clearance of dues. But file was pending since 2 January 2004 till 31 October 2006.
			Stall no. 2, CSC Hailey Lane:- Shop remained closed since allotment i.e 13 November 2001. Show cause notice issued for non-depositing security. But upto 31 October 2006 no progress was found in the records.

11.	58, SBS Place Shop no. 5, SBS Place Stall no. 127, Connaught circus, Stall no.1, CSC Kaka Nagar, Shop no. 94, SBS Place, Shop no. 25, SBS Place,	Violations made by the allottees.	58, SBS Place:- Allottee was served show cause notice on 23 February 2005, 12 April 2005 and 21 June 2005 for unauthorized construction of four chambers instead of one chamber approved by competent authority and for subletting shop to panel of doctors whereas the shop was allotted for the trade of chemist. Till 31 October 2006, no further action was taken by the Department.
			127, SBS Place:- Licence expired on 1 August 2002 and allottee changed the trade also for which show cause notice was issued on 9 January 2004. Since then no further action was taken by the Department.
			Stall No.1, CSC Kaka Nagar:- Allottee had changed the allotted trade and failed to obtain the health licence for which show cause notice was issued on 31 March 2005. On the basis of reply of allottee on 19 April 2005 the stall was again inspected on 16 June 2005 and it was found that the allottee was dealing in trade other than originally allotted. No further action was taken till 31 October 2006 by the Department.
			Shop no. 94, SBS Place:- Allottee was served notice on 13 September 2000, 19 April 2005, 13 May 2005 and 8 June 2005 for breaking of RCC Jail and slab near window and letting the shop to M/s "Crime Free India Bureau" The outstanding amount was Rs.2.53 lakh as on 23 March 2006. Licence expired on 8 June 2004. No action was taken upto 31 March 2006 by the Department for cancellation and eviction.
			Shop No. 25, SBS Place:- Allottee was allowed the trade of Restaurant but failed to obtain the Health licence. Amount of Rs.91308 as of 30 September 2005 was outstanding as arrears. But no action was taken till 31 October 2006 by the Department.
			Shop No. 5, SBS Place:- The allottee was served show cause notice on 15 February 2005 for subletting of shop, change of trade & non-completion of formalities. No action was taken against the allottee by the Department.



### Annexure-XI (Para 9.1)

#### Details of revenue loss and avoidable expenditure on vacant staff quarters

S.No.	Quarter No.	Date from which lying vacant	Date of occupancy	Vacant period (in months)	Licence fee per month (in Rs.)	Loss of Licence fee (in Rs.)	*HRA paid (in Rs.)
<b>Type I</b>							
1	137 Bapu Dham	6.2.2003	2.9.03	7	67	469	8033
2	242 Bapu Dham	25.2.03	27.10.03	8	67	536	9180
3	6-CPH Compound Moti Bagh	5.3.03	8.8.03	5	67	335	5738
4	20 Double Storey, P.R. Lane	14.2.03	30.10.03	8	67	536	9180
5	226 Bapu Dham	25.8.03	2.5.04	8	67	536	9180
6	F 41, Harijan Basti	7.4.03	17.12.03	8	120	960	9180
7	S 2 T/S Aliganj	25.2.04	21.10.05	8	67	536	9180
8	96 Bapu Dham	23.6.04	04.4.05	9	67	603	10328
9	H 3 CPH, Moti Bagh	29.11.05	30.5.06	6	67	402	6885
10	142 Bapu Dham	7.1.06	6.7.06	6	67	402	6885
11	37, D/S Aliganj	14.5.05	Not allotted till date (Nov 2006)	18	67	1206	20655
					<b>Total</b>	<b>6521</b>	<b>104424</b>
<b>Type II</b>							
1	38, CWC Lodi Colony	10.4.04	10.3.05	11	120	1320	15098
2	G 2 Golf Link Sadan	8.6.04	4.3.05	9	120	1080	12353
3	C-25 Palika Niketan, R.K. Ashram	23.6.04	25.4.05	10	153	1530	13725
4	C-26 Palika Niketan, R.K. Ashram	9.10.04	20.4.05	6	153	918	8235
5	H 3 Palika Niketan, R.K. Ashram	18.12.04	15.7.05	7	153	1071	9608
6	4-C/21 Peshwa Road	31.12.04	5.7.05	7	120	840	9608
7	18, Prithvi Raj Market	14.1.05	24.8.05	7	153	1071	9608
8	1 ES Aurbindo Marg	17.9.05	18.4.06	7	120	840	9608
9	C 6, R.K. Puram	26.9.05	17.4.06	7	120	840	9608
10	C-41 Palika Kunj	11.10.05	27.4.06	6	153	918	8235
11	41 CWC Lodhi Colony	7.10.02	19.5.06	7	120	840	9608
12	C-14 R.K. Puram	29.12.05	Not allotted till (Nov.2006)	11	120	1320	15098
13	B-8 R.K. Puram	6.9.04	---do---	26	120	3120	35685
14	B 7 R.K. Puram	25.8.04	---do---	27	120	3240	37058
15	9 R. K. Puram, Palika Niketan	9.12.05	---do---	11	120	1320	15098
					<b>Total</b>	<b>20268</b>	<b>218233</b>
<b>Type III</b>							
1	E 25 Palika Niketan	15.11.02	29.5.03	6	239	1434	14850
2	S 3 Type III Lodi Colony	31.1.03	5.9.03	8	781	1445	19800
3	Flat No 55, III, Aditya Sadan	5.5.03	27.3.04	9	245	2205	22275
4	2 South Mkt, East Kidwai Nagar	27.3.04	2.9.04	6	181	1086	14850
5	F 2, CWC Lodi Colony	10.4.04	1.5.05	12	221	2652	29700

6	20 Aditya sadan	30.4.04	14.2.05	9	181	1629	22275
7	38 Nitiya Sadan	30.4.04	19.3.05	9	181	1629	22275
8	D 22 Palika Niketan	6.5.04	2.3.05	10	239	2390	24750
9	Flat No.5 South Market Kidwai Ngr.	21.5.04	16.11.04	6	181	1086	14850
10	F 2 Naroji Nagar Mkt.	25.5.04	15.2.05	8	221	1768	19800
11	18, XYZ Vihar Sarojini Nagar	29.6.04	13.4.05	10	221	2210	24750
12	3, ESS Tilak Lane	2.8.04	17.5.05	9	181	1629	22275
13	F 40 Palika Millan	21.7.04	19.7.05	12	239	2368	29700
14	F 3 (III) ESS Hanuman Road	9.11.04	12.8.05	9	221	1989	22275
15	F 41 Palika Millan	30.11.04	13.5.05	6	239	1434	14850
16	3 Auto Workshop	15.12.04	1.7.05	7	245	1715	17325
17	F 34 Palika Millan	22.12.04	19.4.06	16	239	3824	39600
18	B 6 Palika Millan	11.8.05	8.2.06	6	239	1934	14850
19	J 23, Palika Niwas Lodi Colony	16.12.05	21.8.06	8	245	1960	19800
20	35 Aditya Sadan	5.1.06	19.8.06	8	181	1448	19800
21	44/1-C Sec. 11, DIZ Area, Gole Mkt.	1.3.06	19.9.06	6	221	1326	14850
				<b>Total</b>		<b>39168</b>	<b>445500</b>

**Type IV**

1	1 Central Mkt. Kidwai Nagar	14.8.02	8.2.03	6	245	1470	22950
2	10 Satya Kutumb	27.9.02	17.3.03	6	263	1578	22950
3	Principal Residence Navyug School, S. Ngr.	31.10.03	27.5.05	19	245	4655	72675
4	Flat No.4 Kaka Ngar	30.10.03	26.12.04	14	306	4284	53550
5	Flat No.6 Kaka Nagar	14.11.03	1.5.04	6	245	1470	22950
6	G 11 South End Lane	26.6.04	16.4.05	10	306	3060	38250
7	Flat No 1 ECS No.III H.C. Mathur Lane	28.6.04	15.2.06	8	306	2448	30600
8	F 3 Vety. Hosiptal Moti Bagh	30.3.04	26.4.05	8	245	1960	30600
9	7 Sarojini Vihar, XY Block	1.3.05	28.1.06	10	324	3240	38250
10	28 Sarojini Vihar	21.5.05	17.3.06	10	324	3240	38250
11	XY 9 Sarojini Vihar	31.8.05	20.4.06	8	324	2592	30600
				<b>Total</b>		<b>29997</b>	<b>401625</b>

**Type V**

1	104, B Block Duplex, Motia Khan, DDA Complex	21.1.04	15.12.05	11	575	6325	59400
2	203, B Block Simplex, Motia Khan, DDA Complex	21.1.04	29.9.04	8	575	4600	43200
3	604, B Block Simplex, Motia Khan, DDA Complex	21.1.04	29.9.04	8	575	4600	43200
4	8 Palika Sadan	31.1.04	22.7.04	6	482	2892	32400
5	Y-10 Satya Sadan, Chankya Puri	30.4.04	4.11.04	6	575	3450	32400
6	1 XY Sarojini Vihar	11.12.04	9.1.06	13	464	6032	70200
7	6 Palika Kutir	8.12.04	17.4.06	16	575	9200	86400
8	7 Palika Sadan, HCM Lane	7.3.05	28.11.05	8	575	4600	43200
9	3 Palika Sadan, HCM Lane	28.3.05	10.10.05	6	575	3450	32400



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10	2/5 Palika Vihar	29.9.05	20.6.06	9	575	5175	48600
				<b>Total</b>		<b>50324</b>	<b>491400</b>
				<b>Grand Total</b>		<b>146278</b>	<b>1661182</b>

\* HRA worked out @ 30 per cent of the minimum of the pay scale plus dearness pay per month in respect of each category of staff.

**Annexure-XII**  
**(Para 9.3)**

**Details of outstanding recoveries of rent against retired/family of deceased employees retaining quarters unauthorisedly**

S.No.	Name and Address	Period		Amount of arrears(Rs.)
		From	To	
1.	Dr. Abhishek Gupta, 2, Palika Vihar, Type-IV	30.06.05	30.07.05	43,366
2.	Sh. H.S. Dogra, Ex.Eng.-in-chief 3 (Type-V) Satya Sadan	14.10.04	14.08.06 (vacated)	1,45,628
3.	Sh. Dharamvir Singh, F.10(T/S) Aliganj	07.01.03	29.03.05 (vacated)	94,565
4.	Sh. Joginder Singh, F.17, P.R. Lane	Exp. on 29.11.04	23.06.05 (vacated)	55,174
5.	Sh. Itwari, D-8, R.K. Puram	31.05.03	25.07.05 (vacated)	1,23,753
6.	Sh. C. George C-2, R.K. Puram, Type-II	30.06.03	25.07.05 (vacated)	1,07,832
7.	Sh. Nand Gopal Aggarwal S-8, Golf Link(Type-II)	01.05.06	05.08.06	15,547
8.	Sh. Shamsuddin Qr. No. 73, P.R. Lane	Subletting & 05.09.03	Cancelled/ vacated 31.10.05	96,748
9.	Smt. Sohanwati 92(I) Harijan Basti, New Delhi	31.01.2000	26.02.03 (vacated)	99,579
10.	Sh. Satya Nand Qr. No. 187(I), Harijan Basti, New Delhi.	19.07.03	18.01.2000 (vacated)	1,21,488
11.	Sh. Vishnu 278, Bapu Dham	Not available on records	18.01.2000 (vacated)	1,84,213
12.	Sh. P.M. Aggarwal 7(V), Palika Sadan	31.12.03	30.04.04	21,450
13.	Sh. Lahri 6/82, Bapu Dham	Not available on records	31.08.95	556
14.	Sh. Dharam Pal 113, Bapu Dham	29.06.83	03.12.99	282
15.	Sh. Jagan Nath 82, Harijan Basti	30.08.88	30.06.96	840
16.	Sh. N.S. Saini A-21, Palika Niwas	18.03.94	31.08.01	6,482
17.	Sh. Ram Kumar 179, Bapu Dham	Not available on records	14.08.01	11,624



18.	Smt. Kasturi, W/o Pearey Lal 18 G Harijan Basti	31.12.02	21.05.03 (vacated)	61,964
19.	h. Than Singh, Ex-Mali D-7, R.K. Puram	30.06.03	01.03.04	6,549
20.	Sh. Kalyan S/o Bhoma, Mali C-4, R.K. Puram	31.08.06	07.02.04	34,398
21.	Late Sh. Sant Ram F-8, Palika Dham	25.05.03	30.09.05	93,367
22.	Smt. Ramo Devi W/o Late Sh. S.K.(C.No.3) F-6, Palika Dham	Exp.07.02.05 Retd.31.10.03	17.06.05	1,50,223
23.	Sh. Bhim Sen, Ex- Driver C-9, Palika Niketan	01.02.2000	21.05.01 (vacated)	74,007
24.	Smt. Chand Kaur 37(I) Harijan Basti	Not available on records	17.05.05 (vacated)	3,17,393
25.	Sh. Saran Lal Qr.No.43, Aditya Sadan	-do-	31.05.01	1,10,397
26.	Smt. Kashmero 63 Bapu Dham	01.04.89	16.08.01	1,62,564
27.	Sh. T.C. Gupta 1(Type-III), ECS, Bapu Dham	30.09.03	01.09.05 (vacated)	2,59,068
28.	Sh. Murari Lal Lidhhorla 166(I) Harijan Basti	31.08.95	09.09.04 (vacated)	3,49,119
29.	Late Sh. Babu Lal 178, Harijan Basti	20.07.2000	28.03.06 (vacated)	1,40,754
			<b>Total</b>	<b>28,88,930</b>

**Annexure-XIII**  
**(Para 10.1)**

**Details of livery items lying surplus in store**

S.No	Name of item	Quantity	Date of purchase	Issue during the period 2004-06	Balance as on 31.03.2006
1.	2.	3.	4.	5.	6.
1.	Ankle shoes	38 pairs	Before 1996	Nil	38 pairs
2.	Blue Surge Cloth	16.40 mtrs.	Before 1996	Nil	16.40 mtrs.
3.	Blue Drial cloth	225.50 mtrs.	Before 1996	Nil	225.50 mtrs.
4.	Gum Boots	1 pair	Before 1996	Nil	1 pair
5.	While Terricot Cloth for Blouse	567.20 mtrs.	Before 1996	Nil	567.20 mtrs.
6.	Wool	14.50 kg.	1996-98	Nil	14.50 kg
7.	Pagri cloth	706.50 mtrs.	Before 1996	Nil	796.50 mtrs.
8.	Gents shoes	172 pairs	N.A.	Nil	172 pairs
9.	Ladies Sandle	145 pairs	N.A.	Nil	145 pairs
10.	Rain coat	2 nos.	Before 1996	Nil	2 nos.
11.	Super Woolen cloth	227 mtrs.	N.A.	Nil	227 mtrs.
12.	Ward Boys Dress (Pant)	8 nos.	Before 1996	Nil	8 nos.
13.	Ward Boys Dress (Shirt)	12 nos.	Before 1996	Nil	12 nos.
14.	White P.T. Shoes	13 nos.	Before 1996	Nil	13 nos
15.	Grey Long cloth	650 mtrs.	2001-02	Nil	650 mtrs.
16.	Grey Long Cloth (Petticoat)	6916.50 mtrs.	08.03.00	4842.75 mtrs.	2073.75mtrs
17.	Ladies Shoes	610 pairs	Before 2000-01	200	410 pairs
18.	Gents Chappal	100 pairs	1996-98	Nil	100 pairs
19.	Socks	23271 pairs	April 2000	17588	5683 pairs
20.	White Terricot cloth (Petticoat)	682.25 mtrs.	March 2000	424	258.25 mtrs.



**Annexure-XIV**  
**(Para 11.1)**

**Details of 19 Application Software Modules and other items of work awarded to M/s CMC Ltd.**

1	Systems Requirement Specifications(SRS)/GAP Analysis Document
2	Acceptance Test Document
3	Data Conversion Programmes
4	Data Entry Screens for Master Data Creation
5	Tested Application Software as detailed below:
	<b>Modules in Phase I</b>
i)	Public Grievance Department
ii)	Property Tax Department
iii)	Estate Department
iv)	Health Department-Births & Deaths
v)	Civil Engineering Department
vi)	Personnel and Pay Roll Information System
vii)	Architect Department
	<b>Modules in Phase II</b>
i)	Commercial Department
ii)	General Administration Department
iii)	Financial Accounting Systems
iv)	Health Department-Health Programmes and Trade Licenses System
v)	Law Department
vi)	Enforcement Department
vii)	Chairman's Interface
	<b>Modules in Phase III</b>
i)	Electrical Department
ii)	Horticulture Department
iii)	Social Welfare Department
iv)	Education Department
v)	Transport Department
6	System Administration Manual (Two copies)
7	User/Operational Manual (Two copies)

**Annexure-XV**  
**(Para 12.3)**

**Details of arrears of Property Tax amounting to 11.61 crore against  
Institutes as on 31 March 2006**

S. No.	Premises	Demand 2004-05	Addl. Demand	Arrear	Stay	Remand	Penalty	Addl. Penalty	N/F	Total Amount Received	Balance
1	S.G.H.K. Girls Sr. Sec. School.	6940	0	75558	0	0	5739	0	50	0	88287
2.	Central Academy School	118880	0	1306980	0	0	98076	0	50	0	1523986
3.	Harcourt Butler Sr. Sec. School, Mandir Marg	16660	0	181255	0	0	13756	0	50	0	211721
4.	Krist Raja School, DIZ Area	70040	0	761685	0	0	57783	0	55	0	886563
5.	Convent Of Jesus & Merry School, Bangla Sahib Road	260325	0	2319679	0	527561	0	0	35	0	3107600
6.	Residential Building in the compound of Carmal Convent School, Malcha Marg.	195040	0	38823	0	0	0	0	10	156231	77642
7.	Khalsa Boys Primary School, Bangla Sahib Marg.	1880	0	20454	0	0	1552	0	50	0	23936
8.	R.M. Arya Girls Sr. Sec. School, Raja Bazar	44660	0	485726	0	0	36852	0	50	0	567288
9.	Behind Child Welfare Centre Near XY Block	35640	0	71280	111379	204932	7128	0	30	0	430389
10.	Bidhan Chandra Vidyalaya, Moti Bagh	23920	0	77740	0	0	0	0	25	0	101685
11.	Shyama Parshad Mukerjee Sr. Sec. School.	40160	0	431817	0	0	33144	0	40	235988	269173
12.	Delhi Kannada School, Lodhi Estate	343400	0	3669758	0	0	259659	0	45	0	4272862
13.	Kerla Education Society Sr. Sec. School	88540	0	919765	0	0	66429	0	35	300000	774769
14	Guru Teg Bahadur Sr. Sec. School	14020	0	152541	0	0	11578	0	50	0	178189
15	Nirmal Shiksha Kendra School	55080	0	598995	0	0	45441	0	35	0	699551
16	Matriya College	724050	0	6636907	0	0	401791	0	40	0	7762788



17	Jesus and Marry College	208952	0	1730458	0	0	163550	0	10	208952	1894018
18	Lady Irwin College	335050	0	3587050	0	0	254141	0	45	0	4176286
19	Lady Irwin College, Addl Constructed Flat	140	0	420	0	0	0	0	0	0	560
20	Lady Irwin College, Addl. Portion	960	0	960	0	0	0	0	5	0	1925
21	27-29 Bhai Vir Singh	234525	0	1376354	0	0	0	0	5	122467	1488417
22	8, Bhai Vir Singh Marg School	94200	0	590025	0	0	42075	0	50	102000	624350
23.	Bharat Sandhu Samaj School	155560	0	1742414	0	0	132681	0	106	0	2030761
24.	25, Bhar Vir Singh Marg	355350	0	4193441	0	0	348621	0	40	0	4897452
25.	26, Bhai Vir Singh Marg School	342400	0	4052221	0	0	337474	0	40	0	4732135
26.	Single Storey four Rooms Verandah School	140	0	420	121612	0	0	0	15	0	122187
27	14, Bhai Vir Singh Marg School	522270	0	3822573	0	0	72060	0	50	0	4416953
28.	Sapru House, Mandi House	65580	0	9408214	48338	0	1881643	0	30	65580	11338225
29	INTT Building at one portion 8692, Bazar lane	2020050	0	2835117	0	0	0	0	46	964100	3891113
30	India International Centre, 40 Lodhi Estate	3120630	0	534247	0	0	0	0	15	2600535	1054357
31	Jawahar Bhawan Trust, Raisina Road, New Delhi	1279770	0	0	0	10398275	0	0	34	0	11678079
32	Masonic Temple, Janpath	1376370	0	8570092	73375	0	49129	0	60	0	10069026
33	GF, FF, 2 <sup>nd</sup> Floor, 3 <sup>rd</sup> Floor, 5, Nyaya Marg	241625	0	0	0	241625	0	0	5	0	483255
34.	5, Bhai Vir Singh Marg, School	319925	0	3807201	0	0	318138	0	40	4127166	318138
35.	Veerawali International Hospital, Chanakyapuri	45500	0	0	0	0	0	110	8	34243	11375
36	172-B, Lodhi Estate	409700	0	2670360	0	0	0	0	30	750000	2330090
37	11,12 Bhai Vir Singh	395950	0	0	0	4189905	0	0	63	0	4585918
38	Sardar Patel Vidyalaya, 3 Res. Flats, Lodhi Estate	560	0	0	0	0	0	0	0	0	560

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39	Sardar Patel Vidyalaya, 3 Res. Flats, Lodhi Estate	340	0	0	0	0	0	0	0	0	340
40	53, Lodhi Estate	3206850	0	9667411	0	0	0	0	20	4000000	8874281
41	Indian Law Institute, Bhagwan Das Marg	2313750	0	8569409	0	0	0	0	5	0	10883164
42.	Indian Society of International Law, 9, Bhagwan Das	1312620	0	3702548	62235	0	135958	0	10	0	5213371
										<b>Total</b>	<b>116095765</b>