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DIRECTORATE OF AUDIT
GOVT. OF NCT OF DELHI
4th LEVEL, "C" WING, DELHI SECRETARIAT,
NEW DELHI – 110002

Audit Report of EE (SDW)-III, Delhi Jal Board, STP Yamuna Vihar, Delhi, for the 2022-23 & 2023-24.

Audit on the accounts of **EE (SDW)-III, Delhi Jal Board, STP Yamuna Vihar, Delhi**, for the financial years 2022-23 & 2023-24 has been conducted by the Audit Party comprising of Sh. Kundan Singh Bisht, A.O. and Sh. Hari Ram, A.A.O. from 12.08.2024 to 23.08.2024 in 08 working days. The accounts were reviewed purely on test check basis.

AIMS AND OBJECTIVES

Followings are the Aims & Objectives of **EE (SDW)-III, Delhi Jal Board, STP Yamuna Vihar, Delhi**.

01. Pumping the sewage from catchment area to Sewage Treatment Plant through Sewage Pumping Stations.
02. Treating the Sewage as per prescribed parameters of NGT, CPCB and DPCC at Sewage Treatment Plant.
03. To enhance the capacity of existing SPS/STPs as per existing requirement.

H.O.D/H.O.O/DDO's/CASHIERS

The following officers/officials have served as Head of the Department (HOD)/Head of Office (HOO)/Drawing & Disbursing Officer (DDO)/Cashier during the period 2022-23 & 2023-24.

S. No.	Head of the Department	Designation	Period
01	Sh. P. Krishnamurthy	CEO, DJB	01.04.2022 to 30.06.2023
02	Sh. A. Anbarasu	CEO, DJB	01.07.2023 to 31.03.2024

S.No.	Head of Office	Designation	Period
01	Sh. Bhushan Verma	Ex. Engg.	01.04.2022 to 31.07.2023
02	Sh. Ashish Kumar Gupta	Ex. Engg.	01.08.2023 to 30.09.2023
03	Sh. Harshvardhan	Ex. Engg.	01.10.2023 to 31.03.2024

S.No.	DDO	Designation	Period
01	Sh. Bhushan Verma	Ex. Engg.	01.04.2022 to 31.07.2023
02	Sh. Ashish Kumar Gupta	Ex. Engg.	01.08.2023 to 30.09.2023
03	Sh. Harshvardhan	Ex. Engg.	01.10.2023 to 31.03.2024

S.No.	Cashier	Designation	Period
01	Sh. Ravi Dutt Joshi	A.S.O.	01.04.2022 to 31.07.2023
02	Sh. Ankit Yadav	Sr. Asstt.	01.08.2023 to 31.03.2024



BUDGET ALLOCATION AND EXPENDITURE FOR THE YEAR 2022-24

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REVENUE

(Rs. In lakh)

S. No.	Year	Budget allotted	Expenditure	Balance	Savings
1.	2022-23	108.20 ✓	80.67 ✓	27.53 ✓	25.44%
2.	2023-24	286.90 ✓	176.09 ✓	110.81 ✓	38.62%

CAPITAL

(Rs. In lakh)

S. No.	Year	Budget allotted	Expenditure	Balance	Savings
1.	2022-23	4489.03 ✓	3802.18 ✓	686.85 ✓	15.30%
2.	2023-24	4245.29 ✓	3977.63 ✓	267.66 ✓	06.30%

VACANCY STATEMENT

S. No.	Group	No. of posts sanctioned	No. of posts filled	No. of posts vacant
1	A	01	01	Nil
2	B	23	18	05
3	C	61	61	Nil

STATUTORY AUDIT

The statutory audit of EE (SDW)-III, Delhi Jal Board, STP Yamuna Vihar, Delhi, has been conducted by AG (Audit), Delhi, up to the year 2018-19.

MAINTENANCE OF RECORDS

The maintenance of records of EE (SDW)-III, Delhi Jal Board, STP Yamuna Vihar, Delhi, for the period 2022-23 & 2023-24, was found satisfactory subject to observations made in Current Audit Report.

OLD AUDIT REPORT

The audit EE (SDW)-III, Delhi Jal Board, STP Yamuna Vihar, Delhi, has been done first time by Directorate of Audit, Govt. of NCT of Delhi. Hence, there is no outstanding old para.

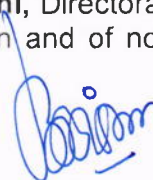
CURRENT AUDIT REPORT (2022 - 2024)

During the course of current audit, 11 Audit Observation Memos and 01 Audit Record Memo, highlighting various shortcomings/irregularities were issued. All 12 Audit Memos, including 01 Record Memo, have been converted into 09 Paras and 03 TANs which have been incorporated in Current Audit Report.

DETAILS OF CURRENT RECOVERY (AUDIT PERIOD 2022-2024)

Memo No.	Total Recovery (Rs.)	Amount Recovered (Rs.)	Balance (Rs.)	Para. No.
02	102774/-	Nil	102774/-	01
Total	102774/-	Nil	102774/-	

The Internal Audit Report has been prepared on the basis of information furnished and made available by **EE (SDW)-III, Delhi Jal Board, STP Yamuna Vihar, Delhi**, Directorate of Audit, GNCT of Delhi disclaims any responsibility for any misinformation and of non-information on the part of auditee.



AUDIT OFFICER
Compliance Audit Party (DJB)

PART – I

OLD AUDIT REPORT

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PART – II

CURRENT AUDIT REPORT

(2022-2023 & 2023-24)

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CURRENT AUDIT REPORT
(2022-23 & 2023-24)

PARA NO. 01: - Short Recovery of TDS of Rs.1,02,774/-.

(Audit Observation Memo No. 02, dated 16.08.2024)

Section 194-C of Income Tax Act states that, any person responsible for paying any sum to the resident contractor or sub-contractors for carrying out any work, including the supply of labor, in pursuance of a contract between the contractor and the following: -

The Central Government or any State Government or any Local Authority.

-TDS would be deducted, if the payment for the contractors exceeds Rs.30000/- in a single payment or 1,00,000/- in the aggregate during the financial year.

-If a single payment to a contractor does not exceed Rs.30,000/-. TDS will also be deducted under Sec. 194-C, in which the total payment credited or paid to the contractor during the financial year exceeds Rs.1,00,000/-

-TDS of 1% of the amount will be deducted from any payments or credits made to resident individuals or HUF. TDS of 2% of the amount will be deducted from any payments or credits made to any party other than resident individuals or HUFs.

- If any amount representing GST in an invoice is indicated separately, then TDS will be levied on value excluding such GST.

On scrutiny of the record pertaining to the work "Construction of 3.85 MGD WWPS including Rising Main at Harsh Vihar SPS", it has been observed that the contractor i.e. M/s Tirupati Cement Products in JV with M/s Dhanvine Engineering Private Lt., has not indicated the GST separately in the invoice, the Division, instead of deducting the **TDS from the Gross Amount**, has deducted it from the Net Amount. Thus, the Division has not deducted the TDS as per rule resulting in short deduction of TDS amounting to **Rs.102774/-**, as under:

S.No.	Bill No.	TDS as per Unit @2% (Rs.)	TDS as per rules @2% (Rs.) (on gross amount)	Difference amount to be recovered (Rs.)
1.	1 st & Final R.A. Bill	114450/-	128184/-	13734/-
2.	2 nd R.A. Bill	386995/-	433434/-	46439/-
3.	3 rd R.A. Bill	108349/-	121351/-	13002/-
4.	4 th R.A. Bill	115846/-	129748/-	13902/-
5.	5 th R.A. Bill	75274/-	84307/-	9033/-
6.	O & M 1 st R.A. Bill	17132/-	19188/-	2056/-
7.	O & M 2 nd R.A. Bill	19196/-	21500/-	2304/-
8.	O & M 3 rd R.A. Bill	19196/-	21500/-	2304/-
	Total	856438/-	959212/-	102774/-

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An Audit Observation Memo was issued to the Unit to give the reason for short recovery of TDS. In response the Division furnished a reply stating therein that TDS is being deducted from the contractor's bills as per the guidelines issued by Director (F&A), Delhi Jal Board, which is not tenable.

It is, therefore, advised to deduct/recover the TDS from all the payments made to the contractors, as per prevailing rules, under intimation to the Audit.

PARA NO. 02: - Shortcomings in Construction of 3.85 (MGD) WWPS including rising main at Harsh Vihar.

(Audit Observation Memo No. 03, dated 16.08.2024)

As per reply submitted by the Unit, the tender/case file of the above said work does not pertain to this division as the tender/case was processed by another division i.e. EE(C)DR-VIII. Hence Case file/Tender file could not be scrutinized.

On scrutiny of Contract Agreement made between **DELHI JAL BOARD and M/s Tirupati Cement Products in JV with M/s Dhanvine Engineering Private Limited**, it was observed that the work was executed at a cost of Rs.20,16,00,000/- only (Rupees Twenty Crore Sixteen Lakh Only) as per details below:

S.No.	Work	Awarded Cost (Rs.)
1.	Cost of Civil Work	9,50,00,000/-
	Cost of E&M Work	4,62,80,000/-
2.	Cost of O & M Work	6,03,20,000/-
	Total Cost	20,16,00,000/-

Only 04 bidders participated in tendering process, wherein, only one bidder found technically responsive. Accordingly, the financial bid of the responsive bidder M/s TCP-DEPL-JV, was opened on 06.01.2022 who quoted the amount, as under:

Particular	Deptt. Justification (Rs.)	Quoted Amount by Bidder (Rs.)	Remarks
CPAX (Civil + E&M)	12,89,68,218/-	14,12,80,000/-	9.55% above.
OPAX (Civil + E& M)	7,74,20,005/-	6,03,20,000/-	22.09% below.
Total	20,63,88,223/-	20,16,00,000/-	2.32% below

The Work Advisory Committee recommended to place the case before Delhi Jal Board to consider the award of the work in favor of the lowest bidder M/s TCP-DEPL-IV at their quoted amount Rs.20,16,00,000/- being the offer within the departmental justified cost of Rs.20,63,88,223/-. Work Order was issued on 21.02.2022 as under: -

WORK ORDER No.07(2021-22)

Amount put to Tender:(Lumpsum) DBO Basis

Total Package Cost : Rs.20,16,00,000/-

Head of Account : Sewer facilities in Unauthorized Colonies

Completion Period: **12 Months+2 Years DLP+10 Years O&M**

D.O. S. : 21.02.2022

D.O.C. : 20.02.2023



On scrutiny of R.A. Bill & Contract Agreement for O&M, it was observed that mode of payment for DLP period was neither found mentioned in Contract Agreement and nor found enclosed with the R.A Bill, but the payment was being made from the cost awarded for O & M Work i.e. Rs.6,03,20,000/-

An Audit Observation Memo was issued to the Unit to given the reason, with supportive document, of the payment during the Defective Liability Period (DLP), out of the funds awarded for O & M Work. In response the Unit submitted the following reasons: -

01. The case is put-up with maintenance charge nil for two years Defect Liability Period (DLP) and only the charges of maintenance has been taken for 10 years after DLP.
02. The operation charges of the site included the labour charges and the case was put up with labour charges for 12 years (2 years DLP + 10 years O&M).

The reply furnished by the Unit is not tanable/convincing. It is, therefore, advised to give a concrete reason for making the payment during the Defective Liability Period (DLP), out of the funds awarded for O & M Work, with supportive documents, to the Audit.

PARA NO. 03: - Award of work at abnormally below the Estimated Cost.

(Audit Observation Memo No. 04, dated. 20.08.2024)

As per **Section 2.5 of CPWD Manual**, the Technical Sanction provides a guarantee that the proposals are technically sound and that the estimates are accurately prepared and are based on adequate data. The estimates of the works were prepared by the Technical Expert Engineers of the division, based on prevailing Delhi Schedule of Rates. However, it was noticed that tenders were accepted much below than the estimated/justified cost, which raises questions towards the quality & quantity of the works, awarded by the Division and also towards a very casual approach of the Technical Expert Team while preparing the estimates of the works.

Test check of records, provided by the Unit, in r/o the work awarded and executed by the Division during the period 2022-23 & 2023-24, reveals that several tenders have been awarded more than 25 % below the Estimated/Justified Cost. The detail of few of such cases is given as under: -

S. No	Name of wok	Justified Cost (Rs.)	Tender cost (Rs.)	Below%
1.	Automation of 01 No. Pump Set (37 KW) installed at Brahampuri SPS. Work Order No. 06 (2023-24)	924000/-	674800/-	26.97
2.	Automation of 02 no. Pump Sets (75 KW & 150 KW) installed at Zafrabad SPS. Work Order No. 14 (2022-23)	2460245/-	1747200/-	28.7983
3.	Procurement of bearings for various STP/SPS under EE(SDW)-IIIII. Work Order No. 16 (2022-23)	1934537/-	1064956/-	44.995

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An Audit Observation Memo was issued to the Division to give the reasons for awarding work abnormally below 25% of the Justified/Estimated Cost. In response the said Memo the Unit stated that the estimate/justified cost is prepared by the engineers on the basis of prevailing market rates/DSR/DJB approved rates. Further, the citation of an order dated 21.10.2019, issued by the Member (WS), DJB was given which says, in such cases, where work is awarded more than 25% below the Departmental Justified Cost, the quality & quantity of such work is ensured by the engineers.

The reply furnished by the Unit is not convincing/tenable. Therefore, a detailed justification for awarding of works **abnormally below (more than 25%)** the estimated cost/incorrect calculation of the Estimated Cost, may be furnished to the Audit. It is further advised that, the Division should follow the instructions, as given in the CPWD Works Manual, while preparing the estimate of the works.

PARA NO. 04:- Non-obtaining of Performance Security, amounting to Rs.85,196/-, from the contractor.

(Audit Observation Memo No. 05, dated 20.08.2024)

As per Rule 171 of General Financial Rules (GFR)- 2017, to ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Performance Security should be for an amount of five to ten per cent of the value of the contract as specified in the bid documents. Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations on the supplier including the warranty obligations.

On test check of the record related to "**Procurement of Bearings for various STP/SPS under EE(SDW)-III,**" it was observed that, although point no. 17 of Terms & Conditions of the NIT No. 06 SDW-III (2022-23), dated 23.06.2022 contains the provision of obtaining Performance Security @ 8% of the contract value, but neither the said condition was mentioned in the Work Order No. 16 (2022-23) dated 27.07.2022, given to the contractor, nor the Performance Security was obtained from the concerned contractor. The Contract Value of the said work was **Rs.10,64,956/-** & thus an amount of **Rs.85,196/-** was to be obtained as Performance Guarantee from the vendor.

An Audit Observation Memo was issued to the Unit to give the reasons for not obtaining the Performance Security, as per the provisions of the GFR. In response, the Unit submitted a reply stating that 10% amount is deducted as Security Money from the bill of the contractor/agency.

As per provisions of GFR, Performance Security is obtained before commencement of the work. It is, therefore, advised to obtain Performance Security, as per the provisions of the GFR, in r/o all works/contracts which are in force as on date or the contractual obligations of which are still not completed, under intimation to the Audit.



PARA No. 05: Non-maintenance of Cash Book for financial year 2022-23 & 2023-24.

(Audit Observation Memo No. 06, dated 01.08.2024)

Rule-13 of Receipt & Payment Rules provides that, the Govt. Officers who are required to (a) receive Government dues and handle cash or (b) perform the functions of drawing and disbursing officers (with or without cheque drawing powers), or both: -

- (i) Every such officer (referred to in rule as the Head of the Office) should maintain a cash book in form G.A.R. 3.
- (ii) All monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the Office in token of check.

However, during scrutiny of record it is observed that, cash book has not been maintained by the **EE (SDW)-III, Delhi Jal Board, STP Yamuna Vihar, Delhi**, for the audit period i.e. 2022-23 & 2023-24. It has been observed from the Ledger of Other Expenses that, Imprest A/c has been utilized for payment/purchase of items & Cash Payment has also been received, during the audit period but Cash Book has not been maintained by the Division. Detail of Imprest & Other Receipt of the Division, for the audit period, is as under:-

Financial year	Imprest	Receipts
2022-23	Rs.3.00 lakhs	Rs.8.30 lakhs
2023-24	Rs.2.81 lakhs	Rs.4.00 lakhs

As per rule, each entry needs to be entered in the Cash Book and these entries should be signed by the DDO. At the end of each month, balances should be attested by the DDO/HOO.

An Audit Observation Memo was issued to the Unit to give the reasons for non-maintenance of Cash Book, but reply furnished by the Unit i.e. **Cash Book is not being maintained due to implementation of Tally**, which is not tenable.

It is, therefore, advised to maintain the Cash Book, as per Receipt and Payment Rules, under intimation to the Audit.

PARA NO. 06: - Discrepancies/shortcomings in the work "Rehabilitation/Up-gradation of 10 MGD STP Ph-II, Yamuna Vihar, under AMRUT Scheme.

(Audit Observation Memo No. 07 dated 22.08.2024)

Work Name: Discrepancies/shortcomings in the work "Rehabilitation/Up-gradation of 10 MGD STP Ph-II, Yamuna Vihar, under AMRUT Scheme.

Work awarded to: M/s SIPL-RKC, A joint Venture.

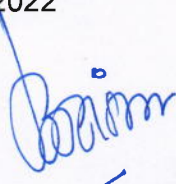
Work Order No & date: 104 (2021-22) 28/003/2022

Estimated Cost: Rs.8338.23 Lakhs

Work Award Cost: Rs.7890.30 Lakhs

Date of Start of Work: 01/04/2022

Date of Completion of Work: 31/12/2023



Actual date of Start of Work: 10/05/2022

Actual date of Completion of Work: Still in progress.

Ministry of Urban Development, Government of India, has launched AMRUT (Atal Mission for Rejuvenation and Urban Transformation) Programme in June 2015 to achieve the target of Infrastructure Development. Approach and aim of the mission is to create and provide basic services like drinking water, sewerage, urban transport etc. in cities to improve the quality of life for all, specially the poor and disadvantaged, which is a national priority. Under the above said Scheme, the work "**Rehabilitation/Up-gradation of 10 MGD STP Ph-II, Yamuna Vihar, was awarded to M/s SIPL-RKC, A joint Venture, through e-tender.**"

On examination/scrutiny of the records/information provided by the Division, the following has been observed: -

01. **Time extensions for delay:**

As per clause 10.4.1 of GCC of DJB, the time allowed for execution of the works, as specified in the Special Conditions of Contract or the extended time in accordance with these conditions, shall be the essence of the Contract. The execution of the Works shall commence from the 10th calendar day or such time period as mentioned in Work Order. Where the Contractor commits default in commencing the execution of the works, the Employer shall, without prejudice to any other right or remedy available in law, be at liberty to forfeit the earnest money & performance guarantee absolutely.

On scrutiny of records, it was observed that, date of start of above said work was 01.04.2022 but actual date of start of work was 10.05.2022, hence there was an inordinate delay in commencement of work.

02. **Compensation for delay amounting to Rs.359.00 lakhs :-**

As per clause 10.3.1 of GCC of DJB, in the event the Contractor fails to maintain the required progress in terms of clause 10.4 or to complete the Works and clear the site on or before the stipulated date of completion, he shall, without prejudice to any other right or remedy available under the law to the Employer, on account of such breach, pay as agreed compensation the amount calculated at the rates stipulated below or as the Engineer-in-charge may communicate on the Contract Price for every completed day/month (as applicable) that the progress remains below that specified in clause 10.4 or that the Works remains incomplete, provided that the same provision shall also apply to items or group of items for which a separate period of completion from that provided under clause 10.4 has been specified.

Compensation for delay of works shall be 1.5% of Contract Price, for each month of delay to be computed on per day basis.

Provided always that the total amount of compensation for delay to be paid under this condition **shall not exceed 10% of the Contract Price** or the Contract Price of the item or group of items of Works for which a separate period of completion is given.

On examination of record, it was observed that date of completion of work was 31/12/2023, but the said work is still in progress. There has been an inordinate delay in

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completion of work and moreover no approval for extension of time was found recorded anywhere in the record provided by the audit. Thus, there is a delay of 91 days as on 31.03.2024.

Therefore, compensation of delay is calculated as under: -

Amount of penalty: Rs.7890.30 lakhs @ 1.5% for each month of delay for 91 days = Rs.359.00 lakhs.

As per clause 10.3.2 of GCC, the amount of compensation may be adjusted or set-off against any sum payable to the Contractor under this or any other Contract with the Employer. In case, the Contractor fails to achieve a particular milestone mentioned in Special Conditions of Contract, or the rescheduled milestone in terms of clause 10.4 the amount shown against that milestone shall be withheld, to be adjusted against the compensation to levied for the final grant of extension of time. Withholding of this amount on failure to achieve milestones shall be automatic and without any notice to the Contractor.

An Audit Observation Memo was issued to the Unit to give the reasons for the above noted irregularities, but the reply furnished by the Unit is not tenable.

Therefore, it is advised to give the detailed justification/clarification of the above noted irregularities and also to take action as per the observations of the Audit, under intimation to the Audit. It is further advised that, the Division should adhere to all terms & Conditions/guidelines/rules, while executing tenders.

PARA NO. 07: - Non-surrender of savings.

(Ref. Audit Observation Memo No. 08, dated.22.08.2024)

As per rule 62(1) of GFRs, 2017, Departments shall surrender all the anticipated savings noticed in the grants or appropriation controlled by them by the dates prescribed before the close of the financial year. The funds provided during the financial year and not utilized before the close of that financial year shall stand lapsed at the close of the financial year.

Further, rule 62(2) of the GFRs, 2017 states that the savings, as well as the provisions that cannot be profitably utilized, shall be surrendered to the Govt. immediately they are foreseen without waiting till the end of the year. No savings shall be held in reserve for possible future excesses.

On perusal of information provided by Department, was observed that the Department did not utilize the budget granted to its full extent thereby resulting in saving under Capital Head in the financial years 2022-23 & 2023-24. Even, the funds are not found surrendered to the Govt. in time before the close of the financial year. The details are as under: -



Financial Year	Head	Budget Allotted (Rs. In Lakh)	Funds used (Rs. In Lakh)	Savings (Rs. In Lakh)	savings/ unutilised funds
2022-23	Revenue Expenditure	108.20	80.67	27.53	25.44%
	Capital Expenditure	4489.03	3802.18	686.85	15.30%
	TOTAL (A)	4597.23	3882.85	714.38	15.54%
2023-24	Revenue Expenditure	286.90	176.09	110.81	38.62%
	Capital Expenditure	4245.29	3977.63	267.66	06.30%
	TOTAL (B)	4532.19	4153.72	378.47	08.35%
	TOTAL (A + B)	9129.42	8036.57	1092.85	11.97%

From the above table, it is gathered that out of the total allocation of Rs.9129.42 lakhs, an amount of Rs.8036.57 lakhs were incurred for execution of works and for other expenditures under various heads and there were savings worth Rs.1092.85 lakhs. The overall percentage of savings was 11.97%.

Budget and Expenditure statement of the audit period showed huge savings to the extent of 06.30% to 38.62% in the Revenue and Capital outlay, which were not surrendered well in time. Saving is the indication of either non-implementation/non-execution of various schemes/works or over-estimation of expenditure. Thus, the Division needs to frame the budget proposal in a more realistic manner so as to utilize the allocated funds fruitfully. Therefore, due to improper planning, the Division could not spend the budget allocated to it, to its full extent, which defeat the very purpose for which the amount was allocated.

The Division therefore did not realize that it will not be in a position to extract the funds available with them during the financial years 2022-23 and 2023-24. Had they anticipated the same, the funds could have been surrendered well in time so that the same could have been utilized by some other Division/Project of DJB in the GNCTD.

An Audit Observation Memo was issued to the Division to give the reasons for non-utilization of fund to its full extent or non-surrender of funds timely to the Government. In response the Division furnished a reply stating therein that sincere efforts were made to utilize the allotted budget to the full extent but due to non-submission of bills by the contractor it could not be utilized fully. The reply of the Division is not convincing/tenable.

Thus, the Division needs to frame the budget proposal in a more realistic manner so as to utilize the allocated funds fruitfully. The Division may, therefore, look into the matter and take necessary action under intimation to the audit.

Prasanna

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PARA NO. 08:- Discrepancies/Shortcomings in the work "Construction of 7 MGD WWTP at Sonia Vihar and 12 MGD WWPS at Rajiv Nagar along with other associated/allied appurtenant work on Design, Build and Operate Basis at Sonia Vihar Water Treatment Plant along with ten years Operation & Maintenance."

(Audit Observation Memo No. 11, dated 23.08.2024)

Name of the Work: Construction of 7 MGD WWTP at Sonia Vihar and 12 MGD WWPS at Rajiv Nagar along with other associated/allied appurtenant work on Design, Build and Operate Basis at Sonia Vihar Water Treatment Plant long with ten years Operation & Maintenance.

Work awarded to: M/s Ayyappa Infra Projects Pvt. Ltd.

Work Order No & date: 01 (2022-23) 16/04/2022

Estimated Cost: DBO Project (On lumpsum basis)

Work Award Cost: Rs.79,57,18,786/-

Date of Start of Work: 26/04/2022

Date of Completion of Work: 25/07/2023

Actual date of Completion of Work: Still in progress.

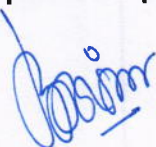
Above mentioned project is based on Sewerage Master Plan 2031, prepared by M/s AECOM, a Consultant. The aim of the said project is to Laying 280 mm to 900 mm internal and peripheral Sewer Line in Sonia Vihar and Rajiv Nagar along with construction of 7 MGD WWTP, 12 MGD WWPS at Sonia Vihar (Rajiv Narag) and 4.3 MGD WWPS at 5th Pusta, G-Block Sonia Vihar in East Delhi. This project consists the provisions for 7 MGD sewage generated from 6 numbers of unauthorized colonies in Sonia Vihar group of colonies under Karawal Nagar Constituency to be taken to the WWTP proposed at Sonia Vihar WPT through pumping station covered under the scope of the instant work. After the execution of the scheme, about 2.34 lakhs population will be benefitted. The said work was awarded to M/s Ayyappa Infra Projects Pvt. Ltd., on Design, Build & Operate basis.

On examination/scrutiny of the records/information provided by the Division, the following has been observed: -

01. Compensation for delay amounting to Rs.7,95,71,879/- :-

As per clause 10.3.1 of GCC of DJB, in the event the Contractor fails to maintain the required progress in terms of clause 10.4 or to complete the Works and clear the site on or before the stipulated date of completion, he shall, without prejudice to any other right or remedy available under the law to the Employer, on account of such breach, pay as agreed compensation the amount calculated at the rates stipulated below or as the Engineer-in-charge may communicate on the Contract Price for every completed day/month (as applicable) that the progress remains below that specified in clause 10.4 or that the Works remains incomplete, provided that the same provision shall also apply to items or group of items for which a separate period of completion from that provided under clause 10.4 has been specified.

Compensation for delay of works shall be 1.5% of Contract Price, for each month of delay to be computed on per day basis.



b

Provided always that the total amount of compensation for delay to be paid under this condition **shall not exceed 10%** of the Contract Price or the Contract Price of the item or group of items of Works for which a separate period of completion is given.

On examination of record, it was observed that as per work order, date of completion of work was 25/07/2023, but the said work is still in progress. There has been an inordinate delay in completion of work and moreover no approval for extension of time was found recorded anywhere in the record provided by the audit. Thus, there is a delay of 250 days as on 31.03.2024.

Therefore, compensation of delay is calculated as under: -

Amount of penalty: Rs. 79,57,18,786/- @ 1.5% for each month of delay for 250 days = Rs. 9,94,64,848/- restricted to 10% of Contract Value i.e. Rs. 7,95,71,879/-.

As per clause 10.3.2 of GCC, the amount of compensation may be adjusted or set-off against any sum payable to the Contractor under this or any other Contract with the Employer. In case, the Contractor fails to achieve a particular milestone mentioned in Special Conditions of Contract, or the rescheduled milestone in terms of clause 10.4 the amount shown against that milestone shall be withheld, to be adjusted against the compensation to be levied for the final grant of extension of time. Withholding of this amount on failure to achieve milestones shall be automatic and without any notice to the Contractor.

An Audit Observation Memo was issued to the Unit to give the reasons for the above noted irregularities, but the reply furnished by the Unit is not tenable.

Therefore, it is advised to give the detailed justification/clarification of the above noted irregularities and also to take action as per the observations of the Audit, under intimation to the Audit. It is further advised that, the Division should adhere to all terms & Conditions/guidelines/rules, while executing tenders.

Para No. 09: Non-production of Records

The Unit was requested to provide records/information through various Audit Record Memos. In spite of that, following records/information was not provided to the Audit. The same may therefore be produced to next audit.

1. Information regarding number(s) of Bank Account(s), being maintained by the Division during the financial year 2022-23 & 2023-24.
 2. Information regarding Closing Balance of all Bank Accounts as on 31/03/2023 & 31/03/2024, along with Monthly Bank Reconciliation Statements, for the period from 01/04/2022 to 31/03/2024.
 3. Information regarding as to whether all Bank Accounts, being operated by the Division up to 31/03/2023, have been closed or not and if not, reasons for the same and if yes, status of the Closing Balance, along with the supportive documents.
 4. Purpose of maintaining each Bank Accounts.
- Basim*

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PART – III

TEST AUDIT NOTES

(2022- 2023

&

2023-24)

4

TEST AUDIT NOTES
(2022-23 & 2023-24)

TAN No. 01: Improper maintenance of Pay Bill Register/ECR.

(Audit Observation Memo No. 09, dated:22.08.2024)

During test-check of PBR/ ECR for the audit period **2022-23 &2023-24**, the following discrepancies have been noticed: -

- a. The mandatory page counting certificate to be recorded on the first page of the PBR/ECR has not been recorded/signed by Head of Office.
- b. The mandatory information/details of the officials (which were required to be written on the upper part of each page) were also not found filled completely in many cases. Details like GPF Number, Address, D.O.B., details of loan/advances/refunds, detail of Govt. Accommodation, spouse information, Aadhar No., PAN No. etc., have not been recorded in the PBR/ECR.
- c. Cutting and overwriting noticed in the PBR/ECR and the same have not been attested by the Competent Authority.
- d. Past information of employees, who have been transferred into the unit, was not found recorded in the PBR/ECR (required to be entered from LPC). This information is required for calculation of Income Tax, GPF/NPS contribution etc.
- e. Signatures of competent authority were not found on entries.
- f. Grand total of each employee at the end of the year, required to assess the Income tax liability, was not found in the PBR/ECR.

It is suggested to maintain this PBR/ECR with neat and clean, clear and right figure in the right column specified for the item, to avoid any wrong or double payment. Leave record etc. is not required to mention in the ECR.

Therefore, necessary steps may be taken by the Department to remove the above said shortcomings/deficiencies and compliance be shown to the next Audit.

TAN NO. 02: Deficiency/Shortcomings in maintenance of Service Books.

(Audit Observation Memo No. 10, dated 22/08/2024)

During the test check of Service Books provided by the Division, the following deficiencies/shortcomings are observed: -

- (i) As per instructions circulated by the Pr. Secretary (Finance), Finance Department, Govt. of NCT of Delhi, vide No.F.3(03)/2015/T-I/Pr. AO/2017-26 dated 10/09/2015, entry of Aadhar Number has not been made in Service Books.
- (ii) As per Rule 32 of CCS (Pension) Rules, on completion of 18 years or 5 years before the date of retirement, whichever is earlier, verification of services of the Government servant concerned should be completed and a certificate of verification



be issued to him in the prescribed form (Form 24). However, it has been observed that the service has not been got verified in any case.

- (iii) Under LTC scheme, 'Hometown Declaration' is to be kept in the Service Book of the Govt. Servant. However, it has been seen that Hometown Declaration has not found in Service Book in many cases.
- (iv) GPF Account Number is to be entered on the right hand top of page no. 01 of the Service Book, as soon as the official is admitted to GPF. However, it has been observed that GPF A/c number is not mentioned in any Service Book.
- (v) Instructions/ guidelines contained on the inner cover pages of the printed Service Book should be followed. In addition, name of the employee to be written, both in English and in Hindi, on the outer cover. Reference to the original documents verified to be made for (i) Date of Birth (ii) Educational Qualification, (iii) Technical Qualifications and (iv) Caste Certificate for SC/ST/OBCs.
- (vi) Verification of Services will be completed annually along with pay slip for the month of April every year and certificate of verification recorded in the Service Book after ensuring correctness of the entries.
- (vii) In case of transfer, a certificate will be recorded for the period up to the date for which pay is drawn by the office, even if it is part of the month/ year. The new office should verify whether certificate has been recorded correctly and agrees with LPC.
- (viii) Before submitting pension papers to the Pension Sanctioning Authority, verification will be completed for the remaining period of service up to date of retirement.
- (ix) Vide GID below SR 197, a photograph of the Government servant is to be affixed on the right-hand corner of the Service Book. However, in several cases the photographs are not affixed or are very old.
- (x) First page of Service Book, having details of the employee, should be filled up properly and completely. It is observed that many details are formed blank such as Fingerprint, Caste, identification marks etc.
- (xi) Order of pay fixation on promotion and up-gradation not found written or pasted in some of the Service Books.
- (xii) Entries of verification of character and the antecedents of the employees, not found in the Service Books.
- (xiii) Documents in r/o declaration of nominees in gratuity & pension are not found attached in the Service Books.
- (xiv) Leave records in Service Books were neither maintained in a proper manner nor found signed by the HOO.
- (xv) Form-3 under Rule 54 (12) i.e., Details of Family has not been found in the Service Book in many cases.

Therefore, necessary steps may be taken by the Department to remove the above said discrepancies and compliance be shown to the next Audit.



TAN No. 03: Non-filling up of the vacant posts of Group-B employees.

(Audit Observation Memo No. 12, dated 23/08/2024)

As per information provided by the Unit/Division, the following sanctioned posts are laying vacant as on date -

Sl. No.	Group of post	No. of posts sanctioned	No. of posts filled	No. of posts vacant
01	Group-A	01	01	00
02	Group-B	23	18	05
03	Group-C	61	61	00

Therefore, necessary steps may be taken by the Department to fill-up the mentioned vacant posts, under intimation to the Audit.

