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DIRECTORATE OF AUDIT
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
4TH LEVEL, 'C' WING, DELHI SECRETARIAT, I P ESTATE,
NEW DELHI-110002

Sub.: Internal audit report on accounts of Dy. Labour Commissioner (South), Room No.122-123, A-Wing, First Floor, Pushpa Bhawan, New Delhi-110062 for the audit period 2017-18 to 2020-21.

INTRODUCTION

The Internal Audit of the accounts of Dy. Labour Commissioner (South), Room No.122-123, A-Wing, First Floor, Pushpa Bhawan, New Delhi-110062 for the period 2017-18 to 2020-21 was conducted by the field Audit Party No.29 comprising of Smt. Jaya Tewari, A.O./IAO and Sh. Balkishan Shishodia, ASO. The audit was conducted w.e.f. 27.07.2021 to 05.08.2021 (07 working days).

GENERAL SETUP AND ACTIVITIES

South District of Labour Department, GNCTD is vested with the responsibility of implementing Labour Laws in respect of industries. It is entrusted with the task of ensuing welfare of labour class and maintenance of industrial peace and harmony in the GNCTD. Other activities include disposal of labour dispute, eradication and rehabilitation of child labour implementation and enforcement of labour laws, Delhi Shops & Establishment Act, Workmen Compensation Act, Minimum Wages Act, Contract Labour Act, Payment of Gratuity Act etc.

HEAD OF OFFICE/DDO/CASHIER

S.No.	Name	Designation	Period
As per reply submitted by the Dy. Labour Commissioner, there is no separate Head of Office of this District, Accounts Branch is in HQ and all administrative/establishment/account matter are looked after by the HQ.			

However, the details of Dy. Labour Commissioner (South) worked during the Audit Period i.e. 2017-18 to 2020-21 are as under:

S.No.	Name	Designation	Period
1.	Sh. Banwari Lal	DLC	30.11.2015 to 18.09.2017
2.	Sh. S.C. Yadav	DLC	19.09.2017 to 01.06.2020
3.	Sh. M.K. Gaur	DLC	01.06.2020 to 30.09.2020
4.	Sh. Amardeep	DLC	01.10.2020 till date

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BUDGET ALLOCATION AND EXPENDITURE

- Not provided as maintained at HQ level

VACANCY POSITION OF STAFF

- Not provided as maintained at HQ level

STATUTORY AUDIT

It is informed by the Dy. Labour Commissioner (South) that the audit of AGCR/DACR was conducted upto 2015-16.


MAINTENANCE OF RECORDS

During the course of current audit, Dy. Labour Commissioner (South) expressed his inability to provide relevant records to audit as all office records relating to Administrative and Accounts are being maintained at Office of Labour Commissioner, 5- Sham Nath Marg, Delhi. Only hearing of matters related to Labour Enforcement are being held in the premises and powers earlier delegated to JLC/DLC as HOO & ALC/LO as DDO have been withdrawn from the financial year 2014-15 vide office order No. F.1(31)/620/Estt./09/5356 dated 26/02/2014 as duly pointed out in the previous audit report.

OLD AUDIT REPORT

There are ~~06~~⁰⁵ Paras and 01 TAN outstanding from the previous report involving NIL recovery out of which no para was settled as the no Compliance to old audit paras submitted inspite of various reminder and verbal requests. Hence, all ~~06~~⁰⁵ paras have been incorporated in the current audit report.





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FORM-II M-8
(Referred to in Para 3.7.2)

Verification note on the inspection on the compliance of old audit report on the accounts of O/o Dy. Labour Commissioner (South), Room No.122-123, A-Wing, First Floor, Pushpa Bhawan, New Delhi-110062 for the period 2010-11 to 2016-17.

(A) Old Audit Report (Details of old paras settled)

S. No.	Year	Para No	Subject	Reasons of settlement of para	Remarks
NIL					

(B) Details of Old Recovery

S. No.	Year	Para	outstanding Recovery	Amount Recovered	Balance to be recovered
NIL					



FORM-II M-8 (Referred to in Para 3.7.2)

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Verification note on the compliance of old audit report of accounts of Dy. Labour Commissioner (South), Room No.122-123, A-Wing, First Floor, Pushpa Bhawan, New Delhi-110062 for the period from 2010-11 to 2016-17.

The outstanding objections pertaining to the old inspection reports on the accounts were discussed with Head of Office.

S.No.	Period of Audit	Para No.	Brief particulars of the objection	Total Recovery	Amount recovered	Balance recovery
1.	2009-2010	1	Non-Reconciliation of receipts	NIL	NIL	NIL
2.	2010-17	1	Workmen's Compensation Act	NIL	NIL	NIL
3.	2010-17	2	Delay in finalization of the cases	NIL	NIL	NIL
4.	2010-17	3	Non reconciliation of receipts	NIL	NIL	NIL
5.	2010-17	4	Non production of Record	NIL	NIL	NIL

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PART - I
NIL

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~~PART - II~~
~~(CURRENT REPORT)~~

Para 1
PARA -01



(Ref: Audit memo no2,4)

Subject: Non- reconciliation of receipts

Scrutiny of records related to receipts collected by the Office for the audit period 2009-10 reveals that the South District of Labour Dept. collects 1% Cess and assesses the return filed under The Building and Other Construction Workers Act and collect fee for making beneficiaries cards under Building and Other Construction Workers (RE & CS) Act. Amount received by the Office as given in table

Act	Amount (Rs.)
Cess under The Building and Other Construction Workers Act	34,07,42,344
Fee under Building and Other Construction Workers (RE & CS) Act	70,329

As per Office reply the cess is deposited in SBI, Tis Hazari and fee is deposited in UTI Bank, Saket and both amount goes to in Delhi Labour Welfare Board A/C. As per Office version, since the receipts pertain to DLWB therefore the Office does not reconcile the receipts from the bank.

But the audit feels that cheque received for Cess and Fee is collected and deposited by the office and further the assessment, inspection and issuance of cards is done by the Office against amount received. So, reconciliation should be done by the Office under intimation to audit.

Further, the Office has not produced the records related to assessment of Cess under Building and Other Construction Workers Act to audit. The same should be shown to next audit.

Further, revenue collected on account of Workmen's compensation is deposited in Commissioner Workmen's Compensation A/C and Licence fees, renewal fees, security deposit are deposited in SBI, Old Secretariat through challan by the Contractor/principal employer directly. But, all the deposits are not reconciled at any level. So, reconciliation should be done by the Office under intimation to audit.

PART-II

CURRENT AUDIT REPORT (2010-2017)

Para No.1:- Workmen's Compensation Act
(Audit Memo No. 15 dated 28.9.2017)

(A) Test check of the record pertaining to workmen's compensation account for the years 2010-11 to 2016-17 revealed following shortcomings:-

(A) An amount of Rs.53,13,024/- is lying undisbursed as on 31.03.2017. Details are as under:-

Year	Opening Balance	Amount Received	Amount Disbursed	Closing Balance
2010-11	65,58,539	1,20,88,515	1,24,54,791	61,92,263
2011-12	61,92,263	92,53,537	114,12,135	40,33,665
2012-13	40,33,665	86,35,728	66,24,751	60,44,642
2013-14	60,44,642	21,94,806	15,97,144	12,02,126
2014-15	12,02,126	21,25,901	32,26,962	10,10,660
2015-16	10,10,660	45,98,032	41,38,443	5,60,654
2016-17	5,60,654	91,27,333	91,56,585	53,13,024

Efforts should be taken by the Dy. Labour Commissioner/Joint Labour Commissioner for the early disposal of the compensation amount may be conveyed to the audit

(B) It has been noticed that the compensation amounts are being received from the concerned employer in the form of Cheque /DDs to the Department and further it is being deposited in the Bank. Necessary reconciliation of such deposits involving huge amounts in the bank is to be done simultaneously, which is not being done. Hence, it requires clarification.

Para No.2:- Delay in finalization of the cases
(Audit Memo No. 16 dated 29.9.2017,)

The Office of the Dy. Labour Commissioner, Distt. South is situated at Pushpa Bhawan, Delhi. The Dy. Labour Commissioner (DLC) has the power as a commissioner to hear and decides the cases under various Act, like Employee Compensation Act, Delhi Shops and Establishment Act 1954, Minimum Wages Act etc. and to issue recovery certificate with a view to enforce the award passed by Labour Court/ Industrial Tribunals. During the audit for the period 2010-17 the position of cases received and settled under various Acts is as follow

Year	Act	Opening Balance	Cases Received	Total	Cases Settled		Cases pending at the end of the year	
					No.	%	No.	%
2010-11	Employee Compensation Act	182	63	245	77	31	168	69
2011-12	~do~	168	63	231	83	36	148	64
2012-13	~do~	148	67	215	68	32	147	68
2013-14	~do~	147	72	219	69	32	150	68

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2014-15	~do--	150	53	203	62	31	141	69
2015-16	~do--	141	56	197	106	54	91	46
2016-17	~do--	91	175	266	103	39	163	61
2010-11	Minimum Wages Act	154	121	275	121	44	154	56
2011-12	~do--	154	260	414	72	18	342	82
2012-13	~do--	342	531	873	201	23	672	77
2013-14	~do--	672	434	1106	305	28	801	72
2014-15	~do--	801	229	1030	390	39	640	61
2015-16	~do--	640	350	990	361	36	629	64
2016-17	~do--	629	771	1400	257	18	1143	82
2010-11	Delhi Shops & Establishment Act	578	194	772	381	49	391	51
2011-12	~do--	391	282	673	167	25	506	75
2012-13	~do--	506	437	943	212	22	731	78
2013-14	~do--	731	472	1203	340	28	863	72
2014-15	~do--	863	400	1263	445	35	818	65
2015-16	~do--	818	663	1481	371	25	1110	75
2016-17	~do--	1110	706	1816	372	20	1444	80
2010-11	Payment of Grtuity Act	30	58	88	39	44	49	56
2011-12	-do-	49	30	79	25	32	54	68
2012-13	-do-	54	40	94	22	23	72	77
2013-14	-do-	72	95	167	67	40	100	60
2014-15	-do-	101	53	154	50	32	104	68
2015-16	-do-	104	98	202	62	31	140	69

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2016-17	-do-	140	162	302	114	38	188	62
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The above table shows that the cases pending at the end of the year was ranging between 46 % to 82%, Hence necessary actions in future are required to settle these cases well in time so that the basic purpose of making these acts can be achieved.

Para No. 3 :-Non- reconciliation of receipts
(Audit Memo No. 17 dated 29.9.2017)

Scrutiny of records related to receipts collected by the Office for the audit period 2010-17 reveals that the South District of Labour Dept. collects 1% Cess and assess the return filed under The Building and Other Construction Workers Act and collect fee for making beneficiaries cards under Building and Other Construction Workers (RE & CS) Act. Amount received by the Office as given in table.

Year	Cess under The Building and Other Constructions Workers Act (RS)	Fee under the Building and Other Construction Workers (RE & CS) Act (Rs.)
2010-11	Rs.54,47,95,195	Rs.148,650
2011-12	Rs.11,53,22,321	Rs. 94,875
2012-13	Rs.14,26,25,163	Rs. 84,525
2013-14	Rs.28,66,26,890	Rs.1,56,900
2014-15	Rs.32,84,20,500	Rs.1,42,600
2015-16	Rs.37,37,58,081	Rs.3,41,200
2016-17	Rs.44,46,20,022	Rs.3,72,975

As per Office reply, the Cess and fee are deposited in State Bank of India, Tis Hazari Account and both amount goes to in Delhi Building & Other Construction Workers Welfare Board A/C. As per Office version, since the receipts pertain to Board HQ, therefore the Office does not reconcile the receipts from the bank. But the audit feels that cheque received for Cess and Fee is collected and deposited by the office and further the assessment, inspection and issuance of cards are done by the Office against amount received. So, reconciliation should be done by the Office.

(ii) It has been seen that this Cess have been collected either in the form of cheques or Demand Drafts from the employer. Audit observations are as under:-

In some of the cases the cheques/DDs have not been deposited in time. Some of the instances of delay are as under:-

S. No.	Sr. No. of the register	Date of Receipt	Date of Deposit of Cheque/DD	Amount (Rs.)	Delay (In Days)
1.	589	22.8.2014	11/9/204	71,531	21 days
2.	590	22.8.2014	11/9/204	21,100	21 days
3.	591	22.8.2014	11/9/204	26,926	21 days
4.	592	22.8.2014	11/9/204	20,306	21 days
5.	593	22.8.2014	11/9/204	14,134	21 days

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6.	685	1.10.2014	15/10/2014	7018	15 days
7.	686	1.10.2014	15.10.2014	32,56,350	15 days
8.	687	1.10.2014	15.10.2014	4239	15 days
9.	585	21.7.2016	2.8.2016	77944	13 days
10.	828	17.10.2016	3.11.2016	66191	17 days
11.	829	17.10.2016	3.11.2016	5,54,424	17 days
12.	830	17.10.2016	3.11.2016	50,166	17 days
13.	831	17.10.2016	3.11.2016	4876	17 days
14.	832	17.10.2016	3.11.2016	125702	17 days
15.	833	17.10.2016	3.11.2016	2,54789	17 days
16.	1	2.1.17	16.1.2017	29,338	15 days
17.	2	2.1.17	16.1.2017	94,801	15 days
18.	3	2.1.17	16.1.2017	1,93,700	15 days
19.	4	2.1.17	16.1.2017	22064	15 days
20.	6	3.1.17	16.1.2017	16,106	14 days

The timely deposition of cheques /DDs may be verified at the time of next audit. Further, no reconciliation of deposits is being done by the Department as such the possibility of dishonouring of Cheques cannot be ruled out.

Due to non-reconciliation of receipts by the Distt.(South), audit could not verify the amount actually credited in the Govt. account so timely reconciliation of the deposits with the bank may be made and shown to Audit.

Para No. 4: Non production of Record

The under mentioned records have not been produced to Audit and hence these records may be produced to next audit (2009-2010)

1. Telephone Register
2. Property Register with Placement Register
3. Liveries record
4. Register of valuables
5. Records related to registration of workers under BOCW (RE&CS) act 1996 pertaining to cess assessment, industrial dispute act, Delhi shops and Estt. Act, Workmen Compensation Act, Contract labour act, payment of gratuity act and child labour act.

(2010-17)

6. Verification of remittance
7. Spouse information
8. Challan files
9. Cash book
10. Cheque issuance Register
11. Property Register
12. Stock Register
13. Condemnation files/Records.

A.K. Bhatt

A.K. Bhatt

(A.K. BHATT)

I.A.O. Audit Party No.23

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CURRENT AUDIT REPORT (2017-18 to 2020-21)

During the course of current audit for the period 2017-18 to 2020-21, the Dy. Labour Commissioner (South), Room No.122-123, A-Wing, First Floor, Pushpa Bhawan, New Delhi-110062 expressed his inability to provide relevant records to audit as all the office records relating to Administrative and Accounts are now being maintained at Office of Labour Commissioner, 5- Sham Nath Marg, Delhi. Only hearing of matters related to Labour Enforcement are being held in the premises and powers earlier delegated to JLC/DLC as HOO & ALC/LO as DDO has since been withdrawn from the financial year 2014-15. Accordingly, considering the nature of work being performed in the Dy Labour Commissioner (South) 11 audit memos (including 06 records memos) were issued along with recovery to the tune of Rs.47,562/- out of which 05 Memos were converted into 02 Paras and 03 TANs.

There were total 05 old paras were outstanding paras for which Dy. Labour Commissioner(South) failed to submit any reply inspite of verbal requests and written reminders. Hence, all 05 paras have been incorporated in the current audit report.

Details of Current Recovery (Audit period 2017-18 to 2020-21)

MEMO NO.	Subject	Converted into	Total Recovery (in Rs.)	Amount Recovered (in Rs.)	Balance (in Rs.)
3	Reconciliation of CESS receipts	TAN-1	NIL	NIL	NIL
4	Performance of District (South), Labour Department	Record Memo	NIL	NIL	NIL
5	Submission of the records for audit scrutiny.	Record Memo			NIL
6	Submission of records for audit scrutiny	Record Memo			NIL
7	Workmen's Compensation Act, 1923	PARA-1	NIL	NIL	NIL
8	Regarding furnishing of records pertains to Audit Memo No.3, 4 & 5.	Record Memo			NIL
9	Irregularities in maintenance of CESS records, CLA, Compensatory and other registers.	TAN-2	NIL	NIL	NIL
10	Non-deposit of balance amount of CESS by Contractor/Assesse.	TAN-3	NIL	NIL	NIL

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11	Less collection of CESS under The Building and other Construction Workers Act amounting to Rs.47,562/- on account of wrong assessment done.	PARA-2	47,562/-	47,562/-	NIL
		TOTAL	47,562/-	47,562/-	NIL

The internal audit report has been prepared on the basis of the information furnished and made available by Dy. Labour Commissioner (South), Room No.122-123, A-Wing, First Floor, Pushpa Bhawan, New Delhi-110062 for the period 2017-18 to 2020-21. The audit disclaims any responsibility for any misinformation and/or non-information on the part of Auditee.




(JAYA TEWARI)
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CURRENT AUDIT REPORT 2017-18 TO 2020-21

PARA-1: Workmen's Compensation Act, 1923 - Accumulation of undistributed amount. (Audit Memo No. 7) Dated: 30/07/2021

On test of check of records provided to audit pertaining to **Workers' compensation** Act for the audit, it is revealed that Rs.2,80,81,178/- amount is lying undistributed as on 31.03.2021. Details are as under:-

Year	Opening Balance	Received	Disbursed	Closing Year
01.01.2017 to Dec.2017	15,44,982/-	4,89,00,814/-	3,13,48,202/-	1,90,97,594/-
01.01.2018 to 31.12.2018	1,90,97,594/-	5,10,19,702/-	3,01,60,582/-	3,99,56,714/-
01.01.2019 to 31.12.2019	3,99,56,714/-	4,31,93,812/-	3,23,13,038/-	5,08,37,488/-
01.01.2020 to 31.12.2020	5,08,37,488/-	1,17,83,574/-	1,09,72,736/-	2,80,81,178/-

Efforts should be taken by the Dy. Labour Commissioner (South) for the early disposal of the compensation amount may be conveyed to audit.

It has been noticed that no reconciliation has been done of such deposits involving huge amounts in the bank is to be done simultaneously. Hence, it requires clarification.

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PARA-2: Less collection of CESS under The Building and other Construction Workers Act amounting to Rs.47,562/- on account of wrong assessment done.
(Audit Memo No.11 **Dated: 04.08.2021)**

On test check and scrutiny of CESS register and Assessment Files in respect of following Construction companies for the period 18/09/2018 to 08/12/2020. It has been found that in the Assessment Order/Calculation, the cost of plumbing work/Electric work has not been taken as higher value which led to less collection of CESS as per Calculation Sheet attached as Annexure. The details as under:-

S.No.	Name of Construction Co. & File No.	Amount assessed by A.A.	Amount As per Audit	Difference to be recovered
1.	M/s Sharda Buildwell Pvt. Ltd., D-28, 2 nd Floor, Defence Colony, New Delhi-24 (File No.17/2020)	208,326.00	210,574.00	2,248.00
2.	M/s BMB Developers Pvt. Ltd., E-152, Club Road, Sainik Farm, New Delhi-62 (File No.15/2020)	194,179.00	212,444.00	18,265.00
3.	M/s Kimaya Construction, G-40, Ground Floor, Pamphosh Enclave, New Delhi-48 (File No.15/2019)	317,284.00	328,900.00	15,154.00
4.	M.s BMB Developers Pvt. Ltd., E-152, Club Road, Sainik Farm, New Delhi-62 (File No.12/2020)	192,173.00	204,068.00	11,895.00
			TOTAL	47,562.00

The CESS Collector/Assessing Authority/DLC may recover Rs.47,562/- from the concerned companies after verification of facts and figures. Similar other cases may also be checked and reviewed at your own level and recovery, if any, may be made accordingly.

[Signature]

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M/S BMB DEVELOPERS PVT. LTD.
E-152, CLUB ROAD, SAINIK FARM, NEW DELHI-110062

Property Address: C=107, N.D.S.E. PART-II, New Delhi (File No.15/2020)

S.N o.	Particulars of Construction items/Head	Cost of Construction declared by Assessee	Cost of construction as per Schedule Rates vide Order dated 02.01.2006 of Secy. Labour	Final Cost of Construction (Higher One) taken for the purpose of calculation of CESS as per Assessing Authority	Calculation as per Audit
	A	B	C	D	E
1	Total cost of construction worked out as per schedule of rates for calculation of constructed covered area (i.e. Ground Floor, 1st Floor, 2nd Floor, 3rd Floor) as 431.41 Sq.M.	2,611,913	2,618,460	2,618,460	₹ 2,618,460.00
2	Total Cost of construction worked out of constructed covered area (beyond 4th storey i.e. 4th floor)	NIL	NIL	NIL	NIL
3	Total Cost of construction worked out of constructed covered area of Basement as 881.83 Sq.M.	5,276,864	7,053,840	7,053,840	7,053,840
4	Total cost of demolition	NIL	NIL	NIL	NIL
5	Cost of type of flooring is mixed of imported and indian having total area 1318.14 Sq.M	2,256,764	3,295,350	3,295,350	3,295,350
6	Cost of wood paneling work	1,908,631	1,908,631	1,908,631	1,908,631
7	Cost of wood work other than wood panelling work	NIL	NIL	NIL	NIL
8	Cost of false ceiling work	NIL	NIL	NIL	NIL
9	cost of Central Air Conditioning	NIL	NIL	NIL	NIL
10	Cost of Boundary Wall	NIL	NIL	NIL	NIL
11	Total cost incurred on installation of lift.	898,263	898,263	898,263	898,263
12	cost of Swimming Pool	NIL	NIL	NIL	NIL
13	Cost of Paint Work & other Misc. work	1,225,252	1,225,252	1,225,252	1,225,252
14	(i) Cost of electric work along with fitting & fixtures as per benefit	920,241			
	(ii) Cost calculated at 15% of S.No.1+2+3		1,450,845	1,450,845	1,450,845

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15	(i) Cost of Plumbing work along with fitting & fixtures as per affidavit.	2,793,711			
	(ii) Cost calculated at 10% of S.No.1+2+3		967,230	967,230	2,793,711
16	Total cost of other development work including sewerage, firefighting, landscaping etc.	NIL	NIL	NIL	NIL
17	Total cost of construction as per calculation sheet	17,891,639	19,417,871	19,417,871	21,244,352
18	Total CESS payable @ 1%			194,179.00	212,444.00

Difference

18,265.00

M/S SHARDA BUILDWELL PVT. LTD.
D-28, 2ND FLOOR DEFENCE COLONY, NEW DELHI-110024

Property Address: E-437. Greater Kailash Part-2, New Delhi (File No.17/2020)

S.N o.	Particulars of Construction items/Head	Cost of Construction declared by Assessee	Cost of construction as per Schedule Rates vide Order dated 02.01.2006 of Secy. Labour	Final Cost of Construction (Higher One) taken for the purpose of calculation of CESS as per Assessing Authority	Calculation as per Audit
	A	B	C	D	E
1	Total cost of construction worked out as per schedule of rates for calculation of constructed covered area (i.e. Ground Floor, 1st Floor, 2nd Floor, 3rd Floor) as	6,665,345	3,783,648	6,665,345	6,665,345
2	Total Cost of construction worked out of constructed covered area (beyond 4th storey i.e. 4th floor)	NIL	NIL	NIL	NIL
3	Total Cost of construction worked out of constructed covered area of Basement as	1,176,237	2,315,096	2,315,096	2,315,096
4	Total cost of demolition	NIL	NIL	NIL	NIL
5	Cost of type of flooring is mixed of imported and indian having total area 920 SM	2,605,375	2,300,000	2,605,375	2,605,375
6	Cost of wood paneling work	2,274,871	2,274,871	2,274,871	2,274,871
7	Cost of wood work other than wood panelling work	NIL	NIL	NIL	NIL
8	Cost of false ceiling work	907,182	907,182	907,182	907,182
9	cost of Central Air Conditioning	NIL	NIL	NIL	NIL
10	Cost of Boundary Wall	NIL	NIL	NIL	NIL
11	Total cost incurred on installation of lift.	1,251,695	1,251,695	1,251,695	1,251,695
12	cost of Swimming Pool	NIL	NIL	NIL	NIL
13	Cost of Paint Work & other Misc. work	2,567,953	2,567,953	2,567,953	2,567,953
14	(i) Cost of electric work along with fitting & fixtures as per benefit	991,200			
	(ii) Cost calculated at 15% of S.No.1+2+3		1,347,066	1,347,066	1,347,066

15	(i) Cost of Plumbing work along with fitting & fixtures as per affidavit.	1,122,778			
	(ii) Cost calculated at 10% of S.No.1+2+3		898,044	898,044	1,122,778
16	Total cost of other development work including sewerage, firefighting, landscaping etc.	NIL	NIL	NIL	NIL
17	Total cost of construction as per calculation sheet	19,562,636	17,645,555	20,832,627	21,057,361
18	Total CESS payable @ 1%			208,326.00	210,574.00

Difference

2,248.00

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M/S KIMAYA CONSTRUCTION
C-40, GROUND FLOOR, PAMPOSH ENCLAVE, NEW DELHI-110048

Property Address: A-18, Pamposh Enclave, New Delhi (File No.15/2019)

S.N o.	Particulars of Construction items/Head	Cost of Construction declared by Assessee	Cost of construction as per Schedule Rates vide Order dated 02.01.2006 of Secy. Labour	Final Cost of Construction (Higher One) taken for the purpose of calculation of CESS as per Assessing Authority	Calculation as per Audit
	A	B	C	D	E
1	Total cost of construction worked out as per schedule of rates for calculation of constructed covered area (i.e. Ground Floor, 1st Floor, 2nd Floor, 3rd Floor) as 1297.98 Sq.M.	8,277,260	7,787,880	8,277,260	8,277,260
2	Total Cost of construction worked out of constructed covered area of Stilt Floor & Basement as 643.18 Sq.M.	4,101,579	5,145,440	5,145,440	5,145,440
3	Total cost of demolition	NIL	NIL	NIL	NIL
4	Cost of type of flooring is mixed of imported and indian having total area 1146.95 Sq.M	2,469,150	1,146,950	2,469,150	2,469,150
5	Cost of wood paneling work	2,530,896	2,530,896	2,530,896	2,530,896
6	Cost of false ceiling work	NIL	NIL	NIL	NIL
7	cost of Central Air Conditioning	739,636	739,636	739,636	739,636
8	Cost of Boundary Wall	NIL	NIL	NIL	NIL
9	Total cost incurred on installation of lift+ Genset fitting/installation	1,443,625	1,443,625	1,443,625	1,443,625
10	cost of Swimming Pool	NIL	NIL	NIL	NIL
11	(i) Cost of electric work along with fitting & fixtures as per benefit	2,367,239			
	(ii) Cost calculated at 15% of _____ S.No.1+2+3		2,013,405	2,013,405	2,367,239
12	(i) Cost of Plumbing work along with fitting & fixtures as per affidavit.	2,503,909			
	(ii) Cost calculated at 10% of _____ S.No.1+2+3		1,342,270	1,342,270	2,503,909

b/c

13	Total cost of other development work including sewerage, firefighting, landscaping etc.	7,766,674	7,766,674	7,766,674	7,766,674
14	Total cost of construction as per calculation sheet	32,199,968	29,916,776	31,728,356	33,243,829
15	Total CESS payable @ 1%			317,284.00	332,438.00

Difference 15,154.00

5/4

M/S BMB DEVELOPERS PVT. LTD.
E-152, CLUB ROAD, SAINIK FARM, NEW DELHI-110062

Property Address: A-8, Gulmohar Park, New Delhi (File No.12/2020)

S.N o.	Particulars of Construction items/Head	Cost of Construction declared by Assessee	Cost of construction as per Schedule Rates vide Order dated 02.01.2006 of Secy. Labour	Final Cost of Construction (Higher One) taken for the purpose of calculation of CESS as per Assessing Authority	Calculation as per Audit
	A	B	C	D	E
1	Total cost of construction worked out as per schedule of rates for calculation of constructed covered area (i.e. Ground Floor, 1st Floor, 2nd Floor, 3rd Floor) as 1015.433 Sq.M.	4,718,900	6,092,598	6,092,598	6,092,598
2	Total Cost of construction worked out of constructed covered area (beyond 4th storey i.e. 4th floor)	NIL	NIL	NIL	NIL
3	Total Cost of construction worked out of constructed covered area of Basement as 254 Sq.M.	1,181,100	2,032,000	2,032,000	2,032,000
4	Total cost of demolition	NIL	NIL	NIL	NIL
5	Cost of type of flooring is mixed of imported and indian having total area 1269.433 Sq.M	3,982,612	3,173,583	3,982,612	3,982,612
6	Cost of wood paneling work	3,295,143	3,295,143	3,295,143	3,295,143
7	Cost of wood work other than wood panelling work	NIL	NIL	NIL	NIL
8	Cost of false ceiling work	500,000	500,000	500,000	500,000
9	cost of Central Air Conditioning	NIL	NIL	NIL	NIL
10	Cost of Boundary Wall	NIL	NIL	NIL	NIL
11	Total cost incurred on installation of lift.	1,340,000	1,340,000	1,340,000	1,340,000
12	cost of Swimming Pool	NIL	NIL	NIL	NIL
13	Cost of Paint Work & other Misc. work	675,000	675,000	675,000	675,000

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14	(i) Cost of electric work along with fitting & fixtures as per benefit	1,614,436			
	(ii) Cost calculated at 15% of S.No.1+2+3		1,218,690	1,218,690	1,614,436
15	(i) Cost of Plumbing work along with fitting & fixtures as per affidavit.	875,000			
	(ii) Cost calculated at 10% of S.No.1+2+3		81,246	81,246	875,000
16	Total cost of other development work including sewerage, firefighting, landscaping etc.	NIL	NIL	NIL	NIL
17	Total cost of construction as per calculation sheet	18,182,191	18,408,260	19,217,289	20,406,789
18	Total CESS payable @ 1%			192,173.00	204,068.00

Difference 11,895.00

3/4

TEST AUDIT NOTE

2017-18 TO 2020-21

TAN-1: Performance of District (South), Labour Department
(Audit Memo No.4 dated: 28.07.2021)

Details of outstanding cases under various Labour Acts, are given below:-

1. Employee Compensation Act:

Year	Act	Opening Balance	Cases Received	Cases settled		Cases pending at the end of the year	
				No.	%	No.	%
NOT PROVIDED BY THE DISTRICT OFFICE							

2. The Child Labour (Prohibition & Regulation) Act, 1986

Year	No. of raids Conducted	No. of rescued Child Labour	No. of prosecution filed
2017-18	5	39	Prosecution filed by the Delhi Police
2018-19	7	74	Prosecution filed by the Delhi Police
2019-20	10	50	Prosecution filed by the Delhi Police
2020-21	4	24	Prosecution filed by the Delhi Police

3. The Industrial Disputes Act, 1947

Year	Opening Balance	Dispute Received	Total	Cases disposed off/settled	Report for adjudication to labour court	% of disposal
2017-18	586	1585	2171	512	981	68.77
2018-19	628	1427	2055	623	643	61.60
2019-20	789	1325	2114	401	1278	79.42
2020-21	435	1277	1712	209	541	43.80

On perusal of the data made available by the Labour Department, it may be seen that more than 50% of cases are pending at the end of the year and disposal during the year 2020-21 is less than 50%.

Therefore, Labour Commissioner may make efforts for early disposal of the cases and review the mechanism.

July

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TAN-2: Irregularities in maintenance of CESS records, CLA, Compensatory and other registers.

(Audit Memo. No.9)

Dated: 02.08.2021)

On scrutiny of Cess Assessment Register and above mentioned registers maintained under different Acts for the period 18/09/2018 to 08/12/2020, it has been observed that:

1. No page counting certificate has been recorded on the first page of any register.
2. Registers are not serially numbered.
3. Entries made in the register have not monitored by any officer by their initial/signature even in the month and as well as year-end.
4. Files are not serially numbered (correspondence side & Note-Sheet side).

Reasons for aforesaid discrepancies/shortcomings may be elucidated to audit and efforts may be initiated to remove above discrepancies/shortcomings under intimation to audit.



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TAN-3: Non-deposit of balance amount of CESS by Contractor/Assesse.
(Audit Memo. No.10 Dated: 04.08.2021)

On scrutiny of Assessment Order Files and CESS Assessment register for the period 18/09/2018 to 08/12/2020, it has been observed that receipt for collection of balance amount of CESS (assessed by the Assessing Authority) is neither placed in the file nor mentioned in the CESS assessment Register within the stipulated period as per provision of The Building and Other Construction Worker Welfare CESS Act, 1996. Hence, the audit could not verify whether the balance amount of CESS was deposited in the Govt. account or not. Some of the instances given below:-

S.No.	File No.	Assessment Order No. & Date	Balance amount of CESS
1.	14/2019	3260-62 dated 11.09.2019	Rs.71,743/-
2.	33/2019	3488 dated 16.12.2019	Rs.88,663/-
3.	38/2019	3124-26 dated 21.11.2019	Rs.2,80,453/-
4.	7/2020	2033-35 dated 24.02.2020	Rs.38,845/-
5.	14/2020	2045-47 dated 24.02.2020	Rs.28,183/-
6.	15/2020	2088-90 dated 26.02.2020	Rs.15,263/-
7.	15/2019	3266-68 dated 11.09.2019	Rs.1,71,499/-

The Assessing Authority/DLC may kindly look into the matter & review similar other cases and take necessary action to complete records and compliance be shown to next audit.

[Handwritten signature]