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**DIRECTORATE OF AUDIT  
GOVERNMENT OF NCT OF DELHI  
4<sup>TH</sup> LEVEL, C-WING, DELHI SECTT.  
I.P.ESTATE, NEW DELHI-110002**

**Sub:** Audit report of PWD Division B-211, B-212, B-213 for the period 2007-09

**INTRODUCTION**

The I.A.R. on the accounts of PWD Division B-211, B-212, B-213 for the period 2007-2009 was conducted by field Audit Party No. 5, comprising of S/Sh. G.L.Prasad, IAO, Smt. Santosh Sharma, JAO, Sh. Subhash Chander, HC, Smt. Rashmi Sharma, UDC. The audit was conducted w.e.f. 1-10-09 to 29-10-09. This was the first audit. No audit has ever been conducted by DACR.

**AIMS & OBJECTIVES**

PWD Building Project Division B-211, 212 & 213 came into existence in 2007 after restructuring of PWD and deals with construction work. The divisions are dealing with main construction projects as per details given below:-

- B-211 - Construction of Lok Nayak Setu over River Yamuna, ILBS  
B-212 - Construction of Balance work of Orthopaedic Block at LNJP, Additional Block at College of Art,  
B-213 - Construction of EDP cum referral clinic/Administrative cum OPD block and additional basement parking at GB Pant Hospital

**HOD/HOS/DDOS/CASHIER**

S.No.	Name of Division	Head of office EE	DDO EE	Cashier UDC
1	B-211	Sh. H.G.Goswami	Sh. H.G.Goswami,	Sh. Ranvir Singh
2	B-212	Sh.P.L.Gupta	-do-	-do-
3	B-213	Sh. Ramesh Kumar	-do-	-do-

**BUDGET ALLOCATION AND EXPENDITURE**

Details of budget allocation and expenditure for the audit year are as below:-

Year	Plan Budget	Expenditure
2007-08	258000000	257358973
2008-09	331800000	330141854

**VACANCY STATEMENT**

S.No.	Name of post	No. of post sanctioned	Filled	Vacant
1	Group A	4	4	Nil
2	Group B	15	15	Nil
3	Group C	13	11	2
4	Group D	5	4	1
	<b>TOTAL.</b>	<b>37</b>	<b>34</b>	<b>3</b>

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## MAINTENANCE OF RECORDS

The maintenance of records of PWD Division B-211, B-212, B-213 for the period 2007-09 was found satisfactory subject of observations made in current audit report and in test audit report.

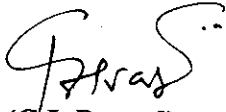
## AUDIT REPORT

During the course of current audit, 15 audit memos highlighting various irregularities/short recovery to the tune of Rs.Nil were issued . Department has shown compliance of 03 audit memos and spot recovery amounting to Rs.Nil was made. 12 audit objections have been incorporated in current audit report as 10 Paras & 1 TAN(memo no. 10 & 12 clubbed in Para 5):-

### DETAILS OF CURRENT RECOVERY : NIL

Para No.	Total recoveries	Amount recovered	Balance (in Rs.)
	NA		

The internal audit report has been prepared on the basis of information furnished and made available by PWD Division B-211, B-212, B-213 for the period 2007-09 . The Directorate of Audit, GNCT of Delhi disclaims any responsibility for any misinformation and/of non-information on the part of auditee.

  
(G.L.Prasad)  
IAO-Audit Party-5

**PART-II**  
**CURRENT AUDIT REPORT OF PWD DIVISION B-211,212,213(2007-09)**

**Para No.1**

**Ref Memo NO. 15 Dated 29-10-09**

**Sub:- Performance/output of the Divisions**

PWD Divisions B-211, B-212 & B-213 are basically project divisions and follows the provisions of the CPWD Manuals and Account Code in the execution of it's work. These manuals provide for exercise of various checkes and control to ensure economy, efficiency and effectiveness in PWD Projects. An evaluation of the level of compliance with these provisions indicated the following observations:-

As per CPWD Manual Section 28.1, at the time of issuing NIT for a particular work the Engineer in Charge should specify the time allowed for completion of the work consistent with the magnitude and urgency of the work and as per 28.2 the time allowed for carrying out the work as entered in the contract shall be strictly observed by the Contractor. Section 28.3 further specifies that the work shall throughout the stipulated period of the contract be proceeded with all due diligence (time being deemed to be the in the essence of the contract) on the part of the Contractor. During the scrutiny of entries made in the Agreement Registers for the period 2007-08 & 2008-09 it has been observed that percentage of works completed within time in above divisions is very negligible as detailed below.

Total No. of Agreements Undertaken during 2007 to 2009	Completed within stipulated/agreed time	Percentage of completed works within time
<b>Division B-211</b>		
52	5	9.6%
<b>Division B-212</b>		
7	1	14%
<b>Division B-213</b>		
6	-NIL-	0%

Further it has also been observed that some works was incomplete even after 3½ years of stipulated date completion. Reasons for delay in completion have been discussed in subsequent paras. In accordance with Section 28.5 of the CPWD Manual the tender accepting authority shall review the progress of work each month with all the concerned disciplines including the contractor. In view of the position of pendency of works as pointed out above the factors affecting the progress may be identified and remedial measures taken wherever required.

As per provision contained in CPWD Manual Vol-II, clause 25(2) & 23(3) deviation from the agreed quantity of work should be avoided. But it has been observed that out of 32 works completed by Division B-211 during audit period, 24 works are having huge escalation ranging upto the magnitude of 128% (Agreement no.05/EE/B-211/2007-08), in the approved schedule of quantity and final payment which indicate that the preliminary estimates for 75% of works have been prepared by the Division without proper planning and assessing the exact requirement.

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Besides above, instances of inflated estimates for works prepared by the divisions were also came to the notice of audit which ranged upto 47% (Agreement no.05/EE/B-211/2007-08).

The cases of escalation/inflated estimates indicate that preliminary estimate of works have been prepared by the divisions without proper planning and assessing the exact requirement. Reasons for improper preparation of estimates may be identified so that recurrence of such instances could be avoided.

**Para No.2**

**Ref Memo NO. 13 Dated 27-10-09**

**Sub : Delay in completion of work C/o Balance work of Orthopaedic Block at LNJP Hospital**

Agreement No. 25/EE/PWD-31/2006-07

Scrutiny of file revealed the following facts :

- 1 The work was initially awarded to M/s United Builders with Stipulated date of start and completion 1-8-2000 and 31-7-02 for a period of two years but the work was rescinded on account of slow progress as only 22% work was completed by the contractor till 11-10-02
- 2 The balance work was awarded to M/s Bharat Construction Co. for 2 years and after completion of 55% work the same has been rescinded again on account of suspension of progress of work . This work was awarded to second contractor on the risk and cost of M/s United Builders .But no information available whether the payment made to the M/s Bharat Construction Co. has been recovered from the M/s United Builders.
- 3 The balance work was awarded to M/s Diwan Chand on dt. 22-12-06 with the stipulated date of completion 21-6-07 for a period of six month at the risk and cost of M/s Bharat Construction co..
- 4 The A/A & E/S sanctioned initially for this project is Rs.19.00 Cr which has been revised to 34.40 Cr vide letter dt. 17-8-07 and as on date it is Rs.45.88Cr.
- 5 The work was initially planned in the year 2000 with the passage of time new provisions were introduced in the original plan.
- 6 An award along with interest has been paid to M/s United Builders and a court case challenging the penalty imposed by the department against M/s United Builders is pending in the court.
- 7 M/s Diwan chand has requested to appoint the arbitrator for non payment amounting to Rs. 24,10,334/- on account of 10CC/10CA by the department as the delay in execution of work is on the part of department.
- 8 Vide letter dt. 19-9-08 of O/s CE(CSQ) CPWD 25 objections/paras were raised against the work but no record showing compliance is available in file.
- 9 The progress of work has been reviewed again & again and the target date of completion has been modified to 31-12-07, 31-3-08 , 31-12-08 , 31-1-09.
- 10 Letter dt. 26-6-07 & 10-10-08 to Ex.Engg.(Elect) & minutes of meeting dt. 9-3-09& 20-3-09 reflects that there is lack of coordination between the civil & electrical department which has resulted delay in completion of works assigned to them.
- 11 As per the details provided by the department , the payments made to all the three contractor are :
  - 1 M/s United Builders : About 3.6 Crores
  - 2 M/s Bharat Const. Corpn : About 9.20 Crores
  - 3 M/s Dewan Chand : Rs.8.30 Crores upto 20<sup>th</sup> RA Bill.

The payment amounting to Rs. 21.10Cr to the contractors has been made out of govt. account and till date no recovery has been made on account of work done on the risk & cost of defaulter contractor.

Audit is of the view that lack of proper monitoring and poor planning of work has resulted in late completion of work which is still incomplete even after lapse of 9 years from the date of start i.e. in 2000 and cost of project also escalated from 19 Cr to 45.88 Cr. i.e. 142%.

**Para No.3**

**Ref Memo NO. 4 Dated 13-10-09**

**Sub: C/o Additional four lane parallel bridge(Lok Nayak Setu) over River Yamuna near ITO**

Agreement No. : 1/EE/YBP/Div.-II/1992-93

Name of work : C/o Additional four lane parallel bridge(Lok Nayak Setu) over River Yamuna near ITO

Date of award of work : 27-4-1992

Name of Contractor : M/s Gammon India Ltd.

Contract Value : 16,97,00,000/-

Date of start : 7-5-1992

Stipulated date of completion : 6-5-1995

Actual date of completion : 11-10-1997

Gross value of work done and paid : 21,73,38,660/-

In this connection audit observations are as under :-

(i) On 14-12-08 arbitrator has awarded an award of Rs.84,95,058/- + simple interest @ 9% per annum ( till the date of payment) in favour of contractor.

(ii) Test check of arbitration file revealed that the said work also included river protection work but the contractor could not execute the said work and provided CC blocks only at the simplest location in the tune of 11.16% of the quantum of river protection work and finally vide letter No. YBPD/A-I/775/96 dt. 30-11-96 they had requested to delete the river protection work from their scope of work and the contract was closed without the completion of 88.84% work of the river protection works. Non production of agreement & work files restricts the audit to ascertain whether there was any penalty clause for non execution of said work .Penalty imposed/ recovery made from the contractor in this regard not intimated to audit.

(iii) As the work was finally completed for Rs. 21,73,38,660/- as against the contract value of 16,97,00,000/-, copy of revised PE, if any, and copy of A/A & E/S for the said work as asked for was not provided to audit.

**Para No.4**

**Ref Memo NO. 14 Dated 29-10-09**

**Subject:- C/o Institute of Liver & Biliary Sciences at Sector-D, Vasnat Kunj, New Delhi.**

Agreement No.:- 14/EE/PWD-27/2004-05

Estimated Cost:- Rs.28,16,47,097/-

Tendered (Negotiated amount):- Rs.30,07,55,232 (6.78% above of Estimated Cost)

Date of Start:- 15.03.2004

Stipulated Date of completion:- 14.09.2005

Revised Date of Start:- 01.07.2004

Revised Stipulated Date of completion:- 03.12.2005

A/A & F/S:- Rs 48 05 69 000/-

The said work was awarded to M/s Omaxe Construction Ltd. Vide letter No.54(799) PWD-27/AV/51 dated 06.03.2004 at his negotiated cost of Rs.30,17,55,232/- with date of start & stipulated date of completion as 15.03.2004 and 14.09.2005 respectively. Scrutiny of records revealed as under:

- 1) Letter dated 04.06.2004 revealed that contractor had filed some litigation in Hon'ble High Court & subsequently agreed to take back litigation with the condition that fresh orders for commencement of work shall be issued by department and later on 21.06.2004 department had entertained his proposal & issued fresh acceptance order with Date of Start & stipulated date of completion as 01.07.2004 & 31.12.2005 respectively. But no authentic reason for favouring contractor by entertaining his proposal to revise date of completion without levy of penalty is available in file, same may be clarified.
- 2.) Letter dated 18.05.2006 i.e 4½ months after revised stipulated date of completion stipulates that the project was delayed due to 24 pending decision of department.
- 3.) Scrutiny of work files revealed that there was considerable delay due to non furnishing drawings & delay in decision. Letter dated 25.01.2008 in which the contractor has requested for EOT revealed that out of total days of hindrances, more than 1300days were on account of late supply of structural drawings by M/s Kapoor & Associates Consultant Pvt. Ltd. Any recovery made from the consultant on this account not intimated to audit.
- 4.) A/A & E/S was revised as 72.63 & 83.66 Crores due to additions asked by client department.
- 5.) Further, Provisional EOT was granted upto 30.11.2008 without levy of compensation.
- 6.) As per certificate provided to (M/s Omaxe Construction Ltd.) dated 27.07.09 the actual date of completion has been shown as 20.03.2009 but scrutiny of letters dated 18.05.2009 revealed that there were still in complete works on the part of contractor, reasons for issuing completion certificate to the contractor may be clarified.

Audit is of the view that due to pending decisions of the department and delay in furnishing of drawing, the work has resulted in late completion ~~by~~ 3.5yrs and cost of project escalated upto 74%.

**Para No.5**

**Ref Memo NO. 10&12 Dated 26-10-09**

**(A) Sub: Irregular expenditure on works**

CPWD Office memorandum No. DGW/MAN/186 dt. 23-7-09 regarding delegation of enhanced powers to the officers of CPWD stipulates that the award of work order (annual limit) for EE is upto Rs.15 lacs, but scrutiny of work order register of the division B-211 revealed that work order amounting to Rs. 21,33,052/- has been sanctioned by EE during the financial year 2008-09. The amount sanctioned in excess to the powers delegated to the EE may be got regularized from the competent authority under intimation to audit.

Further ,CE sanctioned an amount of Rs.22,20,322/- for work order no. 25 (25/EE/B-211/08-09) but the final amount paid for this work was Rs.22,77,747/- i.e Rs.57,425/- more than the sanctioned amount and the same should be got regularized from the competent authority.

**(B) Sub: Agreements of Division no B-212 for sub works of C/o Additional block at College of Art, Tilak Marg.**

Scrutiny of agreement register revealed that the following agreements were made by the Division B-212 during 2007-08 for the sub works of C/o Additional block at College of

Art, Tialk Marg :-

Sr. No.	Name of work	Tendered amount	Amount paid	SDOC/ ActualDOC
1	SH: Front side boundary wall providing brick tiles cladding on rearside	15,58,887/-	2097717/-+ deductions	27-4-08 /25-8-08

CPWD Office memorandum No. DGW/MAN/186 dt. 23-7-09 regarding delegation of enhanced powers to the officers of CPWD stipulates that EE can sanction 15% of contract amount as deviation in quantities of agreement items, but in above case the payment is made in excess of admissible limit. The same may be got regularized from the competent authority under intimation to audit.

Para No.6

Ref Memo NO. 9 Dated 26-10-09

Sub: Irregular purchase of stores and stock worth Rs. 8,43,813/-

As per instructions of the Finance(Budget) Department, Govt. of NCT of Delhi issued vide No. F.14(9)/99-fin(B) dated 30-5-2001, the department will not incur any expenditure on air conditions, new telephone connections either at residences or offices, purchase of Fax/photocopiers, new items of furniture and refrigerators. If the procurement of such items is essential to run the office smoothly the prior approval of the Finance Department must be sought before making such purchases.

Test check of records relating to purchase of stores & stocks revealed that the department had purchased the banned items as detailed below without the approval of Finance Department :-

S.No.	Name of work	Agency	W/O No.	Approved by PM B-21
1	C/o EDP Cell at GB Pant Hospital, N Delhi. SH: Supplying of office furniture	Delite Furniture Systems Pvt. Ltd	03/EE/B-213	305665/-
2	C/o ILBS at Vasant Kunj, N Delhi SH: Providing conference table alongwith chairs	-do-	05/EE/B-213	175449/-
3	C/o ILBS at Vasant Kunj, N Delhi SH: Providing installation of office furniture for O/o building Project B-21	-do-	06/EE/B-213	150279/-
4	C/o EDP Cell at GB Pant Hospital, N Delhi SH: Supplying and installation of laptop for CE B-2	M/s A C E Electronics	14/EE/B-213	72800/-

5	C/o EDP Cell at GB Pant Hospital, N Delhi SH: Providing and installation of office for the O/o EE B-213 at EDP Cell	M/s Vijay furnishers	15/EE/B-213	139620/-
	TOTAL			843813/-

The purchases of above items made by the department were in contravention of the economy instructions issued by the finance department, which needs elucidation. Moreover, expenditure of these items was charged to the different works being executed by the division instead of concerned Establishment head which also needs clarification.

**Para No.7**

**Ref Memo NO. 11 Dated 26-10-09**

**Sub: Delay in submission of structural & architectural drawing in r/o C/o Additional block at College of Art at Tilak Nagar, N.Delhi.**

Scrutiny of work file revealed that in following cases the structural & architectural drawings were not provided to the contractor in time :

1 SH: C/o Road : The said work was transferred to this division vide letter dt. 24-4-07 with stipulated date of start & completion as 28-3-07 and 11-5-07 but actually completed on 30-9-07.

Vide letter dt. 10-5-07 Ex.Engg. allowed the extension of agreement upto 31-7-07 due to non availability of site and non receipt of drawing showing external service lines for fire fighting work from the consultant.

2 C/o Additional block at College of Art, Tilak Marg

Vide letter dt. 6-9-07 The contractor applied for grant of EOT for a period of 524 days on the basis of hindrances came across during execution of work out of which 203 days for late submission of drawing from the consultant.

3 SH: Interior works in Auditorium & Art Gallery

Vide letter dt. 12-6-08 Ex.Engg. B-212 requested to sent the design to finalize the work and submission of detailed estimate but the same was not complied as reflected from letter dt. 8-7-2008

Audit is of the observation that the consultant hired for providing architectural & structural drawing for the above mentioned work has not supplied drawing on time. The agreement made with the consultant and penalty imposed, if any, for this delay has been asked for but not provided to audit. Further, the non availability of site even at the stipulated date of completion of work defeats the purpose of the tender awarded to the contractor.

**Para No.8**

**Ref Memo NO. 5 Dated 19-10-09**

**Sub: Irregular award of tender (SH: Providing watch & ward, Dak runner & office attendants for the office of the PM B-21 and O/o EE, B-211, B-212 B-213 at Sukhdev Vihar, N.Delhi)**

Scrutiny of Agreement register revealed that tenders for above work were invited and work was awarded to following contractors during the period of audit to provide watch



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& ward, Dak runner & office attendants for the office of the PM B-21 and O/o EE, B-211, B-212 B-213 at Sukhdev Vihar, N.Delhi as per details given below :

Name of contractor	Estimated cost	Tendered cost	Period of contract	No. of personnel deployed	Payment made
M/s Soni Detective and allied services(Pvt.) Ltd.	679797/-	765600/-	10-10-07 to 31-5-09	144	765600/-
M/s Eagle Eye Security & House Keeping Service	---	670080/-	27-5-09 to 31-5-10	144	284880/- ( for the period upto 31-5-10)

In this connection audit observations are as under:-

- 1 No tender for engaging private security guard could be invited without approval of Finance department but in the said case approval of finance department was not taken .
- 2 Approval of Administrative Reforms has also not been obtained.

Reasons for inviting tender without taking approval of Finance and AR department may be clarified and necessary approval of competent authority be obtained under intimation to audit. .

**Para No.9**

**Ref Memo NO. 2 Dated 5-10-09**

**Sub: Public Works (Suspense) Deposits**

Scrutiny of deposit register and schedule of deposits for period ending September-09 revealed that huge balances were outstanding as detailed below :-

Heads	Part II	Part III	Part V
Opening Balance As on 01-09-09	7789720/-	4062973/-	5076789/-
(+) Credits during September,09	84049/-	-NIL-	94995/-
(-)Debits during September,09	14467/-	-NIL-	225000/-
Closing Balance (30-09-09)	7859302/-	4062973/-	4946784/-
(-) TE made on 22-10-09	19517/-	Nil	45644/-
Closing Balance after making TE	7839785/-	4062973/-	4901140/-

Some balances under Part-II is lying outstanding since Dec/94, Part III since May/04 and Part-V since June/87. Reasons for huge accumulation of outstanding

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/unclaimed/unadjusted balances may be clarified and efforts may be made to clear the balances under intimation to audit.

**Para No.10**

**Ref Memo NO. 3 Dated 13-10-09**

**Sub: Non compliance of audit note issued by PAO-XXII**

Scrutiny of the monthly accounts of PWD Building Project Div- B-211 revealed that audit notes were issued by PAO-XXII for the financial year 2008-09. Test check of audit notes revealed that no action has been taken by the department to rectify the following discrepancies:-

**Repair of Vehicle**

Month of audit note	C.V. No.	Amount	Name of workshop
3/08	08	41915/-	Safdarjung Service Station

The above mentioned cash vouchers have not fulfilled the following requirement :-

- 1 Certificate required to the effect that the total expenditure in a financial year does not exceed the limit of financial powers delegated to the HOD i.e. Rs.15000/- & Rs.25000/- per annum for repair of LMV & HMV respectively.
- 2 Codal formalities not observed before incurring the expenditure.
- 3 Approval of Technical officer of Dte. Of Transport, GNCTD was not obtained before incurring the expenditure.
- 4 Sanction of HOD not found enclosed with the bill, exceeding expenditure beyond the powers of HOO.
- 5 Certificate regarding old parts replaced, taken on the charge & entered in the Dead Stock Register was not found on any of the vouchers.
- 6 History sheet not found attached to ascertain the correctness of the old parts replaced and new parts provided.
- 7 Certificate required to the effect that the workshop is authorized by the Govt. of NCT of Delhi.

**Local Purchase:-** The attention is invited to the circular issued by the Jt. Secretary, Finance, Govt. of Delhi vide letter no. F22/1/84 Acts dated 27.03.96 wherein streamlining the procedure of purchase of store have been highlighted in detail, but from scrutiny of the voucher, it was noticed that guidelines issued were not observed before placing the purchase orders, which are against the Rules, Some instances are given below:-

S.No.	Months of Audit Note	C.V. No.	Amount
1	March-08	9,113,128,11	56973/-
2.	September-08	75 to 79,11	37029/-
3.	November-08	48 to 49	27408/-
4.	December-08	65	41012/-

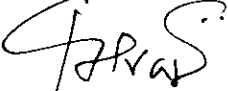
- (1) Sanction of HOD is required for purchase of stationary items above Rs. 10,000 P.A.
- (2) A certificate to the effect, that Codal formalities were completed before the purchase orders were placed, is required in r/o aforesaid vouchers.

**Advertisement Bills:-** The following bills for advertisement were paid during the month without ascertaining the genuiness/ approved rates of the advertisement:-

S.D.No.	Months of Audit Note	C.V.No.	Amount
1.	March-08	01 to 04, 49	25969/-
2	April-08	44 to 48	26600/-
3.	September-08	13,14,105,106,15	25752/-
4.	November-08	56 to 61	23952/-
5.	January-09	24 to 29	15811/-

- (i) Copy of newspaper cuttings required.  
(ii) Sanction of HOD required for advertisement bills.

As per Audit note issued for the month of 02/2009, there are 33 audit notes pending since February 2008 and no action is being taken by the department. Efforts may be initiated to clear off these audit notes under intimation to audit.

  
(G.L. Prasad)  
IAO-Audit Party-V

PART-III  
TEST AUDIT NOTE


TAN No.1  
Ref Memo NO. 6 Dated 20-10-09

**Sub: Non maintenance of Work Abstract & Register of Works**

**Work Abstract & Register of Works** :As per Para 10.10 to 10.15 of CPWD Manual  
“The Work Abstracts are required to be maintained in Sub-Divisional Office in a single sheet on each work, which should be sent regularly every month to the Divisional Office for compilation of monthly accounts. It also stipulates that Divisional office should prepare a permanent and collective record of expenditure incurred in the division, during a year, on each work in ‘Register of Works’ in form CPWA40 and 41 for major and minor work respectively”

During course of audit it has been observed that neither the work abstract is being maintained at sub-division level nor the register of works is being maintained in the Divisional Office. No doubt, the division is maintaining monthly accounts but as per CPWD manual before submission of the monthly account, the register of works should be completed and reviewed by the Ex. Engineer and date initialed by him in token of his having examined the entries and found to be correct.

Reasons of non maintenance of above mentioned record as per CPWD manual may be elucidated to audit. These record to be maintained by sub division/division and shown to next audit.



(G.L.Prasad)  
IAO-Audit Party-V