No. E/ II/ 161/R&A

To

All AO GEs

Sub: Points requiring immediate attention (Grey areas in functioning of MES)

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After various inspections carried out by Main Office, the following points have been noticed where grave concern is required at your end:

1. **Re-appropriation of buildings**: Many buildings are used at different stations for the purpose other than that it was constructed without proper re-appropriation sanction from Competent Authority.

   Therefore, you are requested to reconcile RPMBs with register of buildings / record of BSOs to verify the same. GEs may be asked to provide the authority of re-appropriation of buildings. Report on discrepancies noticed with respect of non-availability of re-appropriation sanction with respect to various buildings in RPMBs be submitted to main office by 15.11.2018.

2. **Fixation of Licence Fee in r/o Banks**: The rates of Licence Fee fixed by BOO are grossly less than that of Govt. orders (in respect of banks as a commercial complex) which results into loss of revenue to the Govt. exchequer.

   It is advised that recovery of Licence Fee may be ensured as per DOE Letter No. 18015/1/2010-P10 III dated 21.07.2015 & 03.04.2018 or the BOO may fix the rates per Sq Mtr per month on the basis of prevailing market rates.

3. **Non-deposit of rebate collected from banks into CFI**: As per Para 10 (Part-IV), Revenue of Dte Gen LW&E/Land QML Br. HQ of MOD (Army), New Delhi letter No. B/89915/AP-2/2003 Land (Policy & ANC)/75 dated 28 Sept, 2017. Licence fee for Banks and ATMs must be fixed at commercial rates. Further the outstanding amount of licence fee
will be deposited into Consolidated Fund of India as per MoD letter No.
A/55780/AC/Ps(3)(a)/325&D(Q&C) dated 28 July, 1976. Compliance be ensured by
31.12.2018 and report be submitted along with details of banks under your jurisdiction.

Further, Para 11(b) of ibid letter dated 28.08.2017 clarifies that Bank and ATMs be
treated as commercial activities and the rebate collected from Banks/ATMs shall be
deposited in CFI. Since auction is not feasible in such services, rebate may be fixed by the
Stn BOO based on clientele.

4. **IOC Rent or lease:** It has come to the notice of this office that rent and allied
charges from IOC for land used by them is much lesser than extant govt orders. Please
examine the issues in details and advise concerned authorities to fix rent as per latest GoI
orders or assessed by BOO. List of Air Force centres is:

<table>
<thead>
<tr>
<th>SI No.</th>
<th>Name of Air Force Station</th>
<th>Tankage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ambala</td>
<td>3400KL</td>
</tr>
<tr>
<td>2.</td>
<td>Amritsar</td>
<td>1000KL</td>
</tr>
<tr>
<td>3.</td>
<td>Chandigarh</td>
<td>2400KL</td>
</tr>
<tr>
<td>4.</td>
<td>Hindon</td>
<td>1200KL</td>
</tr>
<tr>
<td>5.</td>
<td>Jammu</td>
<td>210KL</td>
</tr>
<tr>
<td>6.</td>
<td>Palam</td>
<td>5000KL</td>
</tr>
<tr>
<td>7.</td>
<td>Sarsawa</td>
<td>210KL</td>
</tr>
</tbody>
</table>


5. **Loss of revenue due to non-working of electricity meters:** During the audit of
MRBs maintained at various BSO offices, it is revealed that electricity meters in residential
quarters are not working properly without reasons. Please examine the issues and corrective
measures may be taken to avoid loss of revenue and advise concerned GEs accordingly.
Major discrepancies in this regard be intimated to main office by 31.12. 2018 in form of a
detailed report.

6. **FSA and ED:** As per provisions contained in RMES on the subject, fixed charges,
meter rents, electricity charges etc. are required to be recovered from all the domestic paying
consumers at same rate on which general public living in adjoining colonies are being
charged by civil authorities. As MES is sourcing bulk electricity from concerned state and the
Nigam charges the energy charges FSA and ED through on monthly electricity bills.
However, it has come to notice that FSA and ED are not being charged to occupants / consumers of concerned Military stations as per prevailing govt orders. Please examine and submit a report to main office on prevailing practice in your jurisdiction by 15.11.2018.

7. **Unauthorised running of commercial installation by the units not mentioned in the Register of Buildings:** It has come to notice of this office that many commercial installations are run in unauthorised way at units. The same may be verified from RPMBs and register of buildings. Further, the same may be pointed out in audit and take corrective measures. Gross misutilisation of Govt. buildings for commercial purpose (without re-appropriation) should be brought to the knowledge of main office through MFAI.

8. **Vetting of supply orders in r/o procurement through GeM:** Representations have been received from some sub-offices on skipping of procedures by MES formations on vetting of supply orders for procurements through GeM. Supply orders are being received in the sub offices only after uploading of it on GeM portal and vetting of same is not being referred to AO GE before placement / uploading on portal of Supply Order. All concerned to offer considered views so as to introduce necessary checks for the supply order (for purchase of stores) before the same gets uploaded on GeM portal by MES. Further, it may also be questioned from concerned GEs why their offices adopted the procedure of procurement directly through GeM portal without getting it vetted from AOs GE.

9. **Non-initiation of CR Part ‘A’ & ‘B’:** As per MESR para 379, CR Part ‘A’ is to be initiated by GE as soon as the work is physically completed. The work will be regarded as completed for all purposes of the MES regulations although the accounts may not have been settled. However, contrary to the provisions of MESR, MES authorities are not initiating CR Part ‘A’ immediately after completion of the work leaving space to booking of unnecessary expenditure against job such as expenditure on contingencies, PBD vouchers etc to the extent of Adm approval amount. Further the job may continue to be reflected in MER for another year, otherwise should have been deleted from MER after closing of CR part A and B at the end of financial year. Therefore, MES authorities be pursued to ensure initiation of CR part ‘A’ and ‘B’ on time. All cases where delay is beyond 3 months be clubbed and submitted to main office as report by 30.11.2018.
10. **Covering DO register to AO GEs**: In this connection it is observed that covering DOs are accepted at AOs GE end without maintaining Register of covering DOs. The practice should be stopped forthwith and maintain a separate Register and enter all covering DOs in the register. Further, if amount of covering DOs are sufficient for raising of MFAI, the same may please be initiated and forwarded to main office.

11. **ED payments**: It has been observed from the inspection reports that payments for electricity consumption for official premises is being made by some of AOs GE, however, the same is questionable in Audit. Therefore, before making any payment in respect of ED charges, please ensure that the payment is authorised as per extant rule. Article 287 of constitution of India. (Circulated vide E-in-C Branch Army HQ New Delhi letter No. 61766/DP-Gen/E4(Misc) dated 16 Jun 2004).

(Sahil Goyal)
Dy. CDA