

**'FINANCIAL LOSS DUE TO NON-RECEIPT OF
COMPLETION-CUM-OCCUPANCY CERTIFICATE',
'LOSS DUE TO FAILURE TO LEVY
DEPARTMENTAL CHARGES' AND 'UNDUE
BENEFIT TO CONTRACTOR'**

[Action Taken by the Government on the Observations/Recommendations of
the Public Accounts Committee contained in their 25th Report (17th Lok Sabha)]

**PUBLIC ACCOUNTS COMMITTEE
(2022-23)**

FIFTY-EIGHTH REPORT

SEVENTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

FIFTY-EIGHTH REPORT

PUBLIC ACCOUNTS COMMITTEE
(2022-23)

(SEVENTEENTH LOK SABHA)

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'LOSS DUE TO FAILURE TO LEVY DEPARTMENTAL
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Presented to Lok Sabha on:

.14.12.2022

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.14.12.2022

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2022 /Agrahayana, 1944 (Saka)

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*Not attached

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2022-23)

Shri Adhir Ranjan Chowdhury - Chairperson

MEMBERS

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Shri Bhartruhari Mahtab
4. Shri Jagdambika Pal
5. Shri Vishnu Dayal Ram
6. Shri Pratap Chandra Sarangi
7. Shri Rahul Ramesh Shewale
8. Shri Gowdar Mallikarjunappa Siddeshwara
9. Shri Brijendra Singh
10. Shri Rajiv Ranjan Singh alias Lalan Singh
11. Dr. Satya Pal Singh
12. Shri Jayant Sinha
13. Shri Balashowry Vallabbhaneni
14. Shri Ram Kripal Yadav
15. Shri Shyam Singh Yadav

RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Shri Bhubaneswar Kalita
18. Dr. Amar Patnaik
19. Dr. C. M. Ramesh
20. Vacant*
21. Dr. M Thambidurai
22. Dr. Sudhanshu Trivedi

SECRETARIAT

1. Shri T. G. Chandrasekhar - Additional Secretary
2. Smt. Bharti S. Tuteja - Director
3. Ms. Malvika Mehta - Under Secretary

* Shri V. Vijayasai Reddy ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 21 June, 2022.

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2022-23), having been authorised by the Committee, do present this Fifty-eighth Report (Seventeenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Twenty-fifth Report (Seventeenth Lok Sabha) on **'Financial Loss due to non-receipt of completion-cum-occupancy certificate', 'loss due to failure to levy departmental charges' and 'Undue benefit to contractor'** relating to the Ministry of Housing and Urban Affairs.

2. The Twenty-fifth Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on 9th February, 2022. Replies of the Government to the Observations/Recommendations contained in the Report were received on 27 June, 2022. The Committee considered and adopted the Fifty-eighth Report at their Sitting held on 05 December, 2022. Minutes of the Sitting of the Committee are given at Appendix-I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the office of the Comptroller and Auditor General of India.

5. An analysis of the Action Taken by the Government on the Observations/Recommendations contained in the Twenty-fifth Report (Seventeenth Lok Sabha) is given at *Appendix-II*.

NEW DELHI:
07 December, 2022
16 Agrahayana 1944 (*Saka*)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee

CHAPTER – I REPORT

This Report of the Public Accounts Committee deals with action taken by the Government on the Observations/Recommendations of the Committee contained in their Twenty-fifth Report (Seventeenth Lok Sabha) on 'Financial Loss due to non-receipt of Completion-cum-Occupancy Certificate', 'Loss due to failure to levy departmental charges' and 'Undue benefit to contractor' relating to Ministry of Housing and Urban Affairs.

2. The Twenty-fifth Report (Seventeenth Lok Sabha) was presented to the Parliament on 09.02.2021. It contained six Observations/Recommendations. Action Taken Notes have been received from the Ministry of Housing and Urban Affairs in respect of all the Observations/Recommendations and are broadly categorised as follows:-

- (i) Observation/Recommendations which have been accepted by the Government
Para Nos. 1-6.

Total: 06

Chapter II

- (ii) Observation/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government

NIL

Total: Nil

Chapter III

- (iii) Observation/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration

NIL

Total: Nil

Chapter IV

(iv) Observations/Recommendations in respect of which the Government have furnished interim replies

NIL

Total: Nil

Chapter V

3. The detailed examination of the subject by the Committee had revealed that non-receipt of Completion-cum-Occupancy certificate for staff quarters of Indian Meteorological Department (IMD) at Dwarka, New Delhi, resulted in expenditure of Rs. 2.81 crore incurred on their construction being rendered idle. It was also found that additional expenditure of Rs. 0.88 crore on maintenance and watch and ward of the quarters and payment of HRA and non-receipt of Licence Fee amounting to Rs. 1.53 crore was incurred. It was also observed that CPWD failed to levy departmental charges on construction works for the Currency Note Press and India Security Press, Nasik resulting in short collection of revenue of Rs.0.59 crore because of confusion over the status of these Presses. It was further observed that CPWD extended undue benefit of Rs. 0.56 crore to the contractor in violation of contract conditions.

4. The Committee had recommended various measures to be undertaken by Ministry of Housing and Urban Affairs such as strengthening the monitoring mechanism of projects to ensure that any instance of delay/ deviation is escalated automatically for the attention of senior officers for time bound resolution; implementation of the ERP system within a fixed timeframe; to be apprised of the impact of the WBPMS in terms of number of projects that have been completed on time as well as the number of projects that were delayed or are running behind schedule since the implementation of the web based monitoring system; clear guidelines alongwith SOPs to be issued to all the agencies concerned regarding such ancillary works so that the agencies are well aware of their responsibilities and also the procedure to be followed for getting the work done. The Committee had also recommended that all legacy data (old

records) be digitized within a prescribed timeframe to enable easier access to the same; officials concerned may be given regular training to make them aware/ keep them updated about the extant rules and regulations. The Committee had desired that suitable provisions be incorporated in contracts to make bidders pay for estimates which deviate substantially so that they are doubly cautious while submitting estimates of items of works. The Committee had desired to be apprised of such cases of contracts wherein deviation was found and also the extent or magnitude of such cases in the last three years. The Committee had sought to know whether Ministry/CPWD had carried out any assessment of the contract agreements of CPWD to ensure that such clauses, wherein confusion arises in cost of items of work, are made foolproof, before including them in future agreements.

5. The Action Taken Notes submitted by the Ministry on the Observations/Recommendations of the Committee contained in their Twenty-fifth Report (Seventeenth Lok Sabha) have been reproduced in the relevant Chapters of this Report in the succeeding paragraphs. The Committee will now deal with the Action Taken by the Government on some of their Observations/Recommendations made in the original Report which merit comments.

6. The Committee desire the Ministry of Housing and Urban Affairs to furnish Action Taken Notes in respect of Observations/ Recommendations contained in Chapter I within six months of the presentation of the Report to the House.

Recommendation at Para No. 1

7. *The Committee had noted that CPWD constructed 57 quarters for the Indian Meteorological Department (IMD) and made a payment of Rs.2.81 crore for the same to the contractor. The Committee were disconcerted to note that, the work, scheduled for completion in January 2005, could only be completed in*

October 2009, and the completion-cum-occupancy certificate was received from DDA in August 2018, after an extraordinary delay of almost 9 years. The Committee had found that the CPWD in its action taken notes had stated that it had to only assist the IMD in obtaining the completion certificate by providing the necessary documents to IMD as desired or called for by the DDA. However, on the contrary, the Secretary, in his deposition stated before the Committee that if CPWD has completed a house, then after completion, it becomes its responsibility to secure the Occupancy and Compliance Certificate within a reasonable time. According to the Secretary, the DDA and the IMD were also responsible as the allottees had already started taking occupation and were residing in the houses but the Occupancy and Completion Certificate was not issued. What the Committee had found all the more shocking is the fact that the delay of 9 years was not taken seriously at any level and it was only after being taken up by the Committee that the Ministry swung into action and the Occupation-cum-completion certificate was finally issued on 3.8.18 i.e. within three days of the evidence of the representatives of the Ministry on the subject. Further, a day before the oral evidence of the representatives of the Ministry was to be taken i.e. on 11.3.2020, the CPWD issued an advisory to its offices for ensuring that the completion-cum-occupancy certificate was obtained before the handing over of a building to the client. The Committee had also noted from the written submission of the Ministry that progress of projects was monitored at field and head quarter levels by a hierarchy of officials by using a variety of management tools including the Web Based Project Monitoring System (WBPMS). The Committee had further observed from the reply of the Ministry that CPWD was implementing Enterprise Resource Planning (ERP) which would lead to monitoring of projects and rectification measures on real time basis. The Secretary, Housing and Urban Affairs during the oral evidence, submitted that the occupancy and completion certificates are being issued online and within a definite timeframe. The Committee were disappointed to note that despite such monitoring system in place, the delay was not caught and the Ministry took action only when it was taken up by the Committee. The Committee had, therefore,

recommended that the monitoring mechanism be strengthened to ensure that any instance of delay/ deviation is escalated automatically for the attention of senior officers for ensuring time bound resolution. The Committee while emphasizing that implementation of the ERP system be done only after a thorough process review and standardizing the processes across all areas of operations had desired that the system may be implemented within a fixed timeframe and the Committee be apprised thereof. The Committee desired to be apprised of the impact of the WBPMS in terms of number of projects that have been completed on time as well as the number of projects that were delayed or are running behind schedule since the implementation of the web based monitoring system. The Committee had also desired to be apprised whether any action had been taken against those responsible in DDA and IMD for delayed issue of occupation and completion certificate and allotments made without obtaining the requisite certificate.

8. The Ministry of Housing and Urban Affairs in their Action Taken Notes have submitted as under:

"The ERP application being implemented in CPWD aims to bring all manual processes online and integrate the same for dashboard Monitoring and Control. The ERP system is being implemented after thorough study and review of the existing processes and business processes re-engineering, wherever required. The ERP application is likely to be fully implemented by June 2022. WBPMS helps in monitoring the progress and to take remedial measures wherever delay is taking place. Since the inception of WBPMS, 2786 number of works have been completed in time due to improved monitoring in last 10 years. IMD has no role in obtaining OC. For delay in DDA, show-cause notice was issued to Director (Building), DDA. After examining the matter, a warning letter was issued. "

9. Audit in their vetting comments have stated the following:-

"The reply of the Ministry is silent on the strengthening of monitoring mechanisms. Be that as it may, the reply of the Ministry shows complete reliance for monitoring purposes on ERP application, which is yet to be

implemented and hence not reasonable. Further, progress of implementation of ERP application may be intimated to PAC.

During vetting, it was verified from the report on completed works generated from WBPMS that 2786 works had been completed in time. However, it was also noticed that 12378 works, being 81.6% of total works, were not completed in time. Thus, only 18.4% works were completed in time. Details of the delayed works, completed as of 31.03.2021, out of 12378 distinctly showing delays in completion from the initial scheduled date of completion and reasons for works still not completed along with details of the initial scheduled date of completion, should be intimated of PAC.

Outcome of enquiry and disciplinary proceedings against Sh. S.K. Tripathi, EE(C) and Sh. S.B. Shukla, EE (E) may also be apprised to PAC."

10. The Ministry have submitted the following in response to Audit observations:-

"Strengthening of monitoring mechanism have been made by amendments introducing in the Web Based Project Monitoring System for monitoring of completion certificate of projects. Development of ERP application is under progress. Several modules of ERP applications e.g. Leave Management module, e-tendering and e-auction module, model PE/DE module and Leave management module have been completed. Other modules are in various stages of progress. Details of the works are maintained in WBPMS, data of delayed works are provided as soft copy. Broad reasons for delays of projects are Covid-19, inadequate funds, local body approval, site clearances, land issues, contractors' failure and approval from clients and natural factors etc.

The disciplinary proceedings instituted against Sh. Tripathi, EE(C) have been finalised after following due process vide order dated 22.10.2020. In the case of Shri Shashi Bhushan Shukla, EE(C), penalty has been imposed upon him vide order dated 05.04.2022."

11. Noting a delay of 9 years in issue of completion-cum-occupancy certificate after construction of quarters for the Indian Meteorological Department, the Committee had desired that the monitoring mechanism be strengthened in CPWD to ensure that any instance of delay/ deviation is escalated automatically for the attention of senior officers for ensuring time

bound resolution. Emphasizing that implementation of the ERP system be done after a thorough process review and standardization of processes across all areas of operations, the Committee had desired that the system may be implemented within a fixed timeframe and the Committee be apprised thereof. The Committee had also desired to be apprised of the impact of the Web Based Project Monitoring System (WBPMS) in terms of number of projects that have been completed on time as well as the number of projects that were delayed or were running behind schedule since the implementation of the web based monitoring system. The Committee had further desired to be apprised whether any action had been taken against those responsible in DDA and IMD for delayed issue of occupation and completion certificate and allotments made without obtaining the requisite certificate.

The Committee note from the reply of the Ministry that in line with the Committee's recommendation, the ERP application was to be fully implemented by June 2022. However, as per the action taken notes submitted by the Ministry in June 2022, the Committee find that the development of ERP application is still under progress. The Committee note that some modules of ERP applications e.g. Leave Management module, e-tendering and e-auction module, model PE/DE module and Leave management module have been completed. In view of the complete reliance on ERP for monitoring of projects, the Committee enjoin upon the Ministry to fully implement the ERP on priority and apprise the Committee of the resultant impact thereof in ensuring timely completion of the projects. Further, the Committee note from the reply of the Ministry to another recommendation that WBPMS has been reprogrammed to auto-generate and forward a message to the next higher officer in case of delay in completion of works. The Committee would like to be apprised of the timelines stipulated for the next higher officer to take action in case of delay in completion of works. The Committee also desire to be apprised of the resultant impact on completion of projects since the modification.

As for the impact of WBPMS, the Committee note from the reply of the Ministry that since its inception, 2786 number of works were completed in time due to improved monitoring in the last 10 years. However, the Committee find from the Audit comments that a staggering 12378 works, being 81.6% of total works, were not completed in time. Thus, the figure of 2786 works that were completed on time amounted to merely 18.4% of total works. The Committee are chagrined at the selective and incomplete information being provided to them. They further observe that with 81.6% projects being delayed, the objective of reducing delay in the completion of projects is far from being achieved. The Committee, while reiterating their earlier recommendation that monitoring mechanism be adequately strengthened opine that the online system should invariably be backed by timely manual intervention to ensure completion of projects in time.

Recommendation at Para No. 2

12. *The Committee had noted that the CPWD was required to obtain the Completion-cum-occupancy certificate from DDA. The Committee had also noted that IMD repeatedly requested CPWD to obtain the same for 4 years i.e. from 2009 to 2013. The Committee had further noted that based on the requirements of DDA, the CPWD submitted documents several times, however, due to various shortcomings, the matter was tossed back and forth between the two organisations for four years. The Committee observed that on being enquired by the Audit in November 2015, the CPWD had intimated that the requirements as desired by the DDA in June 2012 were yet to be complied with as it was a cumbersome exercise to retrieve the old records pertaining to the project and the concerned division was involved in other works as well. Further, the CPWD in their action taken notes on the Audit observation had stated that the working of DDA was neither transparent nor proactive; DDA did not accept the documents submitted by CPWD by hand at their counters, because of which CPWD was forced to submit the documents by post; DDA never communicated their*

observations in one go and gave their observations in piecemeal manner and that too after protracted correspondence from CPWD and various personal visits by CPWD officials and that many a time, DDA apparently denied being in receipt of documents submitted by CPWD. The Committee were shocked to note the scathing remarks made by CPWD on DDA's working and were not able to comprehend why CPWD did not take up these issues with the Ministry for timely resolution of the same. The Committee were astonished to find that the Ministry had also absolved itself of any responsibility for lack of coordination between the two agencies under its control by simply stating, in its reply to the query raised by the Committee, that the replies on the Audit observations were given by the concerned division of CPWD. The Committee disapproved of the indifferent and lackadaisical approach of the Ministry as it did not take any steps to either ensure coordination between the agencies concerned or streamline the process so that such instances do not recur, until pointed out by the Public Accounts Committee. The Committee had, therefore, recommended that clear guidelines alongwith SOPs may be issued to all the agencies concerned regarding such ancillary works so that the agencies are well aware of their responsibilities and also the procedure to be followed for getting the work done. The Committee had also desired that a nodal officer from each agency concerned be appointed so that the differences, if any, were resolved without hampering the pace of the work. The Committee while noting the submission of the CPWD that it was a cumbersome exercise to retrieve the old records pertaining to the project desired that all such documents/ legacy data (old records) be digitized within a prescribed timeframe to enable easier access to the same. The Committee had further recommended that the documents that were still needed to be submitted in physical form may also be submitted in digital form so that there is no scope of misplacing the same and would enable a digital trail.

13. The Ministry of Housing and Urban Affairs in the Action Taken Notes have submitted as under:

"SOP for obtaining completion cum occupancy certificate wherever required from local bodies before handing over completed building has

been issued vide OM No. DG/MAN.Misc/ 44 dated 11.03.2020. In addition, vide OM No.32/15/2021/WI/DG/166 dated 21.06.2021, the instructions for regular review of pending occupancy certificate have been issued. Further DDG (Works), CPWD has been declared Nodal Officer from Head Quarter for monitoring of pending OCs. Modifications have been made in the Web based project monitoring system (WBPMS) whereby it is now necessary to indicate completion date and availability of completion certificate for the works. Also WBPMS has been re-programmed to auto-generate and forward message to next higher officer in case of delay in completion of works. Provision has been made in WBPMS to upload documents related to works, so that digital data is available easily.”

14. Audit have given the following observations:-

“Fact remains that CPWD is silent on issuance of clear guidelines along with SOPs to all agencies concerned regarding such ancillary works. The absence of SOPs may result in stalling of formalities related to declaration of completion of projects. The efforts made to bring the other agencies on a level platform, for quick disposal of such issues may be apprised to PAC under intimation to Audit.

The reply is silent on whether the directions of PAC on nomination of such officers by other concerned agencies, have been conveyed to them. PAC may be apprised of the updated status in this regard.

In their reply, CPWD did not specify the timelines in which documents will be digitized so that the old records can be easily accessed. The timeframe for such exercise may be apprised to PAC under intimation to Audit.”

15. The Ministry have submitted the following in response to Audit observations:-

“Responsibility for obtaining completion certificate lies with concerned CPWD project units. CPWD has issued guidelines for obtaining completion cum occupancy certificate wherever required from local bodies before handing over the completed building vide OM dated 11.03.2020 (Annexure-1). Further, the concerned agencies related to issue of completion certificate are fire department, Urban Local bodies etc. These agencies are under the purview of respective State Governments. The SoP followed by these agencies vary from State to State and are governed by their own rules. Nodal Officer of local agencies (Local urban bodies, fire department etc.) are appointed by themselves. DDG (Works), CPWD has

been declared Nodal Officer in CPWD Head Quarter for monitoring of pending OCs. Digitisation is in progress and same is expected to be over by June 2023."

16. The Committee had observed the indifferent and lackadaisical approach of the Ministry in not taking adequate measures to ensure coordination between the agencies under their administrative control and to streamline processes to obviate instances of delay as in the instant case. The Committee had recommended that clear guidelines alongwith SOPs may be issued to all the agencies concerned regarding such ancillary works so that the agencies are well aware of their responsibilities and the procedure to be followed for getting the work done. The Committee had also desired that a nodal officer from each agency concerned be appointed so that the differences, if any, may be resolved without hampering the pace of the work. Further, the Committee had desired that all legacy data (old records) be digitized within a prescribed timeframe to enable easier access to the same. The Committee had further recommended that the documents that were still needed to be submitted in physical form may also be submitted in digital form so that there would be no scope of misplacing the same and would also enable a digital trail.

The Committee note from the reply of the Ministry that SOPs for obtaining completion cum occupancy certificate wherever required from local bodies before handing over a completed building and the instructions for regular review of pending occupancy certificates have been issued. The Committee desire to be apprised of the average time taken to issue occupancy certificate and the impact of the regular review to reduce the same. The Committee while noting that the SoP followed by the agencies vary from State to State and are governed by their own rules desire that the requirements for the Occupancy Certificate should be communicated well in advance to the agencies involved in ancillary works along with the timelines within which the same are needed to be furnished. The Committee note from the reply of the Ministry that since other agencies are

under the purview of respective State Governments, they depute their own nodal officers. Accordingly, the Committee desire that in case any agency has not appointed nodal officers for particular projects, they may be requested to depute nodal officers to iron out any coordination issues with them. The Committee observe that provision has been made in WBPMS to upload documents related to works, so that digital data is available easily. The old records are being digitised for the purpose and the process is likely to be completed by June 2023. The Committee hope that all efforts will be made to complete the process of digitisation within the time frame specified by them. The Committee would also like to be apprised of the status of the legacy data digitised till date.

Recommendation at Para No.5

17. *The Committee had noted that Central Public Works Department awarded the work of construction of a new building for the Ministry of Environment and Forests at Aliganj, New Delhi to a contractor for Rs.86.97 crore. The Committee had observed that though under the agreement, Rs.22.96 lakh was payable to the contractor for a quantity of 22,960 cubic meters (cum) on account of "in or under water and/or liquid mud, including pumping out water as required", ultimately Rs.79.25 lakh was paid to the contractor for dewatering quantity of 1,41,119.88 cum. The Committee were shocked to note that the variation between the figures agreed to for payment as per the agreement as compared to the quantity of wet soil actually excavated, which was to the extent of more than 3.5 times of the estimated cost. The Committee were surprised to note from the reply of the Ministry that deviation in quantity was due to the change in ground water level with respect to assessed water level and such a deviation was found to be in order and payable as per the CPWD works manual provisions and after scrutiny by the CSQ (Contract Specification and Quality Assurance) section of CPWD. The Committee were apprehensive that if deviations of such magnitude are allowed, it could leave scope for the contractor to be lackadaisical and for*

collusion or fraudulent practices. The Committee had, therefore, desired that suitable provisions be incorporated in contracts to make bidders pay for estimates which deviate substantially so that they may be doubly cautious while submitting estimates of items of works. The Committee also desired to be apprised of such cases of contracts wherein deviation was found and also the extent or magnitude of such cases in the last three years.

18. The Ministry of Housing and Urban Affairs in their Action Taken Notes have submitted as under:

"Now most of the contracts in CPWD are being taken up on EPC basis, wherein the responsibility of investigations, designing, planning, procurement, construction and safety lies with the contractor. In EPC the cost of deviation lies with the contractor only. In view of EPC contracts, now such types of cases are not occurring."

19. Audit in this regard have given the following vetting comments:-

"No further comments on the action that most of the contracts in CPWD are being taken up on EPC basis.

Although called for by Audit, CPWD did not intimate/furnish documents in connection with deviation and also the extent or magnitude of such cases in the last three years stating that the details have been requested from regions and the same shall be furnished on receipt. The same may be furnished to PAC now.

From their reply, it is gathered that not all contracts are awarded on EPC basis. Regarding non-EPC contracts, CPWD stated, in response to audit requisition during vetting of ATR, that:

- The estimates of items were not framed by bidders and deviations were sanctioned by CPWD authorities as per requirement of work and delegation of financial power. Since the estimates of items were prepared by CPWD engineers, it was not desirable to restrict quantity for payment in case of deviation as it might not stand in the court of law.
- In such contracts, bidders were not required to submit quantities of items of work and they were only required to quote rates against the estimated quantities prepared by CPWD.

This reply, read in conjunction with reply of CPWD to PAC recommendation 6, shows that the CPWD should undertake detailed

geotechnical investigation to determine type of soil, its technical parameters and sub-soil water level. Records relating to detailed geotechnical investigation report, in the instant case, were requested from CPWD during verification of ATR. However, no documents in support of the contention were furnished to audit. The same may be furnished to PAC now.

PAC in their report has mentioned that in the instant case, CPWD had allowed deviation to 3.5 times from the allowable estimate of the quantity of the soil excavated. Since all contracts are not being awarded on EPC basis, CPWD may intimate to the PAC, the mechanism planned/adopted to plug such lacunas, for non-EPC contracts.”

20. The Ministry of Housing and Urban Affairs in the Action Taken Notes have further submitted as under:

“Copies of details of deviation in works in last 3 years are enclosed herewith for reference (Annexure-2). Copy of the detailed Geo-technical investigation report of soil for instant case is enclosed (Annexure-3). Mechanism adopted by CPWD to minimise such deviations in Non-EPC contract is specified in CPWD Works Manual, 2019 para 3.1.16, it mentions following points before according technical sanction. (i) Detailed estimate, detailed architectural drawings and specifications, (ii) Geotechnical investigation Report(iii) Structural drawings for the foundation and preliminary structural drawings of the superstructure to calculate quantities of the items, (iv) Preliminary Drawings for Internal and External services.”

21. In view of the variation between the figures agreed to for payment as per the agreement and the actual payment being more than 3.5 times of the estimated cost in a particular case, the Committee had desired that suitable provisions be incorporated in contracts to make bidders pay for estimates which deviate substantially so that they may be doubly cautious while submitting estimates of items of works. The Committee had also desired to be apprised of such cases of contracts wherein deviation was found and also the extent or magnitude of such cases in the last three years.

The Committee note from the reply of the Ministry that since most of the contracts in CPWD are being taken up on Engineering, Procurement and

Construction (EPC) basis, the responsibility of investigations, designing, planning, procurement, construction and safety lies with the contractor and therefore such types of cases are not recurring. The Committee note that for non-EPC contracts, the mechanism to plug such lacunae is specified in CPWD Works Manual, 2019 para 3.1.16, wherein the following conditions are mentioned for according technical sanction: (i) Detailed estimate, detailed architectural drawings and specifications, (ii) Geotechnical investigation Report, (iii) Structural drawings for the foundation and preliminary structural drawings of the superstructure to calculate quantities of the items, and (iv) Preliminary Drawings for Internal and External services. The Committee desire that efforts may be made to ensure that the provisions of the aforesaid Works Manual are followed in letter and spirit. The Committee while noting that, in non-EPC contracts, the estimates of items are not framed by bidders and deviations are sanctioned by CPWD authorities as per requirement of work and delegation of financial powers opine that a mechanism may be instituted to escalate instances of each deviation to higher officers for enabling monitoring, approval and review.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Observation/Recommendation

The Committee note that CPWD constructed 57 quarters for the Indian Meteorological Department (IMD) and made a payment of `2.81 crore for the same to the contractor. The Committee are disconcerted to note that, the work, scheduled for completion in January 2005, could only be completed in October 2009, and the completion-cum-occupancy certificate was received from DDA in August 2018, after an extraordinary delay of almost 9 years. The Committee find that the CPWD in its action taken notes had stated that it had to only assist the IMD in obtaining the completion certificate by providing the necessary documents to IMD as desired or called for by the DDA. However, on the contrary, the Secretary, in his deposition stated before the Committee that if CPWD has completed a house, then after completion, it becomes its responsibility to secure the Occupancy and Compliance Certificate within a reasonable time. According to the Secretary, the DDA and the IMD are also responsible as the allottees had already started taking occupation and were residing in the houses but the Occupancy and Completion Certificate was not issued. What the Committee find all the more shocking is the fact that the delay of 9 years was not taken seriously at any level and it was only after being taken up by the Committee that the Ministry swung into action and the Occupation-cum-completion certificate was finally issued on 3.8.18 i.e. within three days of the evidence of the representatives of the Ministry on the subject. Further, a day before the oral evidence of the representatives of the Ministry was to be taken i.e. on 11.3.2020, the CPWD issued an advisory to its offices for ensuring that the completion-cum-occupancy certificate was obtained before the handing over of a building to the client. The Committee also note from the written submission of the Ministry that progress of projects is monitored at field and head quarter levels by a hierarchy of officials by using a variety of management tools including the Web Based Project Monitoring System (WBPMS). The Committee further observe from the reply of the Ministry that CPWD will be implementing Enterprise Resource Planning (ERP) which will lead to monitoring of projects and rectification measures on real time basis. The Secretary, Housing and Urban Affairs during the oral evidence, submitted that the occupancy and completion certificates are being issued online and within a definite timeframe. The Committee are disappointed to note that despite such monitoring system in place, the delay was not caught and the Ministry took action only when it was taken up by the Committee. The Committee, therefore, recommend that the monitoring mechanism be strengthened to ensure that any instance of delay/ deviation is escalated automatically for the attention of senior officers for ensuring time bound resolution. The Committee while emphasizing that implementation of the ERP system be done only after a thorough process review and standardizing the processes across all areas of operations desire that the system may be implemented within a fixed timeframe and the Committee be apprised thereof. The Committee would also like to be apprised of the impact of the WBPMS in terms of number of projects that have been completed on time as well as the number of projects that were delayed or are running behind schedule since the implementation of the web based monitoring system. The Committee would also like to be apprised whether any action has been taken against those responsible in DDA and IMD for delayed issue of occupation and

completion certificate and allotments made without obtaining the requisite certificate.

**[Recommendation No. 1, Part-II of the 25th Report of the Public Accounts
Committee
(17th Lok Sabha)]**

Action Taken

The ERP application being implemented in CPWD aims to bring all manual processes online and integrate the same for dashboard Monitoring and Control. The ERP system is being implemented after thorough study and review of the existing processes and business processes re-engineering, wherever required. The ERP application likely to be fully implemented by June 2022. WBPMS helps in monitoring the progress and to take remedial measures wherever delay is taking place. Since the inception of WBPMS, 2786 number of works have been completed in time due to improved monitoring in last 10 years. IMD has no role in obtaining OC. For delay in DDA, show-cause notice was issued to Director (Building), DDA. After examining the matter, a warning letter was issued.

Audit's vetting comments on Ministry's ATN

The reply of the Ministry is silent on the strengthening of monitoring mechanisms. Be that as it may, the reply of the Ministry shows complete reliance for monitoring purposes on ERP application, which is yet to be implemented and hence not reasonable. Further, progress of implementation of ERP application may be intimated to PAC.

During vetting, it was verified from the report on completed works generated from WBPMS that 2786 works had been completed in time. However, it was also noticed that 12378 works, being 81.6% of total works, were not completed in time. Thus, only 18.4% works were completed in time. Details of the delayed works, completed as of 31.03.2021, out of 12378 distinctly showing delays in completion from the initial scheduled date of completion and reasons for works still not completed along with details of the initial scheduled date of completion, should be intimated of PAC.

Outcome of enquiry and disciplinary proceedings against Sh. S.K. Tripathi, EE(C) and Sh. S.B. Shukla, EE (E) may also be apprised to PAC.

Ministry's comments on Audit's observations

Strengthening of monitoring mechanism have been made by amendments introducing in the Web Based Project Monitoring System for monitoring of completion certificate of projects. Development of ERP application is under progress. Several modules of ERP applications e.g. Leave Management module, e-tendering and e-auction module, model PE/DE module and Leave management module have been completed. Other modules are in various stages of progress. Details of the works are maintained in WBPMS, data of delayed works are provided as soft copy. Broad reasons for delays of projects are Covid-19, inadequate funds, local body approval, site clearances, land issues, contractors' failure and approval from clients and natural factors etc.

The disciplinary proceedings instituted against Sh. Tripathi, EE(C) have been finalised after following due process vide order dated 22.10.2020. In the case of Shri Shashi Bhushan Shukla, EE(C), penalty has been imposed upon him vide order dated 05.04.2022.

Observation/Recommendation

The Committee note that the CPWD was required to obtain the Completion-cum-occupancy certificate from DDA. The Committee also note that IMD repeatedly requested CPWD to obtain the same for 4 years i.e. from 2009 to 2013. The Committee further note that based on the requirements of DDA, the CPWD submitted documents several times, however, due to various shortcomings, the matter was tossed back and forth between the two organisations for four years. The Committee observe that on being enquired by the Audit in November 2015, the CPWD intimated that the requirements as desired by the DDA in June 2012 were yet to be complied with as it was a cumbersome exercise to retrieve the old records pertaining to the project and the concerned division was involved in other works as well. Further, the CPWD in their action taken notes on the Audit observation has stated that the working of DDA was neither transparent nor proactive; DDA did not accept the documents submitted by CPWD by hand at their counters, because of which CPWD was forced to submit the documents by post; DDA never communicated their observations in one go and gave their observations in piecemeal manner and that too after protracted correspondence from CPWD and various personal visits by CPWD officials and that many a time, DDA apparently denied being in receipt of documents submitted by CPWD. The Committee are shocked to note the scathing remarks made by CPWD on DDA's working and are not able to comprehend why CPWD did not take up these issues with the Ministry for timely resolution of the same. The Committee are astonished to find that the Ministry has also absolved itself of any responsibility for lack of coordination between the two agencies under its control by simply stating, in its reply to the query raised by the Committee, that the replies on the Audit observations were given by the concerned division of CPWD. The Committee disapprove of the indifferent and lackadaisical approach of the Ministry as it did not take any steps to either ensure coordination between the agencies concerned or streamline the process so that such instances do not recur, until pointed out by the Public Accounts Committee. The Committee, therefore, recommend that clear guidelines alongwith SOPs may be issued to all the agencies concerned regarding such ancillary works so that the agencies are well aware of their responsibilities and also the procedure to be followed for getting the work done. The Committee also desire that a nodal officer from each agency concerned be appointed so that the differences, if any, are resolved without hampering the pace of the work. The Committee while noting the submission of the CPWD that it was a cumbersome exercise to retrieve the old records pertaining to the project desire that all such documents/ legacy data (old records) be digitized within a prescribed timeframe to enable easier access to the same. Further, the documents that are still needed to be submitted in physical form should also be submitted in digital form so that there is no scope of misplacing the same and would enable a digital trail.

**[Recommendation No.2, Part-II of the 25th Report of the Public Accounts Committee
Committee
(17th Lok Sabha)]**

Action Taken

SOP for obtaining completion cum occupancy certificate wherever required from local bodies before handing over completed building has been issued vide OM No. DG/MAN.Misc/ 44 dated 11.03.2020. In addition, vide OM No.32/15/2021/WI/DG/166 dated 21.06.2021, the instructions for regular review of pending occupancy certificate have been issued. Further DDG (Works), CPWD has been declared Nodal Officer from Head Quarter for monitoring of pending OCs. Modifications have been made in the Web based project monitoring system (WBPMS) whereby it is now necessary to indicate completion date and availability of completion certificate for the works. Also WBPMS has been re-programmed to auto-generate and forward message to next higher officer in case of delay in completion of works. Provision has been made in WBPMS to upload documents related to works, so that digital data is available easily.

Audit's vetting comments on Ministry's ATN

Fact remains that CPWD is silent on issuance of clear guidelines along with SOPs to all agencies concerned regarding such ancillary works. The absence of SOPs may result in stalling of formalities related to declaration of completion of projects. The efforts made to bring the other agencies on a level platform, for quick disposal of such issues may be apprised to PAC under intimation to Audit.

The reply is silent on whether the directions of PAC on nomination of such officers by other concerned agencies, have been conveyed to them. PAC may be apprised of the updated status in this regard.

In their reply, CPWD did not specify the timelines in which documents will be digitized so that the old records can be easily accessed. The timeframe for such exercise may be apprised to PAC under intimation to Audit.

Ministry's comments on Audit's observations

Responsibility for obtaining completion certificate lies with concerned CPWD project units. CPWD has issued guidelines for obtaining completion cum occupancy certificate wherever required from local bodies before handing over the completed building vide OM dated 11.03.2020 (**Annexure-1**). Further, the concerned agencies related to issue of completion certificate are fire department, Urban Local bodies etc. These agencies are under the purview of respective State Governments. The SoP followed by these agencies vary from State to State and are governed by their own rules. Nodal Officer of local agencies (Local urban bodies, fire department etc.) are appointed by themselves. DDG (Works), CPWD has been declared Nodal Officer in CPWD Head Quarter for monitoring of pending OCs. Digitisation is in progress and same is expected to be over by June 2023.

Observation/Recommendation

The Committee note that CPWD did not forward to DDA all the documents required for obtaining the completion-cum-occupancy certificate promptly as a result of which the certificate was issued after a lapse of more than 8 years. The Committee note that for delay, Charge Sheet has been issued under Rule 14 of CCS (CCA) Rules, 1965 against

the officers concerned and that the inquiry is in progress. The Committee note from the reply of the Ministry that now, the New CPWD Works Manual 2019 (Para 5.17.3) specifies that the Engineer-in-charge and concerned Architect would be responsible for obtaining OC/CC on behalf of client. While noting that the CPWD issued an advisory for obtaining completion-cum-occupancy certificate before handing over the completed building only one day before the oral evidence of the representatives of the Ministry was to be taken i.e. on 11.3.2020, the Committee cannot also help expressing concern over the fact that the lackadaisical approach of the Ministry/ CPWD resulted in loss of `1.53 crore to the exchequer besides keeping the property idle for 9 years. The Committee desire that the aforesaid enquiry may be completed at the earliest and action be taken against those found responsible and the Committee be apprised thereof. The Committee also, while noting that Clause-2 of General Conditions of Contract specifies the action to be taken in case of delay in completion of the projects, desire to be apprised of the action taken by the Ministry/ CPWD in terms of the above clause in the instant case as well as the number of cases in which action has been taken by invoking this clause alongwith details thereof in the last five years.

**[Recommendation No. 3, Part-II of the 25th Report of the Public Accounts
Committee
(17th Lok Sabha)]**

Action Taken

Disciplinary proceedings under rule 14 of CCS (CCA) Rules were initiated against SH. S.K. Tripathi, EE (C) and S.B. Shukla, EE(C). Disciplinary proceedings against Sh. S.K. Tripathi have been concluded. In case of Sh. S.B. Shukla, same is under consultation with UPSC. Present case does not attract action under Clause 2 of the General Conditions of Contract (G.C.C.), In 315 nos. of cases, action has been taken under clause 2 of G.C.C in the last five years.

Audit's vetting comments on Ministry's ATN

Although called for by Audit, the CPWD did not intimate/ furnish information/ records pertaining to enquiry and action taken against those found responsible, although called for by Audit. Outcome of enquiry and disciplinary proceedings against Sh. S.K. Tripathi, EE (C) and Sh. S.B. Shukla, EE(E) may be apprised to PAC.

Comment, in the present case does not attract action under Clause 2 of the General Conditions of Contract (G.C.C.)- No further comments.

Statement showing 97 cases pertaining to Bangalore Region, Guwahati Region and Border was furnished to Audit. Details of the rest of the 218 cases should be apprised to PAC

Ministry's comments on Audit's observations

The disciplinary proceedings instituted against Sh. Tripathi, EE(C) have been completed vide order dated 22.10.2020. In the case of Shri Shashi Bhushan Shukla, EE(C), penalty has been imposed upon him vide order dated 05.04.2022.

Details of remaining 218 cases where action taken under Clause 2 of the contract was taken is as follows: PR Mumbai- 4 cases, PR Chandigarh-3 cases, PR Chennai-13 cases, Region Delhi-35 cases, PR Delhi-6 cases, Region Chandigarh-41 cases, Region Lucknow-37 cases, Region Chennai-18 cases, Region Hyderabad-35 cases, Region Mumbai-26 cases.

Observation/Recommendation

The Committee note from audit observation that CPWD failed to levy departmental charges of 12 per cent (i.e. `0.59 crore) that were leviable on construction works for the Currency Note Press(CNP) and India Security Press(ISP), Nasik resulting in short collection of revenue of `0.59 crore. As per Audit, under the rules, only the Central Government or autonomous bodies fully funded by the Central Government are exempt from paying departmental charges, and ISP and CNP, which are part of Security Printing and Minting Corporation of India Limited (SPMCIL), a company registered under the Indian Companies Act, are not exempt. The Committee are shocked to note that the charges could not be levied due to lack of clarity or confusion on the status of the Presses and it took CPWD one whole year to secure clarification on their status. The Committee note from the submission of the representatives of the Ministry during oral evidence that they would issue a Circular to the effect that each time a project is taken up, the status of the organization should be clarified. The Committee may be apprised of the action taken in this regard by the Ministry. The Committee take exception to the lame excuse of 'confusion' by the Ministry. A mere or simple checking of SPMCIL website would have cleared the confusion. The Committee, therefore, desire that officials concerned may be given regular training to make them aware/ keep them updated about the extant rules and regulations and any amendments made thereof to ensure that such instances do not recur.

**[Recommendation No. 4, Part-II of the 25th Report of the Public Accounts Committee
Committee
(17th Lok Sabha)]**

Action Taken

The Training Academy has already conducted series of training courses to CPWD officers on related subjects. It is also to affirm that the academy will conduct training on appropriate level in future as per recommendation of PAC. Further, vide OM No. DG/MAN/401 dated 08.06.2020. CPWD has issued instruction for obtaining a certificate from client department regarding funding of organisation i.e. whether it is fully funded/partially funded by Central Government/State Government, private organisation, local bodies, PSUs, autonomous bodies etc.

Audit's vetting comments on Ministry's ATN

No further comments.

Ministry's comments on Audit's observations

No action required.

Observation/Recommendation

The Committee note that Central Public Works Department awarded the work of construction of a new building for the Ministry of Environment and Forests at Aliganj, New Delhi to a contractor for Rs.86.97 crore. The Committee observe that though under the agreement, Rs. 22.96 lakh was payable to the contractor for a quantity of 22,960 cubic meters (cum) on account of "in or under water and/or liquid mud, including pumping out water as required", ultimately Rs. 79.25 lakh was paid to the contractor for dewatering quantity of 1,41,119.88 cum. The Committee are shocked to note that the

variation between the figures agreed to for payment as per the agreement as compared to the quantity of wet soil actually excavated, which was to the extent of more than 3.5 times of the estimated cost. The Committee are surprised to note from the reply of the Ministry that deviation in quantity was due to the change in ground water level with respect to assessed water level and such a deviation was found to be in order and payable as per the CPWD works manual provisions and after scrutiny by the CSQ (Contract Specification and Quality Assurance) section of CPWD. The Committee are apprehensive that if deviations of such magnitude are allowed, it could leave scope for the contractor to be lackadaisical and for collusion or fraudulent practices. The Committee, therefore, desire that suitable provisions be incorporated in contracts to make bidders pay for estimates which deviate substantially so that they are doubly cautious while submitting estimates of items of works. The Committee would also like to be apprised of such cases of contracts wherein deviation was found and also the extent or magnitude of such cases in the last three years.

. [Recommendation No. 5, Part-II of the 25th Report of the Public Accounts
Committee
(17th Lok Sabha)]

Action Taken

Now most of the contracts in CPWD are being taken up on EPC basis, wherein the responsibility of investigations, designing, planning, procurement, construction and safety lies with the contractor. In EPC the cost of deviation lies with the contractor only. In view of EPC contracts, now such types of cases are not occurring.

Audit's vetting comments on Ministry's ATN

No further comments on the action that most of the contracts in CPWD are being taken up on EPC basis.

Although called for by Audit, CPWD did not intimate/furnish documents in connection with deviation and also the extent or magnitude of such cases in the last three years stating that the details have been requested from regions and the same shall be furnished on receipt. The same may be furnished to PAC now.

From their reply, it is gathered that not all contracts are awarded on EPC basis. Regarding non-EPC contracts. CPWD stated, in response to audit requisition during vetting of ATR, that:

The estimates of items were not framed by bidders and deviations were sanctioned by CPWD authorities as per requirement of work and delegation of financial power. Since the estimates of items were prepared by CPWD engineers, it was not desirable to restrict quantity for payment in case of deviation as it might not stand in the court of law.

In such contracts, bidders were not required to submit quantities of items of work and they were only required to quote rates against the estimated quantities prepared by CPWD.

This reply, read in conjunction with reply of CPWD to PAC recommendation 6, shows that the CPWD should undertake detailed geotechnical investigation to determine type of soil, its technical parameters and sub-soil water level. Records

relating to detailed geotechnical investigation report, in the instant case, were requested from CPWD during verification of ATR. However, no documents in support of the contention were furnished to audit. The same may be furnished to PAC now.

PAC in their report has mentioned that in the instant case, CPWD had allowed deviation to 3.5 times from the allowable estimate of the quantity of the soil excavated. Since all contracts are not being awarded on EPC basis, CPWD may intimate to the PAC, the mechanism planned/adopted to plug such lacunas, for non-EPC contracts

Ministry's comments on Audit's observations

Copies of details of deviation in works in last 3 years are enclosed herewith for reference (**Annexure-2**). Copy of the detailed Geo-technical investigation report of soil for instant case is enclosed (**Annexure-3**). Mechanism adopted by CPWD to minimise such deviations in Non-EPC contract is specified in CPWD Works Manual, 2019 para 3.1.16, it mentions following points before according technical sanction. (i) Detailed estimate, detailed architectural drawings and specifications, (ii) Geotechnical investigation Report(iii) Structural drawings for the foundation and preliminary structural drawings of the superstructure to calculate quantities of the items, (iv) Preliminary Drawings for Internal and External services.

Observation/Recommendation

As brought out above, according to Audit, as per Para 1.6.1 of the 'Schedule of Quantities' forming part of the agreement Rs. 22.96 lakh was agreed to be payable for a quantity of 22,960 cubic meters (cum) for the purpose of "in or under water and/or liquid mud, including pumping out water as required." Further, as per the Audit observation, Para 1.4 of the 'Additional Specifications' forming part of the agreement stated, "the contractor should inspect the site and make his own assessment about sub-soil water level likely to be encountered at the time of execution and quote his rates accordingly. Rate of all items were inclusive of pumping out or bailing out water, if required. Nothing extra on this account whatsoever was to be paid to him." However, Rs.79.25 lakh was paid to the Contractor for dewatering quantity of 1,41,119.88 cum. In this regard, the Committee note the reply of the Ministry that Clause 1.4 and item no 1.6.1 are applicable to different stages of construction and were not related/overlapping to each other. According to the Ministry, since the excavation (which is stage-1 of construction of building) was carried out in wet soil (in or under water/liquid mud), payment under item 1.6.1 was required to be made for excavation (extra rate of earth work) and that it is for deviation in quantity of this item, that the amount was paid. According to the Ministry, Clause 1.4 was only applicable at stage 2 of construction of building after excavation was completed i.e. at the time of Concreting of basement slab/raft to reduce water pressure on basement slab and no extra payment was paid for dewatering / pumping out water under clause no 1.4 for maintaining water table at the time of concreting/construction of basement. The Committee also note the reply of the Ministry that the payment for deviation in quantity was made after scrutiny as per the laid down procedure and by the CSQ (Contract Specification and Quality Assurance) section of CPWD. The Committee are surprised to note the Ministry's response to the ambiguity in

the clauses that sub-soil water level prediction was not feasible and was actually known during the excavation of foundation. The Committee are of the considered opinion that, being 166 years old, an organisation such as CPWD which has professional expertise in disciplines including Architecture, Engineering, Project Management coupled with comprehensive experience in building construction and maintenance, it is expected that CPWD would be a repository of reliable and extensive data as well as technical know-how on assessing and estimating sub-soil water level etc. which would enable it to make its contract provisions even more foolproof and evaluate estimates better. The Committee would, therefore, like to be apprised if CPWD has/refers to any data/reports on groundwater level wherever such projects are undertaken or consults technical or engineering experts in the field. While observing that there was lack of clarity in the applicability of clauses of contracts of work, the Committee would like to be apprised whether Ministry/CPWD has carried out any assessment of the contract agreements of CPWD to ensure that such clauses, wherein confusion arises in cost of items of work, are made foolproof, before including them in future agreements.

**[Recommendation No. 6, Part-II of the 25th Report of the Public Accounts
Committee
(17th Lok Sabha)]**

Action Taken

CPWD undertakes detailed geo-technical investigation to determine type of soil, its technical parameters and sub-soil water level. CPWD Works Manual SOP No.4/8 already contains provision that the NIT approving authority has to ensure that there are no conflicting provisions in the NIT conditions. Further, now most of the contracts in CPWD are on EPC basis, wherein the responsibility of investigations, designing, planning, procurement, construction and safety lies with the contractor. Hence now the cost of deviation lies with contractor only.

Audit's vetting comments on Ministry's ATN

Although called for by Audit, CPWD did not furnish any specific information/records regarding "any data/reports on groundwater level wherever such projects are undertaken or consults technical or engineering in the field" pertaining either to the instant case or to any other project, for verification in audit, stating that the details had been requested from the regions and would be furnished on receipt. The same may be apprised to PAC now.

Although called for by Audit, CPWD did not also furnish any specific information/records regarding assessment of the contract agreements of CPWD ensure such clauses wherein confusion arises in cost of items of work. The same may be furnished to PAC now.

Ministry's comments on Audit's observations

In the instant case, records pertaining to Geo-technical investigation are enclosed (**Annexure-3**). To address conflict between provisions of contract, a detailed procedure is specified in Clause 8 of CPWD conditions of contract (**Annexure-4**).

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE
TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE GOVERNMENT

-Nil-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

-Nil-

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH THE
GOVERNMENT HAVE FURNISHED INTERIM REPLIES

-Nil-

NEW DELHI:
07 December, 2022
16 Agrahayana 1944 (*Saka*)

ADHIR RANJAN CHOWDHURY
Chairperson,
Public Accounts Committee

APPENDIX-II
(Vide Paragraph 5 of Introduction)

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE
OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE
CONTAINED IN THEIR TWENTY-FIFTH REPORT (SEVENTEENTH LOK SABHA)**

| | | |
|-------|---|--------------------------------|
| (i) | Total number of Observations/Recommendations | 06 |
| (ii) | Observations/Recommendations of the Committee which have been accepted by the Government: Para Nos. 1, 2, 3, 4, 5 & 6 | Total : 06 Percentage: 100% |
| (iii) | Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government: Para No. Nil | Total : Nil Percentage: 0% |
| (iv) | Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: Para No. Nil | Total : Nil Percentage: 0% |
| (v) | Observations/Recommendations in respect of which the Government have furnished interim replies: Para Nos. - Nil | Total : Nil Percentage: 0% |