

**PUBLIC ACCOUNTS COMMITTEE**  
**(1974-75)**

(FIFTH LOK SABHA)

**HUNDRED AND FIFTY-SIXTH REPORT**

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 117th Report (Fifth Lok Sabha) on the Report of the Comptroller and Auditor General of India for the year 1971-72—Union Government (Civil) relating to Departments of Labour (now Shipping & Transport) Rehabilitation and Supply]



**LOK SABHA SECRETARIAT**  
**NEW DELHI** •

*April, 1975, Chaitra 1897 (Saka)*

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CORREENDA TO 156TH REPORT OF THE PUBLIC ACCOUNTS  
COMMITTEE (1974-75) PRESENTED TO LOK SABHA ON 29.4.1975.

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>From</u>
7	1.12	10	in	on
8	1.13	8	no office	notice
9	1.16	24	state	stage
11	1.22	24	not	no
11	1.22	3 (from bottom)	depreciate	depricate
14	1.24	10	exemplary	exemplary
14	1.25	26	measure's	measures
18		8 (from bottom)	family	family
22		2 (from bottom)	construction	constructing
23		3	regarding	regard to
24		21	post	cost
25		1	Displanced	Displaced
31		3	praposed	proposed
35		1	end	trend
35		17	Board	board
42		9	cases	eases

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**PUBLIC ACCOUNTS COMMITTEE**  
(1974-75)

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2

**SECRETARIAT**

Shri B. K. Mukherjee—*Chief Legislative Committee Officer.*  
Shri N. Sunder Rajan—*Senior Financial Committee Officer.*

## INTRODUCTION

I, the Chairman of the Public Accounts Committee, having been authorised by the Committee, do present on their behalf this Hundred and Fifty sixth Report of the Public Accounts Committee on Action Taken by Government on the recommendations contained in 117th Report (Fifth Lok Sabha) on the Report of the Comptroller & Auditor General of India for the year 1971-72 Union Government (Civil) relating to Departments of Labour (now Shipping & Transport), Rehabilitation and Supply.

2. On the 31st May, 1974, an 'Action Taken Sub-Committee' was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:—

Shri H. M. Patel—*Convener*.

### *Members*

2. Shri Sasankasekhar Sanyal
3. Shri Jagannathrao Joshi
4. Shri S. C. Besra
5. Shri V. B. Raju
6. Shri Mohammed Usman Arif
7. Shri P. Antony Reddi
8. Shri Narain Chand Parashar
9. Shri T. N. Singh.

3. The Action Taken Sub-Committee of the Public Accounts Committee (1974-75) considered and adopted this Report at their sitting held on 23rd April, 1975. The report was finally adopted by the Public Accounts Committee on 26th April, 1975.

4. For facility of reference the main conclusions/recommendations of the Committee have been printed in thick type in the body of the Report. A Statement showing the summary of the main recommendations/observations of the Committee is appended to the Report.

5. The Committee place on record their appreciation for the assistance rendered to them in this matter by the Comptroller and Auditor General of India.

NEW DELHI;  
26th April, 1975.

JYOTIRMOY BOSU,  
*Chairman,*  
*Public Accounts Committee.*

## CHAPTER I

### REPORT

This Report of the Committee deals with the action taken by Government on the recommendations contained in their 117th Report (Fifth Lok Sabha) on the Report of the Comptroller & Auditor General of India for the year 1971-72—Union Government (Civil)—relating to Departments of Labour (now Shipping and Transport), Rehabilitation and Supply, which was presented to the House on the 19th April, 1974.

1.2. Action Taken Notes have been received in respect of all the 24 recommendations contained in the Report.

1.3. The Action Taken Notes/Statements received in respect of the recommendations/observations have been categorised as follows:—

*I. Recommendations/observations that have been accepted by Government.*

S. Nos. 1, 2, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16 and 17.

*II. Recommendations/observations which the Committee do not desire to pursue in view of the replies of Government.*

S. No. 8.

*III. Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration.*

S. Nos. 4 and 24.

*IV. Recommendations/observations in respect of which Government have furnished interim replies.*

S. Nos. 3, 18—23.

1.4. The Committee hope that final replies in regard to recommendations/observations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.

1.5. The Committee will now deal with the action taken on some of the recommendations/observations.

*Unrealistic ceiling of cost of Construction—Paragraph 1.29 (Sr. No. 4)*

1.6. Commenting upon the unrealistic ceiling of cost of construction fixed under the Dock Labour housing scheme, the Committee had, in para 1.29 of their Report observed this:

“Another factor which contributed to the slow progress was the unrealistic ceiling of cost construction fixed under the scheme. Although the ceiling was revised in 1967, it continued to be low, as is evident from the actual expenditure incurred by the Dock Labour Boards of Bombay, Calcutta and Madras. Although initially they were expected to bear 35 per cent of the expenditure, their contribution turned out to be 67 per cent in Bombay, 73 per cent in Calcutta and 79 per cent in Madras, the actual cost of construction having been so high. It was only in June, 1971, after a lapse of long 4 years, the Ministry of Works & Housing took up the question of further revision of the ceiling. Although in February, 1973 it was revised for the subsidised Housing Scheme for Industrial Workers the question of extending it to the housing scheme for Dock Workers is surprisingly still under examination. The Committee desire that there should be no further delay in the matter.”

1.7. In their reply dated the 22nd January, 1975 the Ministry of Shipping & Transport (Transport Wing) have stated:

“The overall ceiling costs prescribed in the Housing Scheme for Dock Workers, which are effective from 1st April, 1967, are as follows:—

Name of the City	Type of houses and prescribed ceiling cost	
	Multi-storeyed (Small two-roomed houses)	Double storeyed (Small two-roomed houses)
	Rs.	Rs.
Bombay . . . . .	8,450	7,100
Calcutta . . . . .	8,450	7,100
Madras . . . . .	6,750	6,200
Cochin . . . . .	6,750	6,200
Visakhapatnam . . . . .	6,750	5,500
Mormugao . . . . .	6,750	5,100

The overall ceiling cost is on the basis of the ceiling cost prescribed in the Subsidised Housing Scheme for Industrial Workers.



2. In February, 1973, the Ministry of Works & Housing revised the ceiling cost applicable to Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of Community, and the revised ceiling costs were made effective from 1st April, 1972. A comparative statement indicating the floor area and the ceiling cost prescribed under the Subsidised Industrial Housing Scheme in respect of double and multi-storeyed small two room houses, prior to 1st April, 1972 and after 1st April, 1972 is given below:—

Sl. No.	Name of Place	Type of accommodation	Ceiling cost prior to 1-4-1972	Ceiling cost from 1-4-1972
1.	Bombay and Calcutta.	(i) Small two roomed double storeyed houses.	Rs. 7,100 (232 sq. ft.)	Rs. 6,550/- (Bombay) Rs. 7,200/- (Calcutta) (188 sq. ft.)
		(ii) Small two roomed Multi-storeyed houses.	Rs. 8,450/- (212 sq. ft.)	Rs. 9,000 - (188 sq. ft.)
2.	All other Places	(i) Small two roomed double storeyed houses.	Rs. 5,100/- (232 sq. ft.)	Rs. 5,350 - (188 sq. ft.)
		(ii) Small two roomed Multi-storeyed houses.	Rs. 6,750/- (212 sq. ft.)	Rs. 6,050/- (188 sq. ft.)

3. It will be observed from the above statement that the floor area of the houses has been reduced from 232 sq. ft. and 212 sq. ft. to 188 sq. ft. In two cases, namely, small two roomed double-storeyed houses in Bombay and small two-roomed multi-storeyed houses in places other than Bombay and Calcutta, the ceiling cost has also been reduced alongwith the reduction in the floor area. In the other cases, there is marginal increase in the prescribed ceiling cost. Thus, the adoption of revised ceiling costs of Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of Community would mean (i) reduction in the floor area, (ii) decrease in ceiling cost in some cases and (iii) marginal increase in the ceiling cost in some cases.

4. So far the houses provided by the Dock Labour Boards are having more floor area than that prescribed under the Scheme. The Dock Labour Boards were consulted as to whether any reduction in the floor area would be acceptable to them and some of the Dock Labour Boards were not in favour of any reduction in the floor area, as it was likely to create discontentment among the Dock Workers. It is, therefore, not possible to adopt the revised ceiling cost by reducing the floor area.

5. The whole question was considered and it has been decided that in view of the present financial stringency, the question of liberalising the financial assistance under the Housing Scheme for Dock Workers cannot be considered at present. There is also a ban on the construction of non-functional buildings. The matter will, therefore, be reviewed as and when the financial position eases."

1.8. The Committee desire that the Government should revise the ceiling for the cost of construction of houses for Dock Labour Realistically on the assumption that the floor area of the accommodation remains unchanged. This would make possible the taking in hand of the construction of houses, immediately the ban on the construction of non-functional buildings is lifted. The Government should be approached to lift this ban on low income group housing.

*Frequent revision of ceiling of cost of construction—Paragraph 1.30 (Sr. No. 5)*

1.9. Dealing with the frequency of revision of ceiling of the cost of construction of Dock Labour houses, the Committee had observed as under in paragraph 1.30 :

"In view of continuous rise in cost of construction the Committee suggest that revision of ceilings of cost should be done at more frequent intervals in future. The Committee also desire that the specifications and covered area for the workers quarters should not be unreasonably reduced; these should be such as to meet at least the minimum needs of a family of 5."

1.10. In their reply dated the 23rd October, 1974, the Ministry of Shipping and Transport (Transport Wing) have stated:

"The Housing Scheme for Dock Workers is *mutatis-mutandis* based on the Pattern of Subsidised Housing Scheme for Industrial Workers now known as Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of Community formulated by the Ministry of Works and Housing. Accordingly, the recommendations of the Committee were brought to the notice of the Ministry of Works and Housing (Vide Annexure I). It was also enquired whether the accommodation provided under the Housing Scheme for Dock Workers is adequate for a family of 5 members. The Ministry of Works and Housing have stated (Annexure II) that on the basis of the anthropometric studies undertaken by the Central

Building Research Institute, Roorkee, for various functional requirements, the following are the minimum space for a family for living purposes:

	Sq. m.
(a) Bed Room (with minimum width of 2·8 m)	10·00
(b) Multipurpose room (with minimum width of 2·8 m)	9·25
(c) Bath (with minimum width of 1·2 m)	1·56
(d) W. C. (with minimum width of 0·9 m)	1·08
<b>TOTAL</b>	<b>21·89</b>

2. In the National Building Code of India (Part III Central Building requirements) the following areas have been prescribed :—

	Sq. m.
(a) Habitable room (where there is only one room with a minimum width of 2·4 m)	9·5
(b) Kitchen (with a minimum width of 1·8 m)	5·5
(c) Bath room (with a minimum width of 1·2 m)	1·8
(d) Water Closet	1·1
<b>TOTAL</b>	<b>17·9</b>

3. In the Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of Community and Slum Clearance and Improvement Scheme, the following standards of accommodation for small two-roomed house (double and multi-storeyed) have been prescribed :—

	Sq. m.
(a) Living Room	9·29
(b) Multi-purpose room including kitchen	5·59
(c) Bath	1·49
(d) W. C.	1·11
<b>TOTAL</b>	<b>17·48</b>

The minimum standards of accommodation for small two-roomed houses (double and multi-storeyed) in the Housing Scheme for Dock Workers are as under :—

	Double storeyed	Multi-storeyed
(a) Living Room		
Multi-purpose room including kitchen	204 sq. ft. (18·95 sq. m.)	184 sq. ft. (17·9 sq. m.)
(b) Bath Room	16 sq. ft. (1·49 sq. m.)	16 sq. ft. (1·49 sq. m.)
(c) Latrine	12 sq. ft. (1·11 sq. m.)	12 sq. ft. (1·11 sq. m.)
<b>TOTAL</b>	<b>232 sq. ft. (21·55 sq. m.)</b>	<b>212 sq. ft. (19·6 sq. m.)</b>

4. From the comparative chart above, it would be seen that the accommodation provided for small two-roomed house under the Housing Scheme for Dock Workers is more than what has been prescribed for small two-roomed houses under the Integrated Scheme for Industrial Workers and Economically Weaker Sections of Community. Also it is more than what has been stipulated in the National Building Code of India. On this basis, the accommodation provided in the Housing Scheme for Dock Workers could be considered as adequate to meet the minimum needs of a family of 5.

5. The Ministry of Works and Housing have recently appointed a High Level Committee of State Ministers under the Chairmanship of the Union Minister of State for Works and Housing to examine, *inter-alia* the question of revision of ceiling costs for the houses to be built under the Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of the Community. That Ministry has assured that the recommendation of the Public Accounts Committee for the revision of ceiling costs at more frequent intervals, and in particular its opinion that the specifications and covered area for the workers' quarters should not be unreasonably reduced, and should be such as to meet the minimum needs of a family of 5 will be brought to the notice of this High level Committee."

**1.11. The Committee note that its recommendation would be brought to the notice of the High Level Committee which has been set up recently, composed of State Ministers with the Union Minister of State for Works and Housing as its Chairman. The decision of the High Level Committee may be intimated in due course.**

*Lapses in disposal of evacuee property—Paragraph Nos. 2.23 to 2.30 (Sr. Nos. 10—17).*

1.12. The Committee had taken serious view of the irregularities in the disposal of an evacuee property in Connaught Place, New Delhi. They had, in paragraphs 2.23 and 2.24 observed :

"The Committee take a serious view of the various lapses in disposing of the evacuee property situated at such a central commercial locality, *viz.*, Connaught Place, New Delhi. The property was evaluated in November, 1957 as worth Rs. 5.5 lakhs. However, an attempt was made only in December, 1960 to auction it, which was not successful. It was finally auctioned in March, 1961 and it fetched Rs. 6.25 lakhs. Regrettably the property was not re-evaluated before this auction. The Committee desire that the responsibility for this lapse should be fixed. At the instance of the Committee, the Ministry have now reckoned that the value of the property at the time of auction would have been at least Rs. 7.95 lakhs. Thus it had been disposed of for a much lower price."

The concessional terms for payment of price by associating claims of displaced persons were extended to the non-claimants as per Press note issued by the Government on 21st January, 1961 followed by detailed instructions issued by the Chief Settlement Commissioner on 8th February, 1961. Although copies of these were received in the Office of the Regional Settlement Commissioner on 23rd January, and 9th February, 1961 respectively, the concessional terms for payment were not included in the auction notice in respect of this property published in 24th February, 1961, nor were these announced at the time of auction held on 16th March, 1961. The Committee are distressed that no explanation is forthcoming from the records for the failure to do so. The matter requires investigation as surely the concession could have attracted a better price."

1.13. In their reply dated the 16th January, 1975, the Ministry of Supply and Rehabilitation (Department of Rehabilitation) have stated:

"Evacuee property is disposed of under the provisions of Displaced Persons (Compensation and Rehabilitation) Act, 1954 and the Rules of 1955 made thereunder. Regarding saleable properties, neither the Act nor the Rules specify that they should be re-evaluated in case some time had elapsed since the earlier evaluation, before being disposed of. Executive instructions in this regard were issued on the 12th April, 1971, where position with regard to disposal of properties by auction was clarified. These instructions provided, *inter-alia* as under:—

"If the reserve price was fixed more than 5 years ago, it should be re-fixed for purposes of auction".

The property was auctioned much earlier and the concerned officers had not re-evaluated the property in question. In the circumstances mentioned above it has not been possible to fix responsibility in this regard.

2. In view, however, of the Committee's observation, this Department proposes to issue instructions that all properties should be evaluated/re-evaluated within a period of three years preceding their disposal, including the criteria for evaluation. The issue of instructions is awaiting the clearance of the Ministry of Works and Housing to whom the matter has been referred.

3. The Department is also in consultation with :

(a) the Ministry of Works and Housing regarding transfer of land in and outside rehabilitation colonies in Delhi; and

(b) the Ministry of Home Affairs (Delhi Administration) regarding the transfer of evacuee lands within the urbanisable limits in Delhi and built up evacuee properties, plots etc.

When these arrangements are finalised, the question of further disposal of properties in Delhi by the Department of Rehabilitation would not arise."

"Government regret that liberalised concessions were not adequately published in auction notices. From the available records, it is not possible to say whether liberalised terms were announced at the time the auction took place. The Regional Settlement Commissioner and the Managing Officer responsible for the auction have since left service, the Regional Settlement Commissioner having retired in 1963 and the services of the Managing Officer having been terminated in 1961. In view of the provisions of Rule 351-A of the Civil Service Regulations, it is, therefore, not possible to proceed against these officers. Investigation is being made to see whether responsibility for the lapse can be fixed on any officer still in service."

1.14. Since the various lapses, omissions and commissions in the auction of evacuee property in Connaught Place, New Delhi are of a very serious nature, the Committee would like Government to examine forthwith the possibility of prosecuting the Regional Settlement Commissioner and the Managing Officer who were responsible for these lapses, since it is not possible to initiate proceedings against these two officers who are no longer in Government service, under the relevant ~~disciplinary~~ rules.

1.15. The Committee also desire that before the proposed transfer of lands and built up evacuee properties to the Ministry of Works & Housing and Delhi Administration, a thorough probe should be conducted into the working of the Rehabilitation Department and the omissions, delays, lack of coordination, etc. within the Department should be fully resolved so as to ensure ~~efficiency~~, honesty and proper and prompt disposal of cases.

*Paragraph 2.25 (Sr. No. 12)*

1.16. Listing the omissions and commissions in the disposal of the evacuee property, the Committee observed :

"A letter of acceptance was issued on the 5th April, 1961 to the successful bidder (a non-claimant) to deposit the balance 90 per cent amount (after deducting the earnest money of 10 per cent paid by him at the time of auction) within 15 days. But before the expiry of this period another letter was issued to him on 15th April, 1961 *suo motu* by the Regional Settlement

Commissioner, advising him that he could associate the compensation claims of other displaced persons for payment of the balance amount by adjustment against such claims. Strangely enough there is again no record available about the circumstances leading to the issue of this letter. Although the purchaser did not make payment within 15 days as stipulated no action was taken by the Regional Settlement Commissioner till 5th June, 1961 when he extended time-limit by 15 days. What is more he exceeded his authority and granted further extensions up to 16th August, 1961. The Committee take a serious view of this undue solicitude shown to the purchaser by this officer. The property was provisionally handed over to the purchaser in March, 1962 but there is no record to indicate whether any indemnity bond was taken from him as required in terms of the instructions issued by the Government in 1956. The Committee are unhappy to note that the Delhi Development Authority were addressed by the Regional Settlement Commissioner in 1965 to issue a copy of lease-deed to the purchaser informing them that the property had been transferred to the purchaser permanently, although in fact it had been transferred only provisionally. The Committee feel that there is a *prima facie* case for an enquiry with a view to fixing responsibility for various acts of Commissions and omissions even at this late state."

1.17. In their reply dated the 16th January, 1975, the Ministry of Supply and Rehabilitation (Department of Rehabilitation) have stated :

It is regretted that the lapses commented upon by the Committee in this para should have occurred.

2. In view of the recommendation of the Committee an Enquiry Officer has been nominated to investigate the matter further with a view to see whether responsibility can be fixed on any officer still in service.

3. Further taking note of the observations of the Committee, instructions have been issued on 4th September, 1974 to the Regional Settlement Commissioner, New Delhi to ensure strict compliance with the provisions of Rule 90 of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955 so as to avoid delays in finalisation of cases of sale by auction. The Regional Settlement Commissioner has also been asked to review all pending cases where extensions have been given as per Rules 90 (11) and 90 (12) of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955 and take necessary action for expeditious finalisation of the same.

1.18. The Committee note that an Enquiry Officer has been nominated to investigate the matters further with a view to seeing whether responsibility can be fixed on any officer still in service. The Committee desire that the proposed investigation should be completed expeditiously and the officials found responsible awarded appropriate punishment. The Committee would await a further report in this regard.

*Paragraph 2.29 (Sr. No. 16)*

1.19. Cautioning the Government not to issue the sale certificate to the purchaser of the evacuee property, the Committee had observed:—

“The Committee recommend that the sale certificate should not be issued to the purchaser till all the points mentioned in the Committee’s foregoing recommendations are fully resolved”.

1.20. In their reply dated the 2nd November, 1974, the Ministry of Supply & Rehabilitation (Department of Rehabilitation) have stated:

“In accordance with the above recommendation of the Public Accounts Committee, instructions were issued to the Regional Settlement Commissioner (Central), Jamnagar House, New Delhi vide our letter No. 25(29)/C&P/69-SS.I, dated the 24th/25th April, 1974 not to issue the sale certificate in favour of the auction purchaser of the property known as ‘N’ Block, Connaught Place, New Delhi, till further instructions from this Department. (A copy of the letter in question is sent herewith). The sale certificate will not be issued till the further directions of the Public Accounts Committee in the matter are received.”

1.21. The Committee find that there have been grave lapses in the entire process of disposal of this evacuee property. The Committee, therefore, desire that the property should be re-auctioned through tender and sold to the highest bidder. The existing occupants of the property should also be afforded an opportunity to participate in the auction. For this, Government should amend the law should they find it necessary.

*Un-business like disposal of I.N.S. SHAKHTI Tanker Paragraph 3.28-3.29 (Sr. Nos. 18-19)*

1.22. The Committee had examined the sale of a serviceable fleet tanker, I.N.S. Shakhti of Indian Navy. They had observed in paras 3.28 and 3.29:—

“The Committee deeply regret that the manner in which ‘INS SHAKHTI’ a serviceable fleet tanker of Indian Navy was disposed of in 1970 as scrap at a low price of Rs. 9.68 lakhs, was not



not at all business-like or in the interest of the State for the following reasons:—

- (i) The ship was purchased for Rs. 48.81 lakhs in 1953. According to Navy Rules its book value, after allowing for 4 per cent depreciation, would have been Rs. 17.60 lakhs. It was, however, evaluated by a professional evaluator in 1968 as 14 lakhs for purpose of disposal. This evaluation evidently was not done on the basis of the prevailing market value. At the instance of the Committee the Ministry of Defence have now reckoned that a new ship of this kind might have cost approximately Rs. 1.35 crores in 1968.
- (ii) Although the ship was declared in the surplus report as serviceable, it was not mentioned clearly in the tender notice.
- (iii) The highest quotation (Rs. 12.01 lakhs) of the tenderer who proposed to use the ship as an ocean going vessel and earn some foreign exchange for the country was ignored on the ground that it was not accompanied by earnest money.
- (iv) Although the existing instructions provide that in the case of purchases, security deposit may not be insisted upon at the discretion of the Secretary of the Department, there is not such provision for disposals. However, in this case the highest tenderer had offered to pay the earnest money within the stipulated period and yet it was not taken up with him.
- (v) Surprisingly the letter dated 9th February, 1970 from the highest tenderer again proposing to open an irrevocable letter of credit for the full sale value and earnest money/ security deposit is stated to have not been received by the DGS&D. The lower offer was accepted on 9th March, 1970.
- (vi) Although the highest tenderer subsequently, represented twice within the validity period of this tender, he was not informed that his letter of 9th February, 1970 was not received and no conclusive enquiry was made to ascertain how the letter was lost.

The Committee depreciate the above lapses/irregularities which give every appearance of malpractice and call for through investigation of the matter for appropriate action. The action taken

against those found responsible may be reported to the Committee. The Committee would also suggest that Government should examine the procedure for disposals particularly with reference to valuation, method of disposal and acceptance of offers, with a view to streamlining them in manner that would safeguard better the financial interest of Government”.

1.23. In their reply dated the 31st December, 1974 the Ministry of Supply and Rehabilitation (Department of Supply) have stated:—

- (1) “Surplus Reports on receipt in DGS&D are examined by the Screening Board which decides about the method of disposal of the stores after taking into account the original purchase price/book value, expected market price after accounting for depreciation etc., based on actual inspection, where considered necessary. To enable the above decision to be realistic and based on correct evaluation/assessment the Board has now been reconstituted under the chairmanship of the Additional Director General in charge of disposal work with senior level technical representation thereon not only from the Inspection Wing of DGS&D but also from the stockholding departments. When the inspection of a particular item is considered necessary, the board will determine the composition of the INSPECTION TEAM depending on the nature and type of the stores involved.

(2) *Reserve Price—Fixation of*

The question whether the stock-holder should indicate the reserve price in the surplus report in regard to specialised equipment has been considered. It was decided that the stockholder may indicate the reserve price if he so desires. If this is not done by the stock-holder, the exercise should be undertaken by the DGS&D prior to the opening of the tenders. Factors like demand and supply, the deficiencies, depreciation, remaining life of the equipment, current market prices etc. should be taken into consideration for fixing the reserve price. This would ensure against accepting the highest offer which may still be below the reasonable price the article is likely to fetch. Office order No. 187 dated 19th November, 1974 (copy attached) to this effect has been issued.

(3) *Guiding Price—Fixation of*

- Guiding Prices are invariably being fixed in cases of stores to be auctioned. It has been decided that the present practice to fix Guiding prices on the basis of past realisations, where available,

should continue. Where such data is not available, the practice is to fix G.P. at 20 per cent of the Book Value of the stores. To ensure that realisations in such cases do not fall below the scrap value of the stores, inspection where considered necessary will be undertaken for making a correct assessment of the market value after taking into account the deficiencies/depreciation. It has also been decided that information in regard to realisations should be regularly received centrally by DGS&D and disseminated to various regions for taking account of it at the time of fixing the guiding prices.

(4) *The condition or serviceability of surplus stores*

The question of indicating the condition of the surplus stores in the tender notices has been examined. In view of the likely repercussions of such action on the sales realisations of stores publicized as unserviceable, and the legal complications that may arise consequent upon publicizing the condition as serviceable, it is being examined in consultation with the Ministry of Law whether it would be feasible to limit such indication in cases of expensive/sophisticated stores where the stockholder had shown the condition as good/serviceable. The decision taken in this regard will be communicated in due course.

(5) *Acceptance or otherwise of offers received against tenders:*

There are cases where a tenderer may quote for more than one item, but may not deposit earnest money/security deposit in full on the total tendered value. Under the present procedure, such tenders are ignored even though quotations for certain items may be highest. It has been decided that tenders will be ignored only if the offer is a consolidated one and earnest money/security deposit is not provided fully to cover the total value of the offer. It has also been decided that if offers are made for individual items, best acceptable offers should invariably be chosen for acceptance provided earnest money/Security deposit available, fully covers that item. Attractive offers acceptable but deficient in respect of earnest money/security deposit should not be rejected outright but put up to competent authority for considering relaxation. Office Order No. 187 (copy attached) incorporating those decisions has been issued.

(6) Various other measures have also been taken up in order to streamline the disposal procedure. These are included in the consolidated Office Order No. 187 dated 19th November, 1974 (copy attached). Copies of Office Orders No. 115 dated 2nd

May, 1974 and No. 27(C) and 27(D) dated 24th April, 1974 and 20th May, 1974 are also enclosed.

- (7) The examination of the case from vigilance angle has been completed by this Department and Central Vigilance Commission's advice is awaited."

**1.24. The Committee note that in pursuance of their recommendation, the disposal of I.N.S. Shakti, a serviceable fleet tanker of the Indian Navy has been examined from the vigilance angle and that the advice of the Central Vigilance Commission was awaited. The Committee desire that these formalities should be completed without further delay and exemplary action taken against the officers found responsible.**

*Need for improvement in procedure for risk purchase—Paragraph 3.48 (Sr. No. 24)*

1.25. Expressing their concern over the delay of three years in purchasing the material needed very urgently for construction of foodgrain godowns, the Committee had observed:

"The Committee are concerned over the delay of about three years in procuring the material needed very urgently for construction of foodgrain godowns. The procedure followed for making risk purchases is obviously unsatisfactory. The Committee recall that in pursuance of an earlier recommendation the DGS&D had issued instructions in January, 1972 for the guidance of the Purchase Officers in the matter of risk purchases in order that supplies might materialise in time (p. 17 of 70th Report—5th Lok Sabha). The Committee would like Government to critically review the position and take further remedial measure's as necessary, to ensure that risk purchases are completed expeditiously and goods made available in time to the indenting departments."

1.26. In their reply dated the 7th April, 1975, the Ministry of Supply & Rehabilitation (Department of Supply) have stated:

"Instructions exist for making risk purchases as expeditiously as possible so that goods can be made available in time to the indenting Departments. A Copy of the instructions issued in this regard on 12-1-1972 is enclosed. The matter has been reviewed and the earlier instructions have been reiterated for the guidance of the Purchase Officers *vide* Office Order No. 88, dated 16-4-74 (copy enclosed)."

**1.27. The Committee consider it essential that the existing procedures for making risk purchases should be critically reviewed with a view to seeing what further improvements can be effected. The Committee consider such a review necessary to prevent the recurrence of the delays which have come to notice in this case.**

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation**

The Committee are greatly distressed over the tardy manner in which the scheme for housing for Dock Workers has been implemented since its inception in 1964. While it was originally thought that houses for about 25 per cent of the registered workers would be constructed by March, 1966, houses for only about 23 per cent of them were merely proposed for construction during 8 years from March, 1964 to March, 1972. The actual progress is even very much more disappointing in that only about 5 per cent of the registered workers were provided with houses upto the end of March, 1973. Such a wide gap between the anticipations and achievements suggests that the scheme has not at all been formulated and reviewed realistically from time to time with a view to taking necessary timely action to realise the desirable objective.

[S. No. 1—Para 1.26 of Appendix V to the 117th Report—  
(Fifth Lok Sabha)]

#### **Action taken**

The conclusions of the Public Accounts Committee have been noted.

2. *The Housing Scheme for Dock Workers* (a Plan Scheme) was finalised on the 2nd March, 1964 in consultation with the Ministries of Works and Housing, Finance and the Planning Commission. Under the original Scheme, the Dock Labour Boards were entitled to financial assistance from the Central Government in the shape of subsidy at 20 per cent and loan at 35 per cent of the cost of construction or the ceiling cost prescribed in the Scheme, whichever is less.

3. The proposal for increase in financial assistance admissible under the Scheme was<sup>d</sup> considered by the Conference of Ministers of Housing and Urban Development held in June, 1969. The conference recommended that the pattern of financial assistance may be raised to 50 per cent loan and 50 per cent subsidy. But the Government agreed for grant<sup>d</sup> of 50 per cent loan and 25 per cent subsidy with effect from 15th June, 1971.

4. On receipt of recommendations of the Public Accounts Committee, the proposal for liberalisation of pattern of financial assistance under the Housing Scheme at 50 per cent loan and 50 per cent subsidy of the cost of construction, or the prescribed ceiling cost whichever is less, was placed again for consideration before the Conference of Ministers of Housing and Urban Development held at Madras on the 31st May, 1st and 2nd June, 1974.

5. This item was discussed in one of the Committees set up by the Conference and it was concluded that it was an inter-ministerial issue and the conference of Housing Ministers could not give any definite guidelines. It was also considered that the Ministry of Labour should pursue this matter with the Ministry of Works and Housing again.

6. However, in view of the present financial stringency, it has since been decided not to pursue the question of liberalisation of financial assistance admissible under the Scheme, for the present.

7. Moreover the Government of India, Ministry of Finance imposed a ban on construction of non-functional buildings (which include houses) which are yet to be taken up for construction or which have not yet reached the plinth level, during 1974-75 as a measure of economy.

8. As and when the ban is lifted and also after the financial stringency eases, the matter will be reviewed keeping in view the observations of the Public Accounts Committee.

[M/o Transport & Shipping (Transport Wing) O.M. No. 11018/8/74-ID,  
dt. 27-2-1975]

#### **Recommendation**

The performance under the Dock Workers Housing Scheme compares very poorly with the Subsidised Housing Scheme for Industrial Workers introduced in 1952 and executed by State Governments, Housing Boards and local bodies under which out of 2.30 lakhs houses sanctioned upto December, 1971, 1.76 lakhs (76 per cent) had already been constructed. The fact that out of 6472 houses proposed for construction by March, 1972 only 1420 (22 per cent) could be constructed for the Dock Labour upto March, 1973, reveals very basic neglect and/or weakness in the scheme itself.

[S. No. 2—Para 1.27 of Appendix V to the 117th Report (Fifth Lok Sabha).]

### Action taken

The conclusions of the Public Accounts Committee have been noted.

2. The action taken for liberalising financial assistance admissible under the Housing Scheme for Dock Workers on the same scale as under Subsidised Industrial Housing Scheme as applicable to State Governments, Housing Boards and Local Bodies (*i.e.*) 50 per cent loan and 50 per cent subsidy, has been detailed in reply to S. No. 1—para 1.26 of Appendix V to the 117th Report of the Public Accounts Committee (Fifth Lok Sabha).

[M/o Transport & Shipping (Transport Wing) O.M. No. M. 11018/8/74-ID,  
dt. 27-2-1975]

### Recommendation

In view of continuous rise in cost of construction the Committee suggest that revision of ceilings of cost should be done at more frequent intervals in future. The Committee also desire that the specifications and covered area for the workers quarters should not be unreasonably reduced; these should be such as to meet at least the minimum needs of a family of 5.

[S. No. 5 (para 1.30) of Appendix V to the Public Accounts Committee's 117th Report (Fifth Lok Sabha)]

### Action taken

The Housing Scheme for Dock Workers is *mutatis-mutandis* based on the pattern of Subsidised Housing Scheme for Industrial Workers now known as Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of Community formulated by the Ministry of Works and Housing. Accordingly, the recommendations of the Committee were brought to the notice of the Ministry of Works and Housing (*vide* Annexure I). It was also enquired whether the accommodation provided under the Housing Scheme for Dock Workers is adequate for a family of 5 members. The Ministry of Works and Housing have stated (Annexure II) that on the basis of the anthropometric studies undertaken by the Central Building Research Institute, Roorkee, for various functional requirements, the following are the minimum space for a family for living purposes:-

	Sq. m.
(a) Bed Room (with minimum width of 2·8 m)	10·00
(b) Multipurpose room (with minimum width of 2·8 m)	9·25
(c) Bath (with minimum width of 1·2 m)	1·56
(d) W.C. (with minimum width of 0·9 m)	1·08
TOTAL	21·89



(2) In the National Building Code of India (Part III General Building requirements) the following areas have been prescribed:—

	Sq. m.
(a) Habitable room (where there is only one room with a minimum width of 2.4 m)	9.5
(b) Kitchen (with a minimum width of 1.8 m)	5.5
(c) Bath Room (with a minimum width of 1.2 m)	1.8
(d) Water Closet	1.1
TOTAL	17.9

(3) In the Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of Community and Slum Clearance and Improvement Scheme, the following standards of accommodation for small two-roomed houses (double and multi-storeyed) have been prescribed:—

	Sq. m.
(a) Living Room	9.29
(b) Multi-purpose room including kitchen	5.59
(c) Bath	1.49
(d) W.C.	1.11
TOTAL	17.48

The minimum standards of accommodation for small two-roomed houses (double and multi-storeyed) in the Housing Scheme for Dock Workers are as under:—

	Double storeyed	Multi-storeyed
a) Living Room	} 204 sq. ft. (18.95 sq. m.)	184 sq. ft. (17.00 sq. m.)
(b) Multi-purpose room including kitchen.		
(c) Bath Room	16 sq. ft. (1.49 sq. m.)	16 sq. ft. (1.49 sq. m.)
(d) Latrine	12 sq. ft. (1.11 sq. m.)	12 sq. ft. (1.11 sq. m.)
TOTAL	232 sq. ft. (21.55 sq. m.)	212 sq. ft. (19.69 sq. m.)

(4) From the comparative chart above, it would be seen that the accommodation provided for small two-roomed house under the Housing Scheme for Dock Workers is more than what has been prescribed for small two-roomed houses under the Integrated Scheme for Industrial Workers and Economically Weaker Sections of Community. Also it is more than what has been stipulated in the National Building Code of India. On this basis, the accommodation provided in the Housing Scheme

for Dock Workers could be considered as adequate to meet the minimum needs of a family of 5.

5. The Ministry of Works and Housing have recently appointed a **High Level Committee** of State Ministers under the Chairmanship of the Union Minister of State for Works and Housing to examine, *inter-alia* the question of revision of ceiling costs for the houses to be built under the **Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of the Community**. That Ministry has assured that the recommendation of the Public Accounts Committee for the revision of ceiling costs at more frequent intervals, and in particular its opinion that the specifications and covered area for the workers' quarters should not be unreasonably reduced, and should be such as to meet the minimum needs of a family of 5 will be brought to the notice of this High Level Committee.

[Ministry of Shipping & Transport (Transport Wing) O.M. No. M-11018/2/74-P&D/LD, dated 23rd October, 1974]

#### **Recommendation**

The Committee note with great concern that the problem of finding suitable land has still not been solved at the Calcutta Port. The Dock Labour Board, Calcutta with 14,077 registered workers (the largest in the country) has been able to provide houses to only 2.7 per cent of workers against 7.66 per cent in Bombay, 20.8 per cent in Madras and 24.76 per cent in Visakhapatnam. The Committee regret that the Board proceeded in the matter of acquiring land in a very casual manner. Although they advertised for purchase of land in June, 1965 and September, 1967 without success, for about 5 years thereafter no serious attempts have been made to acquire land. It was only in April, 1972 that the question of purchasing land from Calcutta Port Commissioners was taken up by them, again without success. They are reported to be still making efforts to secure land adjacent to the Port area from the Government of West Bengal. The Committee desire that the matter should be taken up immediately by the Ministry of Labour with the State Government at the appropriate level. The Committee would like to be informed of the outcome.

[S. No. 6—Para 1.31 of Appendix V to the Public Accounts Committee's 117th Report) (Fifth Lok Sabha)]

#### **Action Taken**

The Calcutta Dock Labour Board has intimated that inspite of their best efforts no plot of Land within 4/5 miles from the Dock area could be made available. Besides, they tried to take some land from Calcutta

**Port Commissioners** on long term lease in continuation of the present Housing Colony at Brooklyn, Calcutta. In January, 1974, the Calcutta Port Commissioners agreed to lease out about 7 bighas of land near Paharpur in continuation of the existing Housing Colony for construction of workers' quarters. The Chairman, Calcutta Dock Labour Board has approved of the same being taken up on long term lease.

2. As recommended by the Public Accounts Committee, this Ministry took up on 30th July, 1974 the matter with the Secretary, Land and Land Revenue Department, Government of West Bengal as to whether it would be possible for the Government to allot a suitable plot of land within a radius of 3 to 4 miles of the Dock Area for the construction of houses for the Dock Workers under the Housing Scheme for Dock Workers. The Secretary, Land and Land Revenue Department has replied (12th August, 1974) that no suitable land belonging to the State Government is available within the area mentioned by this Ministry. He has however, assured that if any proposal is received from the Ministry indicating the area to be acquired under the Land Acquisition Act, 1894, expeditious steps would be taken in the matter.

3. The Calcutta Dock Labour Board was asked (19th August, 1974) to let this Ministry know whether there is any area which could be acquired under the Land Acquisition Act, 1894 so that the matter could again be taken up with the Government of West Bengal. The Board has intimated (3rd September, 1974) that since some land adjacent to their Housing Estate at Brooklyn has been promised by the Calcutta Port Commissioners, they need not go in for land acquisition at present.

4. The Dock Labour Board has however, mentioned that the main difficulty is their difficult financial position. It will therefore be extremely difficult for it to take up any further projects for construction of houses for its workers unless the Government extends substantially more help than it is prepared to do at present. The Calcutta Dock Labour Board has therefore, requested for the following:—

- (i) Subsidy and loan may be given on the basis of actual cost of construction and not the ceiling cost now fixed;
- (ii) Subsidy may be increased to 50 per cent of the actual cost;
- (iii) Loan may be granted for the balance 50 per cent amount at a nominal rate of interest.

The Government's views on the above requests would be reflected, while replying to S. Nos. (3) and (4) of the summary of main conclusions/

recommendations contained in Appendix V to 117th Report of P.A.C. (1973-74) Fifth Lok Sabha.

[Min. Shipping & Transport (Transport Wing) O.M. No. 11018/2/74-P&D/LD dt. 23-10-1974].

### Recommendation

The Committee desire the Dock Labour Boards at Cochin, Mormugao and Kandla who have not yet made a beginning towards construction of houses, should be persuaded to take up the scheme at least in the Fifth Five Year Plan.

[(S. No. 7—Para 1.32 of Appendix V to the 117th Report) (Fifth Lok Sabha)].

### Action Taken

During the Fifth Five Year Plan a total provision of Rs. 116 lakhs has been made for the Housing Scheme for Dock Workers. The Cochin, Mormugao and Kandla Dock Labour Boards proposed construction of following number of houses:—

1. Cochin	.. ..	500
2. Mormugao	.. ..	152
3. Kandla	.. ..	100

2. The recommendations of the Public Account's Committee were brought to the notice of the above Dock Labour Boards with the request to explore the possibility of undertaking construction of more houses during the Fifth Five Year Plan taking into account the following factors:—

- (i) whether additional land and funds are or will be available with the Board to take up construction of more houses than already envisaged in the Fifth Five Year Plan;
- (ii) whether necessary engineering expertise is available with the Port Trusts for maintaining the tempo of construction.

The Dock Labour Boards have stated as under:—

#### 3. Mormugao Dock Labour Board.

The Mormugao Dock Labour Board has already taken up construction of 80 quarters during the year 1972-73 and the same are nearing completion. The Board has a programme of construction another 160 quarters during the coming years. However in view of the introduction

of the Mechanical Ore Handling Plant by Mormugao Port Trust, substantial number of Dock Workers will be retrenched by the end of 1975 or in 1976. The question in regarding construction of additional quarters for the workers will be taken up by the Board in due course. The main difficulty of the Board is the non-availability of land. The Board is negotiating with the Mormugao Port Trust for allotting land. The Chairman of the Mormugao Port Trust has been requested to expedite the release of land to the Mormugao Dock Labour Board. There is, however, no difficulty regarding the availability of engineering expertise for maintaining the tempo of construction.

#### 4. *Kandla Dock Labour Board.*

Originally, due to the difficult financial position of the Board, it had proposed to construct only 36 tenements for the Registered Workers under the Housing Scheme for Dock Workers. Later on, the matter was reviewed in the light of improvement in the financial position of the Board and it was decided to construct initially 150 houses under the Scheme. The Board has no difficulty about land as enough land is available with the Kandla Port Trust. Regarding engineering expertise, the Kandla Port Trust has got a fully developed engineering organisation and hence it will be possible for the Dock Labour Board to maintain the tempo of construction, once the work of construction of houses is commenced.

#### 5. *Cochin Dock Labour Board.*

The matter was discussed by the Board in meeting held on 6th June, 1974. Attention was invited to the relevant portions of the Public Accounts Committee (1973-74) Fifth Lok Sabha, 117th Report. After taking all the factors into consideration, the members felt that by and large the workers at Cochin have no interest in staying in rented houses and prefer to construct their own houses for which they are keen to have a loan or subsidy. Because of this the Board had decided not to proceed with further construction of houses, in addition to the 42 houses already under construction. These 42 houses are expected to be completed shortly.

6. On 1st August, 1973, the Government of India, Ministry of Finance (Department of Expenditure) imposed a ban during the financial year 1973-74 on all expenditure on construction of non-functional building which were yet to be taken up or which had not yet proceeded beyond the plinth level. The ban was imposed as a measure of economy and it was clarified that non-functional buildings will include residential buildings.

7. On 23rd January, 1974, as a continuing measure of economy, the Government of India extended the ban during the financial year 1974-75 also.

8. As the construction of 80 quarters by the Mormugao Dock Labour Board and of 42 quarters by the Cochin Dock Labour Board was taken up before the imposition of the ban the work on these quarters is in progress. In view of the ban, no more quarters are being taken up for construction. The position will be reviewed after the ban is lifted.

[M/o Shipping & Transport (Transport Wing) O.M. No. M. 11018/5/74-LD dt. 20-11-1974]

### **Recommendation**

The Committee have come to the inevitable conclusion that the various organisations concerned have woefully failed in implementing the scheme and have brought about this sorry state of affairs which they deprecate.

[S. No. 9—Para 1.34 of Appendix V of the 117th Report (Fifth Lok Sabha)].

### **Action taken**

The main reasons for the slow progress in the construction of houses for the Dock Workers under the Housing Scheme for Dock Workers are the difficult financial position of the Dock Labour Boards, non-availability of suitable land near the Port area and the ceiling post fixed under the Scheme being less than the actual cost of construction. In the light of the difficult financial position, the Boards are not able to meet their own share of cost of construction according to the prescribed ceiling cost per unit as also the difference between the actual cost of construction and the ceiling cost.

2. The factors leading to the slow progress in the construction of houses under the Housing Scheme for Dock Workers have been dealt with in reply to S. Nos. 2, 3 and 4 (paras 1.27, 1.28 and 1.29) of the Summary of main conclusions/recommendations contained in Appendix V of the 117th Report of the Public Accounts Committee.

3. Moreover on 23rd January, 1974, the Government of India, Ministry of Finance have imposed a ban on construction of non-functional buildings (which include houses), which were not taken up for construction and which did not reach the plinth level, during the year 1974-75 as a measure of economy. As and when the ban is lifted, the construction of houses under the Scheme will be reviewed and efforts will then

be made to accelerate the progress in implementing the Scheme by removing the bottlenecks, as far as possible.

[M/o Shipping & Transport (Transport Wing) O.M. No. 11018/8/74-  
ID dt. 27-2-1975].

### Recommendation

The Committee take a serious view of the various lapses in disposing of the evacuee property situated at such a central commercial locality, viz., Connaught Place, New Delhi. The property was evaluated in November, 1957 as worth Rs. 5.5 lakhs. However, an attempt was made only in December 1960 to auction it, which was not successful. It was finally auctioned in March 1961 and it fetched Rs. 6.25 lakhs. Regrettably the property was not re-evaluated before this auction. The Committee desire that the responsibility for this lapse should be fixed. At the instance of the Committee, the Ministry have now reckoned that the value of the property at the time of auction would have been at least Rs. 7.95 lakhs. Thus it had been disposed of for a much lower price

[S. No. 10 (Para No. 2.23) of Appendix V to 117th Report (Fifth Lok Sabha)].

### Action taken

Evacuee property is disposed of under the provisions of Displaced Persons (Compensation & Rehabilitation) Act, 1954 and the Rules of 1955 made thereunder. Regarding saleable properties, neither the Act nor the Rules specify that they should be re-evaluated in case some time had elapsed since the earlier evaluation, before being disposed of. Executive instructions in this regard were issued on the 12th April, 1971, where position with regard to disposal of properties by auction was clarified. These instructions provided, *inter alia*, as under:—

“If the reserve price was fixed more than 5 years ago, it should be re-fixed for purposes of auction”.

The property was auctioned much earlier and the concerned officers had not re-evaluated the property in question. In the circumstances mentioned above, it has not been possible to fix responsibility in this regard.

2. In view, however, of the Committee's observation, this Department proposes to issue instructions that all properties should be evaluated re-evaluated within a period of three years preceding their disposal, including the criteria for evaluation. The issue of instructions is awaiting the clearance of the Ministry of Works and Housing to whom the matter has been referred.

3. The Department is also in consultation with—

- (a) the Ministry of Works and Housing regarding transfer of lands in and outside rehabilitation colonies in Delhi, and
- (b) the Ministry of Home Affairs (Delhi Admn.) regarding the transfer of evacuee lands within the urbanisable limits in Delhi and built up evacuee properties, plots etc.

When these arrangements are finalised, the question of further disposal of properties in Delhi by the Department of Rehabilitation would not arise.

[M/o Supply & Rehabilitation (Deptt. of Rehabilitation) O.M. No. 15 (3)/75-SS II, dt. 16-1-1975].

#### **Recommendation**

The concessional terms for payment of price by associating claims of displaced persons were extended to the non-claimants as per a Press note issued by the Government on 21st January, 1961 followed by detailed instruction issued by the Chief Settlement Commissioner on 9th February, 1961. Although copies of these were received in the office of the Regional Settlement Commissioner on 23rd January, and 9th February, 1961 respectively, the concessional terms for payment were not included in the auction notice in respect of this property published on 24th February, 1961, nor were these announced at the time of auction held on 16th March, 1961. The Committee are distressed that no explanation is forthcoming from the records for the failure to do so. The matter requires investigation as surely the concession could have attracted a better price.

[S. No. 11 Para 2.24 of Appendix V of the 117th Report (Fifth Lok Sabha)].

#### **Action taken**

Government regret that liberalised concessions were not adequately publicised in auction notice. From the available records, it is not possible to say whether liberalised terms were announced at the time auction took place. The Regional Settlement Commissioner and the Managing Officer responsible for the auction have since left service, the Regional Settlement Commissioner having retired in 1963 and the services of the Managing Officer having been terminated in 1961. In view of the provisions of Rule 351-A of the Civil Service Regulations, it is, therefore, not possible to proceed against these officers. Investigation is being made to



see whether responsibility for the lapse can be fixed on any officer still in service.

[M/o Supply & Rehabilitation (Deptt. of Rehabilitation) O.M. No. 15 (3)/75-SS II, dt. 16-1-1975].

### **Recommendation**

A letter of acceptance was issued on the 5th April, 1961 to the successful bidder (a non-claimant) to deposit the balance 90 per cent amount (after deducting the earnest money of 10 per cent paid by him at the time of auction) within 15 days. But before the expiry of this period another letter was issued to him on 15th April, 1961 *suo motu* by the Regional Settlement Commissioner, advising him that he could associate the compensation claims of other displaced persons for payment of the balance amount by adjustment against such claims. Strangely enough there is again no record available about the circumstances leading to the issue of this letter. Although the purchaser did not make payment within 15 days as stipulated no action was taken by the Regional Settlement Commissioner till 5th June, 1961 when he extended time-limit by 15 days. What is more he exceeded his authority and granted further extensions upto 16th August, 1961. The Committee take a serious view of this undue solicitude shown to the purchaser by this officer. The property was provisionally handed over to the purchaser in March, 1962 but there is no record to indicate whether any indemnity bond was taken from him as required in terms of the instructions issued by Government in 1956. The Committee are unhappy to note that the Delhi Development Authority were addressed by the Regional Settlement Commissioner in 1965 to issue a copy of lease-deed to the purchaser informing them that the property had been transferred to the purchaser permanently, although in fact it had been transferred only provisionally. The Committee feel that there is a *prima facie* case for an enquiry with a view to fixing responsibility for various acts of commissions and omissions even at this late stage.

[S. No. 12-Para No. 2.25 of Appendix V to 117th Report (Fifth Lok Sabha)].

### **Action taken**

It is regretted that the lapses commented upon by the Committee in this para should have occurred.

2. In view of the recommendation of the Committee, an Enquiry Officer has been nominated to investigate the matters further with a view to see whether responsibility can be fixed on any officer still in service.

3. Further taking note of the observations of the Committee, instructions have been issued on 4th September, 1974 to the Regional Settlement Commissioner, New Delhi to ensure strict compliance with the provisions of Rule 90 of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955 so as to avoid delays in finalisation of cases of sale by auction. The Regional Settlement Commissioner has also been asked to review all pending cases where extensions have been given as per Rules 90(11) and 90(12) of the Displaced Persons (Compensation and Rehabilitation) Rules, 1955 and take necessary action for expeditious finalisation of the same.

[Ministry of Supply & Rehabilitation (Deptt. of Rehabilitation) M.O.  
No. 15(3)/75-SSII, dated 16th January, 1975]

#### **Recommendation**

Another unsatisfactory feature of the case is the inordinate delay in adjustment of the claims associated by the purchaser. A claim to the extent of Rs. 11,047 was on verification found to be bogus as no money was available in the accounts for adjustment. Strangely enough no endorsement regarding the money already utilised by him is made on the document kept with the claimant. As against another claim for Rs. 60,657, adjustment of Rs. 43,645 only could be made and that too after 7 years. The shortfall was thereafter made good in cash. The delay in adjustment was admittedly due to lack of coordination between the Managing Officer (Sales Unit) and the Assistant Settlement Officer and the time taken in implementing a judicial order of the Deputy Chief Settlement Commissioner regarding the reconciliation of certain rent accounts of the claimant. It is surprising the judicial order was not available in the relevant files and it had to be ultimately produced by the claimant himself. This is indeed a sad commentary on the working of the organisation which needs to be looked into immediately.

[S. No. 13 (Para No. 2.26) of Appendix V to 117th Report (Fifth Lok Sabha)].

#### **Action taken**

The Department regret the number of delays and the lack of coordination noticed by the Committee.

2. In so far as the adjustment of Rs. 11,047 is concerned, instructions were issued in 1955 and 1958 that whenever any property was purchased by a claimant, the officer supervising the auction should make necessary entries in the copies of statement of accounts and intimate to the Regional Settlement Commissioner/Chief Settlement Commission so that similar action could be taken and copies maintained thereof. In this particular case, however, it has not been found possible to say whether the amount was utilised already, in the absence of the claim application form.

3. In so far as the adjustment of claim of Rs. 60,657 is concerned, an enquiry officer has been appointed to hold an enquiry and fix the responsibility for failure to take action on the verification of the claim of this part to decide whether the adjustment was possible and to what extent.

4. The Department has issued in September, 1974 instructions as follows to keep a watch on the working of the Settlement Wing:—

- (i) to ensure that adjustment of compensation against the purchase of properties is carried out expeditiously, a progress report has been prescribed for monthly submission regarding the statements of accounts adjusted against the price of the property purchased or other public dues. Further,
- (ii) to watch the progress of the timely implementation of the judicial orders, officers having judicial powers under the rehabilitation laws have been instructed to submit a monthly return to the Department of Rehabilitation. This return will be linked up with another monthly return which the Regional Settlement Commissioner has been asked to send with regard to the compliance of these judicial orders by the Processing/Managing Officers/Assistant Custodians.

[Ministry of Supply & Rehabilitation (Deptt. of Rehabilitation) O.M. No. 15(3)/75-SSII, dated 16th January, 1975].

#### Recommendation

In yet another case, claim of Rs. 1.43 lakhs has not so far been adjusted as the case has been *sub judice* since December, 1962 on a Writ Petition of claimant for enhancement of the claim. Surprisingly according to the register of the Department only a sum of Rs. 0.43 lakh was first found to be available against the claim, but the file found subsequently indicated the availability of the full amount of Rs. 1.43 lakhs. At the instance of the Committee the Department has now obtained the advice of the Ministry of Law that the adjustment of the amount towards the purchase of property in question may not be objectionable and that it is desirable to apply for formal permission of the court. It is unfortunate that it did not occur to the Department all these years to consult the Ministry of Law. The Committee would await the action taken in the matter as also in regard to execution of sale deed with the purchaser.

[S. No. 14 (Para No. 2.27) of Appendix V of the 117th Report (Fifth Lok Sabha)].

#### Action taken

As advised by the Ministry of Law, an application was moved before the Supreme Court seeking formal permission to carry out the adjustment

of Rs. 1.43 lakhs against the claim of Raja Rana Digvijay Chandra. This permission having been granted subject to the right of the parties in the appeal, the adjustment has been made subject to the same proviso.

The Committee, *vide* their recommendation, in para 2.29 of the Report, have desired that the Sale Certificate should not be issued to the purchaser till all the points mentioned in their recommendations are fully resolved. The Regional Settlement Commissioner (Central) has been instructed in April, 1974 accordingly.

[Ministry of Supply & Rehabilitation (Deptt. of Rehabilitation) O.M. No. 15(3)/75-SSII, dated 16th January, 1975].

### Recommendation

Incidentally the Committee find that there is no provision in the Displaced Persons (Compensation and Rehabilitation) Rules, 1955 for the recovery of interest for the delayed payment of purchase price although interest is payable for the delayed payment of compensation by Government. This lacuna in the rules should be remedied forthwith.

[Serial No. 15 (Para No. 2.28) of Appendix V to 117th Report (Fifth Lok Sabha)].

### Action taken

Where acquired evacuee property is transferred to a displaced person under the provisions of Chapter V of the Displaced Persons (Compensation & Rehabilitation) Rules, 1955, and the transferee chooses to pay the balance of the value of the property in instalments, interest is chargeable as provided in Rule 28 of the Displaced Persons (Compensation & Rehabilitation) Rules, 1955 (Chapter V). Similarly in the case of transfer of a Government built property to a displaced person under Chapter VI of the Displaced Persons (Compensation & Rehabilitation) Rules, 1955, interest is chargeable on the balance price as provided in Rule 28 *ibid*.

No interest is, however, payable on the delayed payment of compensation by Government to displaced persons.

2. The procedure for sale of Compensation Pool Properties by public auction as prescribed in Rule 90 of the Displaced Persons (Compensation & Rehabilitation) Rules, 1955, does not provide for levy of interest in the case of delayed payment of purchase price, and the remedy open to Government is to cancel the sale and forfeit the earnest money.

In view of the above observations of the Public Accounts Committee, it has been decided to make the necessary amendment to provide

for recovery of interest in case of delayed payment of purchase price in Rule 90 of the Displaced Persons (Compensation & Rehabilitation) Rules, 1955. The proposed amendment is being processed separately in consultation with the Ministry of Law and it will be submitted to the Committee when finalised.

[Ministry of Supply & Rehabilitation (Deptt. of Rehabilitation) O.M. No. 15(3)/75-SSII, dated 16th January, 1975].

#### **Recommendation**

The Committee recommend that the sale certificate should not be issued to the purchaser till all the points mentioned in the Committee's foregoing recommendations are fully resolved.

[Serial No. 16 (Para 2.29) of Appendix V to 117th Report) (Fifth Lok Sabha)].

#### **Action taken**

In accordance with the above recommendation of the Public Accounts Committee, instructions were issued to the Regional Settlement Commissioner (Central), Jamnagar House, New Delhi *vide* our letter No. 25(29)/C&P/69-SSI, dated the 24th/25th April, 1974 not to issue the sale certificate in favour of the auction purchaser of the property known as 'N' Block, Connaught Place, New Delhi, till further instructions from this Department. (A copy of the letter in question is sent herewith). The sale certificate will not be issued till the further directions of the Public Accounts Committee in the matter are received.

[Ministry of Rehabilitation & Supply (Deptt. of Rehabilitation) O.M. No. 25(29)/C&P/69-SSI, (2.29) dated 2nd November, 1974].

#### **Recommendation**

The Committee's examination of this case has convinced them that the practices and procedures followed by the Department are wholly unsatisfactory and that there is no inbuilt safeguard against such serious irregularities as have happened which cannot but be deplored.

[Sl. No. 17 (Para No. 2.30 of Appendix V to the 117th Report) (Fifth Lok Sabha)].

#### **Action taken**

The various procedural lapses pointed out by the Public Accounts Committee have been noted carefully by the Department and necessary steps have been taken to tighten up the procedure to ensure that such

irregularities do not occur. Action taken in this respect has been reported separately against each recommendation.

The Department would like to assure the Committee that specific care would be exercised to ensure efficiency and proper disposal of cases.

[Ministry of Supply & Rehabilitation (Deptt. of Rehabilitation) O.M. No. 25(29)/C&P/69-SSI (2.29) dated 2nd November, 1974].

## CHAPTER III

### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

#### Recommendation

According to the provisions of the Dock Labour Workers (Regulation of Employment) Schemes, the rate of welfare levy is to be determined by each Dock Labour Welfare Board. The Committee find that the quantum of welfare levy is not uniform in all the ports. It ranges from 5 per cent of the daily wages of the dock workers to 50 per cent. Further, it is not clear whether at the time of fixing this levy the liability of the Board to meet a part of the expenditure on housing of the workers was taken into account. In any case in view of the continued inability of the Labour Boards to meet the excess of expenditure over the assistance received, the desirability of raising the welfare levy suitably should be urgently considered. Further, as there is wide disparity in the levy some guidelines as to the minimum welfare measures to be provided by the Labour Boards appear called for.

[Sd. No. 8—(Para 1.35) of Appendix—V to the Public Accounts Committee's 117 Report (Fifth Lok Sabha).]

#### Action taken

On 13th May, 1974, the Dock Labour Boards were addressed to furnish information, *inter-alia*, on the following points:—

- (i) Present rate of welfare levy and date of its effect;
- (ii) Whether at the time of fixing the rate of welfare levy, the liability of the Board to meet a part of the expenditure on housing was taken into account;
- (iii) Whether the present rate of welfare levy can be suitably enhanced for accelerating the Housing programme and other welfare measures and also to keep uniform rates with other Dock Labour Boards.

2. The information received from the Boards in respect of points (i) and (ii) mentioned above are summarised in the Statement at Annexure. It may be observed therefrom that the rates of welfare levy vary from Board to Board.

3. As regards the suggestion for enhancing the rate of welfare levy the views received from the Dock Labour Boards are given below:—

- (i) *Visakhapatnam*.—The Visakhapatnam Dock Labour Board stated that as 102 houses out of 888 houses already constructed were lying vacant as on 29th August, 1974 for want of occupants, further construction of houses had been suspended. It is not, therefore, considered necessary to increase in the rate of Welfare levy.
- (ii) *Cochin*.—The Cochin Dock Labour Board, in their meeting held on 16th March, 1974, decided not to proceed with further housing construction beyond 42 houses, as the workers were not keen in staying in official quarters on rent but preferred to own their houses. In the circumstances, the Board is not in favour of increasing the rates of Welfare levy.
- (iii) *Madras*.—The Madras Dock Labour Board is of the view that the present levy is adequate to meet the housing programme and other welfare measures. Further, there were 126 quarters in Madras lying vacant, which were permitted to be allotted to ineligible workers and office staff till the eligible workers come forward to occupy them. Hence, the Madras Dock Labour Board may take up further construction of houses only after all the quarters already constructed are occupied by eligible workers.
- (iv) *Mormugao*.—The Mormugao Dock Labour Board have created a fund known as capital fund for construction of workers' quarters and office building and they have, therefore, no proposal to increase the Welfare levy at present.
- (v) *Bombay*.—The Bombay Dock Labour Board is meeting expenditure towards housing programme from General Levy and, obviously, expenditure on housing is taken into consideration while examining the adequacy of the rate of General Levy.
- (vi) *Calcutta*.—The Calcutta Dock Labour Board have stated that Welfare levy forms part of the total levy imposed by the Board for stevedoring operations and the same is borne entirely by the shipping trade. The total levy at Calcutta is already the highest in the country and this cannot be increased further without incurring risk of driving away the traffic from the port.
- (vii) *Kandla*.—The Kandla Dock Labour Board have stated that the Kandla Port is still in the developing stage and to the



end of traffic at the port has not yet stabilised. As such, any substantial increase in the rates of levies, which will have the effect of increasing cost of handling at the port, will affect the traffic adversely and the traffic may get diverted. It is, therefore, desirable to approach the question of increase in the rate of Levy cautiously keeping in view the trend of traffic from time to time.

4. It will be seen from above that none of the Dock Labour Boards is in favour of enhancing the rate of Welfare Levy.

5. Various Registered Dock Workers (Regulation of Employment) Schemes framed under the Dock Workers (Regulation of Employment) Act, 1948, provide that the cost of amenities, welfare and health measures and recreation facilities shall be met from a separate fund called the Dock Workers Welfare Fund and contributions to the Fund shall be made by all registered employers at such rate as may be determined by the Board. The rate of Welfare Levy, is, therefore, determined by each Board keeping in view several factors including strength of workers, employment opportunities available to them, volume of traffic and cost of administering the Scheme.

6. As such, it is considered that the welfare measures to be provided by each Dock Labour Board to their workers should be determined by them taking into consideration relevant factors.

[Ministry of Shipping & Transport (Transport Wing) O.M.  
No. 11018/3/74-I D, dated 2nd February, 1975].

**ANNEXURE**

*Statement showing the present rate of welfare levy of Dock Labour Boards and their views on enhancement of welfare levy*

Sl. No.	Name of the Board	Present rate of welfare levy & date of its effect.	Whether at the time of fixing the rate, the liability of the Board to meet part of expenditure on Housing was taken in to account.
1	2	3	4
1.	Madras Dock Labour Board.	45% of time-rate wages with effect from 1-11-1973.	Yes.
2.	Kandla Dock Labour Board.	16% on the normal time-rate wages of the worker from the Registered Employees, with effect from 1-1-1974.	No.
3.	Mormugao Dock Labour Board.	16% of the time rate wages, with effect from 1-2-1968.	No.
4.	Bombay Dock Labour Board.	17% of daily wage of Registered & casual workers, with effect from 1-4-1972.	The Board does not incur financial liability towards housing from the Welfare Fund Levy. The expenditure on housing is met from the General Levy.
5.	Cochin Dock Labour Board.	35% with effect from 1-4-1974.	Yes
6.	Visakhapatnam Dock Labour Board.	40% with effect from 1-12-1973.	Yes
7.	Calcutta Dock Labour Board.	(i) General Scheme—16% with effect from 11-6-70. (ii) Chipping & Painting Scheme—16% with effect from September, 1972. (iii) Dock Clerical & Supervisory Workers—16% with effect from 16-8-71.	Yes

## CHAPTER IV

### RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

#### Recommendation

Another factor which contributed to the slow progress was the unrealistic ceiling of cost of construction fixed under the Scheme. Although the ceiling was revised in 1967, it continued to be low, as is evident from the actual expenditure incurred by the Dock Labour Boards of Bombay, Calcutta and Madras. Although initially they were expected to bear 45 per cent of the expenditure, their contribution turned out to be 67 per cent in Bombay, 73 per cent in Calcutta and 79 per cent in Madras, the actual cost of construction having been so high. It was only in June, 1971, after a lapse of long 4 years, the Ministry of Works & Housing took up the question of further revision of the ceiling. Although in February 1973 it was revised for the Subsidised Housing Scheme for Industrial Workers the question of extending it to the housing scheme for Dock Workers, surprisingly still under examination. The Committee desire that there should be no further delay in the matter.

[S. No. 4—para 1.28 of Appendix V to the 117th Report (Fifth Lok Sabha).]

#### Action taken

The overall ceiling costs prescribed in the Housing Scheme for Dock Workers, which are effective from 1-4-1967, are as follows:—

Name of the City	Type of houses and prescribed ceiling cost	
	Multi-storeyed (small two roomed houses)	Double storeyed (small two-roomed houses)
	Rs.	Rs.
Bombay . . . . .	[8,450	7,100
Calcutta . . . . .	[8,450	7,100
Madras . . . . .	[6,750	6,200
Cochin . . . . .	[6,750	6,200
Visakhapatnam . . . . .	[6,750	5,500
Mormugao . . . . .	6,750	5,200

The overall ceiling cost is on the basis of the ceiling cost prescribed in the Subsidised Housing Scheme for Industrial Workers.

2. In February, 1973, the Ministry of Works & Housing revised the ceiling cost applicable to Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of Community, and the revised ceiling costs were made effective from 1-4-1972. A comparative statement indicating the floor area and the ceiling cost prescribed under the Subsidised Industrial Housing Scheme in respect of double multi-storeyed small two room houses, prior to 1-4-1972 and after 1-4-1972 is given below:—

S. No.	Name of Place	Type of accommodation	Ceiling cost prior to 1-4-1972	Ceiling cost from 1-4-1972
1.	Bombay and Calcutta	(i) Small two roomed double storeyed houses	Rs. 7,100 - 232 sq. ft.	Rs. 6,550 - Bombay Rs. 7,700 - Calcutta 188 sq. ft.
		(ii) Small two roomed Multistoreyed houses	Rs. 8,450 - 212 sq. ft.	Rs. 6,000 - 188 sq.ft.
2.	All other Places	(i) Small two roomed double storeyed houses	Rs. 5,100 - 232 sq. ft.	Rs. 5,350 - 188 sq. ft.
		(ii) Small two roomed multistoreyed houses	Rs. 6,750 - 212 sq. ft.	Rs. 6,050 - 188 sq. ft.

3. It will be observed from the above statement that the floor area of the houses has been reduced from 232 sq. ft. and 212 sq. ft. to 188 sq. ft. In two cases, namely, small two roomed double-storeyed houses in Bombay and small two-roomed multi-storeyed houses in places other than Bombay and Calcutta, the ceiling cost has also been reduced along with the reduction in the floor area. In the other cases, there is marginal increase in the prescribed ceiling cost. Thus, the adoption of revised ceiling costs of Integrated Subsidised Housing Scheme for Industrial Workers and Economically Weaker Sections of Community would mean (i) reduction in the floor area, (ii) decrease in ceiling cost in some cases and (iii) marginal increase in the ceiling cost in some cases.

4. So far the houses provided by the Dock Labour Boards are having more floor area than that prescribed under the Scheme. The Dock Labour Boards were consulted as to whether any reduction in the floor area would be acceptable to them and some of the Dock Labour Boards were not in favour of any reduction in the floor area, as it was likely create discontentment among the Dock Workers. It is, therefore, not possible to adopt the revised ceiling cost by reducing the floor area.

5. The whole question was considered and it has been decided that in view of the present financial stringency, the question of liberalising the financial assistance under the Housing Scheme for Dock Workers cannot be considered at present. There is also a ban on the construction of non-functional buildings. The matter will, therefore, be reviewed as and when the financial position eases.

\* \* \*

[M/o Shipping & Transport (Transport Wing) O.M. No. M-11018/  
9/74-LD., dated 22-1-1975].

### **Recommendation**

The Committee are concerned over the delay of about three years in procuring the material needed very urgently for construction of foodgrain godowns. The procedure followed for making risk purchase is obviously unsatisfactory. The Committee recall that in pursuance of an earlier recommendation the DGS&D had issued instructions in January, 1972 for the guidance of the Purchase Officers in the matter of risk purchases in order that supplies might materialise in time (p. 17 of 70th Report—5th Lok Sabha). The Committee would like Government to critically review the position and take further remedial measures as necessary, to ensure that risk purchases are completed expeditiously and goods made available in time to the indenting departments.

[S . No.24 (Parr 3.48) of Appendix V to 117th Report (5th Lok  
Sabha) ]

### **Action taken**

Instructions exist for making risk purchases as expeditiously as possible so that goods can be made available in time to the indenting Departments. A copy of the instructions issued in this regard on 12-1-1972 is enclosed. The matter has been reviewed and the earlier instructions have been reiterated for the guidance of the Purchase Officers *vide* Office Order No. 88 dated 16-4-1974 (copy enclosed).

\* \* \* \* \*

M/o Supply & Rehabilitation (Deptt. of Supply) O.M. No. P-111  
22(8)/74, dated 7-4-1975].

## CHAPTER V

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

#### Recommendation

The inability of the Dock Labour Boards to meet their share of expenditure due to their difficult financial position is the main reason for the slow progress. Originally the scheme provided for Central assistance upto 55 per cent (20 per cent subsidy and 35 per cent loan) of the actual cost of construction including cost of land subject to a ceiling fixed and the balance was to be met by the Dock Labour Boards. On the other hand from the very beginning the assistance under the Subsidised Housing Scheme for Industrial Workers has been cent per cent (50 per cent loan and 50 per cent subsidy). The Housing Minister's Conference held in June 1969 recommended a similar treatment for the Dock Workers' which was reiterated by the Central Wage Board for Port and Dock Workers in December, 1969. These recommendations were, however, not accepted by the Planning Commission and the Ministry of Works and Housing. It was only in June, 1971, it was after further consideration, to liberalise the assistance to provide for 50 per cent loan and 25 per cent subsidy of the actual cost of construction or the ceiling cost under subsidised Industrial Housing Scheme, whichever was less. This liberalisation did not improve the position inasmuch as during 1972-73 there was no addition to the houses constructed under the Scheme. The Committee have been informed that the question of further liberalising the pattern of assistance to the extent of 100 per cent i.e., 50 per cent loan and 50 per cent subsidy is under discussion with the Planning Commission in the context of the Fifth Plan proposals. The Committee very much desire that Government should come to an early decision in the matter.

[S. No. 3 (Para 1.28) of Appendix V to the 117th Report (Fifth Lok Sabha)].

#### Action taken

The matter regarding further liberalisation of the pattern of financial assistance for Dock Labour Housing was taken up with the Planning Commission in a meeting held on 15-11-1973 and after discussing various aspects including the implementation of the Housing Scheme for Dock

Workers, the Planning Commission suggested that further action could be taken along the following lines:—

- (i) Since the existing financial pattern of Dock Labour Housing was already at par with industrial housing (by the industrial employers) no further liberalisation at that stage was possible particularly in view of the resources position.
- (ii) The Dock Labour Boards may be advised to explore the possibility of getting their houses constructed through the agency of State Housing Boards wherever possible.
- (iii) Future housing scheme may be based on the standards recently approved by the Ministry of Works & Housing.
- (iv) Ministry of Labour may undertake the rationalisation of the present pattern of rents.
- (v) The scope of increasing rates of welfare and general levies or reserving a portion thereof for housing should be examined by the Ministry wherever there is scope for it.

2. The views of the Planning Commission were placed before the Dock Workers Advisory Committee, which is a tripartite body, at its meeting held at Bombay on 8th December, 1973 in order to ascertain the views of the representatives of the workers as well as employers. It was decided in the meeting to circulate a note to all the Dock Labour Boards highlighting the points suggested by the Planning Commission. Accordingly all the Dock Labour Boards were addressed in the matter and their views were invited. The views of the Dock Labour Boards are summarised as in Appendix.

3. In the meantime, on receipt of recommendations of the Public Accounts Committee, the proposal for liberalisations of pattern of financial assistance under the Housing Scheme at 50 per cent loan and 50 per cent subsidy of the cost of construction, or the prescribed ceiling cost, whichever is less, was placed again for consideration in the Conference of Ministers of Housing and Urban Development held at Madras on the 31st May, 1st and 2nd June, 1974.

4. This item was discussed in one of the Committees set up by the Conference and it was concluded that it was an inter-ministerial issue and the conference of Housing Ministers could not give any definite guidelines. It was also considered that the Ministry of Labour who were dealing with Dock Workers then should pursue this matter with the Ministry of Works and Housing again.

5. However, in view of the present financial constraints it has since been decided not to pursue the question of liberalisation of financial assistance admissible under the Scheme for the present.

6. Moreover, the Government of India, Ministry of Finance have imposed a ban on construction of non-functional buildings (which include houses) which were not taken up for construction or which did not reach the plinth level, during 1974-75, as a measure of economy.

7. As and when the ban is lifted and also after the financial position of the Government eases, the matter will be reviewed keeping in view the observations of the Public Accounts Committee.

[M/o. Shipping & Transport (Transport Wing) O.M. No. 11018/8/74-ID, dated 27-2-1975.]



## Summary of the views expressed by various Dock Labour Boards

S. No.	Name of the Board	Views of the Board										
1	2	3										
1	Madras Dock Labour Board	<p>(1) The Madras Dock Labour Board having an Engineering Unit functioning from March 1971 and this unit has been attending to the construction and maintenance of houses at the housing colony. The Board feels that entrusting the works to the Housing Board would not be economical as it would charge about 15% as centage charges in addition to the actual cost which will increase the cost of construction.</p> <p>(2) The Plinth area of the quarters constructed by the Board has been reduced as may be seen from the following :—</p> <table data-bbox="666 571 1153 755"> <thead> <tr> <th data-bbox="666 571 719 587">Batch</th> <th data-bbox="1030 571 1136 587">Plinth area</th> </tr> </thead> <tbody> <tr> <td data-bbox="712 610 726 626">I</td> <td data-bbox="1030 610 1136 626">370 Sq. ft.</td> </tr> <tr> <td data-bbox="712 649 726 665">II</td> <td data-bbox="1030 649 1153 665">383 Sq. ft.</td> </tr> <tr> <td data-bbox="689 688 783 704">III, IV, V,</td> <td data-bbox="1030 688 1136 704">383 Sq. ft.</td> </tr> <tr> <td data-bbox="712 727 726 743">VI</td> <td data-bbox="1030 727 1136 743">311 Sq. ft.</td> </tr> </tbody> </table> <p>The Board will make efforts to conform to the standards now prescribed for future construction.</p> <p>(3) The standard rent had been fixed for each quarters with reference to the actual cost of construction minus the subsidy allowed for each quarter under F. R. 45 (A).</p> <p>(4) The present rates of levy are already on high side and therefore there is no scope for any upward revision over the rates prevailing.</p>	Batch	Plinth area	I	370 Sq. ft.	II	383 Sq. ft.	III, IV, V,	383 Sq. ft.	VI	311 Sq. ft.
Batch	Plinth area											
I	370 Sq. ft.											
II	383 Sq. ft.											
III, IV, V,	383 Sq. ft.											
VI	311 Sq. ft.											

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**2 Kandla Dock Labour Board**

- (1) The soil at Kandla is of a peculiar nature. It is, therefore desirable to entrust the construction work to some experienced agency. Kandla port Trust has not only constructed houses of its own but also those for Customs Dept., Thermal Power House and Public Health Department at Kandla and has fully developed technical organisation to deal with the problems. The Board would however consult the State Housing Board in case it is prepared to construct the houses at a rate cheaper than Kandla Port Trust.
- (2) The members of the Board strongly opposed any reduction in the area of 212 Sq. ft. as originally fixed stating that this was the bare minimum accommodation necessary for a family unit.
- (3) The Board felt that the matter should be considered after the houses were constructed.
- (4) The Board agreed in principle to increase the welfare and General levies or reserving a portion thereof for constructing houses and desired that the proposals to this effect be brought before it whenever considered necessary.

**3 Visakhapatnam D. L. B.**

- (1) By entrusting the work to the State Housing Board the actual cost of construction is not likely to be reduced as the Housing Board also follows the same procedure for construction as followed by the Board. The Board has its own Engineering Section with qualified staff and therefore construction work through another agency will only result in additional overhead charges.
  - (2) The specifications adopted by this Dock Labour Board are only marginally liberal. For the construction of Low cost Houses, lesser accommodation has been provided to minimise the cost of construction. The Board has deferred further construction of houses due to poor response from the workers.
  - (3) The rate of rent has been fixed as per Government of India's decision.
  - (4) At present Welfare Levy is being collected at 40% of time-rate wages. Previously it was 50% which covered expenditure on welfare amenities including the construction of quarters for the workers and the maintenance thereof. As the Board does not propose to undertake further construction of quarters it is not necessary to enhance the welfare levy further.
-

4. Cochin Dock Labour Board.

The members of the Cochin Dock Labour Board felt that by and large the workers at Cochin have no interest in staying in rented houses and prefer to construct their own houses for which they are keen to have a loan or subsidy. The Board has decided in meeting not to proceed beyond 42 houses already on hand under various stages of construction.

The Board has already enhanced the welfare levy with effect from 1-4-74 from 25% to 35%. This increase in the welfare levy generally covers our requirement for welfare measures keeping in view of the Board's decision not to proceed with further housing construction beyond 42 houses.

5. Mormugao Dock Labour Board.

The Mormugao Board has a phased programme of providing about 240 houses to its workers of which the construction of 80 quarters is nearing completion. The construction of another 160 quarters will be taken up immediately after they get land from the Mormugao Port Trust with whom negotiation for allotment of land is going on. The main bottleneck for the slow progress of construction of quarters is the non-availability of land.

6. Calcutta Dock Labour Board.

The Calcutta Dock Labour Board has been able to procure 8 bighas of land for the construction of houses for Dock workers. The Board has mentioned that major hindrance the Board is subjected to in the matter of construction more quarters is its financial position and as such it will be extremely difficult for it to take up any further projects for construction of houses for its workers unless Government extends substantially more help than it is prepared to do at present. The Board has given the following suggestion for consideration:—

(a) Subsidy to be increased to 50% of the actual cost ;

(b) Loan to be granted for the balance amount of 50% ; at a nominal rate of interest ; and

(c) Subsidy and loan to be given on the basis of actual cost of construction and not the ceiling cost now fixed.

7. . bay Dock Labour Board.

1. The Board does not feel that it would be possible for the Housing Boards to construct houses at the ceiling cost prescribed for the purpose.
2. The Bombay Dock Labour Board adopted the specifications prescribed under the Housing Scheme for Dock Workers formulated by the Government. The reduction in the floor area would cause labour unrest.
3. It is true that the rent fixed for recovery from dock workers is the lowest. It is doubtful if the Board would be able to increase the same.
4. The Board has met the cost of construction from the general levy which is the lowest as compared with other Dock Labour Boards. The question of enhancement of either the welfare levy or the general levy to meet the finances for further housing project will now be difficult. The Board has suggested the following :—
  - (a) The ceiling cost is liberalised at a realistic levy in the light of the present cost of construction in a city like Bombay.
  - (b) Interests Free or on nominal interest loan to meet the Boards's share of expenditure granted to the Board.

### Recommendations

The Committee deeply regret that the manner in which 'INS SHAKTI', a serviceable fleet tanker of Indian Navy was disposed of in 1970 as scrap at a low price of Rs. 9.68 lakhs, was not at all business-like or in the interest of the State for the following reasons:

- (i) The ship was purchased for Rs. 48.81 lakhs in 1953. According to Navy Rules its book value, after allowing for 4 per cent depreciation, would have been Rs. 17.60 lakhs. It was, however, evaluated by a professional evaluator in 1968 as Rs. 14 lakhs for the purpose of disposal. This evaluation evidently was not done on the basis of the prevailing market value. At the instance of the Committee the Ministry of Defence have now reckoned that a new ship of this kind might have cost approximately Rs. 1.35 crores in 1968.
- (ii) Although the ship was declared in the surplus report as serviceable, it was not mentioned clearly in the tender notice.
- (iii) The highest quotation (Rs. 12.01 lakhs) of the tenderer who proposed to use the ship as an ocean going vessel and earn some foreign exchange for the country was ignored on the ground that it was not accompanied by earnest money.
- (iv) Although the existing instructions provide that in the case of purchases, security deposit may not be insisted upon at the discretion of the Secretary of the Department, there is no such provision for disposals. However, in this case the highest tenderer had offered to pay the earnest money within the stipulated period and yet it was not taken up with him.
- (v) Surprisingly the letter dated 9th February, 1970 from the highest tenderer again proposing to open an irrevocable letter of credit for the full sale value and earnest money/security deposit is stated to have not been received by the DGS&D. The lower offer was accepted on 9th March, 1970.
- (vi) Although the highest tenderer subsequently, represented twice within the validity period of his tender, he was not informed that his letter of 9th February, 1970 was not received and no conclusive enquiry was made to ascertain how the letter was lost.

The Committee deprecate the above lapses/irregularities which give every appearance of malpractice and call for thorough investigation of the matter for appropriate action. The action taken against those found responsible may be reported to the Committee. The Committee would also

suggest that Government should examine the procedures for disposals particularly with reference to valuation method of disposal and acceptance of offers, with a view to streamlining them in a manner that would safeguard better the financial interest of Government.

[S. No. 18 (para 3.28) and 19 (para 3.29) of the Appendix V to the 117th Report (5th Lok Sabha).]

### **Action Taken**

#### *(1) Determination of the Method of Disposal:*

Surplus Reports on receipt in DGS&D are examined by the Screening Board which decides about the method of disposal of the stores after taking into account the original purchase price/book value, expected market price after accounting, for depreciation etc., based on actual inspection, where considered necessary. To enable the above decision to be realistic and based on correct evaluation/assessment the Board has now been reconstituted under the chairmanship of the Additional Director General in charge of disposal work with senior level technical representation thereon not only from the Inspection Wing of DGS&D but also from the stockholding departments. When the inspection of a particular item is considered necessary, the Board will determine the composition of the INSPECTION TEAM depending on the nature and type of the stores involved.

#### *(2) Reserve Price—Fixation of:*

The question whether the stock-holder should indicate the reserve price in the surplus report in regard to specialised equipment has been considered. It was decided that the stockholder may indicate the reserve price if he so desires. If this is not done by the stock-holder, the exercise should be undertaken by the DGS&D prior to the opening of the tenders. Factors like demand and supply, the deficiencies, depreciation, remaining life of the equipment, current market prices etc. should be taken into consideration for fixing the reserve price. This would ensure against accepting the highest offer which may still be below the reasonable price the article is likely to fetch. Office Order No. 187 dated 19-11-1974 (copy attached) to this effect has been issued.

#### *(3) Guiding Price—Fixation of:*

Guiding Prices are invariably being fixed in cases of stores to be auctioned. It has been decided that the present practice to fix Guiding Prices on the basis of past realisations, where available, should continue. Where such data is not available, the practice is to fix G.P. at 20 per cent of the Book Value of the stores. To ensure that realisations in such cases do not fall below the scrap value of the stores, inspection where considered necessary will be undertaken for making a correct assessment

of the market value after taking into account the deficiencies/depreciation. It has also been decided that information in regard to realisation should be regularly received centrally by DGS&D and disseminated to various regions for taking account of it at the time of fixing the Guiding Prices.

*(4) The condition or serviceability of surplus stores:*

The question of indicating the condition of the surplus stores in the tender notices has been examined. In view of the likely repercussions of such action on the sales realisations of stores publicized as unserviceable, and the legal complications that may arise consequent upon publicizing the condition as serviceable, it is being examined in consultation with the Ministry of Law whether it would be feasible to limit such indication in cases of expensive/sophisticated stores where the stockholder had shown the condition as good/serviceable. The decision taken in this regard will be communicated in due course.

*(5) Acceptance or otherwise of offers received against tenders:*

There are cases where a tenderer may quote for more than one item, but may not deposit earnest money/security deposit in full on the total tendered value. Under the present procedure, such tenders are ignored even though quotations for certain items may be highest. It has been decided that tenders will be ignored only if the offer is a consolidated one and earnest money/security deposit is not provided fully to cover the total value of the offer. It has also been decided that if offers are made for individual items, best acceptable offers should invariably be chosen for acceptance provided earnest money/security deposit available, fully covers that item. Attractive offers acceptable but deficient in respect of earnest money/security deposit should not be rejected outright but put up to competent authority for considering relaxation. Office Order No. 187 (copy attached) incorporating those decisions has been issued.

(6) Various other measures have also been taken up in order to streamline the disposal procedure. These are included in the consolidated Office Order No. 187 dated 19-11-1974 (copy attached). Copies of Office Orders No. 115 dated 2-5-1974 and No. 27(C) and 27(B) dated 24-4-1974 and 20-5-1974 are also enclosed.

(7) The examination of the case from vigilance angle has been completed by this Department and Central Vigilance Commission's advice is awaited.

[M/o Supply and Rehabilitation (Deptt. of Supply) O.M. No. P.III-22(8)/74, dated 31-12-1974.]

### Recommendations

A bulk order for supply of 24 pre-fabricated steel tubular structures (1056 tonnes) was placed in August, 1968 on a small scale unit, for delivery within 4 months overlooking its limited capacity. The capacity report had indicated that the firm had a production capacity of only 25 to 30 tonnes per month per shift. It is distressing to find further that even when subsequently the National Small Industries Corporation while intimating that the firm was enlisted with them as small scale unit, stated that it had assumed that the DGS&D had verified its antecedents and capacity, the DGS&D did not wake up. Indeed, the DGS&D went on to bestow further favours and waived the recovery of the security deposit. The inevitable happened in a striking manner, for the firm failed to supply even a single structure and the order had to be cancelled in September, 1969. The DGS&D's faith in the firm was still not shaken and the risk purchase order was placed on the same firm in October, 1969. Again the capacity was not checked. This time, however, payment of security deposit was insisted upon and on the failure of the firm to comply, the order was cancelled.

[S. No. 20 (Para 3.44) of Appendix V to the 117th Report (Fifth Lok Sabha)].

A fresh tender enquiry was issued in April, 1970, and the structures were purchased from another firm at a cost which was higher than the original quotation of the defaulting firm by Rs. 16 lakhs. It has not so far been possible to recover the extra cost as the firm is not traceable. It is regrettable that the National Small Industries Corporation were not informed of the failure of the firm. The fact that demand notice for the recovery of the extra expenditure issued to the firm in March, 1972 was received back undelivered was intimated to the Corporation only in October, 1973.

[S. No. 21 (Para 3.45) of Appendix V to the 117th Report (Fifth Lok Sabha)].

It is abundantly clear from this bare narration of facts that the officials concerned with this case showed throughout incredible indifference to the public interest, and were grossly negligent. The Committee trust that they will be brought to book. In doing so severe action including penal recovery should be taken against those indulging in malpractices of any kind and the Committee informed of it. The Committee would also await the outcome of the efforts to recover the extra expenditure from the defaulting firm.

[S. No. 22 (Para 3.46) of Appendix V to the 117th Report (Fifth Lok Sabha)]



"The Committee are displeased that no one at the higher level in the Ministry appears to have felt any indignation over such conducts in one of the Ministry's important subordinate organisations, for action otherwise would have been taken as soon as the facts had been brought to their notice by the Audit. That this was not done is deplorable.

[S. No. 23 (para 3.47) of Appendix V to the 117th Report (Fifth Lok Sabha)]

#### **Action Taken**

The question of fixation of responsibility for the loss suffered by the Government has been examined and the Central Vigilance Commission consulted. On the basis of the advice given by the Central Vigilance Commission, disciplinary proceedings against the officials concerned have been initiated. The outcome of the disciplinary proceedings as well as the efforts made to recover the extra expenditure from the defaulting firm would be intimated to the Committee as early as possible.

[Ministry of Supply and Rehabilitation (Deptt of Supply) O.M. No. P.III-22(8)/74, dated 7th April 1975]

NEW DELHI;  
26th April, 1975.

JYOTIRMOY BOSU,  
*Chairman,*  
*Public Accounts Committee.*

## APPENDIX

### *Summary of main conclusions/Recommendations*

Sl. No.	Para No. of Report	Ministry/Department concerned	Conclusions/Recommendations
(1)	(2)	(3)	(4)
1.	1.4	Deptts. of Transport, Supply & Rehabilitation	1.4. The Committee hope that final replies in regard to recommendations/observations to which only interim replies have so far been furnished will be submitted to them expeditiously after getting them vetted by Audit.
2.	1.8	(1) M/o Shipping & Transport (Transport Wing) (2) M/o Works & Housing	The Committee desire that the Government should revise the ceiling for the cost of construction of houses for Dock Labour Realistically on the assumption that the floor area of the accommodation remains unchanged. This would make possible the taking in hand of the construction of houses, immediately the ban on the construction of non-functional buildings is lifted. The Government should be approached to lift this ban on low income group housing.
3.	1.11	—Do—	The Committee note that its recommendation would be brought to the notice of the High Level Committee which has been set up recently, composed of State Ministers with the Union Minister of State for Works and Housing as its Chairman. The decision of the High Level Committee may be intimated in due course.

4. I. 14 Deptt. of Rehabilitation Since the various lapses, omissions and commissions in the auction of evacuee property in Connaught Place, New Delhi are of a very serious nature, the Committee would like Government to examine forthwith the possibility of prosecuting the Regional Settlement Commissioner and the Managing Officer who were responsible for these lapses, since it is not possible to initiate proceedings against these two officers who are no longer in Government service; under the relevant disciplinary rules.
5. I. 15 —Do— The Committee also desire that before the proposed transfer of lands and built up evacuee properties to the Ministry of Works & Housing and Delhi Administration, a thorough probe should be conducted into the working of the Rehabilitation Department and the omissions, delays, lack of coordination, etc. within the Department should be fully resolved so as to ensure efficiency, honesty and proper and prompt disposal of cases.
6. I. 18 —Do— 1.18. The Committee note that an Enquiry Officer has been nominated to investigate the matters further with a view to seeing whether responsibility can be fixed on any officer still in service. The Committee desire that the proposed investigation should be completed expeditiously and the officials found responsible awarded appropriate punishment. The Committee would await a further report in this regard.
7. I. 21 —Do— The Committee find that there have been grave lapses in the entire process of disposal of this evacuee property. The Committee, therefore, desire that the property should be reauctioned through tender and sold to the highest bidder. The existing occupants of the property should also
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(1)	(2)	(3)	(4)
			be afforded an opportunity to participate in the auction. For this, Government should amend the law should they find it necessary.
8.	I. 24	Deptt. of Supply	The Committee note that in pursuance of their recommendation, the disposal of I.N.S. Shakti, a serviceable fleet tanker of the Indian Navy has been examined from the vigilance angle and that the advice of the Central Vigilance Commission was awaited. The Committee desire that these formalities should be completed without further delay and exemplary action taken against the officers found responsible.
9.	I. 27	—Do—	The Committee consider it essential that the existing procedures for making risk purchases should be critically reviewed with a view to seeing what further improvements can be effected. The Committee consider such a review necessary to prevent the recurrence of the delays which have come to notice in this case.

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