

**TWO HUNDRED AND FIFTH
REPORT**

**PUBLIC ACCOUNTS COMMITTEE
(1983-84)**

(SEVENTH LOK SABHA)

**CONSTRUCTION OF STAFF QUARTERS AT
PANKHA ROAD, NEW DELHI**

AND

**CONSTRUCTION OF STAFF QUARTERS AT
SALT LAKE, CALCUTTA**

**MINISTRY OF COMMUNICATIONS
(P & T BOARD)**

Presented in Lok Sabha on _____

Laid in Rajya Sabha on _____

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1984/Chaitra, 1906 (Saka)

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CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	
REPORT	
CHAPTERS— I. Construction of staff quarters at Pankha Road, New Delhi.	1
II. Construction of staff quarters at Salt Lake, Calcutta.	29
APPENDICES	
1. Copy of Ministry of Works and Housing (Lands Division) Government of India Letter No. J-13011/1/78-L.I dated 19th November, 1981 addressed to the Land and Development Officer, Nirman Bhawan, New Delhi.	39
2. Statement of Observations and Recommendations.	40

PART II *

Minutes of the sittings of the Public Accounts Committee held on :

- (i) 7 September, 1983 (AN)
- (ii) 8 September, 1983 (FN)
- (iii) 2 April, 1984 (AN)

*Not printed. One cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library.

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PUBLIC ACCOUNTS COMMITTEE
(1983-84)

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(iv)

SECRETARIAT

1. Shri T. R. Krishnamachari—*Joint Secretary*
2. Shri H. S. Kohli—*Chief Financial Committee Officer*
3. Shri R. C. Anand—*Senior Financial Committee Officer*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Two Hundred and Fifth Report of the Committee on Paragraphs 39 and 42 of the Report of the Comptroller and Auditor General of India for the year 1981-82, Union Government (Posts and Telegraphs) relating to construction of staff quarters at Pankha Road, New Delhi and construction of staff quarters at Salt Lake, Calcutta.

2. The Report of the Comptroller and Auditor General of India for the year 1981-82, Union Government (Posts and Telegraphs) was laid on the Table of the House on 26 April 1983.

3. In this Report, the Committee have expressed concern over the inordinate delay in the construction of P&T staff quarters at Pankha Road, New Delhi. To meet the acute shortage of staff quarters in Delhi, 606 quarters were to be constructed in two phases at Pankha Road, New Delhi—263 quarters in Phase I at a cost of Rs. 59.51 lakhs and 343 quarters in Phase II at a cost of Rs. 87.19 lakhs. The 263 quarters in Phase I (144 Type I and 119 Type II) were to be completed by February, 1978 and 343 quarters in Phase II (133 Type I and 210 Type II) by August, 1980. However, so slow was the progress in the construction of these quarters that by March 1982, when the construction contracts were rescinded, not a single quarter complete in all respects had been constructed. The delays in completion have ranged from over four and a half years to over six years. The escalation in cost due to delays is tentatively estimated at Rs. 112 lakhs and Government have also lost a considerable amount of potential revenue in the shape of licence fee from the prospective occupants, and still more importantly, the low paid departmental employees, for whom these quarters were to be constructed have not yet been able to avail themselves of the benefit of these quarters. From the facts of the case, the Committee have come to the conclusion that after awarding the contracts, the P&T Department had not made serious efforts to see that the quarters were constructed in time. The Committee have desired that all-out efforts should now be made by the P&T Department to complete the remaining quarters at the earliest so that the acute problem of shortage of staff quarters, which was felt even as far back as 1972 and 1973, is somewhat relieved.

4. Apart from the unconscionable delay in the construction of quarters, serious omissions and irregularities on the part of the dealing officials of the Department have come to light. These include payments to the contractor for works not executed, grant of secured advances in respect of the material not available at site and excessive issue of cement and steel to the contractor.

5. Apart from the above irregularities and malpractices, the report of the Director, Vigilance, P.M.G. Delhi Circle, has highlighted some serious deficiencies. According to one of these, the number of windows paid for as per last bill was 850 but on inspection only 89 windows were found fixed and 103

were found lying at the site of which 53 were incomplete. The Committee have come to the conclusion that there had been large scale misappropriation of materials with the active collusion of the Departmental officials.

6. The Committee have *inter-alia* recommended that the case should be referred to the CBI for detailed investigation, particularly in the matter of irregularities partaking of a criminal character and after the report of the CBI becomes available, the Department should proceed with instituting criminal proceedings against the delinquent officials.

7. A disturbing feature of the case to which the Committee have drawn attention is that although the CPWD Code provides for built-in checks and safeguards, the case might not have come to light but for a complaint received by the Central Vigilance Commission. This indicates that all the procedural checks and counter-checks come to naught when the officials act in collusion with unscrupulous outside parties. The Committee have desired the Ministry of Communications, in consultation with the Ministries of Works and Housing and Home Affairs, to examine the procedures to provide for effective safeguards against such malpractices.

8. The Public Accounts Committee (1983-84) examined these paragraphs at their sittings held on 7 September, 1983 (AN) and 8 September, 1983 (FN). The Committee considered and finalised this Report at their sitting held on 2 April, 1984. Minutes of these sittings form Part II* of the Reports.

9. A statement containing observations and recommendations of the Committee is appended to this Report (Appendix II). For facility of reference, these have been printed in thick type in the body of the Report.

10. The Committee place on record their appreciation of the assistance rendered to them in the examination of these paragraphs by the office of the Comptroller and Auditor General of India.

11. The Committee would also like to express their thanks to the officers of the Ministry of Communications (P&T Board) for the cooperation extended by them in giving information to the Committee.

NEW DELHI ;
April 10, 1984

Chaitra, 21, 1906(S)

SUNIL MAJTRA,
Chairman,
Public Accounts Committee.

REPORT

CHAPTER I

(I) CONSTRUCTION OF STAFF QUARTERS AT PANKHA ROAD

Audit Paragraph

1.1 To meet the growing demand and solve the acute shortage of staff quarters in New Delhi, the Director General Posts and Telegraphs (DGPT) conveyed administrative approval and expenditure sanction in July 1972 and February 1973 for purchase of land and construction of 144 Type I and 119 Type II quarters on plot No. 1 at Pankha Road in first phase and 133 Type I and 210 Type II quarters in the second phase at a total estimated cost of Rs. 118.60 lakhs and Rs. 81.19 lakhs respectively including overheads.

1.2 A test check of the accounts of the project by Audit (September 1981) disclosed the following:

Land—The General Manager, Telephones, Delhi paid Rs. 87.89 lakhs (Rs. 51.59 lakhs in March 1969 and Rs. 36.30 lakhs in March 1970) to the Delhi Development Authority for the purchase of 29.6 acres of land at Pankha Road and 15 acres of land at Malviya Nagar. A sum of Rs. 64.01 lakhs was adjusted for 21.72 acres of land made available at Pankha Road and the land for Shadipur telephone exchange and Pankha Road telephone exchange in July 1970 and March 1975 respectively. The remaining amount of Rs. 23.88 lakhs remained unadjusted (June 1982) as no land had been made available to the Department which is paying a dividend of Rs. 1.67 lakhs per annum to the General Revenues (at 7 per cent.) for an asset which is not in its possession.

Building work—The Executive Engineer P&T Civil Division-II, Delhi, accepted (February 1977) the tenders of Contractor 'A' for Rs. 28.29 lakhs for construction of 144 Type I quarters and Rs. 31.12 lakhs for 119 Type II quarters in Phase I. The tender of the same contractor was accepted (November 1978) for Rs. 87.19 lakhs for construction of 133 Type I and 210 Type II quarters in phase II. The works in Phase I and II were to be completed by February 1978 and August 1980 respectively. The Executive Engineer who assessed the position of the work in September 1981 mentioned in his report that the progress of work for the last 10 months was negligible and the contractor had obviously no intention to proceed with the work. The contract was eventually rescinded in March 1982 and re-measurements of the work done to settle the contractor's account showed that the Department had paid Rs. 3.20 lakhs for work not executed by the contractor.

Secured Advances—According to departmental rules secured advances are to be paid to the contractors on the recommendation of the officer-in-charge of the work on the security of the material brought to the site, but in disregard of

the rules secured advances to the tune of Rs. 0.75 lakh were granted in respect of material not available at site and the amount is yet to be recovered (October 1982).

Excessive issue of steel and cement—An examination of the steel and cement accounts had revealed that 28.164 Metric Tonnes (MT) of mild steel, 268.803 MT of tor steel and 448.58 MT of cement were issued to the contractor in excess of the actual requirement. The cost of the material issued in excess and recoverable at double the issue rates as per provisions of the agreement works out to Rs. 10.40 lakhs.

Loss of potential revenue—Non-completion of the construction of quarters planned in phase I and II by the stipulated period viz., February 1978 and August 1980 not only caused the Department potential loss of revenue of Rs. 4.61 lakhs in the shape of licence fee from prospective occupants up to September 1981 but also avoidable expenditure of Rs. 7.20 lakhs upto September 1981 on account of payment of house rent allowance to the staff.

1.3 Further the delay in the completion of the quarters had delayed the installation of the fans purchased at a cost of Rs. 1.08 lakhs resulting in blockage of capital.

1.4 *Summing up*—

The Department has not obtained possession of the land for which a sum of Rs. 23.88 lakhs was paid as early as March 1970;

a sum of Rs. 3.20 lakhs had been paid for work which had not been executed.

material worth Rs. 0.75 lakh for which the contractor had obtained secured advances was not available at site.

an amount of Rs. 10.40 lakhs due to excessive issue of cement and steel is still outstanding against the contractor; and

the delay in completion of the quarters resulted in loss of revenue on account of licence fee of Rs. 4.61 lakhs (upto September 1981). In addition the Department could have saved a sum of Rs. 7.20 lakhs (upto September 1981) on account of payment of house rent allowance to the staff.

1.5 The Department stated (September 1982) that they were seized of the problem regarding secured advances and excess issue of steel and cement and the matter was under investigation from the vigilance point of view.

[Para 39 of the Report of the Comptroller and Auditor General of India for the year 1981-82, Union Government (Posts and Telegraphs)]

1.6 The Committee desired to know the time schedules for the construction of (i) 144 type-I and 119 type-II quarters in the first phase and (ii) 133 type-I and 210 type-II quarters in the second phase, and the progress so far made in

their construction. The Ministry have furnished the following information in a statement:

Sl. No.	Component of works	Date of commencement as per agreement	Stipulated date of completion
(1)	Phase I : 147 Type I	23-2-77	22-2-78
(2)	Phase I : 119 Type II	23-2-77	22-2-78
(3)	Phase II : 133 Type I & 210 Type II	15-12-78	14-8-80
(ii) At the time of rescission of the original contracts, the progress made in each phase is as under :--			
	147 type I	(Phase I)	92%
	119 type II	(Phase I)	99%
	133 type I	(Phase II)	21%
	and		
	210 type II		

Of these, the 119 type II Qrs. have already been completed. For the others, the balance works are in progress.

1.7 During evidence, the Committee desired to know the reasons for non-completion of just 1% of work in case of 119 Type-II Quarters and 8% in case of 147 Type-I Quarters in Phase-I. The Chief Engineer, New Delhi, stated as follows:

“That was the time when this Asiad was in full swing in Delhi. He (contractor) has taken the work at a time when the Asiad was not thought of. Now at the peak of the works, the brick price which was Rs. 200 earlier shot up to Rs. 400 and this work was predominantly brick-oriented. So when the price of brick more than doubled, the contractor felt that he just cannot proceed.”

1.8 To a pointed question as to whether there was no clause in the contract that if the price went up the contractor could claim the increase, the Chief Engineer stated:

“In the old contract this clause did not exist. . . . That is why we were not able to help the contractor in any way. Under clause (C) any statutory increase can be paid to him but, unfortunately, the price of bricks is not a statutory increase. In fact cement and all these materials were selling at black market price at that time. Neither the labour was available nor the materials were available.”

1.9 The work in case of 147 Type-I quarters (phase I) being already complete to the extent of 92 percent, the Committee desired to know the efforts made by the Department to complete the rest of the work, viz., 8 percent. The Chief Engineer, New Delhi, stated that they had tried all possible means. The contractor was called two/three times to persuade him to complete the work.

1.10 The Committee desired to know the likely escalation in cost of construction of quarters on account of delay due to abandoning of the work by the contractor. In a written reply, the Ministry have stated:

“The actual extra cost of quarters on account of abandoning the work by the contractor will be known only after the work is completed in all respects by the new contractors. According to the work order issued to the new contractors for completion of balance work at the risk and cost of the original contractor M/s. B. K. Roy Chowdhary and Co., the extra expenditure is likely to be to the tune of Rs. 112 lakhs.”

1.11 Asked by what time the quarters in each phase—First and Second—are expected to be ready for allotment to employees, the Ministry have replied:—

“119 type II quarters under phase I have already been completed and allotted to the employees in November, 1981. 147 type I Quarters are likely to be made available in March, 1984. Quarters under Phase II (133 type I and 210 type-II) are likely to be made available for occupation in March, 1985.”

1.12 The Committee desired to know the checks exercised by the Department to ensure that the progress of work was according to schedule. They also desired to know why action was not immediately taken by the Department when they found that the work was behind schedule. In a written reply, the Ministry have stated :—

“The actual progress in the construction of these quarters was not as per schedule. This was mainly due to the delays on the part of the contractor.

The Engineer-in-Charge was frequently addressing the contractor to accelerate the progress of work. In spite of such letters, notices and site meetings in this regard, the progress continued to remain, far from satisfactory.

Though the contractors failed to manage the progress of construction, in a diligent manner, there were certain circumstances like the remoteness of the site, escalation in prices of materials, (especially of bricks) and increase in labour charges, which had affected the finances of the contractor. Taking all these factors in to account, the Engineer in-charge considered it better to persuade the contractor to complete as much work as possible, instead of going in for rescission, as soon as it became due. Due to this only, 119 type II quarters could be got more or less completed and 92% progress achieved in 147 type I quarters. However, the progress of Phase II continues to remain poor and after sufficient progress was achieved in the construction of Phase I quarters, so that the balance work could be completed without much difficulty, the contract for phase II quarters was rescinded. Otherwise, if rescission was resorted at an early stage, all the quarters, might have been left incomplete. Consequently no quarters could have been made available for allotment”.

1.13 In another note, the Ministry have furnished the following information regarding the expenditure so far incurred on quarters and the total expenditure estimated to be incurred :—

(Expenditure incurred upto 31-3-82)

Date of rescission of contract.

- | | |
|--|-----------------|
| (i) 147 type I in phase-I | Rs. 30.14 lakhs |
| (ii) 119 type I in phase-I | Rs. 31.66 lakhs |
| (iii) 133 type I 102 type II in phase-II | Rs. 33.55 lakhs |

(ii) The estimated total cost of Qrs. is given below work-wise.

- | | |
|---|------------------|
| (i) 147-I in phase I | Rs. 42.71 lakhs |
| (ii) 119-II in phase I | Rs. 32.00 lakhs |
| (iii) 133-I 210-II (Phase II) | Rs. 156.26 lakhs |

(iii) The escalation in cost is due to rise in Building Cost Index, in the interim period.

1.14 In reply to a question as to what action has been taken against the contractor for not completing the construction of quarters as per schedule, the Ministry of Communications have furnished the following information :

“Clause 2 of the agreement provides for compensation for delay in the work. As per the same clause in the event of the contractor failing to complete the work as per the time schedule, the contractor is liable to pay as compensation an amount equal to 1% of the estimated cost of the whole work for every day that the due quantity of work remains incomplete subject to maximum of 10% of the estimated cost of the work put to tender. In all the three contracts, a full 10% compensation has been levied on the contractor for not completing the work in time. The contractor has also been debarred for six months from taking any works in the P&T Department and a case for blacklisting the firm is also under process. Simultaneously action has been taken to get the work completed at the risk and cost of the original contractor under clause 3(c) of agreement, accordingly to which the department has awarded the balance of work at the risk and cost of M/s. B.K. Roy Choudhary to other contractors.”

In another note the Ministry have stated :

“Regarding completion of the work, it is intimated that the balance of work has since been awarded to new contractors at the risk and cost of the original contractor, i.e., M/s. B.K. Roy Chowdhary & Co. and the excess cost involved in completing the balance of work has also been referred to arbitrator as one of the counter claims of the Department.”

1.15 During evidence the Chief Engineer, New Delhi stated :

“The penalty would be quite heavy but as his finances had dried up he was prepared to face any consequence. I may also add he might also be thinking on the line as if the matter goes to arbitration he will put forward his case of the hike in brick prices and the Asiad being there.”

The Chief Engineer further stated :

“In this case he has submitted his claim to the arbitrator and the Department has submitted its counter-claim. The contractor has submitted his claim, the total is 28.52 lakhs. The department has submitted counter-claim for Rs. 148.46 lakhs. There are penalties of 29 lakhs. There is penalty for materials. That extra penalty is 4-1/2 lakhs. Escalation is 104 lakhs. So, 148.46 lakhs is counter-claim. 137.90 lakhs represent mostly the penalties. These are only penalties. If these penalties are excluded, what you are left with is 11 lakhs.”

1.16 In reply to a question whether any decision has been taken in regard to the black-listing of the contractor, the Ministry have stated :

“The name of the contractor has been removed from the registered list of contractors of the P&T Civil Wing under letter No.4(2) 74 A&C dated 20.9.1982. Copies of this letter have also been endorsed all departments/Ministries, for information and necessary action.”

II. Irregularities in Execution of Works

(i) Overpayments

1.17 The Committee desired to know the reasons for overpayment of Rs. 3.20 lakhs to the contractor for the work not executed and the action taken to recover the amount. In reply, the Ministry of Communications have stated:

“The overpayments have occurred mainly due to the following reasons :—

- (a) Irregular Authorisation of part rates higher than those justified on the basis of the part quantum of the items executed.
- (b) Incorrect/over measurements of the work actually executed.

2. When the above aspects came to light, a committee of two Executive Engineers was appointed to carry out detailed measurements of the entire work. The detailed report jointly signed by two Executive Engineers giving itemwise measurements and justified part rates against each item has revealed that there has been over payments to the extent mentioned below;

147 Type I quarters	Rs. 1,55,381.00
133 type I and 210 type II Quarters.	Rs. 1,60,775.00

Rs. 3,16,736.00

3. Regarding action taken to recover the overpayments it is stated that under the relevant clauses of the agreement the department can recover this amount in the following ways :

- (i) By requesting the contractor to deposit this excess payment for which Engineer-in-Charge made a formal request to the contractor in December, 1982 but there has been no response from the contractor.
 - (ii) By adjusting from the future bills if the contractor had continued with the work an amount became due to him. Since the contractor was not showing any progress on the work in spite of promises in every meeting, the department terminated the contracts of 147 type I and of 133 type I, 210 type II quarters during March, 1982 and efforts were made to invoke the Bank Guarantee, encash Re-investment certificates, Fixed Deposit receipt lying with the department as security deposits against the contractor of the above mentioned works. The department could encash Rs. 1.00 lakh against 147-type I quarters only as the contractor brought a stay order from Delhi High Court against Rs. 1.00 lakhs. (Rs. 76,000/- as reinvestment certificates and Rs. 24,000/- as F. D. R.) lying as Security deposit for 133 type I, 210 type II quarters. The Hon'ble Court restrained the department from encashing the said certificate and F. D. R. till the Arbitrator's award is published and made it a rule of the Court.
 - (iii) By invoking clause 29 of the agreement under which all Government departments were requested to withhold any amount due to the contractor. Most of the departments have replied that no amounts are due to the contractor M/s. B. K. Roy Chowdhary & Co., however Executive Engineer, P&T Civil Division No. III, New Delhi where he was a working contractor, stopped the payment of the contract. The Contractor again moved Delhi High Court and brought a stay order there by restraining the department from realising any amount from this contractor till such time the Arbitrator decides upon the case. In the mean time, the Executive Engineer could invoke cash another Bank Guarantee of Rs. 1.00 lakhs pertaining to 119 type II quarters at Pankha Road, New Delhi.
 - (iv) By invoking clause 25 of the agreement under which an Arbitrator is to settle the disputes between the department and the contractor to be appointed by the Chief Engineer. The Arbitrator has since been appointed in all the three contracts i.e. 147 type I, 119 type II and 133 type I & 210 type II quarters. The case is under process. As on today no hearing has taken place as the contractor has not submitted his statement of claims to the Arbitrator due to case being *sub-judice* in Delhi High Court. The counter claims submitted by the department cover this over payment of Rs. 3.20 lakhs as one of the counter-claims.
4. A vigilance case against the officers/officials responsible for the lapses which resulted in the over payments is under process by the vigilance wing of the Department."

1.18 As to the circumstances in which part rates higher than those justified on the basis of the part quantum of the items executed was authorised, the Ministry have stated in a note :

“The assessment of higher part rates has been done by the Executive Engineer. This is a lapse on his part.”

1.19 Pointing out that payment to the contractors on running account bills are made on the basis of work actually completed as recorded in the measurement books which are also test checked by senior officers, the Committee desired to know whether this practice was followed in the present case and if so, how the over-payments had occurred. In a written reply, the Ministry of Communications have stated :

“As per the existing procedures, payment to the contractors on running account bills are made on the basis of work actually completed as recorded in the measurement book. The measurements also need to be test checked by Assistant Engineer and Executive Engineer to the extent of 50% and 10% respectively. The A.E. is required to test check every running bill. Whereas the Executive Engineer is required to test check at least every alternative running bill. A perusal of the running bill vouchers, discloses the following position :

(a) 147 type I quarters :

A.E. Test check was made to the tune of 50% in all running bills.

E.E. Test check only in 12th running bill to the extent of Rs. 2.126 lakhs which comes to about 7.5% (overall).

(b) 119-type II quarters :

A.E. Test check was made to the extent of 50% in all running bills.

E.E. Test check not done in all running bills to the required extent but overall test check comes to Rs. 3.23 lakhs which is more than 10%.

(c) 133 type I & 210 type II quarters :

A.E. Test check to the extent of 50% in all running bills.

E.E. No test check at all.

2. Obviously the test check was actually not carried out by the A.E. in some of the running bills and the E.E. did not conduct the Test check as prescribed in the rules. As already stated a vigilance case is under process and meanwhile the concerned A.E. and 2 JEs have been placed under suspension.”

1.20 The Committee desired to know how measurements were recorded in respect of works not actually executed. In a written reply, the Ministry have stated :

“The whole case had already been investigated by the Vigilance Cell of the department and investigation report is under scrutiny by

them. The exact reasons can be known only after their scrutiny is over. The recording of measurements in respect of works not actually executed may be due to personal error/lapse/negligence on the part of the officials. The concerned Assistant Engineer along with two of the Junior Engineers already stand suspended since November, 1981."

In another note, the Ministry have conceded :

"This is a lapse on the part of the officials recording the measurements and the officers entrusted with test check of these measurements."

1.21 Asked what remedial measures were proposed to be taken to guard against the recurrence of such mistakes, the Ministry have replied :

"The existing instructions in this regard are quite adequate, if diligently followed."

(ii) *Secured advances*

1.22 According to Departmental rules, secured advances are to be paid to the contractor on the recommendation of the Officer-in-charge of the work on the security of the material brought to the site. However, according to Audit, in disregard of the rules, security advances to the tune of Rs. 75,000 were allowed to the contractor, in respect of material not available at site. In reply to one of the questions the Ministry have stated "it cannot be said that the secured advance was paid in respect of materials not brought to site. . Perhaps, the materials brought to site were subsequently removed". When asked to state categorically whether materials in respect of which secured advances were paid, were brought to site, the Ministry have stated :

"As per the available records the materials for which secured advances were made, were brought to the site."

1.23 In reply to another question as to what is the basis of the Ministry's statement "perhaps the materials brought to site were subsequently removed" the Ministry in their note have stated :

"On subsequent verifications of the materials for which secured advances were made, shortages were noticed."

1.24 In reply to a further question as to whether the Officer-in-charge of the work had recommended the grant of secured advance certifying that the materials were actually brought to site and if so, what action the Department had taken against the Officers responsible for making incorrect recommendations. In their reply, the Ministry have stated :

"The Officer-in-charge of the work had recommended the grant of secured advance after certifying that the materials were actually brought to site of work. As per the conditions stipulated in the indenture bond/agreement, it becomes the responsibility of the contractor to keep material under safe custody and in case they are sto-

len/destroyed/damaged the contractor has to replace the same with the materials of like quality. However, overall responsibility lies with the Engineer-in-charge of the work. It is also on record that the contractor was informed in August, 1981 in the work of 133 type-I and 210 type-II quarters by the Engineer-in-charge that certain quantity of materials on which secured advance had been given was not available at the site of the work. The recovery could not be effected as the contractor did not do any work after August 1981. The amount involved has also been referred to establish as one of the counter claims of the Department.

As regards action taken against the officers concerned, the Assistant Engineer along with two Junior Engineers stands suspended since 1981. The question of taking action against them will be decided as per the advice from the Vigilance cell of the Department in due course.

Preliminary investigation about the lapses, negligences on the part of officers/officials connected with the work had been conducted and the report is under scrutiny by the Vigilance Wing of the Department."

(iii) *Over-issue of cement and steel*

1.25 The Committee desired to know why cement and steel were issued to the contractor in excess of the actual requirement and who was responsible for the same. They also desired to know whether the responsibility therefor had since been fixed. In their reply, the Ministry have stated :-

"The quantity of cement and steel issued to the contractor along with the quantity consumed on work as per theoretical statement is given below against each contract.

Name of work	Materials	Qty. stipulated in the agreement	Qty. issued	Qty. as per theoretical statement
147-I	Cement	1330 MT	4550.20 MT	1430.70 MT
	Mild Steel	81.10 MT	48.590 MT	46.254 MT
	Tor steel	189.25 MT	219.117 MT	208.737 MT.
119-II	Cement	1230 MT	1539.35MT	1441.00 MT
	Mild steel	17.0 MT	44.516 MT	40.156 MT
	Tor Steel	151.0 MT	183.456 MT	178.067 MT
133-I	Cement	3511 MT	1331.38 MT	1100.65 MT
	Mild steel	197 MT	22.205 MT	0.717 MT
210-II	Tor Steel	591 MT	445.300 MT	192.266 MT

As per clause 42 of the agreement, a variation of 3% on cement and 10% on steel is permissible over and above the quantity worked out on the basis of the standard coefficients called theoretical consumption statement. According to this provision in the contract the quan-

ties of steel issued for the work of 147 type I and 119 type II quarters are in order whereas in the work of 133 type I, 210-II quarters, the quantities issued are less than quantities stipulated in the contract though more than the theoretical quantities that would have been consumed at the time of rescission of contract. On adding the quantity consumed and balance available at site, for all works together it has been found that there is a short fall in steel to the extent of 132.484 M.T. (R.T.S. 110-996 plus M.S. 21.488 M.T.). The cost of this steel is proposed to be recovered from the contractor through Arbitration and this has been made as one of the counter claims of the department. In case of cement, there is a huge variation between theoretical consumption and actual quantity issued even after allowing 3% variation. The cost of cement to be recovered from the contractor under clause 42 of the agreement has been referred to Arbitrator as one of the counter claims of the department.

As per the rules of the Govt. the materials are to be issued to the contractor depending upon the progress of work and actual requirement and extra care needs to be taken when the issued exceeds the theoretical requirements of work actually executed. In this case proper watch was not kept in issuing the materials to the contractor by the Assistant Engineer and Executive Engineer.

(b) The responsibility for issuing cement and steel to the contractor lies jointly on Junior Engineer, Assistant Engineer and Executive Engineer. The responsibility for the lapse will be fixed after the investigation report is scrutinised by the vigilance cell of the department."

1.26 To a question as to whether any certificate is issued by any officer that material issued was not in excess, the Ministry of Communications have, in one of their notes, replied as follows :

"As per the Codal provisions, materials are required to be issued in instalments, commensurate with the anticipated consumption, over a specified period. It is likely that due to circumstances beyond the control of the contractor/department, the materials issued are not consumed in full, as anticipated, in that period. In such a contingency, the balance materials, remaining unutilized at site, are checked and a certificate, indicating the quantities of these materials, is recorded in the recovery statements, attached, to the running accounts bills, by the Assistant Engineers."

1.27 In reply to another question as to what, according to the Ministry, is value of excess cement and steel issued to the contractor, the Ministry have stated in a note :—

"Value of excess cement and steel issued to the contractor is given below :—

	Cement	Ribbed for steel Reinforcement bars	Mild steel reinforce- ment bars
147-I Phase I . . .	0.43	0.23	0.04
119-II Phase I . . .	0.35	0.12	0.08
133-I 210-II (Ph.-II)	0.88	5.80	0.43

(The value are in lakhs in rupees)".

1.28 During evidence, the Committee desired to know whether at the time of making the final bill the Department came to know whether the material had been supplied in excess or not, the Chief Engineer stated :

“There is the Manual. We go according to the provisions given in the Manual. Every running bill has to show the total quantity of material issued, the quantity consumed and so on. This statement is attached there. Audit as well as Executive Engineer must look into it. If they find that the difference is large, then, immediate action is taken to recover amount, to check and to control.”

1.29 In reply to another question, the Chief Engineer stated :—

“According to the terms of the contract, when any departmental material is issued to the contractor, he is responsible for its safety, custody and in case any material is found short at any stage, the entire amount is either to be recovered from the contractor or he has to make good the loss. Therefore, when you find the material shortage, the issue is quite a separate matter. How exactly it became short? We know the total quantity issued to the contractor under the terms of contract. Then, we measure the actual work and see how much quantity of material should have been consumed. The difference between the two should have been available at the site. At the physical verification level only you come to know the shortage. This is actually called the shortage of material.

As far as the Executive Engineer is concerned he will not come to know unless the physical verification is made. When you prepare bill then you find out the total quantity of material issued to the contractor and the balance is estimated. So, at the time of preparation of bill only, it will be highlighted. Therefore, in this particular case, just because shortages were referred to, we should not straight-away say that the Executive Engineer is responsible. Therefore, the detailed investigation by the subsequent senior officers was conducted.”

In reply to a further question, he added:

“...the case is indefensible. Normally, the codal provision is that the quantity of cement and steel issued to the contractor should be to meet the immediate requirements. If you issue more than the requirement and do not verify as to what is the requirement, it is a serious lapse. In fact, we admit that.”

(iv) *Action taken against Delinquent officials*

1.30 The Committee were informed during evidence that the concerned Assistant Engineer and Junior Engineers in this case were suspended but the Executive Engineer was transferred, according to the principle of rotational transfer, from Delhi to Pune. In reply to a question as to why action against the Executive Engineer had not been taken along with the Assistant Engineer and Junior Engineer, the Secretary, Ministry of Communications, stated :—

“According to SC’s recommendations, the EE was responsible mainly for omissions but in the case of other two, it appeared that they were in direct collusion with others.”

The Chief Engineer added :—

“The cement and steel cannot be removed from the site without the connivance of Junior Engineer and Assistant Engineer. Any irregularity committed by the officers at this level is unpardonable and is of very serious nature. The Executive Engineer may or may not be in the know of things. The lock and the key are kept by the Junior Engineer. The interesting part was that in the cement register the total quantity received, the total quantity issued and the remaining balance all tallied. When a quantity of material is issued from the store, it should go to the site of works, if it does not go there, it means that it is going somewhere else. This cannot happen without direct connivance of the junior staff.”

1.31 The Committee referred to a written reply of the Ministry, wherein it had *inter-alia* been stated :

“The responsibility for issuing cement and steel to the contractor lies jointly on Junior Engineer, Assistant Engineer and Executive Engineer.....”

1.32 It had also been stated in the same reply that “as per the rules of the Government, the materials are to be issued to the contractor depending upon the progress of work and actual requirement and extra care needs to be taken when the issue exceeds the theoretical requirement of work actually executed. In this case proper watch was not kept in issuing the materials to the contractor by the Assistant Engineer and Executive Engineer.”

1.33 In view of the above, the Committee expressed surprise as to why the Ministry had not suspended the Executive Engineer who was as much responsible for the lapses as his subordinates. In reply, the Secretary, Ministry of Communications, stated :—

“The Department is not belittling the responsibility of the Executive Engineer. It is not that he has been absolved of the charges which are still to be drawn up. The only thing the Committee can say is since his subordinates [alongwith him were involved in this work, he should also have been placed under suspension alongwith the subordinates.”

1.34 The Committee pointed out that the Executive Engineer had been transferred when the investigations in the matter had already started. The Chief Engineer stated:

“But it was not exactly for this reason. He was transferred on 19-6-81 and the enquiry was in 1979 and 1980.”

1.35 In reply to a question as to who has the right to suspend the Executive Engineer, the Secretary, Ministry of Communications stated :

“The Secretary acting on behalf of the President of India on the note which is initiated by the Superintending Engineer who submits it to the Chief Engineer, the CE to the Member concerned who then would have submitted it to me.”

1.36 In reply to a question as to why the Superintending Engineer had not recommended any punishment for the serious lapse in which the Executive Engineer's responsibility was there, the Chief Engineer stated :

"He has recommended disciplinary action against the Executive Engineer and it is in progress."

The witness explained further :

"The first step for taking disciplinary action is to frame a charge-sheet. That is framed on the basis of an investigation report about which the D.G. (Vigilance) has explained. The detailed investigation report was received by him. He is having correspondence with the C.V.C. Under the existing procedure, after the report is received, a proper charge-sheet will be served on the Executive Engineer and others who are found to be involved."

1.37 When it was pointed out that the whole case had already been investigated by the Vigilance Cell of the Department and the investigation report was under scrutiny by them, the Secretary, Ministry of Communications stated :—

"... The Vigilance Cell has to complete its work after reference to the CVC and taking follow up action on the basis of the recommendations of CVC.... The entire procedure has not been completed."

1.38 In reply to a question as to when the enquiry was started and when was it completed, the Deputy Director General (Vigilance) stated :—

".... There were three investigations by different agencies. The first was done by the Vigilance Officer attached to the Superintending Engineer's Office. It was started sometime in November and the preliminary investigation was reported by the Superintending Engineer on 4-1-1980. Second enquiry was made on 14-1-80. We entrusted this job to the Superintending Surveyor of Works attached to the Chief Engineer's Office. He submitted his report on 12-6-1980. The third enquiry was done by the Director (Vigilance) of Delhi Circle and his report was sent on 9-12-1980."

The witness explained further :

"The preliminary enquiry revealed that there is some shortage of items missing. The second report revealed that 293 metric tonnes of cement and 244 metric tonnes of steel were missing... (After the third enquiry by the Director (Vigilance) of Delhi Circle) the case was referred to the CVC on 30-12-1982."

1.39 As regards the latest position and the outcome of the investigation made regarding secured advances and excess issue of steel and cement, the Ministry have stated in a note :

"The whole matter of lapses on the part of the officers/officials is reflected in the preliminary report which is under scrutiny by Vigilance Cell of the Department. The study may take some time."

1.40 The Report of the Director (Vigilance), Postmaster-General, Delhi Circle, dated 5-12-81 *inter-alia*, reads as follows :—

“Examination of the cement, steel issue registers, MBs and the running bills paid to the contractor (the last running paid is 12th paid on 10-10-80) showed the following :—

Cement actually supplied to the contractor	1250.00 m.t.
Cost recovered of	1100.00 m.t.
Balance (Over-paid)	150.00 m.t. i.e. Rs. 150x880
	Rs. 57000.00 approximately.
Steel actually issued to the contractor	448.401 m.t.
Utilized and paid for	165.000
Reported lying at site	140.000

Balance (Shortage)	143.401 m.t.

These figures are not based on the actuals verification as it was not possible to weight the steel/lying at the site. In this connection however, the statement prepared by the A.E., Shri Raj Kumar and sent to the EE on 13-10-1981 is enclosed, according to which the shortage of steel comes to 112.669 m.t. valued at Rs. 5,65,000/- in terms of market rate and Rs. 2,58,000/- in terms of agreement rate (Annexure I) (not enclosed).

The work is standstill for the last ten months and it appears that the contractor has no intention to execute this work.

It may be pointed out that the last abstract in the M.E. has not been signed by the J.E. in token of having measured the work, while it has been signed by the A.E., Shri Yadav and also by the Ex. Engineer, Shri A.K. Gupta, in token of having approval the measurements and bills passed for payment.

As it was not possible to take up verification of all the items, few selected items such as steel chowkhats, windows etc. were taken up for checking. The result of the check so carried out revealed as under :

Steel Chowkhats

It is seen from the M.Bs that 338.85 quintals of steel for about 2075 chowkhats has actually been paid for, while on inspection only 212 chowkhats amounting to 33.92 quintal of steel were found to have been fixed to the different quarters and 575 amounting to 92 quintals of steel were found lying at the site. Total 787 steel chowkhats amounting to 125.92 quintals of steel have actually been provided as against 2075 chowkhats paid for as mentioned above. Thus in this case the

excess payment works out for 1288 chowkhats amounting to 112.93 quintals of steel involve huge overpayment.

In this connection Annexure *II may kindly be seen according to which over payment on account of steel chowkhats comes to Rs. 49,054/- as per cost calculated by the AE.

Windows

In respect of Windows, the quantity paid for as per M.R. i.e. last bills is 850 and actually on inspection only 89 were found fixed and 103 were found lying at the site of which also 53 which were incomplete. The over payment in respect of this item comes to 658 Windows amounting to 484.90 sq. metres. The perusal of Annexure*III will show the over payment on account of windows as calculated by A.E. comes to Rs. 37,024/-.

The present A.E., Shri Raj Kumar Jain also informed Shri Bindal, the then Ex. Engineer vide his letter No AEE/III/II 3269 dated 20-8-81 that the total shortage of chowkhats and Windows in term of money is Rs. 86,078/-. The relevant M.B. indicating this payment shows that steel chowkhat and Windows were provided but not fixed and therefore, a part amount was paid. It has also been noticed that the cement has been used in excess of theoretical consumption and no corresponding recovery from the contractor even on the normal rates has been made.

Brick Work

Though the brick work could not be checked thoroughly due to paucity of time and it being of technical nature, it is seen, on actual verification, of the construction work that a number of inner walls have not been completed upto lintal level for which they have been paid. The overpaid brick work, as reported by the A.E. to the KEN vide former's letter dated 26-9-81 comes to 443.02 c.m. amounting approximately to Rs. 20,000/- *(Annexure IV).

G. I. Pipes

As per agreement G.I. Pipes were to be supplied by the Department but they were shown as brought by the contractor and secured advance was allowed to him against these pipes. It is not worthy that nothing on record was shown during enquiry about the non-availability of these pipes in the Central Store of the Civil Wing. The Government supply rate of these pipes is Rs. 6.25 whereas this was shown purchased from the contractor at the rate of Rs. 9/- per metre. It is still surprising that the stock of these pipes at the site was found to be NIL, which is clear from Annexure* V. It is also not humanly possible to bring such huge quantity on site and to take it away without the knowledge of the supervising officers at the site.

It will also be seen that heavy amount approximately Rs. 55,000/- is due for secured in Phase-II for which on materials were found at site. (*Annexure VI).

* Not enclosed

During examination of the correspondence between the A.E. and the E.E., it was found that the A.E., Shri S.S. Sethi, who was incharge of the work, has put forth the plea that shortage of cement at the site with the contractor was due to the fact that he had to use the cement for making water tank, cement godowns and also for laying central line and making Burjis etc. Similarly in respect of steel issued excess to the contractor, the AE has stated that the steel was lying at the site and there was no shortage at the time of handling over the charge to the new Shri R.K.S Yadav. The plea put forth by the former A.E. who is responsible for issue of excess cement and steel to the contract is quite flimsy. It cannot be believed that such a huge quantity of cement about 300 m.t. costing approximately Rs. 1,14,000 in the work of Rs. 87.1 lakhs was required in preparation of water tanks, cement godowns and burjis etc. In fact, there had been no cement godown constructed for the purpose and the cement was stored in the godowns constructed for Phase I. In this case the possibility of pilfering the cement and steel by the contractor during the transportation between the source of issue of this material and site cannot be over ruled.

The over-payment to the contractor has also been made by excess measuring the work, as can be seen from Annexure VI (not inclosed).

The contractor in his letter dated 10-10-80 addressed to Executive Engineer, has categorically admitted the shortage of the above material at the site and he has also requested the E.E. to recover the amount of the same, as per terms of the agreement. It is evident from this letter that there was a considerable shortage of the material at the site of which the amount was paid to the contractor.

This in this case even though it cannot be proved directly that the contractor pilfered cement and steel from the site and sold in the open market in collusion with the departmental officials, the huge over-payments and over issue of material to contractor without valid reasons therefor indicates the ill not on the part of the officials and it can safely be said that the truth is those allegations.

There is also an allegation about sub-standard material in the construction work. For want of technical knowledge it could be ascertained whether the quality of the material used in the construction of these quarters was sub-standard; but the confidential enquiries made at the site and based on laymen's inspection of the cement mortar and the wood used showed that these materials may be of sub-standard quality than provided for in the agreement. However in regard to these allegations only technical examination will bring out the truth or otherwise.

The examination of the relevant files on the subject, in the office of the Executive Engineer, P&T Civil Dn. II New Delhi showed that the E.E. Shri B.K. Bindal, had written to Shri M.S. Jain, S.E. that Shri Bindal had taken up the matter for making enquiries into the overpayment made to the contractor in these works. The S.E. turned deaf ears to the repeated requests of Shri Bindal for allowing him

to complete the enquiry in the case. On the other hand, as a result of this it appears that Shri Bindal was transferred after small spell of 45 days after working as S.E. It is quite revealing that the confidential file which was reported as misplaced by Shri A.K. Gupta, the then E.E. was also traced out only after Shri Bindal was transferred from the post of Executive Engineer. Though there is no direct evidence in regard to the involvement of the Superintending Engineer. In this case, as alleged in the complaint, the action of the S.E. in keeping silence over the reports of Shri Bindal an immediate transfer of Shri Bindal from the post of E.E. smells some doubt. From the correspondence in the file on the subject it appears that the then E.E. Shri A.K. Gupta, and S.E. Shri M.S. Jain were quite aware of the overpayment and other irregularities in this case, but no action seems to have been taken to recover the over-payment.

It is understood that the Chief Engineer has already ordered re-measurement of work of Phase-I and Phase II, which is in progress and clear cut picture will come out only after it is completed and compared with the work already paid.

This case depicts gross negligence and serious lapses on the part of the officials of Civil Wing namely the E.E., A.E. J.E.s while the J.E.s. are primarily responsible for excess measurements of work, the A.E. is responsible for allowing over-payments to the contractor. The Executive Engineer is also responsible for passing the bills of the contractor without any proper cheks. As over all incharge of the works, he was also supposed to visit the site from to time and check the quality and quantity of work paid for.

This case is fit for reporting to the C.B.I. whose Investigation may bring to notice many more irregularities of criminal nature on the part of these officials."

III. Purchase of land for construction of quarters

1.41 The Committee desired to know the reasons for delay in allotment of land by the DDA. They also desired to know the latest position in the matter. In a written reply, the Ministry of Communications stated :

"There have been a number of meetings with the D.D.A. for allotment of land against the money deposited by the Department and on all such occasions, assurances were given by the D.D.A. authorities regarding allotment of land. In one of the meetings held on 27-6-73, the D.D.A. agreed to allot 20 acres of land at Paschimpur and 10 plus 7.8 acres of land at Shalimar Garden. Unfortunately in spite of specific commitments made by the D.D.A. the land had not been allotted so far. In the last meeting held on 23-12-82 the D.D.A. authorities informed the Delhi Telephones that the case of allotment for 17.5 acres of land at Paschimpuri and 17.8 acres of land at Shalimar Bagh is being put up to the internal allotment committee of the D.D.A."

1.42 In reply to a question as to how Rs. 87.39 lakhs paid to D.D.A. in 1969-70 for purchasing 44.6 acres of land had been adjusted, the Additional General Manager, Telecommunication stated :

“We have taken 21.7 acres of land at Pankha Road at a cost of Rs. 37.87 lakhs, two acres at Shadipur for telephone exchange for Rs. 19.36 lakhs and two acres of land at Pankha Road for telephone exchange for Rs. 6.77 lakhs. We have thus adjusted 64 lakhs against the payment of Rs. 87.89 lakhs.”

1.43 In reply to a further question as to whether the Ministry would get 44.6 acres of land against the money already paid, the Secretary, Ministry of Communications stated :

“May or may not. It depends on the prevailing price. Of course, the deposit was made at the price indicated by them at that time.”

1.44 The representative of the Ministry of Works and Housing explained as follows :

“Originally, in 1969-70, the P&T asked for 29.6 acres of land at Pankha Road and 15 acres of land at Malviya Nagar. The money asked by the DDA was deposited by them at that time. We identified 29.6 acres of land at Pankha Road and 15 acres of land in Malviya Nagar in 1970. Out of 29.6 acres at Pankha Road, 21.72 acres were available and were given to the P&T. Unfortunately, for the remaining 7.88 acres, the DDA had some difficulties. The land was under authorised occupation of members of scheduled castes and they could not be removed. Similarly, in Malviya Nagar, DDA got into trouble because of some ownership disputes. The DDA did try to identify alternative land. The DDA offered alternative land, 20 acres at Paschimpuri, 10 acres at Shalimar Bagh. The P&T thought about it and ultimately, in 1975 they said ‘no’ to this land. Again the DDA tried to find some more land. In between there were other demands from the P&T. Two acres of land was given to them at Pankha Road and another two acres at Shadipur. The total amount for all this came to Rs. 63 lakhs, this was adjusted and that left Rs. 23.88 lakhs with us. This amount has almost been adjusted against other pending requirements of P&T, like 1200 sq. metres of land at Laxmi Nagar, telegraphs office at Nehru Place, Delhi Telegraph Office at Krishan Nagar, expansion of the existing telephone facilities at Shahdara etc. This would cover 22 lakhs approx. We are of course, still trying to find out alternative land.”

DDA gives land to the P&T on ‘no profit no loss’ basis.

In reply to a question, the witness added :

“About the 7.9 acres land at Pankha Road, I may inform the Committee that the land is still encroached. The Government is now considering regularisation of it with the existing unauthorised occupants... about the land at Malviya Nagar also 15 acres of land which was allotted to P&T, it is reported that there are some ownership disputes.”

1.45 Referring to the 15 acres of land in Malviya Nagar which was originally envisaged to be allotted to the P&T Department, the Committee pointed out that this land was required for the construction of quarters for low paid employees of the P&T Department to enable them to attend to their work without spending much money and time on conveyance. The Committee enquired why it was not possible for the DDA to allot some alternative land in Malviya Nagar or its vicinity. The representative of the DDA stated in evidence :

“In every residential centre, the land are provided to different uses. So much will be used for residential purposes, so much for commercial and so much for other purposes. So adjustment for various requirements has to be made according to that only.”

1.46 The Committee pointed out that money was deposited in 1969-70 and some land was allotted in 1970 and some land in 1975. The Committee desired to know whether both these lands were allotted at the same cost. The witness stated :

“The value of land is charged at the time of allotment and it is fixed on the basis of ‘no profit no loss’ basis.”

He further stated :

“For the land allotted in 1975, 1975 prices were charged. It was always the current prices.”

1.47 In reply to a question as to how they arrived at ‘no profit no loss’ price, the witness stated :

“The cost of acquisition is taken in a broad manner. It is not taken for a particular piece of land. Of course, what is paid for an acquisition, that is taken in the cost.”

1.48 The witness explained further that “the current price is the cost of acquisition plus the developmental charges.”

When enquired whether any departmental charges at the rate of 11-15% were added to the ‘no profit no loss’ price which in fact was a pre-determined price the witness stated that he would have to check it up.

1.49 In reply to a question as to what is the existing formula for pricing of land allotted to Government Department and whether it included any extra element, in addition to DDA’s cost (i.e. cost of acquisition of land, its development and administrative expenses), the Ministry have stated as follows :

“Institutional land is allotted to the Government Departments, like P&T, generally on no-profit-no loss basis on rates fixed by Finance Department, Delhi Administration/Government of India, Ministry of Works & Housing from time to time. The rates fixed under

Ministry of Works & Housing letter dated 19-11-1981 were valid upto 31-3-1983 but have since been extended upto March, 1985 (Appendix I).

1.50 The Committee pointed out that DDA being a commercial organisation, purchased land at throw-away price and then sold it at exorbitant prices to those who could purchase it. Rs. 87.89 lakhs deposited by P&T Department might have been invested or kept in a bank and interest earned thereon. If so, the Committee enquired why the DDA did not pay interest on the unadjusted deposit of the P&T—amounting to Rs. 23.88 lakhs—lying with the DDA, particularly when they were charging current prices. The representative of the DDA stated :

“This money is being used for Revolving Fund and other purposes.”

1.51 In reply to a question, the Secretary, Ministry of Communications stated :

“It was said in our internal meeting that if we had wanted our money back, i.e. money against which land had not been allotted, they would have given it back to us but they will not, according to their standing procedure, pay us interest.”

1.52 The Ministry of Communications (P&T Board) have in a note stated :

“Regarding the payment of interest on the outstanding balance lying with D.D.A., it is stated that the matter was taken up by the G.M.T. New Delhi with the DDA Shri K.L. Bhatia, Commissioner (Land) D.D.A. *vide* his D.O. Letter No. F. 2 (188) 69-LSB (I) dated 11-9-78, however, informed the Ministry of Works and Housing under intimation to this Department that no interest, on the advance payment made towards the cost of the land, is payable to any department.”

1.53 The Committee enquired whether it was a fact that the DDA was paying interest to individuals who were depositing money with them and if so, why no interest was paid by the DDA to Government departments. In reply, the representative of DDA stated :

“If we issue an allotment letter to the private individuals, the interest starts after the due date for payment. But from the Government departments, we don't charge interest. We give them more time. They inspect the land and consider its suitability etc. We offered land to P&T Department in Paschimpuri and other places. They have taken three years.”

1.54 In a note furnished to the Committee, the Ministry of Communications had stated that out of the outstanding balance of Rs. 23.88 lakhs lying with the DDA, an amount of Rs. 11.77 lakhs was expected to be adjusted against the land offered by the DDA at Laxmi Nagar, Shahdara and Azadpur. The Committee enquired whether the aforesaid amount of Rs. 11.77 lakhs

on the above account had since been adjusted. In a written reply, the Ministry of Works & Housing stated :

“The actual amount to be adjusted is Rs. 10.62 lakhs and not Rs. 11.77 lakhs towards cost of land allotted to P&T Department at Laxmi Nagar, Shahdara and Azadpur. This along with a sum of Rs. 12 lakhs on account of cost of 2 acres of land at Shahdara site is being adjusted against the P&T amount lying with the DDA.”

1.55 In reply to a question as to when the balance amount was expected to be adjusted, it has been stated that the DDA expected that the process adjustment would be completed shortly.

1.56 The Committee desired to know whether 17.5 acres of land at Paschimpuri and 17.8 acres of land at Shalimar Bagh had since been allotted to the P&T Department. In a written reply, the Ministry of Works & Housing have stated :

“DDA has reported to have since utilised the lands in question. Fresh proposals for the allotment of land to the P&T Department are under consideration of the DDA.”

1.57 The Committee are concerned over the inordinate delay in the construction of P & T staff quarters at Pankha Road, New Delhi. To meet the acute shortage of staff quarters in Delhi, 606 quarters were to be constructed in two phases at Pankha Road, New Delhi—263 quarters in Phase I at a cost of Rs. 59.41 lakhs and 343 quarters in Phase II at a cost of Rs. 87.19 lakhs. The 263 quarters in Phase I (144 Type I and 119 Type II) were to be completed by February, 1978 and 343 quarters in Phase II (133 Type I and 210 Type II) by August, 1980. However, so slow was the progress in the construction of these quarters that by March, 1982, when the construction contracts were rescinded, not a single quarter complete in all respects had been constructed. The Committee note that while 119 Type II quarters in Phase I have since been completed, i.e., after over four years from the scheduled date of completion, the remaining quarters of Phase I 144 Type I quarters, which, according to the original schedule, should have been completed by February, 1978, are now expected to be completed by March, 1984. The picture regarding the construction of 343 quarters of Phase II is equally depressing. These quarters were scheduled to be completed by August, 1980. But, by March, 1982, i.e., more than 18 months after the scheduled date of completion, only 21 per cent of work in respect of these quarters had been done. These quarters are now expected to be completed by March, 1985. The escalation in cost due to delay in completion is tentatively estimated at Rs. 112 lakhs and Government have also lost a considerable amount of potential revenue in the shape of licence fee from the prospective occupants, and still more importantly, the low paid departmental employees, for whom these quarters were to be constructed have not yet been able to avail themselves of the benefit of these quarters. It is evident to the Committee from the facts of the case that after awarding the contracts, the P&T Department had not made serious efforts to see that the quarters were constructed in time. A more distressing aspect is the inability of the Department to get even small construction works done in reasonable periods. In March, 1982, only 8 per cent of the work in respect

of 144 type I quarters of Phase I remained to be done and it took two years to get this completed. The Committee desire that all-out efforts should now be made by the P&T Department to complete the remaining quarters at the earliest so that the acute problem of shortage of staff quarters, which was felt even as far back as 1972 and 1973, is somewhat relieved. The Committee would like the Department to fix responsibility for the inordinate delay in the completion of quarters, particularly 144 type I quarters after the rescission of the contract when only 8% of the work remained to be done.

1.58. Apart from the unconscionable delay in the construction of quarters, serious omissions and irregularities on the part of the dealing officials of the department have come to light. These are set forth in the succeeding paragraphs.

1.59 Re-measurements of the work done by a Committee of two Engineers showed that the Department had paid Rs. 3.20 lakhs for work not executed by the contractor. According to the Ministry the overpayments had occurred mainly due to the following reasons:--

- (a) Irregular authorisation of part rates higher than those justified on the basis of the part quantum of the items executed.
- (b) Incorrect/over-measurements of the work actually executed.

According to a note furnished by the Ministry, "the assessment of higher part rates has been done by the Executive Engineer" which is a "lapse on his part". As to over-measurements, the ministry have stated that "this is a lapse on the part of the officials recording the measurements (Junior Engineers) and the officers entrusted with test check of these measurements (Assistant Engineer and Executive Engineer)". An idea of the dereliction of duty on the part of the higher officials can be had from the fact that while the Assistant Engineer had test-checked about half the running bills as against all the running bills which he was required to test check under the prescribed procedure, the Executive Engineer had not test-checked a single running bill in respect of Phase II and had test-checked only a few bills in respect of phase I, though under the prescribed procedure he was required to test-check every alternative running bill.

1.60 According to Departmental rules, secured advances may be paid to contractors on the recommendations of the officer-in-charge of the work on the security of the material brought to the site. However, secured advances to the tune of Rs. 75,000 were granted to the contractor in respect of material not available at site. One of the items against which secured advances were given was G. I. Pipes. As per the Department's agreement with the contractor, G. I. pipes were to be supplied by the Department but they were shown as brought by the contractor and secured advance was allowed to him against these pipes. According to the report of the Director, Vigilance, P. M. G., Delhi Circle, "It is noteworthy that nothing on record was shown during enquiry about the non-availability of these pipes in the Central store of the Civil Wing. The Government supply rate of these pipes is Rs. 6.25 whereas this was shown as purchased from the contractor at the rate of Rs. 9/- per

meter. It is still surprising that the stock of these pipes at the site was found to be NIL..... It is not humanly possible to bring such huge quantity on site and to take it away without the knowledge of the supervising officers at the site."

1.61 An examination of the steel and cement accounts revealed that 28.164 Metric Tonnes (MT) of mild steel, 268.803 MT of tor steel and 448.58 MT of cement were issued to the contractor in excess of the actual requirement. The cost of the material issued in excise and recoverable at double the issue rates as per provisions of the agreement works out to Rs. 10.40 lakhs.

1.62 The Committee observe that as per Government's rules, the materials are to be issued to the contractor depending upon the progress of the work and actual requirement and extra care has to be taken by the issuing officer to see that the quantities issued do not exceed the theoretical requirement which is arrived at by allowing an extra of 3 per cent on cement and 10 per cent on steel over and above the quantity worked out on the basis of standard co-efficients. In a note furnished to the Committee, the Ministry have admitted that "in this case proper watch was not kept in issuing the materials to the contractor by the Assistant Engineer and Executive Engineer.". In evidence, the Chief Engineer, Delhi Circle, conceded that "it was a serious lapse" on the part of the officials responsible for the issue of the materials and that this case was "indefensible". The Committee note that according to the report of the Director, Vigilance, P.M.G., Delhi Circle, the possibility of over-issued quantities of cement and steel having been sold by the contractor in the black market, in collusion with the Departmental officials, cannot be ruled out. According to the Chief Engineer, Delhi Circle, "the cement and steel cannot be removed from the site without the connivance of Junior Engineer and Assistant Engineer..... The lock and the key are kept by the Junior Engineer. The interesting part was that in the cement register, the total quantity received, the total quantity issued and the remaining balance all tallied. When a quantity of material is issued from the store, it should go to the site of works. If it does not go there, it means that it is going somewhere else. This cannot happen without the connivance of the junior staff."

1.63 Apart from the above irregularities and malpractices, the report of the Director, Vigilance, P.M.G. Delhi circle highlights some other serious deficiencies, two of which are mentioned below:

- (i) 338.85 quintals of steel for about 2075 chowkhats was paid for, while on inspection only 212 chowkhats (door/Window frames were) found to have been fixed to the different quarters and 575 chowkhats were found lying at the site. Thus, 787 steel chowkhats had been actually provided for as against 2075 chowkhats paid for.
- (ii) The number of windows paid for as per last bill was 850 but on inspection only 89 windows were found fixed and 103 were found lying at the site of which 53 were incomplete.

Evidently, there has been large scale misappropriation of materials with the active collusion of the Departmental officials.

1.64 As to the action taken against the officials responsible for the irregularities and malpractices, the Committee observe that a vigilance case is under process and in the meanwhile, the concerned Assistant Engineer and two Junior Engineers stand suspended since November, 1981. On 30-12-1982, the Deputy Director General (Vigilance) had forwarded his report to the Central Vigilance Commission for their advice. The Committee enquired during evidence why the Executive Engineer had also not been placed under suspension along with the Assistant Engineer and the Junior Engineers. They were informed that according to the findings of the Superintending Engineer, the Executive Engineer was responsible only for "omissions but in the case of the other two-Junior Engineers and Assistant Engineer, it appeared that they were in direct collusion with the contractor". The Committee see no force in this explanation. In their opinion, a supervisory officer who fails to exercise the prescribed checks and allows, by his negligence or otherwise, his subordinates to indulge in malpractices has to be dealt with severely. The Committee find from the report of the Director Vigilance, PMG Delhi Circle, that "according to the correspondence in the file on the subject, it appeared that the Executive Engineer was aware of the over-payments and other irregularities in this case but had taken no action to recover the overpayments. According to this report, the case depicted "gross negligence and serious lapses" on the part of the officials of the Civil wing including the Executive Engineer. As the Committee observe, it was he who had irregularly authorised part rates higher than those justified on the basis of the quantum of the items executed. He was also responsible for passing the bills of the contractor without any proper check. As overall incharge of the works he was supposed to visit the site from time to time and check the quality and quantity of works paid for but he totally failed in his duties

As per instructions contained in the CPWD Manual Vol. II (Para 14, Sec. 27), he was required to test-check the stock of cement in the cement godown every fortnight. However, he had checked the cement stock at site only twice during two years. The Committee feel that stern action is called for in this case against all the delinquent officials (including the Executive Engineer) so that it acts as a deterrent to others. With this end in view, the Committee desire that—

- (i) the P&T Department should approach the Central Vigilance Commission with a request for a very early advice so that disciplinary proceedings against the delinquent officials, which have already been too much delayed, are started without any further loss of time;
- (ii) the case should be referred to the CBI for detailed investigation, particularly in the matter of irregularities partaking of a criminal character;
- (iii) after the report of the CBI becomes available, the Department should proceed with instituting criminal proceedings against the delinquent officials;and

(iv) it should also be examined as to how far the Superintending Engineer was responsible for the lapses revealed in this case. The Committee observe from the report of the Director Vigilance, PMG, Delhi Circle, that he was quite aware of the overpayments made to the contractor and other irregularities alleged to have been committed in this case, but he did not seem to have taken any action to direct the Executive Engineer to recover the overpayments. Further, when after the transfer of the Executive Engineer in question, the new Executive Engineer wrote to him that he had taken up the matter for making enquiries into the overpayments made to the contractor, he is reported to have "turned a deaf ear to the repeated requests of the new Executive Engineer for allowing him to complete the enquiries". On the other hand, the new Executive Engineer was transferred after a short spell of 45 days. Significantly, the confidential file on the subject which was reported as misplaced by the Executive Engineer in question was traced out after the transfer of the new Executive Engineer. It may be examined whether this was done with the knowledge of the Superintending Engineer.

1.65 A disturbing feature of the case is that although the CPWD Code provides for built-in checks and safe-guards, the case might not have come to light but for a complaint received by the Central Vigilance Commission. This indicates that all the procedural checks and counterchecks come to naught when the officials act in collusion with unscrupulous outside parties. The Committee would like the Ministry of Communications, in consultation with the Ministries of Works and Housing and Home Affairs, to examine the procedures to provide for effective safeguards against such malpractices.

1.66 As to the action taken against the contractor, the Committee have been informed that the name of the contractor has been removed from the registered list of contractors of the P&T Civil Wing under a letter dated 20-9-1982. Copies of this letter have been endorsed to all the Departments/Ministries for information and necessary action. The Committee suggest that on the basis of the findings of the CBI, the question of launching criminal prosecution against the contractor should be considered. The Committee would also like the Ministries/Departments to ensure that no contract is awarded to the contractor in question.

1.67 As to the claims of the Department against the contractor, the Committee have been informed that under Clause 2 of the agreement, in the event of the contractor failing to complete the work as per the time schedule, the contractor is liable to pay as compensation an amount equal to one per cent of the estimated cost of the whole work for every day that the due quantity of work remains incomplete, subject to a maximum of 10 per cent of the estimated cost of the work put to tender. Likewise, the cost of the material issued to the contractor in excess of his requirement is recoverable at double the issue rates. Taking these into account as also an

escalation of Rs. 104 lakhs, the Department had submitted an aggregate claim of Rs. 148.46 lakhs against the contractor to the Arbitrator. As against this, the contractor has submitted a counter claim of Rs. 28.52 lakhs against the Department. The Committee trust that every effort will be made by the Department to see that the arbitration proceedings are expedited. They would like to be informed of the outcome of the arbitration proceedings.

1.68 There are also allegations of sub-standard materials having been used in the construction work. According to the report of the Director Vigilance, P.M.G., Delhi Circle, "based on layman's inspection of the cement mortar and the wood used showed that these materials may be sub-standard". The Committee would like a technical examination to be made as to how far the materials used were sub-standard and, based on its results, not only take appropriate measures to strengthen the structure to the requisite standard but also prefer a claim on the contractor on this account. The Committee would also like the Ministry to fix responsibility as to how the contractor was allowed to use sub-standard materials.

1.69 The Committee are not happy over the manner in which the Delhi Development Authority (DDA) had acted in this case. The General Manager, Telephones, Delhi had paid Rs. 87.89 lakhs to the DDA for the purchase of 29.6 acres of land at Pankha Road and 15 acres of land at Malaviya Nagar. 21.72 acres of land was allotted to the Department at Pankha Road (remaining land could not be allotted due to the land being under unauthorised occupation), but no land was allotted in Malaviya Nagar. When asked in evidence why alternative land in Malaviya Nagar or its vicinity was not allotted to the P&T Department, the reply of the representative of the DDA was that "in every residential centres, the land is provided for different uses. So, adjustment has to be made within the area earmarked for that use." The Committee are not convinced by this reply. As they observe, the DDA had already committed to allot the land to the Telephone Department in Malaviya Nagar and the Department had already paid money on this account. Therefore, the DDA should have made an alternative allotment to the Department in Malaviya Nagar itself or in its vicinity, inter alia bearing in mind that the Telephone Department was public utility department rendering an essential service. However, the DDA did not do this and, instead, in 1973 offered alternative lands to the Department miles away 20 acres at Paschimpuri and 10+7.8 acres at Shalimar Garden. But here too, the DDA failed to keep its commitments and now, after a lapse of 10 years, the Committee have been informed that the lands proposed to be allotted at Paschimpuri and Shalimar Garden have since been "utilised" by the DDA for some other purpose and fresh proposals for allotment of land to the P&T Department are under consideration of the DDA. The Committee feel that the DDA should have honoured its commitments, particularly to a public utility department like the Telephone Department. The Committee desire that the DDA should now, without any further delay, allot land to the Telephone Department for which a balance of Rs. 23.88 lakhs remains unadjusted with them since March, 1970.

1.70. Another aspect to which the Committee would like to draw attention is that a large balance of Telephone Department—nearly Rs. 24 lakhs—has been lying with the DDA since 1969. This amount was deposited with the DDA when the price of land was very low. As the DDA is now allotting institutional land at much higher rates, the Committee feel that the DDA should, in all fairness, pay interest to the Department on this unadjusted balance. They also feel that the DDA should pay interest in all such cases. The Committee would like to be informed of the decision taken by the DDA in the matter.

CHAPTER II

CONSTRUCTION OF STAFF QUARTERS AT SALT LAKE, CALCUTTA

Audit Paragraph

2.1 The Director General, Posts and Telegraphs (DGPT) sanctioned an estimate (January 1973) for construction of 564 staff quarters (264 Type I, 276 Type II and 24 Type III) at Salt Lake, Calcutta at an estimated cost of Rs. 166.27 lakhs excluding the cost of land (Rs. 70.10 lakhs) which had been sanctioned in November 1970.

2.2 Land measuring 22.72 acres was acquired (May 1973) at a cost of Rs. 68.75 lakhs on lease basis from the Government of West Bengal. The construction work could not be commenced due to imposition of ban (August 1973) on the construction of non-functional buildings. The ban for Type I and II quarters was lifted in July 1975 and for Type III in July 1977, in view of the low availability of staff quarters and the urgent need to provide them.

2.3 The revised preliminary estimate was prepared in April 1976 and was sanctioned in April 1977 for Rs. 248.56 lakhs (Building Rs. 230.59 lakhs and Electrical installations Rs. 17.97 lakhs) to be completed within 26 months.

2.4 The Department took 42 months (June 1976—December 1979) to complete the Type I and Type II quarters as detailed below, and did not construct the 24 Type III quarters at all.

Name of work	Month of issue of work order	Stipulated month of completion	Actual month of completion	Delay	Amount of compensation levied on contractor for delay on his part
1	2	3	4	5	6
Pile foundation	June 1976	December 1976	July 1977	7 months	Rs. 100
Pile foundation for Type II quarters	June 1976	January 1977	December 1977	11 months	Rs. 100
Superstructure for Type I quarters	August 1977	January 1979	August 1979	7 months	Nil
Superstructure for Type II quarters	October 1977	February 1979	September 1979	7 months	Rs. 100
Overhead tank of 75,000 gallons capacity	October 1978	March 1979	March 1980	13 months	Rs. 768 (Functionally completed in November 1979 and fully completed in March 1980).

2.5 Although the due date of completion of Type I and II quarters was January 1979/February 1979, application for supply of electricity was made to the West Bengal State Electricity Board (WBSEB) only in February 1978 and the service connection charges of Rs. 8.09 lakhs were deposited in December 1978. Detailed plans were supplied to WBSEB in June 1978 and land for construction of sub-station was made available only in January 1979. Power supply was given by the WBSEB in December 1979 including service connections to the water supply pumps which had already been installed by October 1979. There was thus delay of 11 to 10 months in providing power supply to the quarters. For service connection to individual quarters, the respective allottees were required to apply to WBSEB direct.

2.6 The number of quarters allocable to various heads of circles in Calcutta were finalised only in February 1980 and allotment to respective staff was completed in June 1980 for Type I and in October 1981 for Type II quarters, despite the fact that all the Type I and II quarters were ready for allotment in December 1979.

2.7 The quarters remained unoccupied for periods ranging from 1 to 22 months mainly due to lack of co-ordination and proper planning in the Department, despite the urgent need to provide quarters to staff which prompted construction in 1975. The delay in occupation of quarters not only caused loss of revenue to the Department, to the extent of Rs. 1.40 lakhs on account of non-recovery of licence fee but also necessitated avoidable expenditure on payment of house rent allowance to the extent of Rs. 2.03 lakhs.

2.8 The actual expenditure on the whole project including overheads upto March 1980 alone was Rs. 291.61 lakhs against the sanctioned amount of Rs. 248.56 lakhs although Type III quarters were not constructed at all.

2.9 Service charges were recovered from the allottees on ad hoc basis at the rate of 1 per cent of their basic pay which worked out to Rs. 2.25 and Rs. 3.80 per month on the basis of average pay, whereas from the same category of employees and for the same Type of quarters, it was being recovered at the rate of Rs. 11.65 and Rs. 14.05 per month respectively in an adjoining locality of Ultandanga in Calcutta. Neither the rationale behind fixation of service charges at the rate of 1 per cent of basic pay of allottees nor actual amount payable to the civic authorities towards the service charges was furnished by the Department and as such amount of short recovery on this account could not be worked out.

2.10 The Department stated (March 1982) that the quarters could not be allotted just after completion as there was no power supply and finally quarters had to be allotted to the staff from March 1980 onwards without power connection due to non-availability of power meters and service charges were recovered on ad hoc basis.

[Paragraph 42 of the Report of the Comptroller and Auditor General of India for the year 1981-82 Union Government (Posts and Telegraphs)]

I. Delay in construction of quarters

2.11 The Committee desired to know the reasons for delay in the construction of quarters. The Chief Engineer (Civil), Calcutta stated in evidence:

“As far as the delay is concerned, a major deviation from the time stipulation so far as the time of completion is concerned is in regard to piles. The primary reason was the under-stipulation of time; the time stipulated in the contract was not the optimum; it was much less. This

project was sanctioned. in 1973. Immediately after its sanction, the ban on construction came. For two years, we could not take up the construction work; it was in suspended animation... We thought we will give the highest percentage of satisfaction in type I and II. Perhaps because of our enthusiasm, with good intentions, an approximate target of 26 months was put forward and the building items like piles, super-structure all the sub-components were divided and six months was prescribed for the piles, which is an under-estimation..."

In reply to a question, the witness stated :

"For type I, the stipulated time in the contract was six months. We actually took 13 months. But the norm on the basis of statistical analysis is 14 months... We have not yet got the approval for the norms. We are going to standardise it on an all India basis... This was the first occasion when P & T undertook Piling. We found that quite consistent with the engineering contract six months was an under-estimation. For type II quarters for the nature of work they have done, the stipulated time was six months, but the actual time was 17 months. According to the norms it should be 18 months. These are normal norms...."

2.12 The Committee pointed out that according to the Audit paragraph, the delay in case of three works was by seven months, in another case by 11 months and still in another case by 13 months. They desired to know the reasons for charging only a meagre amount from contractor, *viz.*, Rs. 100 in three cases, Rs. 768 in another case and no compensation in one case. The Chief Engineer (Civil), Calcutta explained :—

"The penalty clause under this contract is an exclusive clause. The contract is tampered for two reasons—the liability of the contractor to pay compensation and secondly, there are hindrances. For instance there are unavoidable hindrances. It is recorded in clause 5 of the contract that the contractor should ask for extension of time without compensation. When an extension of time case was put up and analysed, the hindrances came to light. For instance, in these cases we started in the middle of the monsoon and at that particular point of time there was cement shortage. Even within the normal norm of one year, all these hindrances are accounted for and ultimately it was felt that this is not a case which justified penalty at all. When we start penalising the contractor, it would be perhaps subject to legal questions later on. We have taken equity into consideration, the principle of natural justice into consideration and extension of time has been granted after studying all these hindrances."

2.13 In reply to a question as to what were the reasons for non-construction of 24 type-III quarters and the level at which the decision not to construct these quarters was taken, the Ministry have given the following information :

- (i) Due to ban on construction of Type III quarters from August, 1973 to June, 1977, type III quarters could not be constructed. By the time the ban for type III quarters was lifted, the pile driving work for type I and II quarters was already completed. It was, therefore, proposed that type III quarters may be taken up for construction under phase II.
- (ii) The decision not to construct type III quarters in phase I was taken by the Chief Engineer (Civil), Calcutta."

II. Delay in Finalisation of Estimates

2.14 The Committee desired to know why despite urgent need to provide quarters to staff, the revised preliminary estimates were prepared and sanctioned so late. In a written reply, the Ministry of Communications have stated :

“There was no inordinate delay in the preparation and sanctioning of revised estimate. However, the processing of revised P.E. took about 10 months in the Directorate but it has no bearing on the cost of the work as the tender for pile foundation was already finalised and work started in June, 1976 much before the issue of revised sanction in April, 1977.”

2.15 The Committee pointed out that the ban on Type I and II quarters was lifted in July, 1975, but the revised preliminary estimate was prepared by the Department only in April, 1976 and sanctioned in April, 1977. They desired to know why the Department had taken nine months to prepare the revised preliminary estimate and another year to sanction it. They also desired to know the normal period taken to sanction revised estimates after they are prepared. In a written reply, the Ministry have stated :

“Sanction of revised estimate normally takes about a year, since project estimates are given priority over revised estimates to enable commencement of works. Secondly, detailed scrutiny of the reasons for increased expenditure is done by the Directorate and the points arising from the scrutiny require reference to the field units. In the present case, work on the project could commence on the basis of approved P.E. (which had already been sanctioned) and the work was not held up pending sanction of the revised estimate.”

III. Delay in providing power to the quarters

2.16 According to Audit, although the due date of completion of type-I and type-II quarters was January/February, 1979, the land for construction of sub-station was made available to West Bengal State Electricity Board only in January, 1979. In reply to a question as to why the land for the sub-station was made available to West Bengal State Electricity Board so late, the Ministry of Communications have in a written reply stated :

“There was no delay on the part of P & T Department in making over the land to West Bengal State Electricity Board (WBSEB), Salt Lake City, Calcutta. The land was offered *vide* A. E.-7/18 (4)/317 dated 17-10-78 from A.E. (Civil) P & T to S.E (Elect), Salt Lake construction Circle, WBSEB, Salt Lake, Calcutta, but despite the E.E. (P & T) approaching them several times *vide* DB (209) PTEB-2/3450 dated 9-11-1978 and 6-1-1979 from Executive Engineer (P & T), WBSEB did not take over the land till January, 1979.”

2.17 During evidence, the Chief Engineer (Civil), Calcutta, further explained :

“We made an application to the West Bengal State Electricity Board in February, 1978 broadly outlining the requirements of power, the nature of the quarters and the extent of the network of distribution. Now, after February 1978, we got in touch with the West Bengal State Electricity Board in June 1978 with a Master Plan of the requirement of the power supply and the plan was given to them with all the details. The

detailed plan was given in June, 1978 to the West Bengal State Electricity Board to design their distribution network as well as to design their distribution channels or junction points from where enough supplies could be given. We did not receive the estimates from the West Bengal State Electricity Board till December, 1978. In the meanwhile, we had kept persuading the West Bengal state Electricity Board to give us permission to deposit the amount of Rs. 9.5 lakhs which covers the whole master plan and we received it in December, 1978 and we made the deposit immediately thereafter. In October, 1978 itself in anticipation of the power requirements we requested the West Bengal State Electricity Board to take over the land. In fact, this is a land on which we were constructing quarters right from 1966. We reminded them in January, 1979 to take over the land. Right from the beginning we monitored this project very intensively. In early 1977 we anticipated that the approximate date of completion would be middle of 1979. So, we gave them one-and-a-half years notice. The power was to be supplied on a contract basis with the SEB. Actually there are 540 quarters and so, there are 540 individual contracts in terms of individual meters. Apart from that, we contracted with them for having a separate meter of about 50 KVA for pumping installations. As far as the power installations are concerned, right from June, 1979 we were persuading them to provide us enough power for pump house."

2.18 In reply to a question regarding preparation of electricity plan for the building, the witness stated :

"In a colony like this, there are two categories of planning—internal as well as external. The planning for internal electrical installation is done simultaneously along with the plan of the building. For the external distribution net-work in the case of the West Bengal State Electricity Board, it took $1\frac{1}{2}$ years, because it was a separate activity. According to chart that activity was to be completed in a period of one year. Secondly, any State Electricity Board would require some normal progress in the physical completion of the building before they start their planning on the external net-work. In this particular case, the internal electrical planning was taken up simultaneously with the construction."

2.19 In reply to another question as to what was the date on which requisition to West Bengal State Electricity Board was made and the date on which they indicated need for a sub-station, the witness stated :

"In February 1978. In real terms we could know something when they gave an estimate in December, 1978. The internal planning of the West Bengal State Electricity Board was not known to us. We have already given a master plan. We kept in continuous touch with them. We knew they would require land. But I am not in a position to give the date. The fact is that we wrote to them on the 17 October, 1978 asking them to take over the land sometime in the middle of December 1978."

2.20 In reply to another question as to whether it was a valid ground for the West Bengal State Electricity Board that there must be sub-station first and only then electricity connection would be given, the witness stated :

“This is a point on which I think I would not be in a position to state. I think the best explanation is given by the West Bengal State Electricity Board. I asked a group who have a statutory authority to supply electricity. We felt that they are entitled to make their own plan as far as supply of electricity is concerned.”

The Secretary, Ministry of Communications stated :

“Even without a sub-station they would have given the low tension supplies to all those quarters.”

2.21 In reply to a further question whether West Bengal State Electricity Board would have insisted on installation of a sub-station had it not been P & T complex, the witness stated :

“This is practice. In several other installations they have preferred to instal their own sub-station at their own cost and then distribute the electricity after obtaining an option to sell electricity to some other consumers also.”

2.22 The Committee desired to know whether the P & T Department had brought to the notice of the West Bengal Government the fact that the quarters could not be occupied by the employees because of non-supply of electricity. In reply, the Chief Engineer, Calcutta, stated :

“This was done. In fact, I may say that the General Manager (Telephones), Calcutta who has the authority for this, holds monthly management meetings and the record of the management meetings held by the General Manager shows that he has intensive coordination on this aspect and in fact, this particular project was discussed every month starting from 1978. I have correspondence which indicates that we did request the Electricity Board to bear in mind the priority.”

IV. Delay in allotment of Quarters

2.23 The Committee desired to know the reasons for delay in allotment of quarters. In reply, the Secretary, Ministry of Communications, stated :

“...the delay in occupation of the quarters was due to delay on the part of the West Bengal State Electricity Board to give electrical connections to the 540 quarters. We had no control over them. We had paid whatever we had to pay and made the request in good time but they had their own problems. That aggravated the problems which they could not overcome. So, it was delayed and ultimately they said that they could give the connections to the 540 quarters only after buying some individual meters. There was, we understand, some shortage of

meters. Our Engineer had offered to buy meters ourselves for all those quarters. But then they said that they could not agree to that, and that they would purchase and supply the meters from their own stock and that work they started in 1980 and ultimately completed in 1981. Only then the quarters were actually allotted as and when this was being done."

The General Manager, Calcutta (Telephone) added :

"I would like to submit that there was really no delay in allotment because we allot the quarter to an allottee when the quarter is habitable. In this case, all the time we were conscious of the need for immediate allotment. We held several meetings for this purpose, we had talked to the representatives of the people who would like to be allotted quarters and we were waiting for a firm assurance about water and electricity between March and June we started allotting the quarters. But, electricity had come a little later."

2.24 In reply to a question as to why meters were not available with them at that time, the Secretary, Ministry of Communications stated :

"Meters are not always but occasionally in short supply in their stocks. They did not have adequate stocks at that time."

2.25 The Committee enquired why allotment procedure could not be started simultaneously with the start of construction work so that there was no delay in the occupation of flats. The Secretary, Ministry of Communications stated :

"If the individual allotment procedure starts too early, before construction, by the quarters are ready, the allottees may be transferred. There may be complications."

In a written reply, the Ministry have added :

"The meetings of the Housing Committee were held regularly to decide the apportionment of quarters among various wings of the Department. In the Housing Committee meeting held on 2-4-79 it was decided to earmark specific quarters in the colony for different wings. The quarters were ready by July/Aug., 1979. The actual delay in allotment of quarters to the staff was due to non-availability of power supply to the quarters. However, in view of West Bengal State Electricity Board's assurance for early connection of power supply in January 1980 the quarters were allotted in March 1980, keeping in view the fact that this would help the staff in the matter of admission of their wards to the schools in the locality, although all service facilities could not be made available till then."

V. Variations between original estimates and Revised Estimates

2·26 According to Audit paragraph, the actual expenditure on the whole project including overhead upto March, 1980 alone was Rs. 291·61 lakhs against the sanctioned amount of Rs. 248·56 lakhs although type III quarter were not constructed at all. To a question as to what was the sanctioned amount for type I and II quarters after excluding type III quarters and the reason for the increase in cost, the Ministry has replied as under :

“The figure of Rs. 291·61 lakhs is the expenditure upto March, 1980 inclusive of the cost of land also whereas the figure of Rs. 248·56 lakhs is the sanctioned amount on construction of the building component only. The cost of the land is Rs. 68·75 lakhs. Therefore, actual expenditure on construction of staff quarters was Rs. 222·86 lakhs only.

(i)	Sanctioned amount including Electrical Installation but excluding overhead	Overhead 15%	Total
Type I,II and III	216·14 lakhs	32·42 lakhs	248·56 lakhs
Type I and II	204·46 lakhs	30·67 lakhs	235·13 lakhs

(ii) The actual expenditure is less than sanctioned cost as indicated above. The question of increase in cost therefore does not arise.”

VI. Service Charges

2·27 The Committee desired to know as to why one set of charge was levied for the quarters in Salt lake and another for those in Ultadanga area of Calcutta. The General Manager, Calcutta Telephones stated :

“... I Would say that they had electricity and water and other facilities including street lighting. In this particular case we could not give them any of the facilities such as street lighting etc. even the water supply was proved to be insufficient. As a matter of fact we had to make our own additional arrangement at a much latter rate for this. In 1983 we had to augment water supply by sinking deep tubewells so that proper quantity of water was made available. What is happening is that various components of service investments have been varying from practically nil to something of stabilising figure. To start with service facilities charges have to be there. We have to put some provisional amount as notional service charge. At that time we had no basis for actual charge. We had a precedent of 1% charge. That was the reason why we charged this in the case of Ultadanga quarters.”

In reply to a question as to what were the service charges now, the witness stated :

“For type I Rs. 10/- For Ultadanga quarters for type I, it is around Rs. 11/- and for type II, it is around Rs. 15/-. It is with immediate effect. This has been done when we received this notice for meeting.”

2.28 The Committee observe that although there was urgent need to provide quarters to low paid employees of the P&T Department, 540 Type I and Type II quarters which were ready in the Salt Lake area in Calcutta by December 1979 had remained unoccupied for periods ranging from 1 to 22 months the allotment of Type I quarters was completed in June 1980 and Type II quarters in October 1981. The delay in allotment of quarters had not only caused loss of revenue to the Department to the extent of Rs. 1.40 lakhs on account of non-recovery of licence fee but also necessitated avoidable expenditure on payment of house rent allowance to the extent of Rs. 2.03 lakhs.

2.29 One of the main reasons for delay in the allotment of quarters was stated to be delay in supply of electricity to the West Bengal State Electricity Board (WBSEB). The Committee note in this connection that the detailed plans were supplied by the Department to the West Bengal State electricity Board in June 1978 and the land for the construction of the sub-station was offered in October 1978. The power supply was given by West Bengal State electricity Board in December 1979 including service connections to the water supply pumps, while the committee appreciate that the matter was not wholly within the control of the P&T Department, they do feel that with a little more advanced planning on the part of the project authorities, coupled with sustained, vigorous pursuance of the matter with the West Bengal State Electricity Board, the delay in supply of electricity could have been considerably cut short.

2.30 The Committee also accept non-availability of power meters as a valid ground for delay in allotment of quarters. However as they find, the Department had already started allotting quarters in March 1980 in anticipation of individual connections. If so, the Committee are unable to understand why the process of allotment of quarters particularly Type II quarters, should have stretched over 19 months. In evidence, the Committee enquired whether allotment procedure could not be started simultaneously with the start of construction work so that there was no delay in allotment of flats. The explanation of the Secretary, Ministry of Communications was 'if the individual allotment procedure starts too early... the allottees may be transferred. There may be complications.' The Committee are not convinced by this explanation. In the opinion of the Committee, the Department should have completed the allotment lists by the expected date of completion of quarters so that the allotment could be made as soon as the quarters were ready for allotment. The Committee trust that the Ministry will draw upon their experience in this case and avoid such delays in future.

NEW DELHI ;

SUNIL MAITRA

Chairman

Public Account Committee.

April, 10 1984

Chaitra, 21 1906 (S)

APPENDIX I

(Vide para 1.49)

Copy of Ministry of Works and Housing (Lands Division) Government of India Letter No. J-13011/178-LI dated 19th November, 1981 addressed to The Land and Development officer, Nirman Bhawan, New Delhi.

Subject: Fixation of Prices of Government Land for allotment to Govt. Departments including commercial department.

I am directed to refer to para one of this Ministry's letter No. J-13011/1/78 A. I. dated the 19th September, 1979 and G. F.R. 282, as amended *vide* Ministry of Finance (Department of Expenditure) O. M. No. F. 23 (5) E. II (a) 81, dated 3-9-81 and to say that it has since been decided by the Government that with immediate effect, the price to be charged 'on profit no-loss' basis for land in Delhi/New Delhi transferred from one Government Department to another allotted to such Deptt. shall be Rs. 6 lakhs per acre, in lieu of Rs. 3 lakhs per acre no ground rent will be payable by Government. This rate will remain in force till 31-3-1983.

2. The above rate will be applicable irrespective of the purpose for which the land is used. Accordingly, it may be noted that in cases here land is transferred/ allotted to Government departments for setting up of schools, hospitals etc. the rate to be charged will be governed by GFR 282 and this order and not by the Ministry's letter No. J-22011/1/80-LD dated 12th November, 1981 laying down the concessional rates for allotment of land to social, cultural, charitable and other organisations.

3. The rate of Rs. 6 lakhs per acre will also apply to past cases for allotment / transfer of land to Govt. Deptt. where this rate was charged provisionally.

4. This issues with the concurrence of the Finance Division (Lands Unit) *vide* their U. O. No. 5 (3) FD (L)/80-81/679, date 16-11-1981.

Sd/-
(R. KRISHANASWAMY)
Under Secretary (Lands)

APPENDIX II

Statement of Observations and Recommendations

Sl. No.	Para No.	Ministry/Deptt. concerned	Observation/Recommendation
1	2	3	4
1	1-57	Ministry of Communications (P&T Board)	<p>The Committee are concerned over the inordinate delay in the construction of P. & T. staff quarters at Pankha Road, New Delhi. To meet the acute shortage of staff quarters in Delhi, 606 quarters were to be constructed in two phases at Pankha Road, New Delhi—263 quarters in Phase I at a cost of 59.41 lakhs and 343 quarters in Phase II at a cost of Rs. 87.19 lakhs. The 263 quarters in Phase I (144 Type I and 119 Type II) were to be completed by February, 1978 and 343 quarters in Phase II (133 Type I and 210 Type II) by August, 1980. However, so slow was the progress in the construction of these quarters that by March 1982, when the construction contracts were rescinded, not a single quarter complete in all respects had been constructed. The Committee note that while 119 Type II quarters in Phase I have since been completed, <i>i.e.</i>, after over four years from the scheduled date of completion, the remaining quarters of Phase I—144 Type I quarters, which, according to the original schedule, should have been completed by February, 1978, are now expected to be completed by March, 1984. The picture regarding the construction of 343 quarters of Phase II is equally depressing. These quarters were scheduled to be completed by August, 1980. But, by March 1982, <i>i.e.</i> more than 18 months after the scheduled date of completion, only 21 per cent of work in respect of these quarters had been done. These quarters are now expected to be completed by March, 1985. The escalation in cost due to delay in completion is tentatively estimated</p>

at Rs. 112 lakhs and Government have also lost a considerable amount of potential revenue in the shape of licence fee from the prospective occupants, and still more importantly, the low paid departmental employees, for whom these quarters were to be constructed have not yet been able to avail themselves of the benefit of these quarters. It is evident to the Committee from the facts of the case that after awarding the contracts, the P&T Department had not made serious efforts to see that the quarters were constructed in time. A more distressing aspect is the inability of the Department to get even small construction works done in reasonable periods. In March 1982, only 8 per cent of the work, in respect of 144 Type I quarters of Phase I remained to be done and it took two years to get this completed. The Committee desire that all out efforts should now be made by the P & T Department to complete the remaining quarters at the earliest so that the acute problem of shortage of staff quarters, which was felt even as far back as 1972 and 1973, is somewhat relieved. The Committee would also like the Department to fix responsibility for the inordinate delay in the completion of quarters, particularly 144 type I quarters after the rescission of the contract when only 8% of the work remained to be done.

41

2. 1.58 —Do—

Apart from the unconscionable delay in the construction of quarters, serious omissions and irregularities on the part of the dealing officials of the Department have come to light. These are set forth in the succeeding paragraphs.

3. 1.59 —Do.—

Re-measurements of the work done by a Committee of two Engineers showed that the Department had paid Rs. 3.20 lakhs for work not executed by the contractor. According to the Ministry, the overpayments had occurred mainly due to the following reasons:—

(a) Irregular authorisation of part rates higher than those justified on the basis of the part quantum of the items executed.

(b) Incorrect over-measurements of the work actually executed.

According to a note furnished by the Ministry, "the assessment of higher part rates has been done by the Executive Engineer" which is a "lapse on his part". As to over-measurements, the Ministry have stated that "this is a lapse on the part of the officials recording the measurements (Junior Engineers) and the officers entrusted with test check of these measurements (Assistant Engineer and Executive Engineer)". An idea of the dereliction of duty on the part of the higher officials can be had from the fact that while the Assistant Engineer had test-checked about half the running bills as against all the running bills which he was required to test-check under the prescribed procedure, the Executive Engineer had not test-checked a single running bill in respect of Phase II and had test-checked only a few bills in respect of Phase I, though under the prescribed procedure he was required to test-check every alternative running bill.

4.

1.60

-Do-

According to Departmental rules, secured advances may be paid to contractors on the recommendations of the officer-in-charge of the work on the security of the material brought to the site. However secured advances to the tune of Rs. 75,000 were granted to the contractor in respect of material not available at site. One of the items against which secured advances were given was G.I. Pipes. As per the Department's agreement with the contractor, G.I. pipes were to be supplied by the Department but they were shown as brought by the contractor and secured advance was allowed to him against these pipes. According to the report of the Director, Vigilance, P.M.G., Delhi Circle, "It is noteworthy that nothing on record was shown during enquiry about the non-availability of these pipes in the Central Store of the Civil Wing. The Government supply rate of these pipes is Rs. 6.25 where as this was shown as purchased from the contractor at the rate of Rs. 9/- per meter. It is still surprising that the stock of these pipes at the

site was found to be NIL.....It is not humanly possible to bring such huge quantity on site and to take it away without the knowledge of the supervising officers at the site."

5 1.61 -Do-

An examination of the steel and cement accounts revealed that 28.164 Metric Tonnes (MT) of mild steel, 268.803 MT of tor steel and 448.58 MT of cement were issued to the contractor in excess of the actual requirement. The cost of the material issued in excess and recoverable at double the issue rates as per provisions of the agreement works out to Rs. 10.40 lakhs.

6 1.62 -Do-

The Committee observe that as per Government's rules, the materials are to be issued to the contractor depending upon the progress of the work and actual requirement and extra care has to be taken by the issuing officer to see that the quantities issued do not exceed the theoretical requirement which is arrived at by allowing an extra of 3 per cent on cement and 10 per cent on steel over and above the quantity worked out on the basis of standard co-efficients. In a note furnished to the Committee, the Ministry have admitted that "in this case proper watch was not kept in issuing the materials to the contractor by the Assistant Engineer and Executive Engineer". In evidence, the Chief Engineer, Delhi Circle, conceded that "it was a serious lapse" on the part of the officials responsible for the issue of the materials and that this case was "indefensible". The Committee note that according to the report of the Director, Vigilance, P.M.G., Delhi Circle, the possibility of over-issued quantities of cement and steel having been sold by the contractor in the black market, in collusion with the Departmental officials, cannot be ruled out. According to the Chief Engineer, Delhi Circle, "the cement and steel cannot be removed from the site without the connivance of Junior Engineer and Assistant Engineer ... The lock and the key are kept by the Junior Engineer. The interesting part was that in the cement register, the total quantity received, the total quantity issued and the remaining balance all tallied. When a quantity of material is issued from the

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store, it should go to the site of works. If it does not go there, it means that it is going somewhere else. This cannot happen without the connivance of the junior staff."

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1.63

-Do-

Apart from the above irregularities and malpractices, the report of the Director Vigilance, P.M.G., Delhi Circle, highlights some other serious deficiencies, two of which are mentioned below :

(i) 338.85 quintals of steel for about 2075 chowkhats was paid for, while on inspection only 212 chowkhats (door/window frames) were found to have been fixed to the different quarters and 575 chowkhats were found lying at the site. Thus, 787 steel chowkhats had been actually provided for as against 2075 chowkhats paid for.

(ii) The number of windows paid for as per last bill was 850 but on inspection only 89 windows were found fixed and 103 were found lying at the site of which 53 were incomplete.

Evidently, there has been large scale misappropriation of materials by the contractor with the active collusion of the Departmental officials.

8

1.64

-Do-

As to the action taken against the officials responsible for the irregularities and malpractices, the Committee observe that a vigilance case is under process and in the meanwhile, the concerned Assistant Engineer and two Junior Engineers stand suspended since November, 1981. On 30-12-1982, the Deputy Director General (Vigilance) had forwarded his report

to the Central Vigilance Commission for their advice. The Committee enquired during evidence why the Executive Engineer had also not been placed under suspension along with the Assistant Engineer and the Junior Engineers. They were informed that according to the findings of the Superintending Engineer, the Executive Engineer was responsible only for "omissions but in the case of the other two—Junior Engineers and Assistant Engineer, it appeared that they were in direct collusion with the contractor". The Committee see no force in this explanation. In their opinion, a supervisory officer who fails to exercise the prescribed checks and allows, by his negligence or otherwise, his subordinates to indulge in malpractices has to be dealt with severely. The Committee find from the report of the Director, Vigilance, PMG, Delhi Circle, that "according to the correspondence in the file on the subject, it appeared that the Executive Engineer was aware of the over-payments and other irregularities in this case but had taken no action to recover the over-payments. According to this report, the case depicted "gross negligence and serious lapses" on the part of the officials of the Civil Wing including the Executive Engineer. As the Committee observe, it was he who had irregularly authorised part rates higher than those justified on the basis of the quantum of the items executed. He was also responsible for passing the bills of the contractor without any proper check. As overall incharge of the works he was supposed to visit the site from time to time and check the quality and quantity of works paid for but he totally failed in his duties. As per instructions contained in the CPWD Manual Vol. II (Para 14, sec. 27), he was required to test-check the stock of cement in the cement godown every fortnight. However, he had checked the cement stock at site only twice during two years. The Committee feel that stern action is called for in this case against all the delinquent officials (including the Executive Engineer) so that it acts as a deterrent to others. With this end in view, the Committee desire that—

- (i) the P&T Department should approach the Central Vigilance Commission with a request for a very early advice so that discip-
-

linary proceedings against the delinquent officials which have already been too much delayed are started without any further loss of time;

- (ii) the case should be referred to the CBI for detailed investigation, particularly in the matter of irregularities partaking of a criminal character ;
- (iii) after the report of the CBI becomes available, the Department should proceed with instituting criminal proceedings against the delinquent officials ; and
- (iv) it should also be examined as to how far the Superintending Engineer was responsible for the lapses revealed in this case. The Committee observe from the report of the Director, Vigilance, PMG, Delhi Circle, that he was quite aware of the over-payments made to the contractor and other irregularities alleged to have been committed in this case, but he did not seem to have taken any action to direct the Executive Engineer to recover the over-payments. Further, when after the transfer of the Executive Engineer in question the new Executive Engineer wrote to him that he had taken up the matter for making enquiries into the over-payments made to the contractor, he is reported to have "turned a deaf ear to the repeated requests of the new Executive Engineer for allowing him to complete the enquiries". On the other hand the new Executive Engineer was transferred after a short spell of 45 days. Significantly, the confidential file on the subject which was reported as displaced by the Executive Engineer

in question was traced out after the transfer of the new Executive Engineer. It may be examined whether this was done with the knowledge of the Superintending Engineer.

9 1-65 -do-

A disturbing feature of the case is that although the CPWD Code provides for built in checks and safeguards, the case might not have come to light but for a complaint received by the Central Vigilance Commission. This indicates that all the procedural checks and counter checks come to naught when the officials act in collusion with unscrupulous outside parties. The Committee would like the Ministry of Communications, in consultation with the Ministries of Works and Housing and Home Affairs, to examine the procedures to provide for effective safeguards against such malpractices.

10 1-66 -do-

As to the action taken against the contractor, the Committee have been informed that the name of the contractor has been removed from the registered list of contractor of the P&T Civil Wing under a letter dated 20-9-1982. Copies of this letter have been endorsed to all the Departments/Ministries for information and necessary action. The Committee suggest that on the basis of the findings of the CBI, the question of launching criminal prosecution against the contractor should be considered. The Committee would also like the Ministries/Departments to ensure that no contract is awarded to the contractor in question.

11 1-67 -do-

As to the claims of the Department against the contractor, the Committee have been informed that under Clause 2 of the agreement, in the event of the contractor failing to complete the work as per the time schedule the contractor is liable to pay as compensation an amount equal to one per cent of the estimated cost of the whole work for every day that the due quantity of work remains incomplete, subject to a maximum of 10 per cent of the estimated cost of the work put to tender. Likewise, the cost of the material issued to the contractor in excess of his requirement is recoverable at double the issue rates. Taking these into account as also an escalation of Rs. 104 lakhs, the Department

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had submitted an aggregate claim of Rs. 148.46 lakhs against the contractor to the Arbitrator. As against this, the contractor has submitted a counter claim of Rs. 28.52 lakhs against the Department. The Committee trust that every effort will be made by the Department to see that the arbitration proceedings are expedited. They would like to be informed of the outcome of the arbitration proceedings.

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1.68

-Do-

There are also allegations of sub-standard materials having been used in the construction work. According to the report of the Director Vigilance, P. M. G. , Delhi Circle, "based on layman's inspection of the cement mortar and the wood used showed that these materials may be sub-standard." The Committee would like a technical examination to be made as to how far the materials used were sub-standard and, based on its results, not only take appropriate measures to strengthen the structure to the requisite standard but also prefer a claim on the contractor on this account. The Committee would also like the Ministry to fix responsibility as to how the contractor was allowed to use sub-standard materials.

12

1.69

Ministry of Communications
(P & T Board)/Ministry of
Works & Housing (DDA)

The Committee are not happy over the manner in which the Delhi Development Authority (DDA) had acted in this case. The General Manager, Telephones, Delhi had paid Rs. 87.89 lakhs to the DDA for the purchase of 29.6 acres of land at Pankha Road and 15 acres of land at Malaviya Nagar. 21.72 acres of land was allotted to the Department at Pankha Road (remaining land could not be allotted due to the land being under unauthorised occupation), but no land was allotted in Malaviya Nagar. When asked in evidence why alternative land in Malaviya Nagar or its vicinity was not allotted to the P & T Department, the reply of the representative of the DDA was that "in every residential centres, the land

is provided for different uses. So, adjustment has to be made within the area earmarked for that use." The Committee are not convinced by this reply. As they observe, the DDA had already committed to allot the land to the Telephone Department in Malviya Nagar and the Department had already paid money on this account. Therefore, the DDA should have made an alternative allotment to the Department in Malviya Nagar itself or in its vicinity, *inter alia* bearing in mind that the Telephone Department was a public utility department rendering an essential service. However, the DDA did not do this; and, instead, in 1973 offered alternative lands to the Department miles away—20 acres at Paschim Puri and 10 + 7.8 acres at Shalimar Garden. But here too, the DDA failed to keep its commitments and now, after a lapse of 10 years, the Committee have been informed that the lands proposed to be allotted at Paschim Puri and Shalimar Garden have since been "utilised" by the DDA for some other purpose and fresh proposals for allotment of land to the P & T Department are under consideration of the DDA. The Committee feel that the DDA should have honoured its commitments, particularly to a public utility department like the Telephone Department. The Committee desire that the DDA should now, without any further delay, allot land to the Telephone Department for which a balance of Rs. 23.88 lakhs remains unadjusted with them since March, 1970.

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Another aspect to which the Committee would like to draw attention is that a large balance of Telephone Department—nearly Rs. 24 lakhs—has been lying with the DDA since 1969. This amount was deposited with the DDA when the price of land was very low. As the DDA is now allotting institutional land at much higher rates, the Committee feel that the DDA should in all fairness, pay interest to the Department on this unadjusted balance. They also feel that the DDA should pay interest in all such cases. The Committee would like to be informed of the decision taken by the DDA in the matter.

1	2	3	4
14	2·28	Ministry of Communications (P & T Board)	<p>The Committee observe that although there was urgent need to provide quarters to low paid employees of the P & T Department, 540 Type I and Type II quarters which were ready in the Salt Lake area in Calcutta by December, 1979 had remained unoccupied for periods ranging from 1 to 22 months; the allotment of Type I quarters was completed in June, 1980 and Type II quarters in October, 1981. The delay in allotment of quarters had not only caused loss of revenue to the Department to the extent of Rs. 1·40 lakhs on account of non-recovery of licence fee but also necessitated avoidable expenditure on payment of house rent allowance to the extent of Rs. 2·03 lakhs.</p>
15	2·29	-Do-	<p>One of the main reasons for delay in the allotment of quarters was stated to be delay in supply of electricity by the West Bengal State Electricity Board (WBSEB). The Committee note in this connection that the detailed plans were supplied by the Department to the West Bengal State Electricity Board in June, 1978 and the land for the construction of the Sub-station was offered in October, 1978. The power supply was given by West Bengal State Electricity Board in December, 1979 including service connections to the water supply pumps. While the Committee appreciate that the matter was not wholly within the control of the P & T Department, they do feel that with a little more advanced planning on the part of the project authorities, coupled with sustained, vigorous pursuance of the matter with the West Bengal State Electricity Board, the delay in supply of electricity could have been considerably cut short.</p>
16	2·30	-Do:-	<p>The Committee also accept non-availability of power meters as a valid ground for delay in allotment of quarters. However, as they find, the Depart-</p>

ment had already started allotting quarters in March, 1980 in anticipation of individual connections. If so, the Committee are unable to understand why the process of allotment of quarters, particularly Type II quarters should have stretched over 19 months. In evidence, the Committee enquired whether allotment procedure could not be started simultaneously with the start of construction work so that there was no delay in allotment of flats. The explanation of the Secretary, Ministry of Communication was 'if the individual allotment procedure starts too early, the allottees may be transferred. There may be complications.' The Committee are not convinced by this explanation. In the opinion of the Committee, the Department should have completed the allotment lists by the expected date of completion of quarters so that the allotment could be made as soon as the quarters were ready for allotment. The Committee trust that the Ministry will draw upon their experience in this case and avoid such delays in future.

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