

PREMATURE PROCUREMENT OF EQUIPMENT AND DELAY IN CONSTRUCTION

MINISTRY OF INFORMATION &
BROADCASTING

**PUBLIC ACCOUNTS
COMMITTEE
1997-98**

ELEVENTH LOK SABHA

SIXTEENTH REPORT

PUBLIC ACCOUNTS COMMITTEE (1997-98)

(ELEVENTH LOK SABHA)

PREMATURE PROCUREMENT OF EQUIPMENT AND DELAY IN CONSTRUCTION

MINISTRY OF INFORMATION &
BROADCASTING



सत्यमेव जयते

Presented to Lok Sabha on 20.11.1997
Laid in Rajya Sabha on

LOK SABHA SECRETARIAT
NEW DELHI

November, 1997/Kartika, 1919 (Saka)

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CORRIGENDA TO THE SIXTEENTH REPORT OF PUBLIC ACCOUNTS COMMITTEE.
 (11TH LOK SABHA) ON PREMATURE PROCUREMENT OF EQUIPMENT AND
 DELAY IN CONSTRUCTION

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(1997-98)

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**Ceased to be member of the Committee on her appointment as Minister of State w.e.f. 3.6.1997.

INTRODUCTION

1. the Chairman, Public Accounts Committee having been authorised by the Committee, do present on their behalf, this Sixteenth Report on Paragraphs 3.1 and 3.3 of the Report of the Comptroller & Auditor General of India for the year ended 31 March, 1995, No. 2 of 1996, Union Government (Civil) relating to "Premature procurement of equipment and delay in construction."

2. The Report of the C&AG for the year ended 31 March, 1995 (No. 2 of 1996), Union Government (Civil) was laid on the Table of the House on 17 July, 1996.

3. The Committee took evidence of the representatives of the Ministry of Information & Broadcasting and Directorate General, Doordarshan on the subject at their sitting held on 21 February, 1997. The Committee considered and finalised this Report at their sitting held on 23 October, 1997. Minutes of the sitting form Part-II of the Report.

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix to the Report.

5. The Committee would like to express their thanks to the Public Accounts Committee (1996-97) for taking evidence on Paragraphs 3.1. & 3.3 and obtaining information thereon.

6. The Committee would also like to express their thanks to the Officers of the Ministry of Information & Broadcasting and Directorate General, Doordarshan for the cooperation extended by them in furnishing information and tendering evidence before the Committee.

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

NEW DELHI;

5 November, 1997

14 Kartika, 1919 (Saka)

DR. MURLI MANOHAR JOSHI,

Chairman,

Public Accounts Committee.

REPORT

I. Introductory

This Report is based on Paragraphs 3.1 and 3.3 of the Report of the Comptroller & Auditor General of India for the year ended 31 March, 1995 (No. 2 of 1996), Union Government (Civil) relating to (i) Premature procurement of equipment and delay in construction; and (ii) Premature procurement of equipment—Rs. 483.97 lakh (Appendix-I)

2. The Audit Paragraphs deal with two cases relating to setting up of Television Studios for Doordarshan at Mumbai and Allahabad. According to Audit, there was lack of synchronisation of civil works and procurement of equipment in both the cases. In the case of the former, the Audit pointed out that deficient construction management and procurement of equipment in advance of requirement resulted in non-fulfilment of the objective of constructing the additional studio for Doordarshan Kendra, Worli, Mumbai on which an expenditure of Rs. 1299.60 lakh had already been incurred. In the case of the latter, non-commissioning of the studio had not only resulted in blocking of Rs. 483.97 lakh incurred on the purchase of equipment but also the very objective of setting up of the Programme Production Centre at Allahabad also could not be achieved. Further, according to Audit, due to fast improvement/advancement in broadcasting technology, there was possibility of obsolescence of electronic equipment purchased much in advance for the studios in both the cases. The issues arising out of the examination of the paragraphs are being dealt with in the succeeding paragraphs.

II. Construction of additional studio at Mumbai

(i) Execution of civil work—

(a) First Contract

3. All India Radio, Mumbai entrusted construction of additional studio for Doordarshan Kendra, Worli Mumbai in March 1989 to a firm at a cost of Rs. 443.64 lakh. The scheduled date of completion was November 1991. However, according to Audit, the firm could complete only 16.47 per cent of the work by November 1991 after incurring an expenditure of Rs. 127.45 lakh.

4. On being enquired about the reasons for the inordinate delay on the part of the contractor in carrying out construction work of the Studio building, the Ministry of Information & Broadcasting (Directorate General, Doordarshan) in a note *inter-alia* stated:

“M/s. Shah Construction Co. Ltd. who were awarded the work in March 1989 started the same in full earnestness and were able to

complete approximately 50 percent of the basement work upto 1991. However, the progress of the work slowed down abruptly soon thereafter. This was mainly due to fact that the said company was also engaged in the construction activities in the Gulf region as well as in the Middle East and because of the Gulf war which was raging through almost all the countries in the Middle East at that time with destructions all round, all the assets and finance of the company got totally blocked, which it has not yet been able to recover. In the absence of sufficient finance backing, the company could not mobilise sufficient funds which resulted in the work coming to a standstill."

5. Asked specifically as to when the authorities concerned in Doordarshan actually realised that the construction work was running behind the contracted schedule, the Ministry in a note furnished after evidence stated that it was felt by the Department in February 1991 that the agency might not be in a position to carry out the work.

6. On being enquired as to when the notice was issued to the contractor to rescind the contract, and date of its final rescission, the Ministry in a note *inter-alia* stated that notice was issued to the contractor under clause-3 of the contract by Executive Engineer, Civil in February 1991 for the slow progress of the work followed by similar notices in April and May 1991. According to the Ministry, since the reply of the contractor was not found satisfactory in response to the notices issued to him, the work was initially rescinded in June 1991. It was further stated that after rescission of the contract, the agency requested for revoking the same with an assurance that it will fully mobilise all the resources to complete the work by 30 December 1992. As it was considered quite achievable, the authorities revoked the rescission of the contract in July 1991. According to the Ministry, the work was however, finally rescinded on November 1991 *vide* letter dated 28 November, 1991 as the progress of the work between August and October 1991 was assessed to be extremely slow.

7. On being pointed out that there was inordinate delay on the part of the authorities concerned in rescinding the contract, the Ministry in a post-evidence note *inter-alia* stated:

"There was no inordinate delay in rescinding the contract as all procedural formalities as per contract had to be followed by serving of notices to the agency. Since rescission of the contract and subsequent fixing of a new agency in itself is a time consuming process which consumed almost a year's time, in the present case a conscious decision was taken to revoke the rescission of the contract effected in June 1991 after getting the assurance from the agency to mobilise additional resources and to complete the work by 31 December, 1992."

8. The Committee enquired about the provision for the liquidated damages/penalty clause in the contract and the action taken by the

Ministry against the contractor for his failure to complete the construction work within the scheduled time. The Ministry in a note stated that the agreement with the Agency and the Department was entered in CPWD No. 8, i.e. for Item Rate Contract which was a standard format for inviting tenders and applicable for all Central Government agencies. The Ministry in their note added:

"In the tender formats there are provisions for initiating action against the Contracting Agency for the slow progress in the completion of the work as well as for the penalty. There are also provisions for rescinding of the contract at the risk, cost and responsibility of the Agency in case they are unable to complete the work. As per provisions in the above accepted contract tender has been rescinded for M/s Shah Construction and the balance work was now being executed through a separate contract at the risk, cost and responsibility of the original contract. The additional expenditure thus involved will be recovered from the Agency. The matter has already been taken up through the Arbitrator to obtain the claims in favour of the Government. The agency in turn has moved the Mumbai High Court requesting for non/recovery of the amount on the ground of insolvency. The matter is at present *sub-judice*."

9. The Committee desired to know the total amount which was sought to be recovered from the defaulting contractor. The Ministry in a note furnished after evidence stated that the total amount could be worked out after completion of the balance work which was still going on. In their note, the Ministry added:

"However, direct loss apparently suffered by Doordarshan from the tendered cost of the two contracts is given below:

(Rs. in Lakhs)

1. Tendered amount of M/s Construction Co. Ltd.	443.64
2. Work executed by M/s Shah Construction Co. Ltd.	78.36
3. Balance work to be executed	365.28
4. Tendered cost for balance work	523.53
5. Direct loss suffered by Doordarshan	158.25"

10. The Committee desired to know the total amount withheld by the Department from the contractor to recover the liquidated damage. The Ministry in a post-evidence note stated that a total amount of Rs. 10.31 lakh had been withheld from different heads, viz., (i) Against work done but not paid (Rs. 5.29 lakh), (ii) Against mobilization advances (Rs. 4.02 lakh) and (iii) Against Security deposit (Rs. 1.00 lakh).

11. On being asked as to when the matter was taken up through the arbitrator to obtain the claims in favour of the Government, the Ministry in a note submitted after evidence stated:

"The contractor did not ask for the appointment of arbitrator as per clause of the contract. However, the contractor approached the Mumbai High Court and sought Stay against the department for taking further action in getting the work executed at their risk and cost in March 1992.

In reply to Plaint, the department has submitted before the Hon'ble High Court, Mumbai that the claims of the defendants are being preferred against the Plaintiffs by invoking the Clause-25 of the agreement i.e. through arbitration which the Hon'ble court has been requested to approve in lieu of this Plaint."

12. On being enquired about the status of the case in the Mumbai High Court, the Ministry in a note furnished on 7 October 1997 stated that the case had not come up for hearing and was still pending before the High Court.

(b) *Second Contract*

13. After the contract was rescinded, the remaining work of construction was entrusted to another contractor [Chaudhary & Chaudhary (I) Ltd.] at a cost of Rs. 523.53 lakh in November 1992 with stipulated, date of completion as June 1995. However, according to Audit, only 37 percent of the work was completed as of February 1995 and Rs. 206.85 lakh had been paid to the second contractor. It has further been pointed out by Audit that the progress of the construction work had been slow mainly on account of frequent hindrances due to delay in clearance of design, lack of co-ordination between electrical and civil wings of AIR and suspension of work with a view to examining the possibility of change in the design of the building.

14. Pointing out that the above mentioned factors appeared to have been controllable, the Committee desired to know why timely steps were not taken by the Ministry to eliminate those hindrances so that construction work could have been completed by the scheduled time. The Ministry in a note furnished to the Committee stated:

"The delay in implementation of the project between, June, 1993 and November 1993 was due to the decision taken by this Ministry for making some changes in the approved scope of the project which was examined but was however found not acceptable as it was not technically feasible. As such no action could be taken against the agency for the slow progress of work during the above said period."

15. The remaining work of the construction of the building was scheduled to be completed by the second contractor within a period of two years and eight months. Due to the Ministry's decision to change the approved scope of the Project, there was a delay of about six months.

However, 37 percent of the work could only be completed by the contractor till February 1995 indicating that the construction work was far behind schedule even otherwise. In this context, the Committee drew the attention of the Ministry to the fact that more time was given to the second contractor particularly in view of the fact that 50 per cent of the basement work of the building was reportedly completed by the first contractor, for which an expenditure of Rs. 127.45 lakhs had already been incurred till November 1991. Replying to this point, the Ministry in a note furnished subsequent to evidence stated that the balance work was awarded to the second contractor with the time of completion of 31 months for an estimated cost of Rs. 3,22,99,591/-. However, as per provision of CPWD Manual Vol. II, completion period for this estimated cost worked out to be 38 months and as such rather tight schedule was imposed on the agency in order to make up the loss of time already occurred in execution of this project.

16. The Committee desired to know the changes in the scope of the Project sought to be made by the Ministry. They also wanted to know whether those changes were really required particularly when the construction was already lagging behind schedule. According to the Ministry, requirement of accommodation for other media units was the reason for seeking change in scope of the Project. Since the proposed changes were later found as technically not feasible and hence not acceptable, the Committee enquired whether technical assistance was also sought for accommodating those changes. According to the Ministry, Sr. Architect, CCW was asked to examine the technical feasibility of such change.

17. To a query from the Committee as to who was the authority responsible for these lapses, the Ministry in a note stated:

“Since delay occurred due to the Ministry’s decision to change the approved scope of the Project and therefore cannot be attributed to any individual officer.”

18. Asked further whether it would be correct to conclude that the construction work could have been completed as per schedule but for the delay caused due to the Ministry’s decision to change the approved scope of the project, the Ministry in a post-evidence note reiterated that the delay on this account in the implementation of the project was only for six months. They, however, added:

“...with a view to avoid any further delay in the implementation of the project, the same is being regularly monitored at the highest level in the Ministry at its High Power Meetings chaired by Secretary himself.”

19. The second contract had envisaged completion of execution of the project by June 1995. During examination, the Committee were informed that the work was expected to be completed by June 1997. When enquired

about the reasons for the overall delay in the execution of the project, the Ministry, in a note furnished after evidence enumerated the same as follows:—

- Work hampered upto the end of March'93 due to disturbance in Mumbai after spreading of communal riots and bomb blasts due to demolition of Babri Masjid at Ayodhya in December 1992.
- The Work remained practically stopped/suspended for about five months (June 1993 to November 1993), since the scope of work was envisaged to be changed at the instance of Ministry. It was again directed to be restarted on 18.11.1993. This five months stoppage of work has caused more delay since the contractor had abandoned the work and took additional time in remobilisation.
- Work was also affected for adopting post-construction injection water proofing treatment in the basement, which became essential, since the original contractor did not complete the foundation and the basement.
- In addition to the above, the execution of work also hampered on account of following major hindrances:
 - (a) Due to shortage of bricks from June'93 to October'93 (4 months).
 - (b) Due to stoppage of dredging of sand by Govt. of Maharashtra in and around Mumbai from October'95 to November'95 (2 months)
 - (c) Certain disputes arose with the second contractor also and he had sought appointment of arbitrator. The arbitration proceeding which started in December'95 continued for a long period and the arbitrator finally awarded certain amount to be paid to the agency. The award which was published in October'96 has been accepted by the department and payment was released in December'96. During this period, the contractor slowed down the work due to the financial constraints faced by him.
- The progress of the second contractor has also remained unsatisfactory. Notices have been issued to the agency and the penalty shall be imposed after analysing the reasons put forward by the contractor for the delays. If the delays are found to be unjustified, the penalty shall be imposed.

20. The Committee enquired about the Monitoring mechanism envisaged for periodical review of progress of the construction work and the

monitoring actually done in respect of construction work at Mumbai. The Ministry in a note stated:

“The Monitoring of the progress of various Doordarshan Projects are done at two levels. The first being the High Powered Committee which is chaired by the Secretary (I&B) and the other is at the Directorate level. The meetings of the High Powered Committee are generally held every month and are attended by the Senior Officers of the Ministry, Doordarshan Directorate, CCW. AIR High Powered Transmitters and Studio projects are monitored in the meeting and decisions are taken on the spot and directions issued to the Executing agencies for their implementation within a specific time frame. At the Directorate level, while the projects are executed by the Zonal offices located at Delhi, Mumbai, Calcutta and Madras within their respective zones, the overall supervision of the projects is done by the design unit of the Directorate.

In the case of the project relating to expansion of Doordarshan Kendra, Mumbai work was fully monitored by periodical inspection at Mumbai by the Chief Engineer(C) and almost daily inspection was carried out by the Superintending Engineer(C) Mumbai and Executive Engineer(C) who were stationed at Mumbai to supervise the above work. Periodical review of the progress was also held at Mumbai as well as in Delhi in Chief Engineer's office to expedite the progress of the work, but due to reasons as mentioned in reply to para 2(i) above i.e., blockage of assets and finance in the Gulf countries of the above Agency work could not progress as envisaged in the contract.”

21. In view of the apparent deficient construction management observed in the execution of both the contracts which led to inordinate delays in implementation of the project, the Committee specifically asked whether the Ministry considered fixation of responsibility for the lapses. The Ministry in a post-evidence note maintained that the hindrances were beyond the control of the Department or agency and, therefore, responsibility cannot be fixed on any individual.

(ii) *Status of the Project*

22. In a note furnished to the Committee on 7 August 1997 in respect of latest position of the project, the Ministry stated that the work on construction of studio building at Mumbai was at an advanced stage of completion and was expected to be completed by October 1997. According to them, a major portion of the technical area had been completed and departmental works were in progress.

23. In a subsequent note furnished on 7 October 1997 the Ministry stated that the work was being monitored regularly and was likely to be completed by October 1997. The Ministry in another note stated that as per present indications, the “Expansion of TV Centre, Mumbai” project was expected to be completed by the end of 1998.

(iii) *Equipment*(a) *Procurement*

24. According to Audit, Doordarshan had placed purchase orders in March 1989 for procurement of major equipment for the studio, Mumbai at a cost of Rs. 965.30 lakhs which were received during April 1990 to March 1994. In view of the fact that the construction of Studio building even as entrusted to the first contractor was scheduled to be completed by November 1991 only, the Committee desired to know the reasons for placing purchase orders for equipments much in advance. The Directorate General, Doordarshan in a post evidence note stated:

“Only under the present system of procuring equipment through open tenders (after globalisation) the procurement time has come down. Previously as per prevailing policy of the Government all such equipments were procured through PSUs for which the delivery period was between 2-3 years.”

25. Replying to a related query in this regard, the Secretary of the Ministry during evidence *inter-alia* stated:

“Earlier, there was a system which probably was evolved because there used to be a lot of mismatch between construction of the building and arrival of the equipment. There used to be a delay in arrival of equipment because most of the equipment was imported. Because there was a system where it was permitted that the moment the funds are provided they could order equipment up to 75 per cent... .”

26. In this context, the representative of the Ministry *inter-alia* stated:

“To synchronise the progress of civil works and the equipment works, there was a system of 70 per cent payment for the procurement of equipment.”

(b) *Utilisation*

27. The Audit have pointed out that since the studio building was not completed, equipment valued at Rs. 585.44 lakhs were diverted as loan to Doordarshan Kendra, Mumbai and Staff Training Institute, Lucknow. On being asked the reasons for diversion of these equipment, the Ministry stated that foreseeing the delay in completion of the civil work, most of the equipment procured for the Project was diverted for their effective utilisation at other Doordarshan establishments namely STI, Lucknow and DDK, Mumbai.

28. Asked further whether the equipment were transferred merely because those were lying idel or the stations referred to above were deficient in equipments, the Ministry in a note stated:

“The equipment was diverted to Doordarshan Kendra, Mumbai to meet the increased work load at the Kendra. Some of the

equipment were also diverted to Lucknow Staff Training Institute to meet the immediate requirement of the STI Project which was sanctioned by the Government in November 1994 at a capital cost of Rs. 1183.90 lakhs. It was done to cover up the delivery time of equipment for the STI(T) Lucknow project which was being implemented in a time bound manner and also for the better utilisation of these equipments."

29. Pointing out that if the construction of studio at DDK, Worli had been completed, the equipment were to be utilised by it and then requirement of these two stations remained unfulfilled, the attention of the Ministry was drawn to the apparent inadequacies in planning by the Ministry for meeting the overall requirements of various Doordarshan Kendras (DDKs) in the country. The Ministry in a note explained:

"The project itself is an 'Expansion Scheme' for the existing DDK, Mumbai. Hence, due to expansion of activity of DDK, Mumbai a part of the equipment has been deployed in the existing set up.

For STI, Lucknow, equipment has been sanctioned alongwith the scheme. However, the part of equipment available against DDK Mumbai was deployed to bring the STI Lucknow expeditiously. Hence there is no inadequacy in planning".

30. The Audit further pointed out that remaining equipment valued at Rs. 379.86 lakhs, were lying unutilised. The warranty period of one year for the equipment was stated to have been already over. Asked about the position of utilisation of these equipment, the Ministry in a note stated:

"The remaining equipment which includes camera chain and its associated equipment, telecine chain, and three nos. of 16 channel audio consoles are presently lying in the godown of Chief Engineer (WZ), Mumbai. While the camera chain and its associated equipment is likely to be installed in the studio "B" of the upcoming additional facility during 1997-98, telecine chain has already been diverted to National Film Development Corporation to meet their requirements in December 1995, the three nos. 16 channel audio consoles are being presently used in Doordarshan Kendra, Mumbai to meet its additional work load."

(c) *Obsolescence*

31. In the light of rapid change in the electronic technology, the Committee enquired about the possibility of obsolescence of these equipments even before use for intended purpose. In a note the Ministry explained:

"While it is a fact that the Broadcasting technology is changing very fast with the acceptance/induction of CCD cameras by the industry, the tube camera chain namely KCM-125 procured for the project is still considered top of the line tube camera and is still

being used in the industry. Doordarshan network has about 80 such cameras in its studios. As regards the remaining associated equipments namely, video Monitors, Wave Form Monitors. Vector Scope. VITS generator and Insertors, Distribution amplifiers racks and furniture etc., there has not been any major technological change."

32. In the context of non-utilisation of equipment over a long period of time, the Committee drew the attention of the Ministry to the erosion of their shelf-life and also loss of Government on account of interest. The Ministry in a post-evidence note stated that the equipment had a working life of about 10 to 15 years which was not much affected due to storage unlike mechanical equipment. According to them, those equipment, were kept in reserve and were deployed at the Kendras as and when requisitions were received for the same.

33. Keeping in view the rush for procurement of equipments in this case, the Committee pointed out that Doordarshan will not be equipped with latest technology equipment when these would be put to use. The Ministry in a post-evidence note maintained that new equipments are being procured under the equipment sanction of staff Training Institute, Lucknow which would be deployed in DDK, Mumbai Project.

34. The Committee desired to know whether any exercise was undertaken at that time to explore the possibility of postponing the supply order of some of the equipment so as to prevent their consequent non-utilisation and overcome the problems arising out of the possibility of obsolescence of technology. In a note submitted subsequent to evidence, the Ministry stated that as per payment was already made in advance and the PSUs had accordingly taken necessary action for manufacture of the equipment for the project as per the orders placed by the Ministry, it was not found practicable at that time to change the terms and conditions of the supply order placed with them.

35. In view of the fact that the warranty period of one year for the equipment was already over, the Committee pointed out that the advantage of warranty of unutilised equipment might have been lost because of long disuse. Even if some of the equipments were stated to have been used by diversion to other locations, their use cannot be taken on continuous use to take advantage of repair/maintenance during the warranty period. Responding to this, the Ministry in a post-evidence note stated that the warranty and other terms and conditions for repairs was valid even the location had been changed.

36. The Committee wanted to know whether it was a fact that with the advancement of broadcasting/telecasting technology, there had been a fall in prices of related equipment and if so, whether it would not

be correct to conclude that the Ministry had paid more for older technology because of their inept handling of the project. The Ministry in a note furnished after evidence stated:—

“....it would not be correct to say that this Ministry paid more in procuring equipment of older technology... the equipment procured at that time were the state-of-the-art equipment available then and the same were deployed at similar other kendras for their effective utilisation because of the slow progress of the work of ‘TV Expansion, Mumbai’...It may be added here that as a remedial measures, the then prevailing practice of ordering equipment even before the start of civil works at the site has been dispensed with since April 1991 and purchase orders at present, are placed only after commencement of works for construction of the building thereby minimising the chances of blocking of Government funds in future.”

(iv) *Fulfilment of Objectives*

37. The production studio at Worli was deemed to be set up to achieve certain objectives in relation to the production of programmes. The Committee enquired as to how those objectives were met since the studios had not been commissioned till date. The Committee also desired to know the extent to which the objectives had suffered even after investment of such a sizeable amount in the process. In a note the Ministry stated:

“Additional Studio facilities for Doordarshan Kendra, Mumbai was envisaged to meet the requirement of increased work load because of introduction of Second Channel and increase in transmission hours as per public aspirations. Though the additional facilities could not be provided as per schedule because of delay in construction of building due to many unforeseen reasons, but provision of additional equipment was of immense help in tackling the increased pressure of work in the existing Doordarshan Kendra, Mumbai.”

III. Setting up of studio at Allahabad

(i) *Acquisition of land*

38. According to the Audit Paragraph, construction of a Television Studio was sanctioned by the Government of India in 1994 to provide Programme Production Centre at Allahabad. Explaining the scheme for setting up of TV Studio at Allahabad, the Ministry in a note stated that though a full-fledged TV Studio Centre was already functioning at Lucknow, it was felt in the year 1986 that the Studio centre at Lucknow along could not meet the requirement and aspirations of a State with such a large size and population especially in the context of the rich cultural heritage of Uttar Pradesh and the scheme for setting up of second TV studio in the State at Allahabad was envisaged. The Expenditure Finance

Committee (EFC) memo for the scheme was stated to have been framed in March, 1988.

39. The Audit had pointed out that the land for the studio was acquired only by the Government in October 1992. The Committee desired to know the reasons for delay in the acquisition of land. The Ministry in a note *inter-alia* stated:

"Efforts to locate a proper site for the TV studio in Allahabad were initiated in March, 1986 immediately after the scheme was envisaged. A plot at 7, Sapru Marg, Allahabad was identified for the purpose by Doordarshan and matter taken up with the State Government for acquisition of the said plot. A sanction of Rs. 25.50 lakh was also issued by this Ministry on 20.5.1987 for payment towards the identified site, as demanded by the State Government, and security fencing thereof. But, acquisition of the said plot of land could not materialise due to some litigation and the sanction for expenditure towards purchase of site was withdrawn. Subsequently, an alternate plot was identified in June, 1989 which the State Government agreed to hand over to Doordarshan and where the foundation stone was laid by the then Prime Minister on 6.7.1990. The agreement with the State Government for handing over of the said plot was signed on 30.9.1990 but the site was actually handed over to Doordarshan only on 16.10.1992 *i.e.* after a delay of over two years even though full payment towards the land cost had been made by Doordarshan to the concerned authorities."

40. Since the sanction of Rs. 25.50 lakh issued by the Ministry on 20 May 1987 for the first time towards acquisition of land was withdrawn following non-materialisation of acquisition of land, the Committee enquired when fresh sanction was issued by the Government. According to the Ministry, fresh sanction was issued on 23 March, 1992. The Committee were also informed that Rs. 88.397 lakh was paid to Government of Uttar Pradesh for acquisition of land on 10 June, 1992.

41. On being asked the precise reasons for delay of two years in taking possession of land from the State Government, the Ministry in a note furnished after evidence *inter-alia* stated that the delay was mainly because of the delay by the state Administration in providing the demand note for the site.

42. Asked further about the specific steps taken by the Ministry to acquire the land expeditiously from the state Government, the Ministry stated that the matter was constantly pursued at various levels including Secretary, I&B.

43. It was seen from the note furnished by Ministry that the project site was actually handed over to Doordarshan on 16 October, 1992 and the contract for construction of the project was awarded only on 24 August,

1995. In this context, the Committee wanted to know the reasons for delay of about 3 years in taking up the construction after acquisition of land, the Ministry in a note *inter-alia* stated:

“The scheme ‘Setting up of TV Studio Centres at Cultural Centres’, of which the project (TV studio at Allahabad) forms a part, initially envisaged setting up of studio centres at six cultural centres viz. Rajkot, Allahabad, Pune, Ranchi, Vijayawada and Madurai. Of these, the scheme for establishment of TV studio at Rajkot was approved. However, keeping in view the severe resource crunch and, also the need for consolidation of the studio facilities available in the country instead of going in for further expansion, the scheme for setting up of TV studios at the remaining five cultural centres was reviewed in January-February 1992 and it was decided that it would not be worthwhile to go in for further expansion of Programme Production Centres in the country as with the introduction of more and more satellite derived regional services in the States, the programmes produced by the State Capital studios could be transmitted all over the State. Besides, with a large number of sponsored programmes and commissioned programmes, it was felt that augmentation of in-house production facilities could be deferred. Subsequently, after prolonged deliberations it was decided to set up a TV studio of 150 sq.m. instead of normal 400 sq.m. at Allahabad, where foundation stone had been laid by the then Prime Minister on 6.7.1990. This necessitated modification in the EFC memo which was finally approved by the competent authority in May, 1994.”

44. On being asked specifically who were responsible for the tardy progress of the project, the Ministry in the same note stated:

“The delay in taking up of construction work after acquisition of land was due to this Ministry’s decision to keep the project in abeyance in view of severe resource crunch and can not be attributed to any officer.”

(ii) *Execution of Civil works*

45. From the information made available to the Committee, it was seen that the contract for construction of building for Television Studio at Allahabad was awarded to the agency namely Shri Charanjit Singh, 1 Regency Tower, Hewett Road, Lucknow on 24 August, 1995 for a value of Rs. 87,69,278.62. The Committee were initially informed that the building was expected to be ready by December 1996 and the project itself for commissioning by August 1997.

46. In their updated information furnished to the Committee on 7 August 1997, the Ministry *inter-alia* stated:

“Work of air-conditioning and lighting grid has been awarded. Acoustic materials have been procured by the Zonal office and are being sent to the Project site. Installation team is at site and preliminary work has been taken up. Studio equipment is available. As per present indications, the Project is expected to be completed around the end of 1997-98.”

47. Later, in a note furnished on 7 October 1997, the Ministry stated that building was ready for installation of equipment and that the project was now expected to be completed by March 1998.

(iii) *Procurement of equipment*

48. The Audit paragraph has brought out that orders for supply of equipment (Studio, Cameras, Video Tape recording, Audio equipment etc.) were placed on Bharat Electronics Limited, Bangalore and Gujarat Communication Electronics Limited, Baroda during 1988-89 by the Director General, Doordarshan, New Delhi. The equipment supplied by these undertakings between January 1991 and June 1995 were stored at Doordarshan Centre, Allahabad and New Delhi and full payment towards their cost amounting to Rs. 483.97 lakh was made without their test and trial.

49. The Committee enquired about the reasons for placing orders of equipment of Rs. 483.97 lakh in 1988-89 itself, by DG, Doordarshan, when even the land acquisition was completed as late as October, 1992 and sanction for construction of the Studio was accorded by the Government in 1994. The Ministry in a note *inter-alia* stated:

“Order for equipment was, placed with the manufacturing PSUs in view of long delivery schedule in respect of most of the equipment which were being manufactured by these PSUs for Doordarshan only under transfer of technology under license from foreign manufacturers. Here, it is relevant to mention that a long delivery schedule was the requirement of the PSU to undergo agreement with foreign manufacturers as per the then prevailing policy of the Government to conserve foreign exchange to the extent possible thereby encouraging indigenous manufacturer of the equipment. Since the equipment was being manufactured for Doordarshan alone, the PSUs invariably went for advance assurance from Doordarshan for purchase of these equipment to make the proposition economically viable for them and hence Doordarshan's acceptance of long delivery schedule for supply of equipment.”

50. Apprising the Committee about the procedure followed for placement orders pending start of construction work, the Ministry in this case also maintained that the procedure followed was as per the then policy & rules of Government as PSUs were having a long lead time of two to three years for supply of equipment.

51. The Ministry in their reply have stated that order was placed in advance because it normally took about two to three years time for supply of equipment etc. and construction work was expected to be completed during that period. On being asked what was the basis of this assumption particularly when the land acquisition was itself not commenced, the Ministry in a note stated:

“Since the project had assumed significance after laying of foundation stone by the then Prime Minister and also in view of the fact that the State Government had agreed to hand over the identified site to Doordarshan, orders for equipment were placed even before formally taking possession of the land. Besides, placement of orders much in advance was the prevailing practice also.”

52. Explaining the manner of utilisation of equipment purchased for this Studio, the Ministry in a note stated:

“Foreseeing the delay in implementation of the Studio Project, almost all other major equipment, except for the Camera chain, were tested and diverted to other projects in Doordarshan network for proper use. For example, DVE ADO 1000, U-matic equipment are being used in Doordarshan while Audio Consoles and SPG have been installed at Doordarshan Kendra, Srinagar. Similarly, Large Outside Broadcast Van and BCN-52 VTR have been deployed at Programme Exchange Unit, New Delhi and the Bilingual CG is in use at DDK, Nagpur.

In September, 1994, the matter was again reviewed and a decision taken to put the remaining equipment, procured for the Studio project at Allahabad also to proper use elsewhere in Doordarshan network *i.e.* Doordarshan Training Institute, Lucknow which was also a priority scheme and had been sanctioned in April, 1994. In December, 1994, when the equipment was being shifted from Allahabad to Lucknow, there was a political agitation (gherao) against this shifting which forced Doordarshan to abandon the idea of shifting the equipment. Had this shifting been possible, even the Camera Chain could have been put to proper use at DDTI, Lucknow during the warranty period. The Camera chain could not be tested as the requisite testing facilities were not available at Allahabad. However, all the equipment is, as a matter of routine, tested by Doordarshan experts at the factory itself before it is dispatched.

It would, thus, be seen that except for the Camera Chain, all other major equipment are already being utilised in Doordarshan network. As regards the Camera Chain which could not be put to use inspite of Doordarshan's best efforts, it is (KCM-125 Tube Camera) still the latest among tube cameras.”

53. According to Audit the guarantee periods of the equipment had already expired. In this context, the Committee wanted to know how Doordarshan ensured that the equipment supplied which were lying unutilised will be operationally fit when they are installed/used. The Ministry in a note stated:

“Broadly speaking, only equipment which remains usually unutilised is the camera chain and its associated equipment. These equipment are normally diverted against requisition received if any, from other Doordarshan Kendra in the network. As in the case of the project for expansion of Doordarshan Kendra, Mumbai among the equipment procured for this project, camera chains along with its associated equipment were diverted to DDK, Mumbai and STI(T), Lucknow for their effective utilisation. Besides Doordarshan have enough experience and expertise to attend in case there is any problem or fault in these equipment. Doordarshan earlier experience with the concerned PSUs has been that the PSUs will stand by Doordarshan in the eventuality of any breakdown/failure of equipment.”

54. In view of the above, the Committee pointed out whether it was not indicative of a sort of compromise in the quality of recording and broadcasting equipment accepted as *fate-accompli* by the Ministry rather than by choice/selection of the best modern technology. Replying to this point the Ministry in a post-evidence note *inter-alia* stated:

“While there is no denying the fact that the Broadcasting technology is changing very fast, the Camera purchased for TV Studio, Allahabad is still considered ‘Top of Line’ Tube Camera and is in use in studios in other metro and major centres. There is, therefore, no question of acceptance of obsolete equipment as a compromise.”

(iv) Setting up of TV studio centres at cultural centres

55. The Committee have been informed that the scheme “Setting up of TV studio centres at cultural centres” which was initially envisaged during 1985 covered setting up of studio centres at six cultural centres viz. Rajkot, Allahabad, Pune, Ranchi, Vijayawada and Madurai. However, keeping in view the severe resource crunch and also the need for consolidation of studio facilities available in the country, a decision was taken to keep the sanction/approval of the scheme in abeyance. However, later on keeping in view the participation of the local talent and aspirations of the people of that region, the scheme was approved.

56. When asked the status of implementation of the scheme, the Ministry in a note stated that building works for all the studio projects which have been sanctioned, namely: Allahabad, Ranchi, Rajkot, Pune & Vijayawada were progressing satisfactorily and is likely to be

completed by 1997-98. In a note furnished on 7 October 1997, the Ministry stated that the scheme for Madurai has since been sanctioned by the competent authority.

IV. Remedial/Corrective action

57. The Committee pointed out that there was mismatch between procurement of equipment and construction of studios both at Allahabad and Mumbai which led to blocking of funds and non-fulfilment of the envisaged objectives. The Report of the C&AG for the year 1996, Union Government (Civil) also contained two more paragraphs (3.4 & 3.9 relating to Idling of equipment valuing Rs. 391.26 lakh due to delay in award of civil work and delay in provision of television facility around Rajamundry respectively) where the equipments were purchased much in advance without synchronizing with the civil works. According to Audit, resultantly, the intended objective of providing TV Studio and transmitter to a particular station/area remained needlessly frustrated. In this connection, the Committee called for the information in respect of Studio/Kendras which were sanctioned by the Government but not commissioned. From the information made available to the Committee, it was seen that equipment procured during 1989 to 1994 for studio at Rajkot, Pune, Allahabad, Vijayawada, Ranchi, Madurai, Chandigarh, Gangtok, Mumbai and Delhi were yet to be utilised for the intended objectives since building construction had not been completed. In fact in one of the cases (Madurai), the Project itself was under consideration and not sanctioned, but the equipments were procured during 1989—94. In other cases also the equipment were purchased from the PSUs during 1989—94 when sanctions for the project was given much after the procurement of equipment. In the light of this, the Committee enquired about the remedial/corrective steps taken/proposed to be taken by the Ministry for proper synchronisation of procurement of equipment and construction of studios. The Ministry in a note stated:

“It is also worth mentioning here that Doordarshan, as a remedial measure, has already dispensed with the practice of ordering equipment pending start of construction work which means that orders for equipment would, henceforth, be placed only after commencement of construction work in respect of the building. This change in procedure will minimise the chances of blocking of Government funds in future.”

58. The Secretary of the Ministry, during evidence added:

“Now the matching has to be on a rational basis that building will come up and the equipment will also come up simultaneously.”

59. To a question whether the Ministry agreed that there was an imperative need for evolving better construction management and sound system of procurement of equipment compatible with the actual requirement, the Ministry in a post-evidence note stated:

"The procedures adopted for setting up of Doordarshan projects are reviewed from time to time and necessary corrective measures are taken to ensure that the procurement of equipment is compatible with the actual requirement and the equipment is not allowed to lie idle. The revised procedure adopted in the year 1991 has helped considerably in avoiding blocking of funds by way of procurement of equipment much in advance. Except in certain cases, where there is delay in execution of the project for reasons beyond control of this Ministry, the revised procedure has been found adequate."

60. In view of increasing private production of sponsored programmes, which warrants lesser number of production by Doordarshan, the Committee desired to know whether the Ministry had considered the need for rationalising construction of studios for programme production. They also enquired about the policy proposed to be adopted in this case. The Ministry in a post-evidence note informed the Committee that the matter was under their active consideration.

V. Utilisation of Doordarshan studios by Private Producers

61. The Committee desired to know whether the studios of Doordarshan were being used for private production by sponsors. The representative of the Ministry of Information and Broadcasting during evidence stated:

"To the best of our knowledge nowhere they are being used by private producers. We have had the discussions with various Directors of the Kendras. There are other problems in doing so."

62. The witness further added:

"We are not doing it. But we have a rate card for doing it. If somebody wants to hire the studio, we can tell that this is the charge. But it is not being done..... There is a provision to do so."

63. Asked specifically, whether studios of Doordarshan were being used by some private sponsors unofficially, the representative of the Ministry during evidence stated:

"Such complaints have come to our notice."

64. On being enquired what action has been taken in this regard, the representative of the Ministry deposed:

"We will check it up."

65. In a note furnished subsequent to evidence, the Ministry added:

"The studios of Doordarshan are normally not being hired out to outside agencies for private production. However, the modalities

of hiring out Doordarshan studio facilities, including equipment, to private producers have been worked out with a view to make optimum use of the facilities for generating more revenues. Recently, in May 1997, one small studio of DDK, Delhi, was given to M/s Milestone Pictures, UK, for one hour for Live Presentation for a banking seminar in Switzerland on chargeable basis."

VI. Finalisation of Proforma Accounts in Doordarshan

66. When the operations of a department include undertaking of a commercial or quasi-commercial character and the nature and scope of the activities of the undertaking are such as cannot suitably be brought within the normal system of Government account, the head of the undertaking shall be required to maintain such subsidiary and proforma accounts in commercial form as may be agreed between Government and the Comptroller and Auditor General of India.

67. In their 57th Report (10th LS) on Outside Production Doordarshan which was presented to Lok Sabha on 4 March 1994, the Committee had observed that the proforma accounts of Doordarshan had not been finalised since the year 1977-78. Criticising the inordinate delay of more than 15 years in the finalisation of the accounts, the Committee had recommended that the Ministry of Information and Broadcasting should, in consultation with Comptroller & Auditor General of India, find out ways and means of maintenance of the proforma accounts up-to-date. In their Action Taken Report on the subject, i.e. 106th Report (10th LS), which was presented to Lok Sabha on 22 August 1995 the Committee had observed that no substantial headway was made in the finalisation process and had expressed deep concern over this sorry state of affairs. They had, therefore, recommended that the Ministry should consult the C&AG of India and finalise a plan of action within three months with a view to ensuring that pending proforma accounts are finalised within a period of two year.

68. The Committee enquired whether any plan of action was drawn in consultation with the C&AG of India for finalisation of pending proforma accounts. The Ministry in a note subsequent to evidence stated:—

“(a) The Comptroller and Auditor General of India *vide* Doordarshan Directorate's D.O. No. G-25020(79)95-IU dated 22-23/3/95 was requested to:—

- (i) Provide a list of Chartered Accountant Consultants, Experts in Proforma Accounts approved by his office.
- (ii) To entrust the work through his office to the approved Chartered Accountants.

In response to Doordarshan's letter referred to above, C&AG *vide* his D.O. Letter No. 03CAV/26-95 dated 24-27.7.95 advised Doordarshan to select Chartered

Accountant firms available at Delhi and/or other place their own.

- (b) Letters were written by Doordarshan to some of the Chartered Accountants. But after visiting some Doordarshan units, they showed no interest in taking up this work.
- (c) Doordarshan engaged two retired officials for completion of this work."

69. When asked about the current status, the Ministry in their note furnished on 7 October 1997 stated:—

"The following Proforma Accounts have been sent to the Resident Audit Party, DG, ACR *vide* details given below:—

S. No.	Year of Accounts	Sent to R.A.P. <i>vide</i> letter No.
1.	1977-78	No. G-25021/6/94-IU dt. 20.6.94
2.	1978-79	No. G-25020/48/91-IU dt. 30.11.94
3.	1979-80	No. G-25020/48/91-IU dt. 14.11.95
4.	1980-81	No. G-25020/88/95-IU dt. 26.2.96
5.	1981-82	No. G-25020/97/96-IU dt. 4.9.96
6.	1982-83	No. G-25020/97/96-IU dt. 19.3.97

The Consolidation of Proforma Accounts for the year 1983-84 is at advanced stage of compilation. Similarly the Consolidation of Proforma Accounts for the year 1984-85 is also nearing completion. The compilation of Accounts for the following years is also in progress."

VII. Response to Audit Paragraphs

70. As per the existing instructions, the Ministries/Departments are required to furnish reply to Draft Audit Paragraphs which are forwarded to the Secretary through a demi-official letter within six weeks. According to Audit, the Draft Audit Paragraphs under examination were referred to the Ministry in June/July 1995 and their reply was awaited till November/December 1995. From the copies of the relevant note sheets in the file furnished to the Committee in this regard, it was seen that the correspondences were initiated only after they were included in the Report of the C&AG. In fact, it was seen that action in this regard was initiated only on 3 October 1996, i.e. after the subjects were selected by the Public Accounts Committee for detailed examination and the questionnaires

seeking advance information was sent to the Ministry. The Committee desired to know as to who was responsible for the inadequate action on the Audit paragraphs. The Ministry in a post-evidence note stated:—

“Since the reply to the draft C&AG paras involves collection and compilation of information from DG, Doordarshan, who in turn had to obtain the requisite information/data from its field offices and Civil Construction Wing of AIR, the reply to the aforesaid draft paras could not be sent in time. There has, thus, been procedural delay which can not be attributed directly to any individual. All out efforts are, however, being made now to cut down such delays by way of regular monitoring at various media units right from the receipt of draft C&AG paras.”

71. On being asked about the steps proposed to be taken to streamline the procedure regarding follow-up action on Draft Audit Paragraphs, the Secretary, I&B stated in evidence:—

“We have tightened this quite a lot that replies to the draft paras should go in time because it is to our advantage also.”

72. In a note furnished on 7 October 1997, the Ministry added:—

“The deficiencies in the action taken on the Draft Audit Paragraphs as pointed out by the PAC have been brought to the notice of all concerned for strict compliance. As already explained during the oral evidence on 21.2.97, a more effective interaction with the audit authorities is now being made with a view to stick to the time schedule while attending to the audit paragraphs. The position with regard to the pending paragraphs is being monitored on weekly basis at Deputy Secretary level and on fortnightly basis at the level of Additional Secretary and Financial Advisor.”

VIII. Conclusions and Recommendations

73. The Audit paragraphs deal with two cases of premature procurement of equipment involving substantial expenditure by Doordarshan prior to construction of building for studio/transmitters. While the first Project envisaged making available additional programme production centre for Doordarshan, Mumbai, the second one sought to provide programme production centre for Doordarshan at Allahabad. The Committee's examination of the Audit paragraphs has revealed several disquieting aspects in the implementation of both the Projects which have been brought out in the succeeding paragraphs.

74. The construction work of additional studio for Doordarshan Kendra, Worli, Mumbai was initially entrusted to Shah Construction Co. Ltd. in March 1989 at a cost of Rs. 443.64 lakh. The work was scheduled to be completed by November 1991. However, the contractor could complete only 16.47 per cent of the work by November 1991 after incurring an expenditure of Rs. 127.45 lakh. Explaining the reasons for the delay in

completion of construction work, the Ministry stated that due to the gulf war raging through almost all the countries in the Middle East at that time where the agency was also engaged in construction activities, all its assets and finance got totally blocked, which it was not able to recover. In the absence of sufficient finance backing, the contractor reportedly could not mobilise sufficient funds resulting in the work coming to a standstill. The Committees' examination revealed that the authorities were aware of the fact that the work was running behind the schedule and that the contractor company might not be in a position to carry out the same atleast as early as February 1991. However, though notices were stated to have been issued to the contractor in February, April and May 1991 and the contract initially rescinded on June 1991, the Committee to their dismay found that the rescission of the contract was revoked in July 1991 on the request of the company with an assurance to fully mobilise the resources to complete the work by 30 December 1992. Eventually, the assurance was not fulfilled and the contract had finally to be got rescinded on 28 November 1991 as the progress of the work between August and October 1991 was assessed to be extremely slow. The Committee regret to observe that the authorities acted with misplaced optimism relying on the unrealistic assurance given by the contractor which resulted not only in delay in completion of the Project but also other consequential problems as discussed later in the Report.

75. The Committee were informed that as per provisions of the contract, the balance work was being executed through a separate contract at the risk, cost and responsibility of the original contract and the additional expenditure thus involved was required to be recovered from the original contractor. The Ministry stated that the direct loss suffered by Doordarshan was Rs. 158.25 lakh although the exact amount recoverable from the company could be calculated only after completion of the balance work which was yet to be completed. As against the liability of the contractor, the department were stated to have withheld only Rs. 10.31 lakh under different heads including security deposit of Rs. 1.00 lakh, thus requiring them to recover a remaining balance of Rs. 147.94 lakh, pending calculation of the exact liability due. As regards action taken to recover the amount, the Ministry have merely stated that the matter was taken up through the Arbitrator to obtain the claim in favour of the Government without intimating the date of appointment of Arbitrator and the manner in which the case was pursued. The contractor on the other hand, moved the Mumbai High Court seeking stay against the Department for taking further action in getting the work executed at its risk and cost in March 1992. Intimating the status of the case in the High Court, it was stated that the case was still pending before the Court. The Committee are concerned to note that though enough provisions existed in the contract to safeguard the financial interests of the Government, the authorities concerned apparently failed to enforce their claim effectively even though a period of six years has elapsed since the contract was rescinded. Considering the fact that the

amount withheld is very insignificant compared to the total amount recoverable from the agency, the Committee recommend that urgent steps be taken by the Ministry to pursue the case vigorously and obtain the legitimate dues of the Government expeditiously. The Committee would like to be apprised of the outcome in this regard including the final amount worked out to be recovered from the company and the status of recovery.

76. The Committee further note that the remaining work of the construction work was entrusted to another company, viz., Chaudhary & Chaudhary (I) Ltd. at a cost of Rs.523.53 lakh in November 1992 with the stipulated date of completion as June 1995. However, the Committee are concerned to note that the second contractor was able to complete only 37 per cent of the work by February 1995 for which they were paid Rs. 206.85 lakh. One of the principal reasons advanced for the delay was the decision of the Ministry to change the approved scope of the Project for providing accommodation for other media units for which the work was stopped between June and November 1993. Significantly, the modification sought by the Ministry was found to be unacceptable as it was not technically feasible. Though the Ministry contended that technical assistance was sought for proposed modification in the scope of the Project, the Committee feel that the feasibility of the proposal should have been carefully analysed in all its ramifications particularly in view of the fact that the Project was already lagging for behind schedule. Not surprisingly, the stoppage of work for five months caused more delay since the company had abandoned the work and took additional time for remobilisation. Evidently, lack of proper planning on the part of the authorities concerned resulted in avoidable delay.

77. The Committee observe that apart from the consequences arising out of the proposal for causing modifications in the design which was eventually not effected, there was further delay on the part of the second contractor also in the completion of the work, considering the fact that only 37 per cent of the work was completed upto February 1995 whereas the work was scheduled to be completed by June 1995. The Ministry admitted that the progress of the second contractor also remained unsatisfactory for which notices were issued to the agency and the penalty would be imposed after analysing reasons put forward by the company for the delays. The Committee consider it unfortunate that while the first contract was rescinded for poor progress of the work, the performance of the second one was also no different. They recommend that the matter should be looked into and appropriate action taken against the company for the abysmally slow progress of the work. The Committee would like to know the action taken in this regard. They also desire to be apprised of the total payment made to the second contractor for the execution of the work.

78. The Committee are deeply concerned to observe that the construction work of studio building at Mumbai which was initially scheduled to be completed by November 1991, is yet to be completed even though a period of six years has already elapsed. According to the revised projection of

Ministry, the construction of building is now expected to be completed by October 1997. What is further distressing to note is that the studio is now expected to be commissioned only by the end of 1998. The Committee deplore the inordinate delay in the construction of building for providing additional Studio for Doordarshan Kendra, Mumbai and recommend that effective steps be taken to curb any further delay and complete the project expeditiously with a view to ensuring fulfilment of the underlying objectives of the Project and checking further escalation of costs. The Committee would like to be kept informed of the status of the Project.

79. Though the Ministry claimed to have an elaborate mechanism for monitoring Doordarshan Projects and the Project at Mumbai was stated to have been fully monitored at various levels, the Committee find the system to be highly inadequate. In the opinion of the Committee, had the project been meticulously monitored, many avoidable delays as have been brought in the preceding paragraphs could have been effectively curbed facilitating timely completion of the project. The Committee, therefore, desire that the institutional monitoring mechanism envisaged for periodical review of progress of such projects of Doordarshan be reviewed afresh and steps taken to make them effective for facilitating better results.

80. The Committee are surprised to find that while the Studio building was scheduled to be completed by November 1991, Doordarshan had placed purchase orders in March 1989 for procurement of equipment for the studio at a cost of Rs. 965.30 lakhs. The Ministry pleaded that as per the prevailing policy of the Government, all such equipment were procured through Public Sector Undertakings (PSUs) for which the delivery period was between two to three years. These equipment were received during April 1990 to March 1994. Since the studio building was not completed, equipment valued at Rs. 585.44 lakh were diverted to Doordarshan Kendra, Mumbai and Staff Training Institute, Lucknow. Further, the remaining equipment valued at Rs. 379.86 lakh were lying unutilised. The Committee were perturbed to note that while some of the equipment lying idle were stated to have been diverted to National Film Development Corporation, some of these were still lying in the godown pending their utilisation when the project at Mumbai is commissioned. Significantly, the warranty period of one year for the equipment was stated to have already been over indicating that the advantage of warranty of unutilised equipment had been lost because of long dis-use. Even where some of them were utilised by diversion to other locations, their use cannot be taken as continuous to take advantage of repair/maintenance during the warranty period. The Committee cannot but conclude that procurement of equipment much in advance without synchronising construction of studio resulted not only in non-utilisation/inadequate utilisation of equipment over a long period of time but also

in recurring loss to the Government on account of interest. Further, erosion of shelf-life of the equipment due to long dis-use and future complications arising out of technological obsolescence, expiry of warranty period etc. cannot be ruled out.

81. Another case of blocking of Government funds due to the absence of synchronisation of civil work and procurement of equipment which engaged the attention of the Committee related to the Project for setting up of Television Studio at Allahabad. The Committee find that the project formed a part of the Scheme of "Setting up of TV Studio at six cultural Centres" which was envisaged by Government during 1985. Though the Expenditure Finance Committee Memo (EFC) for construction of the Studio was framed in March 1988, the sanction was accorded to the Project only in May 1994. Efforts were initiated by the Government to locate a proper site for the TV studio way back in March 1986. Though a plot was initially identified at Allahabad for this purpose and matter was taken up with the State Government of Uttar Pradesh for the acquisition of the same, it could not materialise due to certain litigation. The sanction of Rs.25.50 lakh issued by the Ministry on 20 May 1987 for expenditure towards purchase of site was withdrawn. Subsequently, an alternate plot was identified in June 1989 and the agreement with the State Government for handing over of the plot was signed on 30 September 1990, but the site was actually taken into possession by Doordarshan only on 16 October 1992 i.e. after a delay of over two years. The Ministry attributed the delay mainly to the State Government in providing the demand note for the site. It is relevant to point out that fresh sanction for acquisition of land was issued by the Government as late as 23 March 1992 i.e. after a lapse of one year and six months after the agreement was signed and the payment was actually made to the State Government on 10 June 1992. Evidently there was an inordinate delay on the part of the department to make possession of the land after agreement was signed in 1990 and the case was not effectively pursued as warranted by the situation.

82. What is further disquieting to note is the fact that though the Project site was handed over to Doordarshan on 16 October 1992, the contract for construction of the Project was awarded only on 24 August 1995 valued at Rs. 87.69 lakh i.e. after a delay of about three years. Explaining the reasons for delay in taking up construction work in the instant case, the Ministry stated that it was the Ministry's decision to keep the project in abeyance due to severe resource crunch and also due to the felt need for consolidation of the studio facilities available in the country instead of going in for further expansion. The construction work of the building was stated to have been completed by now and the equipment are yet to be installed. According to the Ministry, the project is now expected to be completed around the end of 1997-98. Thus, due to inept project planning and management, the proposal for setting up the TV studio at Allahabad in 1985 is yet to take off.

83. The Committee are surprised to find that orders for supply of equipment for the studio were placed on Bharat Electronics Limited, Bangalore and Gujarat Communication Electronics Limited, Baroda by the Director General, Doordarshan as early as in 1988-89, while the land acquisition was itself completed only in October 1992 and construction work was taken up later in August 1995 i.e. after seven years. The Ministry maintained that the procedure followed for procurement of equipment in this case also was as per the prevailing policy of Government. According to them, order was placed in advance because it normally took two to three years time for supply of equipment by PSUs and construction work was expected to be completed during that period. The Committee fail to appreciate the presumption of the Ministry about the expected completion of the building particularly when the land acquisition was itself not completed. The Ministry's contention that equipment were purchased as per prevailing policy is untenable in view of the fact that construction work was not even commenced, which in fact was initiated after a period of seven years. This clearly indicates an over optimistic and unrealistic approach on the part of the authorities concerned towards purchase of equipment resulting in blocking of Government Funds. The Committee therefore, desire that the circumstances under which purchase orders for equipment were placed much in advance be inquired into and responsibility fixed.

84. Though the Ministry stated that major equipment were utilised by diversion and claim these to be operationally fit despite the expiry of warranty period, the fact remains that the equipment could not be utilised for the intended purpose and Doordarshan will have to compromise with the quality of equipment being of old vintage. While expressing their concern over such plight of the Project, the Committee desire that the remaining items of work for the setting up of Television Studio should be expeditiously completed. The Committee would like to be apprised of the progress.

85. From the foregoing, it is amply clear that execution of both the projects is a sad commentary on the poor project management on the part of the Ministry/Doordarshan besides highlighting deficient construction planning and total mis-match between procurement of equipment and construction of buildings for studios. As a consequence, not only the objectives behind setting up of studios got frustrated, but also with the rapid change of broadcasting/telecasting technology, the possibility of equipment purchased at considerable cost becoming obsolete could not be ruled out. Even though the Ministry contended that the equipment were being used by Doordarshan, the fact remains that because of their unjustifiable rush for purchase of equipment, Doordarshan will not be equipped with the latest technology/equipment when these would be put to use. Even if these are used as *fait accompli*, the technology will still be old and Doordarshan might embark on a spate of replacements without optimum utilisation of these equipment. The Committee deplore the lack of overall control and accountability on the part of the Ministry/Doordarshan towards implementation of such composite projects. The Ministry of

Information and Broadcasting have stated that the previous procedure for ordering equipment pending start of construction work has now been dispensed with and that now the orders for procurement are being placed only after the progress of construction of building is known. The Committee are not satisfied with this. They are of the strong view that there is an imperative need for evolving better construction management and sound system of procurement of equipment compatible with the actual requirement.

86. The Committee's views on the need for evolving a sound system in this regard are further reinforced by the facts contained in paragraphs 3.4 and 3.9 of the Report of C&AG, No. 2 of 1996 and certain other related information which emerged during the course of examination of the subject. Paragraph 3.4 relating to "Idling of equipment valuing Rs. 391.26 lakh due to delay in award of civil work" and paragraph 3.9 on "Delay in provision of television facility around Rajamundry" revealed that equipment were procured in the two cases much in advance without synchronising with the civil works. Resultantly, the intended objective of providing TV Studio and transmitter to a particular area remained needlessly frustrated. Besides, from the information furnished by the Ministry, the Committee were shocked to observe that equipment procured during 1989 to 1994 for studios at Rajkot, Pune, Vijayawada, Ranchi, Madurai, Chandigarh, Gangtok and Delhi were yet to be utilised for the intended objectives since construction of the buildings had not been completed. Curiously enough, in case of Madurai, while the Project was itself under consideration awaiting sanction of the Government, the equipment for the studio were procured during 1989—94. Similarly, in certain other cases also the equipment were purchased from the PSUs during 1989—94 whereas sanction for the Project was given much after the procurement of equipment. From these facts, the Committee are inclined to conclude that there had been a general tendency to rush for procurement of equipment on the part of the Ministry which eventually resulted in non-utilisation of equipment and blocking of Government funds. The Committee desire that all these cases of procurement of equipment be thoroughly inquired into and responsibility fixed for the lapses resulting in unnecessary blocking of Government funds. The Committee would like to be apprised of the precise action taken and also the status of utilisation of equipment in all the cases referred to above. The Committee further desire that in the light of the facts contained in this Report, the procedures adopted for setting up of Doordarshan Kendras be reviewed afresh and necessary corrective measures taken to ensure proper synchronisation of equipment with construction of studios.

87. The Committee's examination revealed that the scheme "Setting up of Television Studio Centres at Cultural Centres" which was initially envisaged during 1985 covered setting up of studio centres at six cultural centres viz. Rajkot, Allahabad, Pune, Ranchi, Vijayawada and Madurai. Although the building works for all the studio Projects were stated to have been

sanctioned by Government, the Committee are surprised that construction of none of the Studio Centres has been completed so far. According to the Ministry, the studio Projects at five centres were likely to be completed by 1997-98. The Committee trust that necessary steps will be taken by the Ministry to expeditiously complete the Projects so that the underlying objectives behind the scheme are not further upset. The Committee would like to be apprised of the status of the implementation of the Projects.

88. It is common knowledge that the scenario of production of programmes for television has undergone tremendous changes in the recent past. In view of increasing private production of sponsored programmes which warrants lesser number of production by Doordarshan, the Committee feel that there is need for rationalising construction of studios for production of programmes. The Committee have been informed that the matter was under active consideration of the Government. The Committee trust that the matter would be expeditiously examined and would like to be kept informed of the outcome.

89. Another related aspect which also drew the attention of the Committee was the utilisation of Doordarshan Studios by private producers. During evidence it was conceded that some complaints regarding alleged utilisation of Doordarshan studios by private sponsors were received by them and those were being looked into. The Committee have subsequently been informed (October 1997) that the modalities of hiring out Doordarshan Studio facilities, including equipment, to private producers have been worked out with a view to making optimum use of the facilities for generating more revenues. The Committee desire that the modalities so worked out should clearly be laid down in the form of guidelines for regulating usage of Doordarshan studios by private producers/sponsors and all necessary steps taken to check the availing of these facilities unauthorisedly by private parties. Based on the complaints received by the Ministry, the Committee would also like to know the action taken against erring officials for unauthorisedly allowing private parties to utilise Doordarshan Studios.

90. The Committee have time and again expressed their anguish over heavy backlog in finalisation of proforma accounts of Doordarshan. Expressing their concern over the unsatisfactory progress in finalisation of proforma accounts pertaining to the years 1977-78, the Committee in their 106th Report (10th LS) presented to the House on 22 August, 1996 had recommended that the pending proforma accounts be finalised within a period of two years. However, the Committee are displeased to note that the proforma accounts of Doordarshan are yet to be compiled from the year 1983-84 onwards. The Committee therefore, cannot but conclude that the Ministry have failed to address the issue seriously. While deploring the laxity shown by the authorities in the matter, the Committee desire that all concerted efforts be made by the Ministry to expeditiously get the proforma accounts finalised. The Committee would like to be apprised of the latest position in this regard.

91. The Committee regret to observe that the Ministry of Information & Broadcasting/Doordarshan did not respond promptly to the draft Audit Paragraphs under examination. In fact, the Committee's examination revealed that action on the Paragraphs was initiated only after those were incorporated in the Audit Report and the subject matter was taken up by the Public Accounts Committee for detailed examination. The Committee take a serious view of the failure of the Ministry in this case and desire that effective steps be taken with a view to ensuring that such lapses do not recur. They further desire that the Financial Adviser in the Ministry should be held responsible for such lapses, if any, in future.

NEW DELHI;
5 November, 1997

14 Kartika, 1919 (Saka)

DR. MURLI MANOHAR JOSHI,
Chairman,
Public Accounts Committee.

APPENDIX—I
(Vide Para 1)

Paragraph 3.1 of the Report of the C&AG of India for the year ended 31st March, 1995, No. 2 of 1996, Union Government (Civil) relating to Premature Procurement of Equipments and delay in construction.

3.1 Premature procurement of equipment and delay in construction

All India Radio, Bombay entrusted construction of additional studio for Doordarshan Kendra, Worli, Bombay in March 1989 to a firm at a cost of Rs. 443.64 lakh. The scheduled date of completion was November 1991. Since the firm could complete only 16.47 per cent work by November 1991, the contract was rescinded. An expenditure of Rs. 127.45 lakh was incurred until November 1991. The remaining work was entrusted to another contractor at a cost of Rs. 523.53 lakh in November 1992 with stipulated date of completion as June 1995. Only 37 per cent of work had been completed as of February 1995 and Rs. 206.85 lakh had been paid to the second contractor. The progress has been slow mainly on account of frequent hindrances due to delay in clearance of design, lack of co-ordination between electrical and civil wings of AIR and suspension of work with a view to examining the possibility of change in the design of the building.

Doordarshan had placed purchase orders in March 1989 for procurement of major equipment for this studio at a cost of Rs. 965.30 lakh. These were received during April 1990 to March 1994. Since the studio building was not completed, equipment valued at Rs. 585.44 lakh were diverted as loan to Doordarshan Kendra, Bombay and Staff Training Institute, Lucknow. Remaining equipment valued at Rs. 379.86 lakh are lying unutilised. The warranty period of one year for the equipment is already over.

Thus, deficient construction management and procurement of equipment in advance of requirement resulted in non-fulfilment of objective of constructing the additional studio on which an expenditure of Rs. 1299.60 lakh has already been incurred. There is also possibility of obsolescence of electronic equipment valued at Rs. 379.86 lakh.

The matter was referred to Ministry in June 1995; their reply was awaited as of November, 1995.

Paragraph 3.3 of the Report of the C&AG of India for the year ended 31st March, 1995, No. 2 of 1996, Union Government (Civil) relating to Premature Procurement of Equipment—Rs. 483.97 lakh

3.3 Premature procurement of equipment—Rs. 483.97 lakh

To provide Programme Production Centre at Allahabad, construction of a Television Studio was sanctioned by the Government of India in 1994.

Test check of the records of Station Engineer, Doordarshan, Allahabad in January 1995 and information obtained from Director General, Doordarshan (DG, DD) New Delhi in July 1995 revealed that orders for the supply of equipment (Studio, Cameras, Video Tape recording, Audio equipment etc.) were placed on M/s BEL, Bangalore and M/s GCEL, Baroda during 1988-89 by the DG, DD New Delhi. The equipment supplied by these undertakings between January 1991 and June 1995, were stored at Doordarshan Centre, Allahabad and New Delhi and full payment towards their cost amounting to Rs. 483.97 lakh was made without their test and trial. These equipments, whose guarantee periods have already expired, are still lying unutilised (July 1995). It was noted that the land for the Studio was acquired only in October 1992 and construction of the studio has not started yet.

The procurement of equipment far in advance of the sanction of the studio, acquisition of land and construction of building was indicative of absence of co-ordination in the department.

Thus, non-commissioning of the studio has not only resulted into blocking of Rs. 483.97 lakh but the very objective of setting up of Programme Production Centre could not be achieved. Moreover, due to fast improvement/advancement in technology, possibility of these equipments becoming obsolete, by the time the studio comes up, cannot be ruled out.

The matter was referred to the Ministry in July 1995; their reply was awaited as of December 1995.

APPENDIX—II
CONCLUSIONS/RECOMMENDATIONS

Sl. No.	Para No.	Ministry/ Department concerned	Conclusions/Recommendations
1	2	3	4
1.	73	Ministry of I&B	The Audit paragraphs deal with two cases of premature procurement of equipment involving substantial expenditure by Doordarshan prior to construction of building for studio/transmitters. While the first Project envisaged making available additional programme production centre for Doordarshan, Mumbai, the second one sought to provide programme production centre for Doordarshan at Allahabad. The Committee's examination of the Audit paragraphs has revealed several disquieting aspects in the implementation of both the Projects which have been brought out in the succeeding paragraphs.
2.	74	-do-	The construction work of additional studio for Doordarshan Kendra, Worli, Mumbai was initially entrusted to Shah Construction Co. Ltd. in March 1989 at a cost of Rs. 443.64 lakh. The work was scheduled to be completed by November 1991. However, the contractor could complete only 16.47 per cent of the work by November 1991 after incurring an expenditure of Rs. 127.45 lakh. Explaining the reasons for the delay in completion of construction work, the Ministry stated that due to the Gulf war raging through almost all the countries in the Middle East at that time where the agency was also engaged in construction activities, all its assets and finance got totally blocked, which it was not able to recover. In the absence of sufficient finance backing, the contractor

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reportedly could not mobilise sufficient funds resulting in the work coming to a standstill. The Committees' examination revealed that the authorities were aware of the fact that the work was running behind the schedule and that the contractor company might not be in a position to carry out the same atleast as early as February 1991. However, though notices were stated to have been issued to the contractor in February, April and May 1991 and the contract initially rescinded on June 1991, the Committee to their dismay found that the rescission of the contract was revoked in July 1991 on the request of the company with an assurance to fully mobilise the resources, to complete the work by 30 December, 1992. Eventually, the assurance was not fulfilled and the contract had finally to be got rescinded on 28 November, 1991 as the progress of the work between August and October 1991 was assessed to be extremely slow. The Committee regret to observe that the authorities acted with misplaced optimism relying on the unrealistic assurance given by the contractor which resulted not only in delay in completion of the Project but also other consequential problems as discussed later in the Report.

3. 75 Ministry of I&B The Committee were informed that as per provisions of the contract, the balance work was being executed through a separate contract at the risk, cost and responsibility of the original contractor and the additional expenditure thus involved was required to be recovered from the original contractor. The Ministry stated that the direct loss suffered by Doordarshan was Rs. 158.25 lakh although the exact amount recoverable from the company could be calculated only after completion of the balance

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4. 76 Ministry of
I&B

work which was yet to be completed. As against the liability of the contractor, the department were stated to have withheld only Rs. 10.31 lakh under different heads including security deposit of Rs. 1.00 lakh, thus requiring them to recover a remaining balance of Rs. 147.94 lakh, pending calculation of the exact liability due. As regards action taken to recover the amount, the Ministry have merely stated that the matter was taken up through the Arbitrator to obtain the claim in favour of the Government without intimating the date of appointment of Arbitrator and the manner in which the case was pursued. The contractor on the other hand, moved the Mumbai High Court seeking stay against the Department for taking further action in getting the work executed at its risk and cost in March 1992. Intimating the status of the case in the High Court, it was stated that the case was still pending before the Court. The Committee are concerned to note that though enough provisions existed in the contract to safeguard the financial interests of the Government, the authorities concerned apparently failed to enforce their claim effectively even though a period of six years has elapsed since the contract was rescinded. Considering the fact that the amount withheld is very insignificant compared to the total amount recoverable from the agency, the Committee recommend that urgent steps be taken by the Ministry to pursue the case vigorously and obtain the legitimate dues of the Government expeditiously. The Committee would like to be apprised of the outcome in this regard including the final amount worked out to be recovered from the company and the status of recovery. The Committee further note that the remaining work of the construction work was entrusted to another company, viz. Chaudhary & Chaudhary (I) Ltd. at a cost of Rs. 523.53 lakh in November 1992 with the stipulated date of

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5.	77 Ministry of I&B	<p>completion as June 1995. However, the Committee are concerned to note that the second contractor was able to complete only 37 per cent of the work by February, 1995 for which they were paid Rs. 206.85 lakh. One of the principal reasons advanced for the delay was the decision of the Ministry to change the approved scope of the Project for providing accommodation for other media units for which the work was stopped between June and November, 1993. Significantly, the modification sought by the Ministry was found to be unacceptable as it was not technically feasible. Though the Ministry contended that technical assistance was sought for proposed modification in the scope of the Project, the Committee feel that the feasibility of the proposal should have been carefully analysed in all its ramifications particularly in view of the fact that the Project was already lagging far behind schedule. Not surprisingly, the stoppage of work for five months caused more delay since the company had abandoned the work and took additional time for remobilisation. Evidently, lack of proper planning on the part of the authorities concerned resulted in avoidable delay.</p>	<p>The Committee observe that apart from the consequences arising out of the proposal for causing modifications in the design which was eventually not effected, there was further delay on the part of the second contractor also in the completion of the work, considering the fact that only 37 per cent of the work was completed upto February, 1995 whereas the work was scheduled to be completed by June, 1995. The Ministry admitted that the progress of the second contractor also remained unsatisfactory for which notices were issued to the agency and the penalty would be imposed after analysing reasons put forward by the company for the delays. The Committee consider it unfortunate that while the first contract was rescinded for</p>

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poor progress of the work, the performance of the second one was also no different. They recommend that the matter should be looked into and appropriate action taken against the company for the abysmally slow progress of the work. The Committee would like to know the action taken in this regard. They also desire to be apprised of the total payment made to the second contractor for the execution of the work.

6. 78 Ministry of
I&B

The Committee are deeply concerned to observe that the construction work of studio building at Mumbai which was initially scheduled to be completed by November, 1991, is yet to be completed even though a period of six years has already elapsed. According to the revised projection of Ministry, the construction of building is now expected to be completed by October, 1997. What is further distressing to note is note is that the studio is now expected to be commissioned only by the end of 1998. The Committee deplore the inordinate delay in the construction of building for providing the additional Studio for Doordarshan Kendra, Mumbai and recommend that effective steps be taken to curb any further delay and complete the project expeditiously with a view to ensuring fulfilment of the underlying objectives of the project and checking further escalation of costs. The Committee would like to be kept informed of the status of the project.

7. 79 -do-

Though the Ministry claimed to have an elaborate mechanism for monitoring Doordarshan Projects and the Project at Mumbai was stated to have been fully monitored at various levels, the Committee find the system to be highly inadequate. In the opinion of the Committee, had the project been meticulously monitored, many avoidable delays as have been brought in the preceding paragraphs could have been effectively curbed

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8. 80	Ministry of I&B	<p>facilitating timely completion of the project. The Committee, therefore, desire that the institutional monitoring mechanism envisaged for periodical review of progress of such projects of Doordarshan be reviewed afresh and steps taken to make them effective for facilitating better results.</p>	<p>The Committee are surprised to find that while the Studio building was scheduled to be completed by November, 1991. Doordarshan had placed purchase orders in March, 1989 for procurement of equipment for the studio at a cost of Rs. 965.30 lakh. The Ministry pleaded that as per the prevailing policy of the Government, all such equipment were procured through Public Sector Undertakings (PSUs) for which the delivery period was between two to three years. These equipment were received during April, 1990 to March, 1994. Since the studio building was not completed, equipment valued at Rs. 585.44 lakh were diverted to Doordarshan Kendra, Mumbai and Staff Training institute, Locknow. Further, the remaining equipment valued at Rs. 379.86 lakh were lying unutilised. The Committee were perturbed to note that while some of the equipment lying idle were stated to have been diverted to National Film Development Corporation, some of these were still lying in the godown pending their utilisation when the Project at Mumbai is commissioned. Significantly, the warranty period of one year for the equipment was stated to have already been over indicating that the advantage of warranty of unutilised equipment had been lost because of long dis-use. Even where some of them were utilised by diversion to other locations, their use cannot be taken as continuous to take advantage of repair/maintenance during the warranty period. The Committee cannot but conclude that procurement of equipment much in advance</p>

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without synchronising construction of studio resulted not only in non-utilisation/inadequate utilisation of equipment over a long period of time but also in recurring loss to be Government on account of interest. Further, erosion of self-life of the equipment due to long dis-use and future complications arising out of technological obsolescence, expiry of warranty period etc. cannot be ruled out.

9. 81 Ministry of I&B

Another case of blocking of Government funds due to the absence of synchronisation of civil work and procurement of equipment which engaged the attention of the Committee related to the Project for setting up of Television Studio at Allahabad. The Committee find that the Project formed a part of the Scheme of "Setting up of TV Studio at six cultural Centres" which was envisaged by Government during 1985. Though the Expenditure Finance Committee Memo (EFC) for construction of the Studio was framed in March, 1988, the sanction was accorded to the Project only in May, 1994. Efforts were initiated by the Government to locate a proper site for the TV studio way back in March, 1986. Though a plot was initially identified at Allahabad for this purpose and matter was taken to with the State Government of Uttar Pradesh for the acquisition of the same, it could not materialise due to certain litigation. The sanction of Rs. 25.50 lakh issued by the Ministry on 20 May, 1987 for expenditure towards purchase of site was withdrawn. Subsequently, an alternate plot was identified in June, 1989 and the agreement with the State Government for handing over of the plot was signed on 30 September, 1990, but the site was actually taken into possession by Doordarshan only on 16 October, 1992 i.e. after a delay of over two years. The Ministry attributed the delay mainly to the State Government in providing the demand note for

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			<p>the site. It is relevant to point out that fresh sanction for acquisition of land was issued by the Government as late as 23 March, 1992 i.e. after a lapse of one year and six months after the agreement was signed and the payment was actually made to the State Government on 10 June 1992. Evidently there was an inordinate delay on the part of the department to take possession of the land after agreement was signed in 1990 and the case was not effectively pursued as warranted by the situation.</p>
10.	82	Ministry of I & B	<p>What is further disquieting to note is the fact that though the Project site was handed over to Doordarshan on 16 October, 1992, the contract for construction of the Project was awarded only on 24 August, 1995 valued at Rs. 87.69 lakh i.e. after a delay of about three years. Explaining the reasons for delay in taking up construction work in the instant case, the Ministry stated that it was the Ministry's decision to keep the Project in abeyance due to severe resource crunch and also due to the felt need for consolidation of the studio facilities available in the country instead of going in for further expansion. The construction work of the building was stated to have been completed by now and the equipment are yet to be installed. According to the Ministry, the Project is now expected to be completed around the end of 1997-98. Thus, due to inept Project planning and management, the proposal for setting up the TV studio at Allahabad in 1985 is yet to take off.</p>
11.	83	-do-	<p>The Committee are surprised to find that orders for supply of equipment for the studio were placed on Bharat Electronics Limited, Bangalore and Gujarat Communication Electronics Limited, Baroda by the Director General, Dordarshan as early as in 1988-89, while the land acquisition was itself completed only in October, 1992 and construction work was taken up later in August, 1995 i.e. after</p>

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			<p>seven years. The Ministry maintained that the procedure followed for procurement of equipment in this case also was as per the prevailing policy of Government. According to them, order was placed in advance because it normally took two to three years time for supply of equipment by PSUs and construction work was expected to be completed during that period. The Committee fail to appreciate the presumption of the Ministry about the expected completion of the building particularly when the land acquisition was itself not completed. The Ministry's contention that equipment were purchased as per prevailing policy is untenable in view of the fact that construction work was not even commenced, which in fact that initiated after a period of seven years. This clearly indicates an over optimistic and unrealistic approach on the part of the authorities concerned towards purchase of equipment resulting in blocking of Government Funds. The Committee therefore, desire that the circumstances under which purchase orders for equipment were placed much in advance be inquired into and responsibility fixed.</p>
12.	84	Ministry of I & B	<p>Though the Ministry stated that major equipment were utilised by diversion and claim these to be operationally fit despite the expiry of warranty period, the fact remains that the equipment could not be utilised for the intended purpose and Doordarshan will have to compromise with the quality of equipment being of old vintage. While expressing their concern over such plight of the Project, the Committee desire that the remaining items of work for the setting up of Television Studio should be expeditiously completed. The Committee would like to be apprised of the progress.</p>
13.	85	-do-	<p>From the foregoing, it is amply clear that execution of both the projects is a sad commentary on the poor project management on the part of the Ministry/Doordarshan</p>

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besides highlighting deficient construction planning and total mis-match between procurement of equipment and construction of buildings for studios. As a consequence, not only the objectives behind setting up of studios got frustrated, but also with the rapid change of broadcasting/telecasting technology, the possibility of equipment purchased at considerable cost becoming obsolete could not be ruled out. Even though the Ministry contended that the equipment were being used by Doordarshan, the fact remains that because of their unjustifiable rush for purchase of equipment, Doordarshan will not be equipped with the latest technology/equipment when these would be put to use. Even if these are used as *fait accompli*, the technology will still be old and Doordarshan might embark on a spate of replacements without optimum utilisation of these equipment. The Committee deplore the lack of overall control and accountability on the part of the Ministry/Doordarshan towards implementation of such composite projects. The Ministry of Information and Broadcasting have stated that the previous procedure for ordering equipment pending start of construction work has now been dispensed with and that now the orders for procurement are being placed only after the progress of construction of building is known. The Committee are not satisfied with this. They are of the strong view that there is an imperative need for evolving better construction management and sound system of procurement of equipment compatible with the actual requirement.

14. 86 Ministry of I & B The Committee's views on the need for evolving a sound system in this regard are further reinforced by the facts contained in paragraphs 3.4 and 3.9 of the Report of C&AG, No. 2 of 1996 and certain other related information which emerged during the course of examination of the subject. Paragraph 3.4

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relating to "Idling of equipment valuing Rs. 391.26 lakh due to delay in award of civil work" and paragraph 3.9 on "Delay in provision of television facility around Rajamundry" revealed that equipment were procured in the two cases much in advance without synchronising with the civil works. Resultantly, the intended objective of providing TV Studio and transmitter to a particular area remained needlessly frustrated. Besides, from the information furnished by the Ministry, the Committee were shocked to observe that equipment procured during 1989 to 1994 for studios at Rajkot, Pune, Vijayawada, Ranchi, Madurai, Chandigarh, Gangtok and Delhi were yet to be utilised for the intended objectives since construction of the buildings had not been completed. Curiously enough, in case of Madurai, while the Project was itself under consideration awaiting sanction of the Government, the equipment for the studio were procured during 1989-94. Similarly, in certain other cases also the equipment were purchased from the PSUs during 1989-94 whereas sanction for the project was given much after the procurement of equipment. From these facts, the Committee are inclined to conclude that there had been a general tendency to rush for procurement of equipment on the part of the Ministry which eventually resulted in non-utilisation of equipment and blocking of Government funds. The Committee desire that all these cases of procurement of equipment be thoroughly inquired into and responsibility fixed for the lapses resulting in unnecessary blocking of Government funds. The Committee would like to be apprised of the precise action taken and also the status of utilisation of equipment in all the cases referred to above. The Committee further desire that in the light of the facts contained in this report, the procedures adopted for setting up of Doordarshan Kendras be reviewed afresh and necessary corrective

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			measures taken to ensure proper synchronisation of equipment with construction of studios.
15.	87. Ministry of I & B		The Committee's examination revealed that the scheme "Setting up of Television Studio Centres at Cultural Centres" which was initially envisaged during 1985 covered setting up of studio centres at six cultural centres viz. Rajkot, Allahabad, Pune, Ranchi, Vijayawada and Madurai. Although the building works for all the studio projects were stated to have been sanctioned by Government, the Committee are surprised that construction of none of the Studio Centres has been completed so far. According to the Ministry, the studio projects at five centres were likely to be completed by 1997-98. The Committee trust that necessary steps will be taken by the Ministry to expeditiously complete the projects so that the underlying objectives behind the scheme are not further upset. The Committee would like to be apprised of the status of the implementation of the projects.
16.	88 -do-		It is common knowledge that the scenario of production of programmes for television has undergone tremendous changes in the recent past. In view of increasing private production of sponsored programmes which warrants lesser number of production by Doordarshan, the Committee feel that there is need for rationalising construction of studios for production of programmes. The Committee have been informed that the matter was under active consideration of the Government. The Committee trust that the matter would be expeditiously examined and would like to be kept informed of the outcome.
17.	89 -do-		Another related aspect which also drew the attention of the Committee was the utilisation of Doordarshan Studios by private producers. During evidence it was conceded that some complaints regarding alleged utilisation of

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			<p>Doordarshan studios by private sponsors were received by them and those were being looked into. The Committee have subsequently been informed (October, 1997) that the modalities of hiring out Doordarshan Studio facilities, including equipment, to private producers have been worked out with a view to making optimum use of the facilities for generating more revenues. The Committee desire that the modalities so worked out should clearly be laid down in the form of guidelines for regulating usage of Doordarshan studios by private producers/sponsors and all necessary steps taken to check the availing of these facilities unauthorisedly by private parties. Based on the complaints received by the Ministry, the Committee would also like to know the action taken against erring officials for unauthorisedly allowing private parties to utilise Doordarshan studios.</p>
18.	90	Ministry of I & B	<p>The Committee have time and again expressed their anguish over heavy backlog in finalisation of proforma accounts of Doordarshan. Expressing their concern over the unsatisfactory progress in finalisation of proforma accounts pertaining to the years 1977-78, the Committee in their 106th Report (10th LS) presented to the House on 22 August, 1996 had recommended that the pending proforma accounts be finalised within a period of two years. However, the Committee are displeased to note that the proforma accounts of Doordarshan are yet to be compiled from the year 1983-84 onwards. The Committee therefore, cannot but conclude that the Ministry have failed to address the issue seriously. While deploring the laxity shown by the authorities in the matter, the Committee desire that all concerted efforts be made by the Ministry to expeditiously get the proforma accounts finalised. The Committee would like to be apprised of the latest position in this regard.</p>

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19	91	Ministry of I & B	<p>The Committee regret to observe that the Ministry of Information and Broadcasting/Doordarshan did not respond promptly to the draft Audit Paragraphs under examination. In fact, the Committee's examination revealed that action on the Paragraphs was initiated only after those were incorporated in the Audit Report and the subject matter was taken up by the Public Accounts Committee for detailed examination. The Committee take a serious view of the failure of the Ministry in this case and desire that effective steps be taken with a view to ensuring that such lapses do not recur. They further desire that the Financial Adviser in the Ministry should be held responsible for such lapses, if any, in future.</p>

PART - II

MINUTES OF THE TWENTY-FIRST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 21 FEBRUARY, 1997

The Committee sat from 1500 hrs. to 1730 hrs. on 21 February, 1997 in
Committee Room 62, Parliament House, New Delhi.

PRESENT

Dr. Murli Manohar Joshi—*Chairman*

MEMBERS

Lok Sabha

2. Shri Anandrao Vithoba
Adsul
3. Smt. Sumitra Mahajan
4. Shri V.V. Raghavan
5. Dr. T. Subbarami Reddy

Rajya Sabha

6. Smt. Margaret Alva
7. Shri Rahasbihari Barik

SECRETARIAT

1. Shri J.P. Ratnesh — *Joint Secretary*
2. Shri P. Sreedharan — *Under Secretary*

OFFICERS OF THE OFFICE OF C&AG OF INDIA

1. Shri I.P. Singh — *Addl. Dy. C&AG*
2. Shri A.K. Thakur — *Pr. Director, Reports (Central)*
3. Shri Atul Deshpandey — *Director of the office of the
DGACR*

REPRESENTATIVES OF THE MINISTRY OF INFORMATION & BROADCASTING AND DIRECTORATE GENERAL, DOORDARSHAN

1. Shri N.P. Nawani — *Secretary*
2. Shri K.S. Sarma — *Director General,
Doordarshan News*
3. Shri R.C. Mishra — *Dir. (BP)*
4. Ms. S. Banerjee — *DS(BD)*
5. Dr. Shakuntala Mahawal — *DDG, News & Current
Affairs, Head,
Doordarshan*
6. Shri V.K. Shastri — *Controller of Programmes*

- | | | |
|-----------------------------|---|-------------------|
| 7. Shri K.C.C. Raja | — | Engineer-in-Chief |
| 8. Shri B.K. De | — | C.E., Doordarshan |
| 9. Lt. Col. Dalip Manchanda | — | CE-I, CCW, AIR |

2. The Committee took evidence of the representatives of the Ministry of Information and Broadcasting and Directorate General, Doordarshan on Paragraphs 3.1 & 3.3 of the Audit Report (Civil) for the year ended 31st March, 1995 (No. 2 of 1996 on - (i) Premature procurement of equipments and delay in construction and; (ii) Premature procurement of equipments Rs. 483.97 lakhs respectively. The Committee also elicited comments of the Ministry on the letter dated 6 February, 1997 from New Delhi Television Limited (NDTV) addressed to Chairman and members of PAC.

3. A copy of the verbatim proceedings of the sitting has been kept on record.

4. *** *** *** ***

The Committee then adjourned.

MINUTES OF THE SIXTEENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (1997-98) HELD ON 23 OCTOBER, 1997

The Committee sat from 1100 hrs. to 1145 hrs. on 23 October, 1997 in Committee Room 'C', Parliament House Annexe.

PRESENT

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

Lok Sabha

2. Shri Nirmal Kanti Chatterjee
3. Prof. Ajit Kumar Mehta
4. Shri Suresh Prabhu
5. Shri Ganga Charan Rajput
6. Shri V.V. Raghavan
7. Dr. T. Subbarami Reddy
8. Shri Ishwar Dayal Swami

Rajya Sabha

9. Shri Ramdas Agarwal
10. Shri R.K. Kumar
11. Shri Surinder Kumar Singla

SECRETARIAT

Shri P. Sreedharan — *Deputy Secretary*

OFFICERS OF THE OFFICE OF C&AG OF INDIA

Shri A.K. Thakur — *Pr. Director of Audit*
(Reports—Central)

2. The Committee took up for consideration the following draft Reports on:—

(i) Paragraphs 3.1. & 3.3 of Audit Report No. 2 of 1996 (Civil) on Premature procurement of equipment and delay in construction.

(ii) *****	*****	*****	***
(iii) *****	*****	*****	***
(iv) *****	*****	*****	***

3. The Committee adopted the above mentioned draft Report with certain modifications and amendments as shown in *Annexure I to IV respectively. The Members of the Committee appreciated the quality of the draft Reports.

4. The Committee authorised the Chairman to finalise these draft Reports in the light of verbal and consequential changes arising out of factual verification by Audit and present the same to Parliament.

The Committee then adjourned.

* Annexures II, III and IV not appended.

ANNEXURE-I

AMENDMENTS/MODIFICATIONS MADE BY THE PUBLIC
ACCOUNTS COMMITTEE IN THE DRAFT REPORT RELATING TO
PREMATURE PROCUREMENT OF EQUIPMENT AND DELAY IN
CONSTRUCTION

PAGE PARA LINE AMENDMENT/MODIFICATION

35 83 6 *Add, "i.e. after seven years"*
after "August 1995."

35 83 16 *Add, "which in fact was initiated after a period of
seven years. This clearly" after "commenced."*

16 *Substitute "indicating" by "indicates"*
