

**GOVERNMENT OF INDIA  
URBAN DEVELOPMENT AND POVERTY ALLEVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:2239  
ANSWERED ON:03.12.2002  
DELAY IN FINALISING THE PURCHASE  
MD ANWARUL HAQUE

**Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:**

(a) whether CAG in its observation recorded that there is a avoidable delay in finalising the purchase under indent No. Proc./00/D-15017/22/96P/4 dated 4.9.96 resulted in purchase of 500 MT. offset printing paper 60 GSM from M/s Shiva Paper Mills at a rate higher by Rs.5.41 lakhs;

(b) whether the Ministry failed to fix the responsibility for the loss; and

(c) if so, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT & POVERTY ALLEVIATION ( SHRI O. RAJAGOPAL )

(a): A special Investigation team of audit in its observations had recorded that avoidable delay in finalising the purchase had resulted in extra expenditure of Rs.5.41 lakhs. The delay in finalization of the tenders was due to:

(i) clarification regarding capacity of the tendering firms;

(ii) time taken in negotiations with M/s HPC as per the Govt. guidelines of purchase preference to PSUs;

(iii) restructuring of excise duty in the Annual Budget 1997-98; and

(iv) representation from tendering firm, the examination of which required reference to Department of Supply also.

The reasons for delay were circumstantial and unavoidable/inevitable. this has been explained to the Audit vide letter dated 3.9.2002 and no further comments from them have so far been received.

(b)&(c): In view of reply to (a) above, the question does not arise.