

**PUBLIC ACCOUNTS COMMITTEE
(1969-70)**

EIGHTY-EIGHTH REPORT

(FOURTH LOK SABHA)

[Action taken by Government on the Recommendations of the P.A.C. contained in their 41st Report (Fourth Lok Sabha) on para 41 of Audit Report (Civil), 1968 relating to the Ministry of Home Affairs regarding avoidable expenditure.]



**LOK SABHA SECRETARIAT
NEW DELHI**

January, 1970/Pausa, 1891 (Saka)

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CORRIGENDA TO THE 88TH REPORT OF PAC
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PUBLIC ACCOUNTS COMMITTEE
(1969-70)

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CHAPTER I

REPORT

This Report of the Committee deals with action taken by Government on the recommendations contained in their 41st Report (Fourth Lok Sabha) on para 41 of Audit Report (Civil), 1968 relating to the Ministry of Home Affairs regarding avoidable expenditure. The 41st Report was presented to the Lok Sabha on 18.2.1969.

1.2. The action taken notes/statements have been categorised under the following heads:

- (i) *Recommendations/Observations which the Committee do not desire to pursue in view of the replies by Government:*
S. Nos. 1 and 2.
- (ii) *Recommendations/Observations in respect of which Government have furnished interim replies:*
S. No. 3.

1.3. The Committee will now deal with action taken on some of the recommendations.

Procedure to be followed for acquisition of properties by negotiation—Paragraph 1.14 (S. No. 3) of 41st Report (Fourth Lok Sabha)

The Committee made the following recommendations in paragraph 1.14 of their Forty-First Report (Fourth Lok Sabha) for laying down guidelines to eliminate delays in acquisition of properties:

“The Committee would like the Government to undertake a detailed study of this case and other similar cases and to issue guidelines about the procedure to be followed in acquiring properties required for Government use, so as to eliminate all avoidable delay in the issue of notifications. The Committee consider that where, in Government's interest, the price of a property is to be settled by negotiation, it would be an advantage to prescribe a definite target date for settling the issue, failing which Government should take recourse to the normal provisions of the law to acquire the property. In this connection, it may also be examined whether in cases where negotiations are undertaken, Government could issue a notification under Section 4 of the Land Acquisition Act before negotiations are started, so that, in the event of the failure of negotiations, Government's interests are not adversely affected.

1.4. In their reply dated 11.9.1969, the Ministry of Home Affairs have stated:

“The matter is primarily the concern of the Ministry of Health, Family Planning, Works, Housing and Urban Development. They are examining the case in consultation with the Ministry of Food, Agriculture, Community Development and Co-operation etc. and a further note containing final reply in the matter would be submitted by them.”

1.5. The Committee regret to observe that the Ministry of Works, Housing and Urban Development have not furnished any reply to the suggestions made in their Forty-First Report (Fourth Lok Sabha). The Committee desire that the question should be examined expeditiously and the guidelines for the procedure to be followed in acquiring properties required for Government use speedily laid down in order to protect Government's interest particularly with time limits where property is to be acquired through negotiations.

CHAPTER II

**RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN
ACCEPTED BY GOVERNMENT**

NIL

CHAPTER III

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

Recommendation

The Committee note that notices under Section 4 of the Land Acquisition Act for the acquisition of these properties were issued by the State Government in December, 1962. These proceedings were apparently dropped as a result of a decision taken by the Government of India to have recourse to the Defence of India Act. The Committee consider this decision to be unfortunate. The Secretary Ministry of Home Affairs, himself admitted during evidence that his "preference would have been for acquisition under the Land acquisition law in the normal way." Had, the proceedings under the Land Acquisition Act been continued, Government's liability for compensation for the properties would have been based on the market value as on 14th December, 1962, i.e., the date on which the notification for acquisition was issued. As it turned out, however, action to acquire four properties was not taken till April, 1965, while, in the case of fifth property, the action was further delayed till May, 1967.

(S. No. I—Para 1.12 of 41st Report of Fourth Lok Sabha)

Action taken

There was great dearth of accommodation for the Central Reserve Police Force which was fast increasing due to the law & order situation in the country. Efforts were being made since 1960 for acquiring some properties for this purpose at Ajmer. In 1962, the Inspector General of Police, Central Reserve Police, expressed dire necessity for accommodation for the CRP and requested for immediate steps to be taken to acquire the properties at Ajmer. A meeting was, therefore, convened in this Ministry in November, 1962, which was attended by the representatives of this Ministry and the late Ministry of Works, Housing & Supply. In that meeting it was decided that in view of the urgency the properties be acquired under the Defence of India Act. It was, however, given to understand in the meeting that the owner of the Masooda Estate

were prepared to sell their properties at negotiated price. This led to the decision that the alternative of negotiation may also be considered in regard to this property subject to its valuation by the CPWD and the local authorities.

Although the decision to acquire the properties under the Defence of India Act was for expeditious action, acquisition of four properties could be finalised only in April, 1965. This was due to the fact that the Government of Rajasthan who were addressed by the Government of India as early as January, 1963, could give specific direction only in October, 1964 to drop the proceedings under the Rajasthan Land Acquisition Act. The fifth property could be acquired only in May, 1967 because considerable time was taken by the Collector of Ajmer to finalise the negotiations due to the frequent changes in the office of the Collector.

Further information

Please state—

- (a) what action was taken by Government between January, 1963 and October 1964 to speed up action for acquisition by the Rajasthan Government?
- (b) why action was not taken by Government of India to acquire the properties, direct under the Defence of India Rules instead of through the Government of Rajasthan?
- (c) what rent has been paid for housing the Central Reserve Police Personnel at Ajmer since October, 1962

Reply

(a) The following steps were taken by the Government between January, 1963 and October, 1964 to speed up action for acquisition of the properties in question by the Rajasthan Government:--

- (i) On 11th January, 1963 M.H.A. requested the Rajasthan Government to acquire the Masuda Estate alongwith Masuda House and the land in Golf Course area at Ajmer under Section 27 of the Defence of India Act 1962 and also suggested that the alternative of acquiring the Masuda Estate at a negotiated price might also be considered in view of the reported willingness of the owner of the Estate to do so subject to the valuation of the property by the Central Public Works Department and the Collector,

vide M.H.A. letter No. 13|10|62-Police II dated the 11th January, 1963.

- (ii) On 5th February, 1963, the Rajasthan Government endorsed a copy of the aforesaid letter of the M.H.A. to the Collector Ajmer and asked him to ascertain by negotiation as to what price would be acceptable to the owner as well as what approximate amount of the compensation would be admissible if the property was acquired vide their letter No. 5|3|(40)H.E.Gr.II|62, dated 5th February, 1963.
 - (iii) With a view to utilizing the property expeditiously the Collector Ajmer requisitioned the properties during the period 24th April, 1963 to 3rd December, 1963 under D.I.A. of 1962.
 - (iv) The Rajasthan Government were reminded, by M.H.A. on 29th March, 1963 and 28th November, 1963. In December, 1963, the State Government informed that they had issued necessary Gazette Notification for acquisition of the property in question on 2nd December, 1963. The notification was, however, found to have been issued under the Rajasthan Government Land Acquisition Act and not under the D.I.R. In view of the fact that the M.H.A. had agreed to accept a negotiated price for Masuda Estate, the case remained under consideration of the Collector Ajmer who was reminded and contacted by D.I.G. (Ajmer) personally from time to time to expedite the proceedings.
 - (v) In October 1964 it was pointed out by the Rajasthan Government to the Collector Ajmer that as soon as an order under the D.I.A. is issued, it over-rides any notification or order issued earlier regarding acquisition of the same property under any other Act vide their letter No. F. 5(3)(4)H.F.Gr.II|62 Accounts II dated the 1st October, 1964. Accordingly acquisition proceedings in respect of the properties under Rajasthan Land Acquisition Act were dropped and acquisition proceedings under the D.I.A. were re-started in January, 1963 by the Collector, Ajmer.
- (b) Since the State Government had already been requested to acquire the property in question in the year 1962 vide M.H.A. letter No. 13|2|62-P.II dated the 30th October, 1962 and they had issued a notification in the matter it was thought proper to request the State Government to requisition the properties under the Defence of India Act.

(c) An amount of Rs. 1,05,005 has been paid towards the rent of the properties in question at Ajmer since the date of their occupation as detailed below:—

- (i) Rent paid on account of properties other than Masuda House, (which were requisitioned in April 1963 and acquired in April 1965) for the period from April 1963 to April 1965 = Rs. 13,455.00
- (ii) Rent paid on account of Masuda House property Rs. 91,550.00
- Masuda House Compound from
15-10-1963 to 4-5-1967
- Masuda House 1st Floor from
3-12-1963 to 4-5-1967
- Masuda House Other Land from
24-4-1963 to 4-5-1967

Total :	Rs. 1,05,005.00
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Recommendation

The Committee are not able to appreciate why Government did not adopt a uniform procedure for the acquisition of the properties from the different parties involved. In the case of four parties, notices were issued under the Defence of India Act in April 1965, while in the case of the fifth party who is a Minister in the Rajasthan Government, negotiation for acquisition were started. It is also regrettable that, having entered into negotiations with the fifth party, the matter, which should have been handled with a sense of purpose and some understanding was handled in a routine fashion, as admitted by Government. As further admitted by the Secretary, "the delay that had taken place in these negotiations may involve Government having to pay a large amount as compensation than would have been the case if the property had been acquired in the normal way." In addition, Government also have to pay rent over a longer period. The Committee would like to be informed in due course of the extra expenditure that Government had incurred in this case as a result of the decision to negotiate with the party.

(S. No. 2-Para 1.13 of 41st Report of Fourth Lok Sabha)

Action Taken

There was no intention of adopting a different procedure in respect of different properties. Government were not aware of the intention for negotiation by any party other than the owner of the Masooda Estate. So the negotiations were started only with this party.

The properties of the four parties were acquired under the Defence of India Act in 1965. As the matter was under negotiation in respect of Masooda Estate, this property could not be acquired till 1967.

In the matter of acquisition of properties Government has to depend on the decision of the court. No action can be taken without the court's decision. Several reminders were issued to the Government of Rajasthan for expediting the decision but the case could not be decided earlier than 1967. The delay was reported to be due to the frequent changes in the office of the Collector at Ajmer.

As the decision of the Arbitrator is yet to be made available in respect of the fifth property, it is not possible at this stage to assess the extra expenditure, if any, which may be involved. It can be worked out only after the decision of the Arbitrator is known.

Further Information

Please state—

- (i) Whether compensation for the five properties has been paid.
- (ii) If so, the quantum of compensation paid in each case and the basis on which the compensation (i.e. whether the market value of property was computed for purpose of fixing compensation and if so, the date|dates with reference to the market values were determined).
- (iii) The market value of property in the locality in which these properties are located on 14th December, 1962 when originally notification under Section 4 of the Land Acquisition Act was issued.
- (iv) Whether construction work on the five pieces of land has been started, and if so, what progress has been made.

Reply

- (i) Compensation (Rs. 5,32,594) in respect of Masuda House and property has been deposited with the District Judge Ajmer on 2.11.68. As regards properties other than Ma-

Masuda House, the case is under consideration in the Ministry of Home Affairs.

(ii) The quantum of compensation in each case is specified as under:

(a) Compensation on account of Masuda House and property, as per orders passed by the Collector and competent Authority, Ajmer amounting to Rs. 5,32,594 was deposited with the District Judge, Ajmer on 2nd November, 1968 as the offer was declined by the owner.

(b) The cases for compensation for other lands situated in Golf Course area, Ajmer, belonging to the following parties were heard on 11th and 17th April, 1969 by the Collector and Competent Authority, Ajmer who fixed the compensation as detailed below:—

Name of the party	Amount to be paid	Amount to be deposited in the Court	Total
Navjiwan Society	Rs. 56,032.36	Rs. 14,008.10	=70,040.46
Sh. Shyam Sunder			
Didwanta and others		Rs.47,432.00	=47,432.00
Sh. Ghisu Lal		Rs. 6,002.00	= 6,002.00
„ Onkar Nath Bhargava		Rs. 9,990.00	= 9,990.00
„ Banwari Lal & others		Rs. 2,144.00	= 2,144.00
TOTAL	Rs. 56,032.36	Rs. 79,576.10	1,35,608.46

The case for the payment of compensation to these parties is under consideration and a further note will be submitted to the P.A.C. in this regard.

With regard to the basis on which the compensation was determined, in the case of Masuda House, it was with reference to the valuation of the property assessed at Rs. 5,32,594.00 by the C.P.W.D. authorities on the basis of total life of the building and the cost of land @Rs. 2.62 per sq. yard. As regards, properties other than Masuda House, same basis of compensation were adopted viz the cost of land @Rs. 2.62 per sq. yard prevailing in the year 1962.

(iii) The market value on 14th December, 62 of property in the locality in which these five properties were located, was not computed as no land in the vicinity was sold out.

(iv) In November 68, sanction was accorded for the provision of residential/non residential buildings at Ajmer at an estimated cost of Rs. 85,91,200 and the construction work

has already been started and is in progress as per details given below:—

Type I Quarters	— 12	Progress so far	75%
" II "	— 288	" " "	46%
" III "	— 12	" " "	3%
" IV "	— 16	" " "	1%
S. O.'s Mess/HC's Mess	— —	" " "	45%
Hospital building	— —	" " "	35%

It will thus be seen that construction work on the pieces of land in question is already under execution and the land is being fully utilised.

Further Information

- Item (i) Whether it has been verified from the relevant awards that the value of land as on 1962 was taken as the basis for determining the compensation.
- (ii) how it has been verified that the value of land in 1962 was Rs. 2.62 per square yard, particularly as it appears from the Ministry's reply that "in the locality in which the five properties are located, no land was sold out".
- (iii) which date in 1962 has been taken into account while determining the value of the land and whether the trend of land prices after that date till 1962 was on the increase or decrease.

Reply

- (i) From the report (estimates) furnished by the Surveyor of Works, CPWD, at the time of valuation of Masuda House and land in 1962, it is observed that the rate of Rs. 2.62 per sq. yard of land has been taken as basis for the valuation of land. The Collector Ajmer announced awards of compensation in respect of all the plots of land on the same rates.
- (ii) It has been verified from a letter from Collector Ajmer to the owner of Masuda House that when the proposal to purchase Masuda House and attached land was originally mooted in 1958 in some other connection the land was uniformly valued by the Collector Ajmer @ Rs. 2.62 per sq. yard. The same rate was adopted by the CPWD authorities while preparing estimates in 1962 and the Collector

Ajmer also announced the award of compensation on the same basis.

- (iii) As already mentioned in (ii) above, the uniform value of land as decided by the Collector Ajmer in 1958 was taken into account while determining the price of lands. The exact date on which the Collector determined the uniform value of land is not known.

CHAPTER IV

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

Nil

CHAPTER V

RECOMMENDATIONS|OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

The Committee would like the Government to undertake a detailed study of this case and other similar cases and guidelines about the procedure to be followed in acquiring properties required for Government use, so as to eliminate all avoidable delay in the issue of notifications. The Committee consider that where, in Government's interest, the price of a property is to be settled by negotiation, it would be an advantage to prescribe a definite target date for settling the issue, failing which Government should take recourse to the normal provisions of the law to acquire the property. In this connection, it may also be examined whether in cases where negotiations are undertaken, Government could issue a notification under Section 4 of the Land Acquisition Act before negotiations are started, so that, in the event of the failure of negotiations, Government's interests are not adversely affected.

[S. No. 3—Para No. 1.14 of 41st Report (Fourth Lok Sabha)]

Action taken

The matter is primarily the concern of the Ministry of Health, Family Planning, Works, Housing and Urban Development. They are examining the case in consultation with the Ministry of Food, Agriculture, Community Development and Co-operation etc. and a further note containing final reply in the matter would be submitted by them.

NEW DELHI;
January 6, 1970 Pausa 16, 1891 (S).

ATAL BIHARI VAJPAYEE,
Chairman,
Public Accounts Committee.

APPENDIX

S. No.	Para No.	Ministry/ Department concerned	Recommendations. Conclusions
1	2	3	4
1	1.5	Works, Housing & Urban Development	The Committee regret to observe that the Ministry of Works, Housing and Urban Development have not furnished any reply to the suggestions made in their Forty-First Report (Fourth Lok Sabha). The Committee desire that the question should be examined expeditiously and the guidelines for the procedure to be followed in acquiring properties required for Government use speedily laid down in order to protect Government's interest particularly with time limits where property is to be acquired through negotiations.

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26.	Atma Ram & Sons, Kashmere Gate, Delhi-6.	9	35.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88
27.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11	36.	Hind Book House, 82, Janpath, New Delhi.	95
28.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15	37.	Bookwell, 4, Sant Naran-kari Colony, Kingsway Camp, Delhi-9.	96
29.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20	MANIPUR		
30.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23	38.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annexe, Imphal.	77
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31.	Bahree Brothers, 188 Lajpatrai Market, Delhi-6.	27	39.	The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON W.C.—2.	59
32.	Jayana Book Depot, Chaparwala Kuan, Karol Bagh, New Delhi.	66			

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