

TWELFTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(2000-2001)

(THIRTEENTH LOK SABHA)

**PREMATURE PROCUREMENT OF
EQUIPMENT AND DELAY IN
CONSTRUCTION.**

Ministry of Information and Broadcasting

*[Action taken on 16th Report of Public Accounts Committee
(11th Lok Sabha)]*



*Presented to Lok Sabha on 4 December 2000
Laid in Rajya Sabha on 15 December 2000*

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2000/Agrahayana, 1922 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2000-2001)

Shri Narayan Dutt Tiwari — *Chairman*

Lok Sabha

2. Shri Vijay Goel
3. Dr. Madan Prasad Jaiswal
4. Shri C. Kuppusami
5. Shri M.V.V.S. Murthy
6. Shri S. Murugesan
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- 11.* Shri M.O.H. Farook
12. Shri N. Janardhana Reddy
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18. Shri K. Rahman Khan
- 19.** Shri Onward L. Nongtdu
20. Prof. Ram Gopal Yadav
21. Shri Anantray Devshanker Dave
22. Shri S.R. Bommai

SECRETARIAT

1. Dr. A.K. Pandey — *Additional Secretary*
2. Shri P.D.T. Achary — *Joint Secretary*
3. Shri Devender Singh — *Deputy Secretary*

* Elected *w.e.f.* 2 August 2000 *vice* Shri Rajesh Pilot expired.

** Elected *w.e.f.* 25 August 2000 *vice* Shri Vayalar Ravi ceased to be a Member of Committee, consequent upon his retirement from Rajya Sabha on 1 July, 2000.

INTRODUCTION

I, the Chairman, Public Accounts Committee having been authorised by the Committee to present the Report on their behalf, do present this Twelfth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 16th Report (11th Lok Sabha) on Premature procurement of equipment and delay in construction.

2. This Report was considered and adopted by the Public Accounts Committee at their sitting held on 23 November, 2000. Minutes of the sitting form Part II of the Report.

3. For facility of reference and convenience, the 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.

4. 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;
30 November, 2000

9 Agrahayana, 1922 (Saka)

NARAYAN DATT TIWARI,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This report deals with the action taken by Government on the recommendations/observations of the Committee contained in their Sixteenth Report (11th Lok Sabha) 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 Sixteenth Report which was presented to Lok Sabha on the 20th November, 1997 contained 19 recommendations/observations. The Action taken notes in respect of all the recommendations/observations have been received from the Ministry of Information and Broadcasting and broadly categorised as follows:—

(i) Recommendations and Observations which have been accepted by the Government:

Sl. Nos. 1, 7, 8, 10 and 12 to 19

(ii) Recommendations and Observations which the Committee do not desire to pursue in the light of replies received from the Government:

Sl. Nos. 2, 4, 9 and 11

(iii) Recommendations and Observations replies to which have not been accepted by the Committee and which require reiteration:

Sl. Nos. 3, 5 and 6

(iv) Recommendations and Observations in respect of which the Government have furnished interim replies:

-Nil-

3. The action taken notes furnished by the Ministry on the various observations/recommendations of the Committee contained in the Report have been reproduced in the relevant Chapters of this Report. In the succeeding paragraphs, the Committee deal with the action taken by Government on some of their recommendations.

4. Delay in construction of additional studio at Mumbai

(Sl. Nos. 3, 5 and 6 — Paragraphs 75, 77 and 78)

The construction work of additional studio for Doordarshan Kendra, Worli, Mumbai was initially entrusted to M/s. Shah Construction Company Ltd. in March 1989 at a cost of Rs. 443.64 lakhs. The work was scheduled to be completed by November 1991. The contractor, however could

complete only 16.47 per cent of the work after incurring an expenditure of Rs. 127.45 lakh. The Committee, in their 16th Report had expressed dismay that though the contract was initially rescinded in June, 1991 it was revoked in July 1991 based on the request of the Company with an assurance to complete the work by 30 December, 1992. Eventually, the assurance was not fulfilled and the contract had to be got rescinded on 28 November, 1991. The loss suffered by Doordarshan in the process was of about Rs. 158.25 lakh which was required to be recovered from the contractor as per provisions in the contract. As against the liability of the Contractor, the department had withheld Rs. 10.31 lakh, thus requiring them to recover a remaining balance of Rs. 147.94 lakh, pending calculation of exact liability due. The matter was taken up by the Department through the Arbitrator to obtain the claim in favour of the Government. The case was pending in the High Court following stay sought by the contractor against the Department for taking further action in getting the work executed at their risk and cost in March 1992. While expressing concern over abnormal delay in recovery of the amount, the Committee in their original Report had recommended that urgent steps be taken by the Ministry to pursue the case vigorously and obtain the legitimate dues of Government expeditiously. The remaining work of construction was entrusted to another company namely 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 contractor was able to complete only 37 per cent of the work by February 1995 for which they were paid Rs. 206.85 lakh. The Ministry admitted that the progress of the second contractor also remained unsatisfactory for which notices were issued to the agency and penalty was to be imposed after analysing reasons put forward by the Company for delays. The Committee considered it unfortunate that while the first contract was rescinded for slow progress of work, the performance of second one was no different. They had, therefore, recommended that the matter should be looked into and appropriate action taken against the Company for abysmally slow progress of the work.

The Committee were deeply concerned to observe that the construction of studio building at Mumbai which was initially scheduled to be completed by November 1991 was not completed even though a period of six years had already elapsed. Deploring inordinate delay in the construction of building for providing the additional studio for Doordarshan Kendra, Mumbai, the Committee had recommended that effective steps be taken to curb any further delay and complete the project expeditiously with a view to ensuring fulfilment of underlying objectives of the project and checking further escalation of cost.

5. As regards recovery of amount from M/s. Shah Construction Company Ltd. the Ministry in their action taken note *inter-alia* stated:

“In reply to the plaint the department had submitted before the Hon’ble High Court 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. The case has not come up till date on board of High Court and is still pending. Moreover, the tenable amount to be recovered from the earlier agency shall be known only after the balance work is completed, the claims will then be framed and after exhausting all legal channels the prayers to arbitrator/court shall be made."

6. On the question of action taken against the second contractor for abysmally slow progress of work, the Ministry in the action taken note *inter-alia* stated:

"The work did not progress for about a year upto November 1993 partly due to riots/disturbed conditions in Mumbai city and partly since the scope of work was envisaged to be changed. The contractor of this project accordingly required additional time for re-mobilisation so that work could re-commence.

The contractor had preferred for arbitration for revising escalation clause and seeking enhanced escalation rates for prevailing conditions in the city. The process of arbitration and acceptance of award and payment thereof consumed about a year's time (12/95 to 12/96). The contractor had apparently slowed down the work due to financial constraints faced and expressed by him on these aspects.

The contractor again went in for arbitration in May, 1997 for extension of earlier award for the remaining work. The learned sole arbitrator published the award in favour of the agency in September, 1997. The Department on the advice of Law Ministry as a respondent has decided to challenge the award in Mumbai High Court. The arbitration proceedings are in progress. Claims of the department including penalty, if any, being referred to the arbitrator for deciding the issue.

The progress of the work is being monitored regularly and on observing that the contractor is failing at times to meet the targets, notices have been issued to the agency and the penalty shall be enforced 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. It is, however, intimated that the concerned Superintending Engineer who is the final authority under the contract to take decision for the extension of time has granted the same without levy of the compensation upto February 1997. The work is being provisionally extended to keep the contract alive. The final action under clause 2 regarding levy of the compensation shall be taken by the Superintending Engineer at appropriate time and the Committee shall be duly informed."

7. Intimating the status of the Studio project at Mumbai, the Ministry in their action taken note intimated that from the middle of 1995 up to October 1997 technical areas of the building which constituted more than 80 per cent of the total area were handed over to Doordarshan authorities in phases so that simultaneously equipment could be installed and other technical activities like acoustics and air-conditioning could be done. They further stated that Civil works of the building were completed and installation works were nearing completion. The project was scheduled to be technically ready for commissioning very soon.

8. In their earlier Report, the Committee found that Doordarshan suffered a loss of about 158.25 lakh on account of failure of the firm namely, M/s. Shah Construction Company Ltd. to complete the construction work of additional studio building for Doordarshan Kendra, Mumbai. The exact amount of loss, however, was to be calculated after completion of the balance work which was being executed through a separate contract. As per provisions of the contract, the balance work was executed 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. When the matter was taken up by the Department through the Arbitrator to obtain the claim in favour of the Government, the contractor moved 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. The Committee, however, are distressed to find that the case is still pending before the High Court even though another three years have elapsed in between. The Ministry in their note have merely furnished the same reply which was placed before them prior to presentation of original Report on the subject. The Committee are surprised to find that even the exact amount recoverable from the contractor is yet to be calculated even though the balance work was stated to have been completed by the second contractor. The Committee take a serious note of the inaction and apathy displayed by the Ministry in this matter. The Committee reiterate their earlier recommendation and desire that a status report on the recovery of outstanding Government dues be placed before the Committee within a period of three months.

9. Since the execution of the second contract was also marred by abysmal delays the Committee had recommended that appropriate action should be initiated against the second contractor. It is however seen from the action taken note that though notices were issued to the contractor for delays and penalty was to be imposed, the Superintendent Engineer proceeded post haste and granted extension to the contractor upto February 1997 without levy of compensation for no plausible reasons. The Ministry further stated that final action under clause 2 of the contract regarding levy of compensation would be taken by the Superintendent Engineer at appropriate time. The Committee take strong exception to such an evasive reply and desire that the circumstances under which Superintendent Engineer decided against levying compensation on the contractor be looked

into and the Committee be apprised of the conclusive action taken against the agency for delay in the completion of the construction work.

10. The Committee note with regret that this Project is yet to be commissioned even after a lapse of 9 years. What is further disquieting is that the Ministry failed to intimate the Committee the precise date by which the Project would be commissioned. While expressing deep dissatisfaction over the failure of the Ministry to expedite the completion of the Project, the Committee would like the Ministry to address the matter seriously and take all necessary and effective measures to ensure that the Project is commissioned at the earliest. The Committee would like to be informed of the status of the Project within a period of three months.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

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.

[(Serial No. 1, Appendix II), Para 73 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

This is a general observation of the PAC on premature procurement of equipments for Studio Projects at Mumbai and Allahabad.

[Ministry of Information and Broadcasting F.No. 207/21/96-TV (DI)
dated 1 June, 1999]

Recommendation

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.

[Serial No. 7, Appendix II, Para 79 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

Action has already been initiated for further strengthening of monitoring mechanism. In this connection, zone-wise review meeting under the Chairmanship of E-In-C are being held regularly. E-In-C had taken a meeting in Mumbai and Studio Project Mumbai along with other projects in the West Zone were reviewed. Similarly Review meetings were taken at this Directorate level also. The Zonal Chief Engineers have been instructed to take monthly review meetings with the officers of Civil Construction Wing and their own officers connected with the project activities to strengthen monitoring mechanism further. A copy of Ministry's O.M. No. 2123396-B(D) dated 14.3.1997 outlining measures to strengthen monitoring of projects is enclosed at Annexure.

[Ministry of Information and Broadcasting F.No. 207/2196-TV(DI)
dated 1 June, 1999]

ANNEXURE

MINISTRY OF INFORMATION & BROADCASTING
B(D) SECTION

No. 2123396-B(D)

Dated : 14.03.97

OFFICE MEMORANDUM

SUBJECT : *Measures to cut delays in implementation of projects—setting up of Committee reg.*

* * *

In accordance with the instructions issued on December 4, 1996, by the Department of Programme Implementation, it has been decided that the monitoring of the progress of on-going projects be done on a monthly basis at zonal level by the concerned Zonal Chief Engineer to ensure timely completion of the projects. At the Directorate level the DGs will monitor the progress on a monthly basis. The monitoring of the progress of different projects will, however, be done in the Ministry under the Chairmanship of the Secretary.

2. The Zonal Level Committee will consist of the Superintending Engineer/Executive Engineer of CCW which will review all the projects in their respective Zones and send a report to the E-In-C for consideration at the DG level committee. The DG level committee will consider and review all projects costing more than Rs. 5.00 crores. All the projects costing more than Rs. 5.00 crores will be considered in the Ministry by the High Powered Committee under the Chairmanship of Secretary. The DG level committee will send its monthly report on all such projects to the Secretary level committee for further examination.

This issues with the approval of Secretary, I&B.

Sd/-

(Shyamalima Banerjee)

Deputy Secretary to the Government of India

Tel. : 338 1863

Copy to :

1. DG : Doordarshan
2. DG : All India Radio
3. E-In-C, All India Radio
4. E-In-C, Doordarshan

Copy for Information to :

Deptt. of Prog. Implementation (Shri Devendra Narain, JS)

Sd/-

(Shyamalima Banerjee)

Deputy Secretary to the Government of India

Recommendation

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 equipments 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 disuse. 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 synchronizing 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 on the equipment due to long disuse and future complications arising out of technological obsolescence, expiry of warranty period etc. cannot be ruled out.

[Serial No. 8, Appendix II, Para 80 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

The policy, now followed by Doordarshan, is that equipment procurement is being taken up on synchronisation with the building construction. The construction of the building is being carried out in stages and one of the most important stages of construction of a building is completion of the technical area. On the completion of technical area departmental works such as air-conditioning, acoustic treatment, power supply distribution, lighting grid, fabrication of technical furniture etc. are taken up

by the Zonal Chief Engineer. The lead time for the completion of the departmental works vary from six months to eighteen months depending upon the size of the Studio. Equipment procurement is now initiated keeping in view the target date of completion of technical area and also the lead time required for the procurement of various equipment. Almost all the major equipment required for the studio are being procured by open tender. The delivery schedule for such procurement is normally three months.

[Ministry of Information and Broadcasting F. No. 207/21/96-TV (DI)
dated 1 June, 1999]

Recommendation

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.

[Serial No. 10, Appendix II, Para 82 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

T.V. Studio at Allahabad has been commissioned in the month of August, 1998.

[Ministry of Information and Broadcasting F. No. 207/21/96-TV(DI)
dated 1 June, 1999]

Recommendation

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.

[Serial No. 12, Appendix II, Para 84 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

As has been already explained in ATN of para 82, the TV Studio at Allahabad has been commissioned in August, 1998.

[Ministry of Information and Broadcasting F. No. 207/21/96-TV(DI) dated 1 June, 1999]

Recommendation

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 equipments. 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.

[Serial No. 13, Appendix II, Para 85 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

Doordarshan is procuring equipment for studio projects in synchronisation with the progress of building construction. Equipment procurement is now initiated after construction has actually commenced and keeping in view the target date of completion of technical area *i.e.*

departmental works such as air conditioning, acoustic treatment, power supply distribution, lighting grid, fabrication of technical furniture etc., and also lead time required by the procurement of various equipment. As already stated in reply to para 79, mechanism for monitoring of projects has been strengthened. The progress of construction work as well as installation of equipment is now being monitored regularly by Zonal Chief Engineers and scheduled date of completion of construction of technical area is arrived at in consultation with the implementing agency. The procurement action is initiated about six to nine months in advance of the scheduled date of completion of technical area so that by the time equipment arrive, the technical area is ready for installation, including departmental works acoustic treatment, air conditioning, power supply arrangements etc.

[Ministry of Information and Broadcasting F.No. 207/2196-TV(D.I)
dated 1 June, 1999]

Recommendation

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 the construction of studios.

[Serial No. 14, Appendix II, Para 86 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

Orders for equipments for the studio centres at Rajkot, Pune, Vijayawada, Ranchi, Chandigarh, Gangtok, Madurai and Delhi had been placed before the construction of buildings at these places as per prevailing practice and procedure at that time. The orders had to be placed in advance at that time as the lead time for supply used to be about 24—30 months and it was expected that buildings would get ready by the time equipments can be supplied. The timings of orders of equipments have been reviewed and now equipments for new studios are ordered only at a time when the supply matches with the completion of building works. In all these cases advance action for the procurement of the equipment was taken keeping in view the long delivery schedule for supply by the Public Section Undertaking from whom the equipment used to be procured to save precious foreign exchange. The PSUs (MOSTLY MS BEL and GCEL) depending upon the Doordarshan requirement used to go for foreign collaboration for the manufacturing of the equipment in our country. This resulted in a long delivery schedule. Therefore, the procedure for advance action for the procurement of equipment was a necessity of that time. Slippages, were mostly circumstantial not intentional. Therefore, it would not be possible to fix responsibility.

Studio at Vijayawada has since been commissioned in January, 1999 while studios at Rajkot and Pune are technically ready for commissioning. The studio at Ranchi is likely to be technically ready by June, 1999. At Gangtok building work is in progress. As per present indications, the technical area (civil works) is expected to be handed over in July, 1999 for installation. The probable date of completion of civil works is December, 1999. The Studio Project Madurai was kept in abeyance by Prasar Bharati till further re-examination. Now, the Prasar Bharati Board has decided on 26.3.99 to implement the project and concerned authorities have been asked to take necessary action in this regard. Delhi studio building is under construction and part technical area has been completed and installation work has been taken up in this area. It is Doordarshan's endeavour to use the equipments at the earliest possible. The matter of setting up of new studio projects and centres has since been reviewed and necessary corrective measures taken. For the time being no new Studio Project is envisaged.

[Ministry of Information and Broadcasting F.No. 207/2196-TV(D.I) dated 1 June, 1999.]

Recommendation

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 of 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.

[Serial No. 15, Appendix II Para 87 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

The present status in respect of the projects are as under:

Studio Allahabad

This has been commissioned in August, 1998.

Studio Rajkot

The studio is now technically ready for commissioning.

Studio Pune

The studio is now technically ready for commissioning.

Studio Ranchi

Construction of technical areas of the building has been completed and finishing works are in progress. Tenders for air-conditioning works have been received and are under scrutiny. Studio equipment have been supplied. Installation works are being taken up. Project is expected to be completed by June, 1999.

Studio Vijayawada

The studio has since been commissioned in January, 1999.

Studio Madurai

Keeping in view the present production trends and *inter-se* priorities, Prasar Bharati Board had decided to keep construction of TV Studio at Madurai in abeyance. The decision has since been reviewed and necessary instructions for starting work on the project have been issued in March, 1999.

[Ministry of Information and Broadcasting F.No. 207/2196-TV (D.I) dated 1 June, 1999.]

Recommendation

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.

[Serial No. 16, Appendix II Para 88 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

Prasar Bharati has kept a few studio projects in abeyance where the civil works etc. have not been yet started in order to review the utilisation of such studios *viz-a-viz.* actual requirement/existing facilities. The Prasar Bharati Board has since taken a decision to implement all already approved studio projects.

[Ministry of Information and Broadcasting F.No. 207/2196-TV (D.I) dated 1 June, 1999.]

Recommendation

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 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.

[Serial No. 17, Appendix II Para 89 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

There are three categories of domestic users of Doordarshan Studio facilities including equipment namely,

CATEGORY I: Central/State Govt. Deptts. & Institutions, TV Producers commissioned by Doordarshan and any other organisation or institution especially authorised by DG: Doordarshan.

CATEGORY II: Non-Govt./Govt. aided educational institutions, Research Centres, Registered trusts etc.

CATEGORY III: Central/State Public Sector Undertakings, outside Producer (not commissioned by Doordarshan), individual members of the public in General.

Besides this, there is a category of foreign use.

The modalities of hiring out Doordarshan Studio facilities including equipment to private producers with a view to make optimum use of facilities for generation more revenue has been prescribed in the form of a rate card of Doordarshan technical facilities, which is enclosed at Annexure.

Though it was conceded that complaints were received by the Ministry regarding availing of these facilities unauthorisedly by private parties, it is regretfully stated that no records of complaints are forthcoming.

[Ministry of Information and Broadcasting F.No. 207/2196-TV (D.I)
dated 1 June, 1999.]

ANNEXURE

**RATE CARD
OF
DOORDARSHAN TECHNICAL FACILITIES,**

News and Archival Material

**PRASAR BHARATI
(Broadcasting Corporation of India)**

PROGRAMME EXCHANGE UNIT

**Directorate General, Doordarshan, Mandi House, Copernicus Marg,
New Delhi-110 001, India
Fax No.: 338 6507
(15-12-97)**

DIRECTORATE GENERAL: DOORDARSHAN

TABLE-I

RATE CARD FOR THE USE OF TECHNICAL FACILITIES IN DOORDARSHAN

Details of Technical Facilities	Duration	Domestic User Indian Rupee	Foreign User US Dollar
(1)	(2)	(3)	(4)
1. Play-back/Recording 1 inch BCN	30 mts.	360	120
2. Play-back/Recording High Band/Low Band	30 mts.	175	50
3. Play-back/Recording Betacam	30 mts.	360	
4. Play-back/Recording VHS	30 mts.	75	15
5. Edit Suite without (DTBC) HB/LB	30 mts.	400	100
6. Edit Suite without (DTBC) Betacam	30 mts.	720	
7. Digital Timebase Corrector	30 mts.	120	30
8. Standard Convertor Pa/ NTSC/Secam	30 mts.	800	120
9. ENG Camera with Field VCR and accessories H/B	(a) Per Shift (7 hrs.)	2000	500
	(b) 60 mts. (incremental)	350	70
10. ENG Camera with Field VCR accessories Betacam	(a) Per Shift (7 hrs.)	5000	750
	(b) 60 mts. (incremental)	700	110

		2	3	4
	Colour Big OB Van without microwave link with 3 camera units & other modern equipments	(a) One Shift (7 hours)	1,05,000	16,000
		(b) 60 (mts.) (incremental)	15,000	
12.	TRACT VAN	(a) One Shift (7 hours)	1,05,000	16,000
		(b) 60 (mts.)	15,000	
13.	Microwave Set-up	(a) One Shift (7 hours)	25,000	6,000
		(b) 60 (mts.)	3,500	1,000
14.	Telecine (TK) to VCR Dubbing	30 mts.	1,000	300
15.	Hiring of Film Editing Table	(i) 16 mm. 30 mts.	100	40
		(ii) 35 mm 30 mts.	120	50
16.	Slide Projector to VCR Dubbing	30 mts.	500	75
17.	Colour Studio with one Camera Set-up	(a) One shift (7 hours)	50,000	10,000
		(b) (60 mts.)	7,000	1,500
18.	Colour Studio with two Camera Set-up	(a) One shift (7 hours)	90,990	15,000
		(b) (60 mts.)	13,000	2,500
19.	Colour Studio with three Camera Set-up	(a) One shift (7 hours)	1,20,000	18,000
		(b) (60 mts.) (incremental)	17,000	2,800
20.	Special Effect Generator	30 mts.	500	130
21.	Croma Keying	30 mts.	250	60
22.	Paint Box	30 mts.	1,000	240
23.	Mobile EFP Van with two Camera Set-up without microwave link	60 mts.	3,500	300

	1	2	3	4
24. Commentator Booth space for the Commentator and Two microphones Two headphones/ One colour monitor Audio mixer Telephone (local calls) Termination Point for 2 wire/4 wire for co- ordination and programme feed		Per Shift	25,000	1,000
25. Non-exchange line between venue and Master control Room		Per Shift		200
26. Audio Programme/ Co-ordination Circuit from venue to DCS				
i) 2 Wire circuit		Per day		200
ii) 4 Wire circuit		-do-		400
iii) Extra 2 wire circuit		-do-		200
27. Commentators or Commentary in English		-do-		450
28. Technical Area Approximately 5m×4m with power and hard furniture (no equipment)		-do-		125
29. Uplinking Charges		First 10 mts. Additional mt.	8300 330	250 10
30. Blank Cassettes				
i) U-matic H/B		2030 mts.	800	30
ii) U-matic H/B		60 mts.	1200	40
iii) Betacam		30 mts.	1500	40
iv) Betacam		60 mts.	2200	70
v) Betacam		90 mts.	3500	100
vi) VHS		180 mts.	150	5

CLARIFICATIONS

- (a) For most of the facilities, the unit of time for charging, is thirty minutes. In other words, even if the actual use is for ten minutes, the amount charged would be for 30 mts. Similarly, for a use of more than 30 minutes (say 35 minutes), the rates chargeable would be for (30 minutes), *i.e.*, one hour and so on.
- (b) For items at Sl. No. 1 to 8, 14, 15, 16, 20, 21 & 22 the charges are to be levied for the period of use in terms of time units of 30 mts. However, for facilities at Sl. No. 13, 17, 18, 23 the charges are to be levied for time units of 60 mts. For Sl. No. 9 to 12 & 19 charges would be for complete shift of seven hours. The charges for each incremental hour of use (beyond a shift) have also been indicated.
- (c) For items at No. 9, 10, 11, 12 & 23 where the equipment is to be carried out of the Kendra premises, the actual time of its utilization, would be calculated from the time it leaves the premises till the time it is returned.
- (d) The charges for all the mobile facilities include the cost of the operating crew. As such these equipments being taken out of Doordarshan premises will always be accompanied by Doordarshan operating crew.
- (e) The sale of blank video tapes/cassettes, to the customer should not be undertaken except in case of a demand by a foreign customer, that too in very exceptional cases.
- (f) There is one uniform rate for all types of domestic users, *i.e.*, private, Government or Semi-Govt.

CALCULATION OF RATES

As an illustration, for dubbing of a programme of 20 minutes duration from Betacam to 1/2" VHS, the rates chargeable from domestic user would be Rs. 435/- (Rs. 360 for play-back from Betacam & Rs. 75/- for recording on VHS). For the same programme of more than 30 minutes (say 35 minutes) duration the amount payable by the customer would be Rs. 870/- (for 30 minutes + 30 minutes).

As a second illustration, if a foreign agency desires conversion of 40 minutes of programme from NTSC U-matic to PAL H/B U-matic, the charges to be levied, would be US \$ 440 for 1 Hr. (US \$ 240 for conversion, US \$ 100 for Play-back & US \$ 100 for recording).

PAYMENT

The amount is to be taken in advance by Bank Drafts in the name of Director, Doordarshan Kendra for the work to be done at the Kendras and in the name of DDO, D.G., Doordarshan, New Delhi for the work to be done at Programme Exchange Unit.

Facilities and news clips and archival material to foreign parties are to be provided with the permission of Directorate General. Payments from them is to be collected by demand draft in the name of D.D.O.-D.G., Doordarshan, New Delhi.

The rates are subject to periodical revision.

DIRECTORATE GENERAL: DOORDARSHAN

TABLE-II

RATES OF DOORDARSHAN NEWS AND CLIPPINGS OF PROGRAMMES TO OUTSIDE PRODUCERS

News clippings	<p>News clips in respect of those events over which Doordarshan has the exclusivity like messages to the nation by Hon'ble President and Prime Minister of India, Budget speech by Finance Minister, Parliamentary coverages, sports live events, Republic Day Parade, 15th August function, etc. will be given free of charge to Indian and foreign buyers upto 30 seconds only. Beyond 30 seconds Doordarshan will charge at the following rate:</p> <p>Indian buyers: Rs. 6000 per minute for the first minute. Thereafter Rs. 1000 per 10 seconds.</p> <p>Foreign Buyers: US \$ 500 per minute Indian rep. of foreign buyers.</p> <p>In case a buyer takes footage for more than 30 seconds, he will be charged for full one minute upto 90 seconds. Thereafter in slots of 10 seconds on prorata basis. In case of events not listed above full rates will be charged. After 24 hours, the footage will be treated as archival footage. There will be no transfer cost. Tapes will be brought by the party.</p>
Library footage/Archival footage for Doordarshan channels (High Band/Beta Library footage/Archival footage by Indian producers to produce programmes for foreign channels. (High Band/Beta Format/1" BCN)	<p>Rs. 6000 upto first one minute. Thereafter Rs. 1000 per 10 seconds. Preview charges will be as per existing rates. There will be no transfer cost. Tapes will be provided by the party.</p> <p>Rs. 12,000 upto first one minute. Thereafter Rs. 2000 per 10 seconds. Preview charges will be as per existing rates. There will be no transfer cost. Tapes will be provided by the party. Footage will be used in the programme for which it is taken and will not be used in any other programme, Indian Producers will not sell the footage to any other Indian or Foreign Party.</p>

Foreign Buyers News US \$ 500 per minute of news clippings. There will be preview charges @ US \$ 75 per 30 minutes on H/B and US \$ 120 per minute on Beta SP.

(High Band/Beta format/ 1" BCN) There will be no transfer charge. Tapes will be provided by the party.

Library footage/Archival footage As per Table-III.

DIRECTORATE GENERAL: DOORDARSHAN

TABLE-III

RATES OF ARCHIVAL MATERIAL FOR FOREIGN BUYERS

	Rates in US Dollars per Mt. for foreign Users				
	One country/ Asian Region/ excluding USA Europe/Japan	European Countries/Japan	USA Only	World Use Excluding USA	World Use
1. Television including satellite	600	1000	1500	1500	3000
2. Non-broadcast only	450	700	1000	1000	1800
3. Home video only	600	900	1500	1500	2000
4. TV+Non Broadcast+Home Video	1200	2000	3000	3000	6000
5. Pop Promos/Concert Backdrop	800	1300	2000	2000	3000
6. Prop Promos+Concert Backdrop	1000	1600	2500	2500	4000
7. Feature film/ Theatrical use	1000	1500	2500	2500	4000
8. Commercials (TV or Cinema)	1500	2200	3000	3000	6000
9. Commercials (TV+Cinema)	1800	2700	3700	3700	7500

- Notes:
- (i) Licence period will be for maximum 10 years.
 - (ii) If any organisation wants for rights in perpetuity, 25% extra rates will be charged.
 - (iii) Rights will be non-exclusive.
 - (iv) Non-broadcast rights if for educational research and religious purposes in Schools, Colleges, Universities and religious places, charitable institutions—40% concession will be given.
 - (v) First unit of clipping will be for one minute thereafter it will be calculated for every 10 seconds calculated on pro-rata basis.

- (vi) Above rates will be for Beta coverages and film clips. 25% deduction will be given for original coverage on High Band and 50% on Low Band. If any film clip is to be taken from Laboratory, charges for same will be extra.

TABLE IV
RATES STRUCTURE FOR SALE OF PROGRAMMES ON V.H.S.

Rates (US\$ Per Half Hour)				
Type of Programme	Non-Broadcast (Non-Commercial) Single copy (1/2" for reference only for 1/2 hr.)			
	Govt. Organisation Central/ State. Rs.	Educational Institution Rs.	Other	
			Indian Rs.	Foreign US \$
(a) Classical Dance (Single Performer)	Free of charge except for	375	750	75
(b) Classical Dance (Multiple Performers with analytical commentary, etc.)	cost of transfer plus cassettes when not supplied	500 250	1000 500	100 50
2. (a) Classical Music (Vocal)				
(b) Classical Music (Instrumental)		325	650	65
3. Ballet		450	900	90
4. Light Music		250	500	50
5. Folk Music and/ or Dance		250	500	50
6. Plays & Serials		375	750	75
7. Documentaries		500	1000	100
8. Children's Programme		250	500	50
9. Science Programme		250	500	50
10. Sports		250	500	50
11. TV Films				
(a) On Film		625	1250	125
(b) On Video		500	1000	100
12. Other Programmes		250	500	50

Recommendation

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.

[Serial No. 18, Appendix II, Para 90 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

The proforma Accounts for the year 1983-84 in respect of Doordarshan have been completed. Presently proforma accounts for the year 1984-85 are under active process. Out of 60 Kendras/DDMCs/HPTs, the proforma accounts in respect of six units (DDK, Gorakhpur; DDK, Sambalpur; DMC, Bhilwara; HPT, Kasauli; HPT, Kurseong and HPT, Varanasi) are awaited inspite of numerous reminders.

A cell in each Zonal Office to update the Proforma Accounts in a time bound manner is being made.

[(Ministry of Information and Broadcasting F. No. 207/21/96-TV(D.I) dated 1 June, 1999)]

Recommendation

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 of 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.

[Serial No. 19, Appendix II, Para 91 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

Most of the draft audit paras/audit paras have been replied to and are at various stages of finalisation. The progress of the pending Audit objection/paras etc. are regularly reviewed and monitored at appropriate levels in the Ministry.

[Ministry of Information and Broadcasting F. No. 207/21/96-TV(D.I) dated 1 June, 1999]

CHAPTER III
RECOMMENDATIONS/OBSERVATIONS WHICH THE
COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF
THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

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 as 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 contract or 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. [Serial No. 2, Appendix II, Para 74 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

The request of the agency Ms. Shah Construction Company Limited *vide* their letter dated 18.7.91 (copy enclosed at Annexure-I) for revoking the rescission of the contract was accepted only after getting the verification report (copy at Annexure II) of the Superintending Engineer (C). SE(C) had made detailed assessment of the activities undertaken by the agency

after the notice for rescission was served to the agency *vide* letter dated 12.6.91 (copy enclosed at Annexure-III) SE(C) concluded that the programme submitted by the agency appeared to be achievable. The decision to accept the request of the agency by permitting them to continue the execution of the work by revoking the rescission of the contract was taken in the interest of the work by providing another opportunity to them.

However, their performance was closely watched keeping in view the targets committed by them *vis-a-vis* their actual performance. While deciding this issue, the fact that the contractor had faced setback due to blockage of his assets and finances in the Gulf countries was also kept in mind. The contractor was working in the Gulf, where due to Gulf war all his resources got blocked. The effect of the Gulf war was apparent not only on the working of this contractor. Even other big contracting companies like National Building Construction Company also felt the pinch. Further, the execution of the foundation and the basement was not still complete and when it was observed that the agency had geared up to some extent, it was considered to at least get these works completed by the first agency. The completion of this work was also necessary to avoid danger to nearby existing buildings as well as to be in convenient position for execution of the superstructure work after the full basement/foundation are completed.

The assurance of the agency was not taken for granted and a regular monitoring of his work was undertaken after July, 1991. On assessing that the progress of the work between 8/91 to 10/91 was extremely slow. The department promptly took decision and rescinded the contract in 11/91.

The rescission of the contract and subsequent fixing of the new agency in itself is a time consuming process, which consumed almost a year in the present case.

[Ministry of Information and Broadcasting F.No.207/21/96-TV(D.I) dated
1 June, 1999]

ANNEXURE-I

SHAH CONSTRUCTION COMPANY LIMITED

REGD.OFF:SHAH HOUSE, DR. ANNIE BESANT ROAD,
BOMBAY-400018, INDIA
GRAM: "SUPERTRADE" PHONES: 4925241—44 TELEX:011-76903
SCCL-IN

Ref: SCC/ENGG/C-1/346/447

Dated 18.7.91

The Chief Engineer (Civil)
Civil Construction Wing,
All India Radio
Parliament Street,
New Delhi 110 001.

Dear Sir,

*SUB: Construction of Additional Studio Facilities at DDK, Worli,
Bombay.*

Ref: (1) Executive Engineer's letter No.EEU. SA (994) Tenders/90-91/
3251. dated 8.4.91

(2) Our letter No.SCC/ENGG/C-1/346/218. dated 27.5.91.

(3) Our letter No.SCC/ENGG/C-1/346/362. dt. 27.6.91

Please refer Executive Engineer's letter dated 8.4.91 as referred to above. We are pleased to inform you that we have completed the concrete of CF11 without any Stoppage for want of any kind of material.

We have been carrying out your work with great effort and due to heavy rains etc. the work of basement was not completed prior to monsoon. This slow progress of work probably forced the department to terminate our work; we have now fully mobilised and collected all our resources and started the work of CF-11 and completed the same.

In order to execute the programme the basic requirements of shuttering are as under:

A. Studio Portion:

We propose to provide shuttering to cover 50% of the floor area with beam bottoms to cover further area of 50% of the balance area i.e. 25% of total floor area.

- i. Shuttering already at site 350m.
- ii. Additional shuttering to be procured 200m

The cost of this additional shuttering is estimated to be Rs.200,000/-

B. Tower Portion:

We propose to provide shuttering for columns and slab to concrete at least one floor every month for which the shuttering requirements are as under:

- I. Planks 9"×1" thick - 188 running meter.
- II. 1/2" ply - 550 sq. meter.
- III. Wooden scantling 2"×3"-1.755 running meter
- IV. Wooden scantling 4"×3"-885 running meter
- V. Shuttering plates - 195 sq. meter.
- VI. Props - 395 Nos.

The cost of this shuttering materials is estimated to be Rs.6,00,000/-.

C. Foundation Cell:

The concreting CF 2 has already completed. We will take up the water proofing during the monsoon period provided weather permits. The excavation of CF 1 will be taken up immediately after the monsoon and completed within one month. You will agree that it is not possible at this stage to open the CF 1 Cooting as it would be impossible to retain the earth and complete the excavation.

We propose to see that the shuttering for the Studio Portion shall be provided during the month of August, 1991 and that of the lower Portion in stages and to be entirely provided before that August, 1991. This will enable us to start all operations in full swing with effect from 1st September, 1991 i.e. immediately after the monsoon.

The revised programme as per below to complete the entire structure by December, 1992.

A. Foundation:

Completing CFI—15 October, 1991.

B. Studio Portion:

Providing shuttering and completing ground floor Slab—15th August, 1991.

Completing RCC works Studio Portion 30th March, 1992.

Completing Brick work—30th June, 1992

Completing finishing— 30th September, 1992.

C. Tower Portion:

Providing Shuttering 30th August, 1991.

Completing Ground floor—30th September, 1991.

Completing RCC Work—30th March, 1992.

Completing Brick Work—30th September, 1992.

Completing Finishing—10th December, 1992.

We herewith request you to revoke the order of termination and allow us to carry on with the work as per above programme. We further,

request that the extension of time upto 31 December, 1992 may also be granted. We once again assure you that we are fully mobilised to carry out work as per programme.

We await your favourable response.

Thanking you,

Sd/-

Yours faithfully,
for Shah Construction Co. Ltd.

Sd/-

(Ashok H. Shah)
Managing Director

ANNEXURE—II

SUB: Construction of additional studio facilities at DDK Worli, Bombay.

Ref: M/s Shah Construction Company Limited Letter No. SCC/ENGG/
C-I/346/447 dated 18th July 1991.

On the representation made by M/s Shah Construction Company Limited *vide* their above said letter I have to offer following comments:—

1. It is a fact that they have completed the casting of CF-II footing. As per permission granted by Chief Engineer (Civil) the date of joint measurement was deferred from 28.6.1991 to 9.7.1991. Although they assured that the casting of footing would be completed by 4.7.91, the same could be finally completed on 11.7.91 due to heavy continuous rains during this period.
2. During my site visit on 11.7.91 it was noticed that the agency had brought 125 numbers of props and 150 numbers of steel shuttering plates. This consignment is worth about Rs. 1.25 lacs. Shri Ashok Shah, Managing Director of the firm further assured that similar quantity *i.e.* 125 props and 150 steel plates would be brought by July end. Copy of the order placed on the manufacturing firm was also shown by Shri Shah. Further, as per their programme it has been assured that additional 250 props and 300 steel shuttering plates would be brought to site by August end.

Therefore, as on date the shuttering material available is sufficient for casting of 350 sq. metre of slab. The agency has also assured that quantity of plywood and wooden scanting as required would also be brought by 31st July.

4. The balance technical area to be casted is about 500 sq. metre. If they stick to their commitment of bringing another 125 number of props and 150 number of steel shuttering plate by end of July there shall be adequate shuttering for casting of balance 500sq. metre of technical area.
5. The Programme submitted by the agency appears to be achievable if they mobilise their resources and honour the target dates committed for procurement of shuttering material.

6119LS F-4-B

approved by CE(C), has not been received by EE(C). Bombay the date of opening of the tender is required to be extended by giving fresh press release.

From the position as above it appears that the agency has started mobilising its resources with the sincere intentions to restart the work and give satisfactory progress. We may therefore, provide another opportunity to them and permit them to continue the execution of work by revoking the rescission of contract.

However, in view of our past experience their performance should be closely watched keeping in view the targets committed by them *viz-a-viz* their actual performance. Chief Engineer (Civil) may, therefore, kindly consider the case for revoking the rescission of contract and issuing necessary instructions in this regard.

Sd/-
(S.K. MOHINDRA)
Superintending Engineer (Civil)

ANNEXURE—III

REGD. A.D.

2024939

6119359

(994) Kendrya/91-92

12-6-91

To
M/Shah Construction Co.,
Shah House,
Dr. Annie Besant Road,
MUMBAI- 100 010.

Sub. Construction of Additional Studio facilities at D.D.K.
Worli, Bombay.

Agency: M/s. Shah Construction Co.
Agreement No.: 12/CE/CCM/88-89.

Dear Sir,

Whereas under clause 3 of the aforesaid agreement the Engineer-in-Charge shall have powers to take action under one or more of the sub-clause 3(a), 3(b) and 3(c) in the event of delay or suspension in the execution of the aforesaid work by the contractor so that in the opinion of the Engineer-in-Charge (which shall be final and binding) the Contractor will be unable to secure completion of the work by the stipulated date of completion whereas you have delayed the execution of the aforesaid work and as per the opinion of the undersigned, the Engineer-in-Charge (which is final and binding), you will be unable to secure completion of the work by the stipulated date of completion and, whereas you were served with a show cause notice in this regard under this office No. EEW-54(994) Tenders/91-92/3555 dt. 13.5.91 which has not been replied to the satisfaction of the Engineer-in-Charge by the date specified in the show cause notice, therefore under powers delegated to me under sub-clause 3(a), 3(b) and 3(c) I S.K. SAINI, the Engineer-in-Charge for the aforesaid work under the aforesaid agreement, for and on behalf of the President of India hereby.....

(a) Rescind the contract as aforesaid upon which rescission your security deposit stands absolutely forfeited to the Government; and

(b) undertake to employ labour paid by the CCW, AIR and to supply materials to carry out the work/part of the work debiting your accounts with the cost of labour and the price of the materials (the amount of cost and price certified by the Engineer-in-Charge shall be final and conclusive

The tenders for the balance work have already been called and are due to be opened in the last week of this month. We are therefore, required to take necessary decision quickly and Executive Engineer (Civil) is to be instructed accordingly. In any case since the NIT, duly against you) and crediting your account with the value of work done in all respects in the same manner and at the some rates as if it had been carried out by yourself under the terms of your contract provided that if the expenses incurred by the department are less than the amount payable to you at your agreement rate, the difference shall not be paid to you and/or

(c) Take out such part of the work out of your hand, as remains unexecuted, for giving it to another contractor to complete the same in which case any expenses which may be incurred in excess of the sum which would have been paid to you if the whole work had been executed by you in terms of the agreement (the amount of excess certified in writing by the Engineer-in-Charge shall be final and conclusive) shall be borne and paid by you on demand/or may be deducted from any money due to you by the Government under this contract or any other contract whatsoever or from security deposit or the proceeds of sales thereof or a sufficient part thereof as the case may be without prejudice to the right of the Government to realise said excess amount by suit or otherwise. You are also hereby served with notice to the effect that the work executed by you will be measured up on 28.6.91 for which you are asked to attend for joint measurement failing which the work will be measured by the department unilaterally in your absence and result of measurement will be final and will be binding on you.

This is without prejudice to Government's right to take action under any other clauses or sub-clauses of the agreement and to realise Government dues and losses and damages whatsoever under such clauses or sub-clauses.

Yours faithfully,

Sd/-
(S.K. SAINI)
Engineer-in-Charge
Executive Engineer (Civil)
CCW: AIR Bombay Division
for and on behalf of the
President of India

N.O.O.

Copy forwarded to:

- (1) The Chief Engineer (Civil), Civil Construction Wing, All India Radio, New Delhi.
- (2) The Superintending Engineer (Civil), Civil Construction Wing, All India Radio, Films Division complex, Peddar Road, Bombay-26.
- (3) The Superintending Surveyor of Works-I, CCW, AIR New Delhi with reference to his letter No. 11/9/85/SW.I/Vol. VI/68/CE(C) dated 6/6/91.
- (4) The Superintending Engineer, Doordarshan, Worli, Bombay-25.
- (5) The Regional Architect, CCW, AIR, F.D. complex, Bombay-400 026.

Recommendation

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 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.

[Serial No. 4, Appendix II Para 76 of 16th Report of PAC (10th Lok Sabha)]

Action Taken

Ministry of I & B has already clarified that this decision was taken due to acute shortage of accommodation to the Media Units in the city of Mumbai *vis-a-vis* the need to have a relook on requirement of additional studios in the changed scenario. This is contributing reason for the consequential delay.

(Ministry of Information and Broadcasting F. No. 207/21/96-TV(D.I) dated 1 June, 1999.)

Recommendation

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 take possession of the land after agreement was signed in 1990 and the case was not effectively pursued as warranted by the situation.

[Serial No. 9, Appendix II, Para 81 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

Project sanction is now linked with the availability of the site. As a policy, now Doordarshan project are being sanctioned only on the confirmation of the site availability and on the receipt of the demand note with respect to the site. The procurement of the equipment is also now linked with the progress of the construction of the building. Hence, chances of unnecessary delay in future are negligible. Instructions have been issued to all Zonal Chief Engineers to pursue the case of site acquisition with the State Government on top priority. Doordarshan and Ministry of Information and Broadcasting had been pursuing the matter of site acquisition with UP Government authorities since March, 1986 at various levels continuously. However, the site could not be acquired till

October, 1992 as allotment and handing over site was delayed by UP Government authorities on one pretext or the other so much so that site was not handed over for more than two years even after laying of foundation stone by the then Prime Minister in July, 1990. There was no laxity on the part of either Doordarshan or Ministry of Information and Broadcasting. A statement of chronology of events leading to site acquisition is at Annexure.

[Ministry of Information and Broadcasting F. No. 207/2196-TV(D.I) dated
1 June, 1999]

ANNEXURE

CHRONOLOGICAL EVENTS RELATING TO THE LAND
ACQUISITION FOR THE CONSTRUCTION OF TV STUDIO AT
ALLAHABAD

Date	Progress
1	2
13.03.86	Letter from Sh. G.N. Mehra (Secy. I&B) to Chief Secretary UP regarding exchange of plot 1.6 acre at Lucknow with the site to be selected in Allahabad.
20.03.86	Letter from Secretary I&B to Chief Secy., Govt. of U.P. requesting a land of 4 acre near Circuit House in exchange of land at Lucknow.
08.05.86	Letter to E-in-C (Sh. Madan Mohan) from Chief Engineer (NZ) (Sh. V.B. Pradhan) regarding site selection near Circuit House was proposed.
08.05.86	From CE (NZ) to Vice Chairman Allahabad Development Authority (ADA) requesting for site measuring 4 acre near Circuit House.
16.06.86	Letter from Chairman ADA to CE (NZ) stating that land near Circuit House has been allotted to Director Cultural Affairs UP Govt.
03.07.86	D.O. letter from Sh. Das Gupta, Director (TV) I&B to E-in-C Sh. Madan Mohan, stating that nothing in written has received from Chief Secretary UP Govt. regarding 4 acre land so to select a new site as it seems that the above land has been allotted to some other scheme.
11.08.86	D.O. letter from Sh. G.N. Mehra (Secy. I&B) to Chief Secretary Govt. of UP that despite efforts land has been earmarked to Zonal Cultural Centre a new site at 7 Sapru Marg has been identified by E-in-C & Joint Secretary which may be made available to Doordarshan.
15.10.86	Same reminder.
28.10.86	Letter from Director (Engineering) Sh. B.B. Gaur to the District Magistrate Allahabad giving reference of the meeting called by District Magistrate in which proposing two alternative sites which are not suitable to us.

1	2
24.11.86	Dir. (Engg.) Sh. S.K. Bisaria to CE(NZ) to expedite the acquisition of land.
January 87	Reminder.
04.02.87	SE Allahabad to DG stating that two alternative sites have been acquired by DM Allahabad but regarding the site which was selected by Doordarshan no specific reply was given by DM.
March 87	D.O. letter from DM Allahabad to Commissioner Allahabad stating that acquisition of all the three sites are in progress and soon all the three will be available to Doordarshan and they can select the sites among the three.
01.04.87	Commissioner to Secy. I&B giving details of the above letter and giving assurance of possession of the site within two week's time.
20.05.87	Sanctioned for the payment towards the land cost was issued.
30.06.87	DE Sh. O.P. Bhatti CE(NZ) to SE Allahabad Rs. 25 lakhs demanded by DM for the cost of land which Doordarshan has accorded necessary sanction but the exchange of Lucknow plot with Allahabad site is going on so decision of payment to be taken in consultation with Doordarshan Directorate.
26.06.87	Secretary (I&B) to Secretary Urban Development & Housing that the site at Lucknow will be surrendered in lieu of Allahabad.
29.09.87	CCW Offices located at Lucknow plot has vacated the site. Letter from CE(C) to CE (Doordarshan).
15.10.87	Sanction for cost payment was cancelled.
24.11.87	CE Doordarshan to Dy. Secy. I&B stating that when officials approached for taking over the site a payment of Rs. 25 lakhs was demanded as there was no clear directive from UP Govt. to Allahabad Development Authority.
21.12.87	Dy. Dir. (E) Sh. V.K. Aggarwal CE(NZ) to the Secy. Housing Urban Development asking the date of handover of land.
22.12.87	JS(B) to Scy. Urban Development & Housing to sort out this discrepancy.

1	2
14.03.88	CE(NZ) to Superintending Engineer informing not to handover the Lucknow site to Lucknow Urban Development Board as decision has been taken to pay ADA the amount of the land.
16.03.88	CE(NZ) to Station Engineer Allahabad mentioning that Draft No. HC/AB/1/014957 dated 16.03.88 amounting Rs. 25 lakhs for payment is enclosed.
March, 88	CE(NZ) to Directorate stating that the land is under litigation.
28.03.88	Same—stopping the payment till the Directorate's Order.
30.03.88	Secy. ADA to Station Engineer assuring that the land will be vacated soon cost of the land 40 lakhs 8 thousand ninety six only and asking 25 lakhs to be deposited by 30th April 1988.
26.04.88	CE(NZ) to the Secy. ADA requesting to expedite in vacating the stay from High Court and also showing the inability to pay the interest which amounts to nearly 4.35 lakhs on the cost when the land is not allotted to Doordarshan.
07.05.88	Secy. ADA to CE(NZ) asking if unable to pay the amount the land will not be allotted to Doordarshan.
07.07.88	Directorate to CE(NZ) stating that Ministry has decided as the case is in High Court and will take time so finalise new site.
16.07.88	CE(NZ) to Station Engineer Allahabad for selecting a new site.
16.12.88	Directorate to CE(NZ) asking the information regarding selection of site.
07.04.89	Station Engineer Allahabad to Sub-Divisional Magistrate Allahabad for allotting a site near carpentry school.
21.04.89	CE Doordarshan CE(CC) to look the site as it is low land and has to be filled.
03.07.89	Ministry of I&B to CE Doordarshan asking the details of the land as JS(B) is going to pursue the case with Chief Secretary UP Govt.
17.07.89	CE(NZ) to CE Doordarshan regarding progress of land near carpentry school whether the land to be given to Doordarshan or Industrial Training Institute was to be decided by Secy. to CM.
21.07.89	CE Doordarshan to Min. furnishing the details of the land.

1	2
15.06.90	Under Secy. UP Govt. to CE(NZ) process of allotment is under progress.
19.06.90	CE(NZ) to DM Allahabad requesting him to intimate the decision of allotting the land.
22.06.90	Secy. I&B to Chief Secy. UP Govt. requesting the possession of the Carpentry School site as PM of India is going to lay foundation stone of the project.
30.06.90	Agreement Signed w.r.t. Carpentry School site.
07.07.90	Foundation stone was laid by PM of India.
28.11.90	CE(NZ) to Special Secy. to CM asking the immediate handing over of the land to Doordarshan.
11.11.91	UP Govt. to CE(NZ) asking the payment of Rs. 88.39743 lakhs for the cost of the land.
27.02.92	CE (NZ) to Directorate asking the draft for the above amount.
10.06.92	CE (NZ) to Suptdg. Engineer Lucknow sending the draft of Rs. 88.39743 lakhs draft No. 053919.
06.08.92	Suptdg. Engineer Lucknow to Station Engineer Allahabad stating that payment has been done.
16.10.92	CE (NZ) to SE Allahabad asking to take the possession of the site.
16.10.92	Possession taken.

Recommendation

The Committee are surprised to find that orders for supply of equipment for the studio were placed on Bharat 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 equipments 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.

[Serial No. 11, Appendix II, Para 83 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

The Doordarshan and Ministry were hopeful of getting possession of site by 1989 and completion of project by 1992. Therefore, the orders for procurement were placed. The main reason for not being in a position to fix responsibility in case of procurement of site, is due to assurance given by the State Govt. and its non-fulfilment due to litigation resulting in long delay. So far as fixing of responsibility pertaining to procurement orders much in advance to the completion of civil works is concerned, explanations have been given to the Committee as can be seen in para 49 of the recommendations, reproduced below:—

“Order for equipment was placed with the manufacturing PSUs in view of long delivery schedule in respect of most of the equipments 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 requirement of the PSUs to undergo agreement with the foreign manufacturers as per the then prevailing policy of the

Government to conserve foreign exchange to the extent possible thereby encouraging indigenous manufacturers 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 equipments to make the proposition economically viable for them and hence Doordarshan's acceptance of long delivery schedule for supply of equipment."

The main reason is due to the fact that the equipment was to be procured from PSUs and the PSUs in turn were to manufacture this equipment under technology transfer which had a gestation period, required the orders to be placed much earlier. Since problem is arising due to mechanism of procurement of such equipment, no individual could be held responsible.

[Ministry of Information and Broadcasting F.No. 207/2196-TV (D.I)
dated 1 June, 1999]

CHAPTER IV

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

Recommendation

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.

[Serial No. 3, Appendix II, Para 75 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

The earlier contract was finally rescinded in 11/91 and the balance construction work which was awarded on 6.11.92 has since been completed and installation of equipment is at advanced stage. The project is likely to be completed very soon. The balance work was executed at the risk and cost of the earlier agency and additional financial burden is to be borne by the earlier agency. The tentative liability has been assessed as Rs. 158.25 lakhs which is apparent from the tendered cost of these two targets. As intimated earlier an amount of Rs. 10.31 lakhs was withheld by the department including security deposits from M/s Shah Construction Co. Ltd. The department could withhold the amounts in accordance with the provisions of contract agreement in force and the following provisions existed in the said agreement to safeguard the financial interest of the Government:—

- (a) Clause 2 — Compensation for Delay.
- (b) Clause 4 — Contractor liable to pay compensation even action not taken under Clause 3.
- (c) Clause 25 — Settlement of Disputes & Arbitrations.
- (d) Clause 29 — Withhold of lien in respect of sums due from contractor.
- (e) Clause 29A — Lien in respect of claims in other contracts.

The action as per Clause 2 and Clause 4 of the contract can be taken during progress of the work. Action has already been taken by withholding the amount of Rs. 10.31 lakhs including security deposit. The balance amount is to be recovered through Arbitration/legal action, (if he refuses to pay) on completion of the balance work which is being executed through separate contract at risk and cost of the first contractor.

Since the value of work done before the rescission was being paid through running bills as per terms of the agreement, the amount available at the disposal of the department under the various possible heads, was explored after recession and it including the following:—

- (a) Work done but not paid.
- (b) Amount encashable from the Bank Guarantees submitted by the agency against mobilisation Advance and security deposit and accordingly Rs. 10.31 lakhs could be withheld.

Contractor did not ask for appointment of the Arbitrator as per the clause of the contract. The contractor had gone to 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 the plaint the department had submitted before the Hon'ble High Court 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. The case has not come up till date on; board of High Court and is still pending.

It would, therefore, be seen that department has exhausted all the channels available to them and would proceed further once the matter is taken up in the High Court. Moreover, the tenable amount to be recovered from the earlier agency shall be known only after the balance work is completed the claims will then be framed and after exhausting all legal channels the prayers to arbitrator/court shall be made.

As desired by the Committee, the outcome alongwith the final amount worked out to be recovered from the agency and status of recovery shall be intimated in due course.

[Ministry of Information and Broadcasting F. No. 207/2196-TV(D.I.)
dated 1 June, 1999]

Recommendation

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 penalty would be imposed after analysing reasons put forward by the company for delays. The Committee consider it unfortunate that while the first contractor was rescinded for 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.

[Serial No. 5, Appendix II, Para 77 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

The work did not progress for about a year upto November 1993 partly due to riots/disturbed conditions in Mumbai city and partly since the scope of work was envisaged to be changed. The contractor of this project accordingly required additional time for re-mobilisation so that work could re-commence.

The contractor had preferred for arbitration for revising escalation clause and seeking enhanced escalation rates for prevailing conditions in the city. The process of arbitration and acceptance of award and payment thereof consumed about a year's time (12/95 to 12/96). The contractor had

apparently slowed down the work due to financial constraints faced and expressed by him on these aspects.

The contractor again went in for arbitration in May, 1997 for extension of earlier award for the remaining work. The learned sole arbitrator published the award in favour of the agency in September, 1997. The Department on the advice of Law Ministry as a respondent has decided to challenge the award in Mumbai High Court. The arbitration proceedings are in progress. Claims of the department including penalty, if any, being referred to the arbitrator for deciding the issue.

The progress of the work is being monitored regularly and on observing that the contractor is failing at times to meet the targets, notices have been issued to the agency and the penalty shall be enforced 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. It is, however, intimated that the concerned Superintending Engineer who is the final authority under the contract to take decision for the extension of time has granted the same without levy of the compensation upto 31.2.97. The work is being provisionally extended to keep the contract alive. The final action under Clause 2 regarding levy of the compensation shall be taken by the Superintending Engineer at appropriate time and the Committee shall be duly informed.

Regarding payment, the total amount actually paid to the second contractor for the execution of the work would be known only after completion of the work and finalisation of the bills. Details of payment made to the 2nd contractor for execution of the work are however given below:—

Upto March, 98 46th R/A bill, paid to contractor

Work done amount	Rs. 4,04,79,629/-
Escalation	Rs. 60,00,000/-
Total	Rs. 4,64,79,629/-
Say	Rs. 4,65 Crores

No payment has been made after March, 98. The same would be made on completion of the project. The project is likely to be completed very soon.

[Ministry of Information and Broadcasting F. NO. 207/21/96-TV(D.I)
dated 1 June, 1999]

Recommendation

The Committee are deeply concerned to observe that the construction work of studio building at Mumbari 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 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.

[Serial No. 6, Appendix II, Para 78 of 16th Report of PAC (11th Lok Sabha)]

Action Taken

It would be appreciated that there were certain factors beyond control which have resulted in the delays.

From the middle of 1995 upto October, 1997 the technical areas of the building which consist more than 80% of the total area were handed over to Doordarshan authorities in phases so that simultaneously the equipments can be installed and other technical activities like acoustic and air-conditioning can be done.

Civil works of the building are now complete and installation works are nearing completion. The project is scheduled to be technically ready for commissioning very soon.

[Ministry of Information and Broadcasting F.No.207/21/96-TV(D.I) dated
1 June, 1999]

CHAPTER V

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

-Nil-

NEW DELHI
30 November, 2000

9 Agrahayana, 1922 (Saka)

NARAYAN DATT TIWARI
Chairman,
Public Accounts Committee.

APPENDIX
CONCLUSIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Ministry/ Department concerned	Conclusions/Recommendations
1	2	3	4
1.	8	I&B	<p>In their earlier Report, the Committee found that Doordarshan suffered a loss of about Rs 158.25 lakh on account of failure of the firm namely, M/s Shah Construction Company Ltd. to complete the construction work of additional studio building for Doordarshan Kendra, Mumbai. The exact amount of loss, however, was to be calculated after completion of the balance work which was being executed through a separate contract. As per provisions of the contract, the balance work was executed 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. When the matter was taken up by the Department through the Arbitrator to obtain the claim in favour of the Government, the contractor moved 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. The Committee, however, are distressed to find that the case is still pending before the High Court even though another three years have elapsed in between. The Ministry in their note have merely furnished the same reply which was placed before them prior to presentation of original Report on the subject. The Committee are surprised to find that even the exact amount recoverable from the contractor is yet to be calculated even though the balance work was stated to have been completed by the second contractor. The Committee take a serious note of the inaction and apathy displayed by the Ministry in this matter. The Committee reiterate their earlier recommendation and desire that a status report on the recovery of outstanding Government dues be placed before the Committee within a period of three months.</p>

1	2	3	4
2.	9	I&B	<p>Since the execution of the second contract was also marred by abysmal delays, the Committee had recommended that appropriate action should be initiated against the second contractor. It is however seen from the action taken note that though notices were issued to the contractor for delays and penalty was to be imposed, the Superintendent Engineer proceeded post haste and granted extension to the contractor upto February 1997 without levy of compensation for no plausible reasons. The Ministry further stated that final action under clause 2 of the contract regarding levy of compensation would be taken by the Superintendent Engineer at appropriate time. The Committee take strong exception to such an evasive reply and desire that the circumstances under which Superintendent Engineer decided against levying compensation on the contractor be looked into and the Committee be apprised of the conclusive action taken against the agency for delay in the completion of the construction work.</p>
3.	10	-do-	<p>The Committee note with regret that this Project is yet to be commissioned even after a lapse of 9 years. What is further disquietening is that the Ministry failed to intimate the Committee the precise date by which the Project would be commissioned. While expressing deep dissatisfaction over the failure of the Ministry to expedite the completion of the Project, the Committee would like the Ministry to address the matter seriously and take all necessary and effective measures to ensure that the Project is commissioned at the earliest. The Committee would like to be informed of the status of the Project within a period of three months.</p>

LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA SECRETARIAT PUBLICATIONS

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH			
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secundrabad-500361.	20.	The International Book Service, Deccan Gymkhana, Pune-4.
2.	M/s. Booklinks Cooperation, 3-4-423/5 & 6, Narayanguda, Hyderabad-500029	21.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400001.
3.	M/s. Ashok Book Centre, Benz Circle, Vasavya Nagar, Vijaywada-520006 (A.P.)	22.	M/s. Usha Book Depot, "Law Book Sellers and Publishers" Agents Govt. Publications, 585, Chira Bazar, Khar House, Bombay-400002.
4.	M/s. Labour Law Publications, 873, Kothi Bus Stand, Hyderabad-500001.	23.	M & J Services, Publishers Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor 68, Jyotiba Fule Road, Nalgaum-Dadar, Bombay-400014.
5.	M/s. Law Publico Pvt. Ltd., opp. Telegraph Office, 5-1-873, Kothi, Hyderabad-500195	24.	The Marathwada Book Distributors, Parmimal Khadkeshwar, Aurangabad-431001.
6.	Shri V.A.N. Raju, Newspaper Agent, H. No. 1-2-58, Rahamath Nagar, Kazipet-506003. (A.P.)	25.	Messers Pragati Jer Mahal, 432, Kalbadevi Road, Bombay-400002.
7.	M/s. Vivekananda Law Publishers, Shop No. 8, opp. Secundrabad Courts, Secundrabad-500010, Hyderabad.	26.	Messers Jaina Book Agency (India), 649-A, Girgaum Road, Dhobi Talao, Bombay-400002.
BIHAR			
8.	Departmental Publications Sales Centre, Vikash Bhawan, New Secretariat, Patna (Bihar).	27.	M/s. Thosar Granihagar Shabu Lasmi, 201, Samrath Nagar, Aurangabad-431009.
9.	M/s. Progressive Book Centre, Zila School, Pani Tanki Chowk, Ramma, Muzaffarpur-842002 (Bihar).	MANIPUR	
GUJARAT			
10.	M/s. Vijay Magazines Agency, Station Road, Anand-388001 (Gujarat).	28.	Messers P.C. Jain & Co., Thangal Bazar, Imphal-795001.
11.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006 (T.No. 79065).	MEGHALAYA	
HARYANA			
12.	Messers Indian Documentation Service, Patel Nagar, Post Box No. 13, Gurgaon-122001 (Haryana).	29.	Messers Paul's Agency & Distributors, R.K. Mission Road, Laitumkharh, Shillong-793003.
13.	Messers Prabhu Book Service, Sadar Bazar, Gurgaon-122001.	PONDICHERRY	
14.	Messers Maharshi Dayanand University Book Shop, Rohtak-124001 (Haryana)	30.	Editor of Debates, Legislative Assembly Department, Pondicherry-605001.
JAMMU			
15.	Messers Haldia Publishers (India), 128-A, Gandhi Nagar, Jammu-180004.	PUNJAB	
KARNATAKA			
16.	M/s. People's Book Houses, J.M. Palace Road, Mysore-570024.	31.	Messers Lyall Book Depot, Chaura Bazar, Ludhiana-141008.
17.	Messers Geetha Book House. K.R. Circle, Mysore-570001.	RAJASTHAN	
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		36.	Law Publishers, Sardar Patel Marg, P.B. No. 70, Allahabad, (U.P.).
		37.	Messers International Publicity Service, GPO Box No. 1114, Varanasi-211001 (U.P.)
		38.	The Law Book Company (P) Ltd., Sardar Patel Marg, P.B. No. 1004, Allahabad-211001 (U.P.)

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41.	M/s. Manimala Buys & Sells, 123, Bow Bazar Street, Calcutta-700001.	59.	Messers Eastern Book Co. (Sales), Kashmere Gate, Delhi-110006
42.	Messers Bankura News Paper Agency, Machantola, P.O. & Distt. Bankura-722101.	60.	Messers International Publicity Service, GPO Box No. 1114.
43.	Messers Book Corporation, 4, R.N. Mukerjee Road, Calcutta-700001.	61.	Messers Jain Book Agency (South End) 1, Aurobindo Place, Hauz Khas, New Delhi-110016.
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46.	M/s J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006 (T. Nos. 291564 & 230936)	65.	Messers K.L. Seth B-55, Shakarpur, Delhi-110092.
47.	M/s Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001 (T. Nos. 3315308 & 3315896)	66.	Messers Jaina Book Depot. Chowk Chhapparwala, Bank Street; Karol Bagh, New Delhi-110005
48.	M/s Bookwell, 2/72 Sant Nirankari Colony, Kingsway Camp, Delhi-110009 (T. Nos. 7112309, 3268786)	67.	Messers Kamal & Co., 27 DDA Shopping Centre, Arjun Nagar, Safdarjung Enclave, New Delhi-110029
49.	M/s Rajendra Book Agency, IV-DR-59, Lajpat Nagar Old, Double Storey, New Delhi-110024 (T. Nos. 6412362 & 6412131).	68.	Messers Standard Book Co., 125, Maunicipal Market, Connaught Place, P.B. No. 708, New Delhi-110001 (T.Nos. 3712828, 3313899).
50.	M/s Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.	69.	Messers Jayalé (W) Agency, 1-196, Naraina Vihar, New Delhi-110028.
51.	M/s Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.	70.	Messers Sat Narain & sons, 40-A, Municipal Market, Babar Road, Behind Modern School, Barakhamba Road, New Delhi-110001
52.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110001 (T. Nos. 336,448, 3364478)	71.	Messers R.K. Books, 40/21-A Gautam Nagar, New Delhi-110049
53.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi-110061 (T. No. 3310398)	72.	M/s. D.K. Agencies (P) Ltd., A/15 Mohan Garden, Najafgarh Road, New Delhi-110059
54.	M/s. Books India Corporation, Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110002. (T.Nos. 269631 & 714465).	73.	M/s. Ishwar Chandra Co., Baldev Bhawan, 9986, Ram, Behari Road, Sarai Rohella, Delhi-110095.
55.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110002	74.	M/s. Vijay Book Service C/D/123/C Pitampura, New Delhi-110034.