

**Financial loss due to non-receipt of  
Completion-cum-Occupancy Certificate,  
Loss due to failure to levy departmental  
charges & Undue benefit to contractor**

Ministry of Housing and Urban Affairs

**PUBLIC ACCOUNTS COMMITTEE  
(2020-21)**

**TWENTY-FIFTH REPORT**

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**SEVENTEENTH LOK SABHA**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

**PAC NO. 2233**

**TWENTY-FIFTH REPORT**

**PUBLIC ACCOUNTS COMMITTEE**  
**(2020-21)**

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Completion-cum-Occupancy Certificate,  
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**MINISTRY OF HOUSING AND URBAN AFFAIRS**



Presented to Lok Sabha on: .....

Laid in Rajya Sabha on: .....

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

February, 2021/

Magha, 1942 (Saka)

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE**  
**(2020-21)**

**Shri Adhir Ranjan Chowdhury      -      Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri T. R. Baalu
3. Shri Subhash Chandra Baheria
4. Shri Sudheer Gupta
5. Smt. Darshana Vikram Jardosh
6. Shri Bhartruhari Mahtab
7. Shri Ajay (Teni) Misra
8. Shri Jagdambika Pal
9. Shri Vishnu Dayal Ram
10. Shri Rahul Ramesh Shewale
11. Shri Rajiv Ranjan Singh alias Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabhaneni
15. Shri Ram Kripal Yadav

**RAJYA SABHA**

16. Shri Rajeev Chandrasekhar
17. Shri Naresh Gujral
18. Shri C. M. Ramesh
19. Shri Sukhendu Sekhar Ray
20. Shri Bhupender Yadav
21. Vacant
22. Vacant

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1. Shri T. G. Chandrasekhar      - Additional Secretary
2. Smt. M.L.K. Raja              - Director
3. Smt. Bharti S. Tuteja        - Additional Director
4. Ms. Malvika Mehta           - Under Secretary

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**(2019-20)**

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**RAJYA SABHA**

16.     Shri Rajeev Chandrasekhar
17.     Prof. M. V. Rajeev Gowda
18.     Shri Naresh Gujral
19.     Shri P. Bhattacharya\*
20.     Shri C. M. Ramesh
21.     Shri Sukhendu Sekhar Ray
22.     Shri Bhupender Yadav

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\* Elected w.e.f. 10 February, 2020 in lieu of vacancy caused due to resignation of Shri Bhubaneswar Kalita from Rajya Sabha on 05 August, 2019.

## INTRODUCTION

I, the Chairperson, Public Accounts Committee (2020-21), having been authorised by the Committee, do present this Twenty-fifth Report (Seventeenth Lok Sabha) on '**Financial loss due to non-receipt of Completion-cum-Occupancy Certificate, Loss due to failure to levy departmental charges & Undue benefit to contractor**' based on Chapter XXII of C&AG Report No. 12 of 2017 relating to the Ministry of Urban Development & CPWD.

2. The Report of Comptroller and Auditor General of India was laid on the Table of the House on 21<sup>th</sup> July, 2017.

3. The Public Accounts Committee (2020-21) selected the subject for detailed examination and report thereon. The Committee took oral evidence of the representatives of the Ministry of Housing and Urban Affairs at their Sitting held on 12<sup>th</sup> March, 2020. The Committee considered and adopted this Report at their Sitting held on 4<sup>th</sup> February, 2021. The Minutes of the Sitzings are appended to the Report.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** and form Part-II of the Report.

5. The Committee would like to express their thanks to the representatives of the Ministry Housing and Urban Affairs for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

6. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the office of the Comptroller and Auditor General of India.

NEW DELHI:

February, 2021

Magha, 1942 (Saka)

ADHIR RANJAN CHOWDHURY

Chairperson,  
Public Accounts Committee

## **Part-I**

### **Report**

1. The Public Accounts Committee (2019-20) decided to take up for detailed examination and report, Paras 22.1, 22.2 and 22.3 of C&AG Report no. 12 of 2017 (Union Civil Compliance) on the subjects "Financial Loss due to non-receipt of Completion-cum-Occupancy Certificate", 'Loss due to failure to levy departmental charges' and 'Undue benefit to contractor', respectively. These paras pertained to the Ministry of Housing and Urban Affairs, the then Ministry of Urban Development. The aforesaid C&AG report for the year ended March 2016 was laid in the Parliament on 21 July 2017. The Report contained significant results of the compliance audit of financial transactions of the Ministries/Departments of the Union Government and their autonomous bodies under the Economic/General and Social Services.
2. In Para 22.1 of the aforesaid report, Audit pointed out that non-receipt of Completion-cum-Occupancy certificate for staff quarters of Indian Meteorological Department (IMD) at Dwarka, New Delhi, resulted in expenditure of ₹2.81 crore incurred on their construction being rendered idle. Further, avoidable additional expenditure of ₹0.88 crore on maintenance and watch and ward of the quarters and payment of HRA and non-receipt of Licence Fee amounting to ₹1.53 crore was also incurred.
3. In Para 22.2, Audit stated that CPWD failed to levy departmental charges on construction works for the Currency Note Press and India Security Press, Nasik resulting in short collection of revenue of ₹ 0.59 crore.
4. In Para 22.3, Audit found that in violation of contract conditions, Central Public Works Department extended undue benefit of ₹0.56 crore to the contractor.
5. The Public Accounts Committee (2019-20) took oral evidence of the representatives of the Ministry of Housing and Urban Affairs (hereinafter referred to as 'the Ministry') on the aforementioned paras at their sitting held on 12 March 2020 and also obtained written information on various aspects of the issues under consideration. Based on the oral evidence and written submissions made, the Committee made in-depth examination of the subject as detailed in the succeeding paragraphs.

**A. Para 22.1: Financial Loss due to non-receipt of Completion-cum-Occupancy Certificate**

6. As stated by Audit in Para 22.1, Central Public Works Department (CPWD) constructed 57 quarters for the Indian Meteorological Department (IMD) and made a payment of ₹2.81 crore for the same to the contractor. The work, scheduled for completion in January 2005, was actually completed in October 2009. Audit scrutiny of relevant records revealed the following:
  - Completion-cum-Occupancy Certificate was yet to be received from DDA as on January 2017. This impeded allotment of quarters to the staff of the IMD.
  - The IMD had requested CPWD repeatedly from October 2009 to September 2013 to obtain Completion-cum-Occupancy Certificate from DDA.
  - CPWD wrote in January 2010 to DDA for issuance of Completion-cumOccupancy Certificate stating that it had submitted the application along with relevant documents in December 2009. DDA in March 2010, intimated CPWD that complete set of Carbon Copy drawings and requisite fee may be submitted as per the prescribed procedure.
7. In this regard, Audit stated that CPWD wrote in May 2010 and June 2010, to DDA stating that documents required for issue of Completion-cum-Occupancy Certificate were enclosed. In response, the DDA intimated CPWD in April 2011 that they had forwarded only the service plans to Delhi Jal Board/Municipal Corporation of Delhi and the request for Completion-cum-Occupancy Certificate had not been received in their office. CPWD again submitted various documents to DDA for issuance of Completion-cum-Occupancy Certificate in December 2011. In response, DDA in June 2012, intimated CPWD of the shortcomings in the application submitted which included failure to deposit completion/process fee, submission of incomplete documents like drawings set, Delhi Urban Arts Commission (DUAC) Proforma, External finish certificate, Deviation certificate, Form B-3 etc. and non-submission of documents like model photoset, No Objection Certificate from Chief Fire Officer, approved service schemes, Rain Water Harvest (RWH) photos and the complete set of sanctioned drawings attested by the Architect etc. along with the application.
8. On enquiry by Audit of the status of submission of documents to DDA, CPWD intimated in November 2015 that the requirements as desired by the DDA in June 2012 were yet



to be complied with as it was a cumbersome exercise to retrieve the old records pertaining to the project and involvement of the concerned division in other works. These shortcomings were not attended to by the CPWD till April 2016 as they informed Audit that submission of documents to the DDA and other formalities were pending on their part. Audit further noticed that CPWD had handed over 17 quarters to the IMD in March 2014, without obtaining Completion-cum-Occupancy Certificate from the DDA in violation of provisions of Building Bye Laws 1983. Out of these 17 quarters, 13 quarters were allotted to employees of IMD. In January 2017, CPWD further stated that they had made every effort with DDA for issue of the Completion-cum-Occupancy certificate but DDA did not issue it. It was also informed by CPWD that till January 2017, 21 quarters were being occupied by staff of IMD and all the documents had been resubmitted to DDA on 3 January 2017.

9. The CPWD in their action taken notes submitted to Audit on para 22.1 submitted the following :-

"India Meteorological Department is the owner of the property. CPWD constructed the said building for them. There was no MOU between IMD and CPWD. From the preliminary estimate submitted by CPWD and A/A & E/S given by the IMD, it is seen that CPWD only have to construct the quarters & hand over to the IMD. Nowhere, it was mentioned that CPWD shall obtain the completion certificate for the said building from DDA. In the CPWD Works Manual 2014 also, nowhere it is mentioned that CPWD will obtain the completion certificate for the building constructed by CPWD. From these, it is evident that the CPWD has to assist the IMD in obtaining the completion certificate by providing the necessary documents to IMD as desired by the DDA. Primarily, it is the responsibility of the IMD to obtain the completion certificate. However, from the above chronology of events, it may be seen that CPWD has been consistently pursuing with DDA for obtaining completion certificate and at the same time alerting IMD from time to time to obtain the completion certificate from DDA. From the various correspondences enclosed above, it may be seen that the working of DDA has never been transparent and proactive. Many a time, they have not accepted the documents submitted by CPWD by hand at their counters, thereby, CPWD was forced to submit the documents by post. Many a time they denied the receipt of the documents submitted by CPWD. DDA has never communicated their observations in one go and they gave their observations in piecemeal manner i.e. also after protracted correspondence from the CPWD and various personal visits by CPWD officials. DJB was also a party in the process of issuance of Completion Certificate by DDA.

From the above, it may be seen that the CPWD has always made vigorous efforts to obtain the completion certificate. The receipt of completion certificate has been delayed due to non-transparent and non-responsive working of DDA. It is, therefore, submitted that there is no lackadaisical handling of the issue by CPWD and the responsibility for idling of the assets constructed at the cost of

₹2.81 crores may not rest on the shoulders of CPWD. As per para 11 (B) Section 4 of CPWD Works Manual 2014, "in the event of delay in taking over completed projects, charges on security, refurnishing and re-commissioning conservancy charges etc. shall be borne by the Client". Accordingly, the expenditure of ₹ 0.88 crores on the maintenance and watch & ward of these quarters had been incurred only after obtaining A/A & E/S from the IMD the client department. Primarily, IMD is responsible to obtain the completion certificate and the delay is caused by DDA in issuing the completion certificate. The responsibility for avoidable expenditure to the tune of ₹ 1.53 crores on account of payment of HRA to the staff of the IMD and non-receipt of license fee may not rest on the shoulders of CPWD."

10. In this regard, during the sitting of the Committee (2018-19) held on 30.7.2018, Secretary (then Ministry of Urban Development) stated the following:-

"Sir, 18 out of 57 houses are already occupied by people. I have reviewed the status of the remaining houses in detail. After reviewing it, I have asked CPWD to get them repaired, so that people can use them. Simultaneously, by completing all its formalities, this matter will go before the Delhi Urban Art Commission tomorrow. After that they will give the clearance and DDA will give Occupancy and Compliance Certificate. For your information, I would like to submit before the hon. Chairman and the Members of the Committee that now things have completely changed. Now, we have got online building permission system. It is seamlessly integrated to all the systems. Even occupancy and completion certificates are being issued online. There is a definite timeframe in which this is being done not only for the CPWD building but all other persons... When we received the notice of PAC, we took up this matter and reviewed it... I have taken very serious note of it. We are going to take action against them. Sir, we have received this notice only last week. After that we looked at the whole thing about it and we understood some of the things. "

11. In their background note on the subject, the Ministry submitted the following regarding the status of completion of the flats:-

"Completion cum occupancy certificate has already been received for all 57 units from DDA vide their letter no. F 23(6) 2000/ Buildg/05 dated 03.08.2018 (copy enclosed as Annexure-1). Quarters have already been handed over to Indian Meteorological Department. Allotments of quarters are at the disposal of IMD.

For delay in obtaining Occupancy Certificate cum Completion Certificate, Charge Sheet has been issued under Rule 14 of CCS(CCA) Rules, 1965 against S/Sh. S.B. Shukla and S.K. Tripathi, E.E.(C). The Inquiry is in process.

In new CPWD manual 2019 (para 5.17.3) Engineer in charge has been made responsible for obtaining Completion cum Occupancy Certificate.

Further, a circular in this regard has also been issued to all the concerned vide File No. DG/MAN dated 11.3.2020 to make Engineer-in charge personally responsible for delay in obtaining Occupancy Certificate."

12. Further, during the sitting of the Committee (2019-20) held on 12.03.2020, Secretary, Ministry of Housing and Urban Affairs stated the following on the matter:-

"Sir, I would like to say that Occupancy and Compliance Certificate has been given after about 8 years. Among those who were (there) in the middle of the 8-year period, the DDA is also responsible and the IMD is also responsible. People had already started taking occupation and residing in all the houses which were there. Yet Occupancy and Compliance Certificate was not issued. Action is going on against those who are responsible for this delay in today's date. Light Punishment was recommended for them, but I did not agree with it. I said that I will give them a very serious punishment, because if you have completed the house then after completion, it becomes your responsibility to give the Occupancy and Compliance Certificate within several months. We have issued a circular yesterday that if it (the Certificate) is not given, then action will be taken (against those responsible). So sir, we are serious about this subject. There is no need to give any discount to anyone."

13. When asked, why CPWD did not furnish the documents sought for by DDA for issuance of completion-cum-occupancy certificate till January 2017 and why it took more than eight years to obtain the certificate, keeping in view the fact that procedures of such nature are part of routine nature for CPWD, the Ministry submitted the following written reply:-

"Occupancy Certificate (OC/CC) for staff quarters of Indian Meteorological Department (IMD) has remained under consideration between CPWD and DDA for want of various clarifications and involvement of number of Departments like Delhi Jal Board, Delhi Urban Art Commission (DUAC), Delhi Fire Services etc. Series of communications took place between CPWD, IMD and DDA. However, the matter remained inconclusive. CPWD obtained all statutory clearances as per Building-Byelaws viz. Water Supply connection, Sewerage connection, Fire clearance, Structural stability certificate etc. except OC/CC from DDA.

For delay action has been taken. Charge Sheet has been issued under Rule 14 of CCS(CCA) Rules, 1965 against S/Sh. S.B. Shukla and S.K. Tripathi, E.E.(C) CPWD. The inquiry is in progress."

14. As per Audit, an avoidable expenditure to the tune of ₹1.53 crore had been incurred towards payment of HRA and non-receipt of Licence fee due to the delays. When asked why timely action was not taken to contain such wastage of public money, the Ministry replied thus:-

"Charge Sheet has been issued under Rule 14 of CCS(CCA) Rules, 1965 against S/Sh. S.B. Shukla and S.K. Tripathi, E.E.(C) CPWD. The Inquiry is in progress."

15. When asked how many quarters remained vacant and for what period post the Audit scrutiny, the Ministry replied the following:-

"Completion cum occupancy certificate for all 57 units was received from DDA vide their letter no. F 23(6) 2000/ Buildg/05 dated 03.08.2018. Quarters have already been handed over to Indian Meteorological Department. Allotments of quarters are at the disposal of IMD."

16. The Ministry were questioned on the corrective steps taken by the CPWD, DDA and the Ministry to ensure that henceforth no instances of lack of coordination arise leading to delay of such nature. They replied the following:-

"Remedial steps have been taken for avoiding such eventualities in future.

a) Orders have been issued by the Ministry reiterating that under Section (3) of Government Building Act, 1899 where CPWD have been authorized to function as a Local Body. CPWD is therefore, not required to take approval of Local Body for erection of Government buildings being executed by it provided other statutory clearances are in place such as DUAC, AAI, Fire, etc.

b) DDA has started online issuance of OC/CC system after promulgation of UBBL-2016. This system has simplified the procedures extensively wherein only 5 documents are required to be submitted online against the requirement of 34 in the manual era as per BBL-1983 for OC/CC.

c) New CPWD Works Manual 2019 (Para 5.17.3) clearly specifies the responsibility of Engineer-in-charge for obtaining OC/CC on behalf of client. Vide OM dated 11.3.2020 Engineer-in-charge and concerned Senior Architect made responsible to obtain OC/CC.

d) Vide office memorandum dated 11.03.2020 advisory reiterating the provision of New CPWD Works Manual 2019 (Para 5.17.3) specifying responsibility for obtaining completion cum occupancy certificate has been issued to sensitize the CPWD Officials."

17. On being asked about the mechanism in CPWD for monitoring progress of projects and to obviate chances of any delay and also what specific action is taken when there is delay in completion of projects- procedurally and on officials responsible for delay, the Ministry replied as under:-

"Progress of projects is monitored at field level and HQ level. At field level progress of project is monitored through regular site inspections and site meetings by (Junior Engineer-JE, Assistant Engineer-AE, Executive Engineer-EE, Superintending Engineer-SE and Chief Engineer-CE. Modern project management tools e.g. PERT, PRIMAVERA and BIMS etc. are being used to monitor the progress of project and take remedial measures. At HQ level Projects are being reviewed in 'Senior Officer Meeting' as well as through Video Conferencing regularly. CPWD's Web Based Project Monitoring System (WBPMS) is being used to monitor progress of projects. Clause-2 of General Condition of Contract specifies action to be taken in case of delay in completion of the projects.

CPWD will be implementing Enterprise Resource Planning (ERP) very soon which will lead to monitoring of project and rectification measures on real time basis."

18. According to Audit, CPWD had stated that requirements as desired by DDA were yet to be complied with, as it was a cumbersome exercise to retrieve old records pertaining to projects and involvement of concerned division in other works. In this context, it was asked what action was taken by CPWD/ Ministry of Housing and Urban Affairs to enable easy retrieval of old records. It was also asked whether measures such as digitization of records, computerization of processes, streamlining the functioning of CPWD were being considered to make it transparent and to improve its efficiency. In response, the Ministry submitted the following:-

"CPWD will be implementing Enterprise Resource Planning (ERP) very soon wherein all the records will be digitized and will be available online. Implementation of ERP will lead to computerization of processes, streamline the functioning, make process transparent and improve overall efficiency."

19. The Committee desired to know why CPWD handed over 17 quarters to the IMD in March 2014 without obtaining Completion-cum-Occupancy Certificate from the DDA, in violation of provisions of Building Bye Laws 1983. The Ministry submitted the following:-

"All statutory clearances as prescribed under Building-Byelaws were in place before handing over the units viz.

- Water Supply connection (25.04.2011),
- Sewerage connection (21.12.2011),
- Fire clearance (17.06.2010) and
- Structural stability certificate (safety certificate cleared by CPWD).

Other requirements and necessary works and minor repairs pointed out by IMD were completed except OC/CC.

Residential units were handed over to IMD to meet out the accommodation requirements of employees of IMD, who were in urgent need of family accommodation."

20. As per the Action Taken Note (ATN) submitted by CPWD, IMD was primarily responsible to obtain completion certificate and the delay was caused due to non-transparent and non-responsive working by DDA in issuing the completion certificate. It was further submitted by the CPWD that there was no lackadaisical handling of the issue by them and that the responsibility of idling of the assets constructed at the cost of ₹2.81 crores may not rest on the shoulders of CPWD. However, in their background note, the Ministry had submitted that for delay in obtaining Occupant Certificate cum Completion Certificate, Charge Sheet has been issued under Rule 14 of CCS (CCA) Rules, 1965 against S/Sh. S.B. Shukla and S.K. Tripathi, E.E (C) and that the inquiry is in process. In this context, the Committee wanted to know the views of the Ministry on the variation in submissions made by the Ministry and the CPWD. It was also asked whether the Action Taken Notes furnished to the C&AG by the organizations under the administrative control of the Ministry were approved by them. Further, the Ministry were asked to comment on the ATN of the CPWD that the working of DDA had never been transparent and proactive. The submitted the following:-

"Action taken Note is submitted by CPWD to C&AG based on the reply furnished by the concerned division of CPWD.

For negligence action has been taken. Charge Sheet has been issued under Rule 14 of CCS (CCA) Rules, 1965 against S/Sh. S.B. Shukla and S.K. Tripathi, E.E.(C) CPWD. The Inquiry is in progress."

21. In their background note the Ministry had submitted that a circular has been issued to all the concerned vide File No. DG/MAN dated: 11.03.2020 to make Engineer-in charge personally responsible for delay in obtaining Occupancy Certificate. The reasons for such delayed action in fixing responsibility were asked. The Ministry replied the following:-

"New CPWD Works Manual 2019 (Para 5.17.3) clearly specifies the responsibility of Engineer-in-charge and concerned Architect for obtaining OC/CC on behalf of client.

Instruction issued Vide Office Memorandum dated 11.03.2020 are reiteration of existing provision of New CPWD Works Manual 2019 (Para 5.17.3)."

22. When asked what action has been taken against those responsible in DDA for delays in issuance of completion-cum-occupancy certificate, the Ministry responded with the following:-

"Show Cause Notice was issued to Director (Building) DDA. After examining the matter, a warning letter was issued."

**B. Para 22.2: Loss due to failure to levy departmental charges**

23. In Para 22.2, CPWD, Nasik Central Division undertook various construction works valued at ₹ 4.94 crore for the Currency Note Press (CNP) and India Security Press (ISP) Nasik between March 2014 and March 2016. CNP and ISP are part of the Security Printing and Minting Corporation of India Limited (SPMCIL), a Central Public Sector Enterprise. Audit observed that the CPWD failed to levy departmental charges of 12 *per cent* (i.e. ₹ 0.59 crore) that were leviable in terms of paragraph 12.1 of the CPWD Manual.

24. CPWD replied in September 2016 that ISP had informed that it is wholly owned by Government of India (GOI) and performs no trading or commercial activity except sovereign functions of GOI; while CNP had stated that it had not been formally transferred to SPMCIL and remained part of GOI. According to Audit, the replies were untenable, since, under the rules, only the Central Government or autonomous bodies fully funded by the Central Government are exempt from paying departmental charges, and ISP and CNP, which are part of SPMCIL, a company registered under the Indian Companies Act, are not exempt.

25. In this regard, during the sitting of the Committee (2018-19) held on 30.7.2018, Secretary (then Ministry of Urban Development) stated the following:-

"Ok sir. This is our first 22.1. This delay is unpardonable. The second is 22.2. In the currency note press that belongs to Nashik, they have not collected the departmental charges. This is what CPWD told me. Later, after this became a para, because they were under confusion whether it was to be considered as a department of Government of India or as a public undertaking. After Clarity on the issue, a departmental charge of ₹61,33, 468 was recovered in November 2017. This matter has already been settled by the C&AG. It is already settled."

26. In their background; the Ministry submitted the following:-

"Complete recovery has been affected. The same was informed to Monitoring Cell vide letter No. 2(1)Audit/ Misc./DG/2017-18/NR/257 dated 14.12.2017... All the desired action has been completed and no further action is required."

27. When asked how and when the clarification on the status of the presses was received, the Secretary, Ministry of Housing and Urban affairs during oral evidence of the Committee held on 12.3.2020, stated:-

"Sir, it was only because there was confusion whether it was a government office or press. They were not aware that the Government press was made into a

company. They were not aware that this press has been made as a company. If it were a company, charges would have been taken from them. When this became clear, they recovered all the money from them.....Sir, they came to know about (the matter) a year later..."

28. Audit observed that CPWD had failed to levy departmental charges on construction works for the Currency Note Press (CNP) and India Security Press (ISP), Nasik resulting in short collection of revenue of ₹0.59 crore. In this regard, the Ministry was asked whether any remedial action has been taken to avoid recurrence of such mistakes in future. The Ministry submitted the following:-

"To avoid such recurrence, Status of the client as per provision in CPWD Works Manual for levying Departmental Charges is being strictly checked while submitting estimates/undertaking work."

29. When asked whether any responsibility for such lapse been fixed and if any internal mechanism to check such lapses had been put in place, the Ministry replied thus:-

"Due to non-clarity about status of Currency Note Press (CNP) and Indian Security Press (ISP), Nasik charges were not levied. Organisations for which work has been done were PSU under Ministry of Finance, Government of India. These charges have been levied during November, 2017. There is no loss to Government of India. There is internal audit Mechanism in CPWD which holds inspection at an regular interval. Internal check by the controlling officer is also being done.

It is to state that Audit para has already been dropped vide letter dated 31.05.2019."

### **C. Para 22.3: Undue benefit to contractor**

30. As per Audit, Central Public Works Department awarded (January 2011) the work of construction of a new building for the Ministry of Environment and Forests at Aliganj, New Delhi to a contractor for ₹86.97 crore. The work was completed in November 2013.
31. In terms of para 1.6.1 of the 'Schedule of Quantities' forming part of the agreement, ₹22.96 lakh was agreed to be payable to the contractor for a quantity of 22,960 cubic meters (cum) on account of "in or under water and/or liquid mud, including pumping out water as required". Para 1.4 of the 'Additional Specifications' forming part of the agreement stated, "the contractor should inspect the site and make his own assessment about sub-soil water level likely to be encountered at the time of execution and quote



his rates accordingly. Rate of all items are inclusive of pumping out or bailing out water, if required. Nothing extra on this account whatsoever shall be paid to him." Audit, however, observed that during execution of work, ₹79.25 lakh was paid to the contractor for dewatering quantity of 1,41,119.88 cum, resulting in undue favour to the contractor to the extent of ₹ 0.56 crore.

32. In reply, CPWD in June 2016 stated that sub-soil water level prediction was not feasible and was actually known during the excavation of foundation, and dewatering was essentially required for the structural stability of the structure. The factors contributing to the deviations were considered and accordingly the administrative approval and expenditure sanction for the revised estimates was obtained in May 2014 from the Ministry of Environment and Forests.
33. According to Audit, the reply is not tenable as the contractor was required to quote his rates after assessing the requirements for pumping out water and nothing extra on this account was to be paid to him. By varying these conditions, CPWD failed to ensure competitive conditions in the award of the contract. Further, obtaining administrative approval and expenditure sanction for the revised estimates does not invalidate contractual provisions, which are binding on both the parties.
34. In their background note, the Ministry have submitted the following:-

"Clause 1.4 is for maintaining sub-soil water level at the time of PCC laying, water proofing treatment, laying of basement etc to avoid basement getting uplifted/damaged due to water process. Whereas agreement item 1.6.1 is the item carrying extra rate if the earth work (as per item no. 1.1 to 1.4 for each work) is carried out in or under water/liquid mud. Item no. 1.6.1 is not a dewatering item. Therefore, these needs to be read separately and not in relation to each other.

During execution deviation qty. has been paid for item no. 1.6.1 for earth work which is not a dewatering item.

Moreover as per condition of contract Para 8.1 Description of Schedule of Quantities shall have order of preference over special condition if any."

35. On being asked how much percentage one can deviate in terms of quantity per item, Secretary (then Ministry of Urban Development) stated the following during the sitting of the Committee (2018-19) held on 30.7.2018:-

"It has been told according to the rule. We have reviewed (the matter), 29,000 cubic meters of total mud was to be extracted, at that rate hundred percent extra could have been done. Beyond that, they have taken one-third rate."

36. Audit observed that in violation of contract conditions, CPWD extended undue benefits of ₹0.56 crore to the contractor. In this regard, the Ministry were asked why CPWD did not insist on conducting of proper site survey before commencement of the work by the contractor. The Ministry responded with the following:-

"As per conditions mentioned in bid documents tenderer are instructed to conduct site survey and read entire bid documents before quoting their rates. The tenders are being submitted by tenderers with duly signed undertaking in this respect."

37. When asked if the contractor quoted his rate after assessing the requirements for pumping out water, as required under the agreement and whether he did so before or after commencement of work, the Ministry submitted the following:-

"Contractor has quoted his rates on various items of payments based on its specifications /conditions mentioned intender schedule/documents and as per site conditions."

38. On being asked if the Ministry had conducted any enquiry to find out if undue benefit was given to the contractor and the outcome of such an inquiry, the Ministry stated the following:-

"The deviation approved in the instant case has gone through a duly laid down process of approval by an SE level officer of the project and verified at 4 different levels (Junior Engineer-JE>Assistant Engineer-AE>Executive Engineer-EE>Superintending Engineer-SE) with proper proof of justification and analysis as per the CPWD standard procedure with complete audit trail.

The said matter was also scrutinized by the CSQ(Contract Specification and Quality Assurance) section of CPWD and is of view that the items which sanctioned as deviated item is payable as per the agreement and CPWD works manual provisions and the payment made was in order. This has already been advised by CPWD in Action taken report vide letter no 12(1)/Audit/Misc/DG/2017-18/NR/192 dt 26.09.2017."

39. As per Audit, the contractor was required to quote his rate after assessing the requirement of pumping out water and nothing extra on this account was to be paid to him. However, the payment was made to the contractor by varying the prescribed conditions. The Ministry was asked why CPWD paid the contractor for dewatering despite the fact that as per additional specifications nothing extra should have been paid to the contractor. The Ministry submitted the following response:-

- a) "Explanation for the non-applicability of clause 1.4 to item no 1.6.1

### **Stages in construction of a building**

- 1<sup>st</sup> stage is excavation for foundation/basement below ground.
- 2<sup>nd</sup> stage is concreting of basement floor after excavation is complete.

### **1) Construction of building -STAGE 1**

#### **Excavation for basement**

If the excavation is carried out in wet soil (in or under water/liquid mud) payment under item 1.6.1 is required to be made for excavation (extra rate of earth work).

Item no. 1.6.1 is not a payment item for dewatering/pumping out water. It is basically excavation item in wet soil. For excavation in wet soil deviation qty. has been paid in item no. 1.6.1.

### **2) Construction of building-STAGE 2**

#### **Concreting of basement slab/raft after excavation is completed**

After excavation is completed concreting of basement floor raft is started. At the time of concreting of basement floor raft due to water pressure basement floor may get uplifted /damaged. Sometimes pumping out of water may be required to reduce the water pressure till building structure attains height to counter balance the uplift pressure.

Clause 1.4 of agreement is for reducing water pressure (by pumping out water if required) at the time of concreting/construction of basement. It specifies making no extra payment for the pumping out water for maintaining water table at the time of concreting/construction of basement.

Clause 1.4 does not mention any thing about excavation made in stage1 of building construction and is not applicable to payment item of 1.6.1 for excavation in wet soil.

Clause 1.4 is only applicable at stage 2 of construction of building after excavation is completed i.e. at the time of Concreting of basement slab/raft to reduce water pressure on basement slab.

It is to clarify that no extra payment has been made for dewatering / pumping out water under clause no 1.4 for maintaining water table at the time of concreting/construction of basement to reduce water pressure on basement slab.

**b) Technical differences in clause 1.4 and item no 1.6.1**

- **Clause 1.4** is for maintaining sub-soil water min 50 cm below Concreting (PCC) level at the time of concreting of basement floor raft/water proofing/ PCC etc to avoid possibility of basement floor of main building getting uplifted/damaged due to water pressure.

Pumping out of water if required shall be done so as not to allow water level to rise above base of basement raft level until structure attains such height to counter balance the uplift pressure.

**Clause 1.4** is for maintaining water table at the time of concreting/construction of basement and specifies making no extra payment for the pumping out water for maintaining water table at the time of concreting/construction of basement to reduce water pressure on basement slab.

It is to clarify that no extra payment has been paid for dewatering / pumping out water under clause no 1.4 for maintaining water table at the time of concreting/construction of basement.

- **Agreement item 1.6.1** is the item rate of payment for excavation/Earthwork (above items of earth work/excavation) if the excavation is carried out in wet soil (in or under water/liquid mud).

**Item no. 1.6.1** is not a dewatering/pumping out water item. It is basically in nature of excavation item executed in wet soil. For excavation in wet soil deviation qty. has been paid in item no. 1.6.1 .

- Further Audit has not disputed the payment of item no 1.6.1 as available in agreement. It is the variation of item no 1.6.1 which has been objected.

Variation of item no 1.6.1 occurred for excavation as per site condition/final approved drawing e.g. increase in basement depth, areas, provision of lift shaft/ventilation shaft, water table etc. Variation/deviation of item no 1.6.1 has been sanction / paid as per tender conditions after following all required checks and procedures.

As explained above, context/meaning and specification of clause 1.4 is not applicable to payment item no 1.6.1. Clause 1.4 and item no 1.6.1 are applicable to different stages of construction and are not related/overlapping to each other. Deviation of item no 1.6.1 is as per site condition/final approved drawing and is in order."

**Part-II****Recommendations/Observations of the Committee****Introduction**

The C&AG of India in their Report no. 12 of 2017 (Union Civil Compliance) brought out three paras viz. 22.1, 22.2 and 22.3 pertaining to the Ministry of Housing and Urban Affairs (then Ministry of Urban Development) on 'Financial Loss due to non-receipt of Completion-cum-Occupancy Certificate', 'Loss due to failure to levy departmental charges' and 'Undue benefit to contractor', respectively. In the first para, i.e. 22.1, Audit found that non-receipt of Completion-cum-Occupancy certificate for staff quarters of Indian Meteorological Department (IMD) at Dwarka, New Delhi, resulted in expenditure of ₹2.81 crore incurred on their construction being rendered idle. Audit also found that additional expenditure of ₹0.88 crore on maintenance and watch and ward of the quarters and payment of HRA and non-receipt of Licence Fee amounting to ₹1.53 crore was incurred. In the second para i.e. 22.2, Audit observed that CPWD failed to levy departmental charges on construction works for the Currency Note Press and India Security Press, Nasik resulting in short collection of revenue of ₹0.59 crore because of confusion over the status of these Presses. In the third para i.e. 22.3, Audit pointed out that CPWD extended undue benefit of ₹0.56 crore to the contractor in violation of contract conditions. The Committee have observed certain shortcomings in the functioning of the Ministry and CPWD with regard to these audit paras and have accordingly made their observations/recommendations on important issues in the succeeding paragraphs.

**Recommendation No. 1**

1. The Committee note that CPWD constructed 57 quarters for the Indian Meteorological Department (IMD) and made a payment of ₹2.81 crore for the same to the contractor. The Committee are disconcerted to note that, the work, scheduled for completion in January 2005, could only be completed in October 2009, and the completion-cum-occupancy certificate was received from DDA in August 2018, after an extraordinary delay of almost 9 years. The Committee find that the CPWD in its action taken notes had stated that it had to only assist the IMD in obtaining the completion certificate by providing the necessary documents to IMD as desired or called for by the DDA. However, on the contrary, the Secretary, in his deposition stated before the Committee that if CPWD has completed a house, then after completion, it becomes its responsibility to secure the Occupancy and Compliance Certificate within a reasonable time. According to the Secretary, the DDA and the IMD are also responsible as the allottees had already started taking occupation and were residing in the houses but the Occupancy and Completion Certificate was not issued. What the Committee find all the more shocking is the fact that the delay of 9 years was not taken seriously at any level and it was only after being taken up by the Committee that the Ministry swung into action and the Occupation-cum-completion certificate was finally issued on 3.8.18 i.e. within three days of the evidence of the representatives of the Ministry on the subject. Further, a day before the oral evidence of the representatives of the Ministry was to be taken i.e. on 11.3.2020, the CPWD issued an advisory to its offices for ensuring that the completion-cum-occupancy certificate was obtained before the handing over of a building to the client. The Committee also note from the written submission of the Ministry that progress of projects is monitored at field and head quarter levels by a

hierarchy of officials by using a variety of management tools including the Web Based Project Monitoring System (WPMS). The Committee further observe from the reply of the Ministry that CPWD will be implementing Enterprise Resource Planning (ERP) which will lead to monitoring of projects and rectification measures on real time basis. The Secretary, Housing and Urban Affairs during the oral evidence, submitted that the occupancy and completion certificates are being issued online and within a definite timeframe. The Committee are disappointed to note that despite such monitoring system in place, the delay was not caught and the Ministry took action only when it was taken up by the Committee. The Committee, therefore, recommend that the monitoring mechanism be strengthened to ensure that any instance of delay/ deviation is escalated automatically for the attention of senior officers for ensuring time bound resolution. The Committee while emphasizing that implementation of the ERP system be done only after a thorough process review and standardizing the processes across all areas of operations desire that the system may be implemented within a fixed timeframe and the Committee be apprised thereof. The Committee would also like to be apprised of the impact of the WPMS in terms of number of projects that have been completed on time as well as the number of projects that were delayed or are running behind schedule since the implementation of the web based monitoring system. The Committee would also like to be apprised whether any action has been taken against those responsible in DDA and IMD for delayed issue of occupation and completion certificate and allotments made without obtaining the requisite certificate.

#### Recommendation No. 2

2. The Committee note that the CPWD was required to obtain the Completion-cum-occupancy certificate from DDA. The Committee also note that IMD repeatedly

requested CPWD to obtain the same for 4 years i.e. from 2009 to 2013. The Committee further note that based on the requirements of DDA, the CPWD submitted documents several times, however, due to various shortcomings, the matter was tossed back and forth between the two organisations for four years. The Committee observe that on being enquired by the Audit in November 2015, the CPWD intimated that the requirements as desired by the DDA in June 2012 were yet to be complied with as it was a cumbersome exercise to retrieve the old records pertaining to the project and the concerned division was involved in other works as well. Further, the CPWD in their action taken notes on the Audit observation has stated that the working of DDA was neither transparent nor proactive; DDA did not accept the documents submitted by CPWD by hand at their counters, because of which CPWD was forced to submit the documents by post; DDA never communicated their observations in one go and gave their observations in piecemeal manner and that too after protracted correspondence from CPWD and various personal visits by CPWD officials and that many a time, DDA apparently denied being in receipt of documents submitted by CPWD. The Committee are shocked to note the scathing remarks made by CPWD on DDA's working and are not able to comprehend why CPWD did not take up these issues with the Ministry for timely resolution of the same. The Committee are astonished to find that the Ministry has also absolved itself of any responsibility for lack of coordination between the two agencies under its control by simply stating, in its reply to the query raised by the Committee, that the replies on the Audit observations were given by the concerned division of CPWD. The Committee disapprove of the indifferent and lackadaisical approach of the Ministry as it did not take any steps to either ensure coordination between the agencies concerned or streamline the process so that such instances do



not recur, until pointed out by the Public Accounts Committee. The Committee, therefore, recommend that clear guidelines alongwith SOPs may be issued to all the agencies concerned regarding such ancillary works so that the agencies are well aware of their responsibilities and also the procedure to be followed for getting the work done. The Committee also desire that a nodal officer from each agency concerned be appointed so that the differences, if any, are resolved without hampering the pace of the work. The Committee while noting the submission of the CPWD that it was a cumbersome exercise to retrieve the old records pertaining to the project desire that all such documents/ legacy data (old records) be digitized within a prescribed timeframe to enable easier access to the same. Further, the documents that are still needed to be submitted in physical form should also be submitted in digital form so that there is no scope of misplacing the same and would enable a digital trail.

### Recommendation No. 3

3. The Committee note that CPWD did not forward to DDA all the documents required for obtaining the completion-cum-occupancy certificate promptly as a result of which the certificate was issued after a lapse of more than 8 years. The Committee note that for delay, Charge Sheet has been issued under Rule 14 of CCS (CCA) Rules, 1965 against the officers concerned and that the inquiry is in progress. The Committee note from the reply of the Ministry that now, the New CPWD Works Manual 2019 (Para 5.17.3) specifies that the Engineer-in-charge and concerned Architect would be responsible for obtaining OC/CC on behalf of client. While noting that the CPWD issued an advisory for obtaining completion-cum-occupancy certificate before handing over the completed building only one day before the oral evidence of the representatives of the Ministry was to be taken i.e. on 11.3.2020, the Committee cannot also help expressing concern

over the fact that the lackadaisical approach of the Ministry/ CPWD resulted in loss of ₹1.53 crore to the exchequer besides keeping the property idle for 9 years. The Committee desire that the aforesaid enquiry may be completed at the earliest and action be taken against those found responsible and the Committee be apprised thereof. The Committee also, while noting that Clause-2 of General Conditions of Contract specifies the action to be taken in case of delay in completion of the projects, desire to be apprised of the action taken by the Ministry/ CPWD in terms of the above clause in the instant case as well as the number of cases in which action has been taken by invoking this clause alongwith details thereof in the last five years.

#### Recommendation No. 4

4. The Committee note from audit observation that CPWD failed to levy departmental charges of 12 per cent (i.e. ₹0.59 crore) that were leviable on construction works for the Currency Note Press(CNP) and India Security Press(ISP), Nasik resulting in short collection of revenue of ₹0.59 crore. As per Audit, under the rules, only the Central Government or autonomous bodies fully funded by the Central Government are exempt from paying departmental charges, and ISP and CNP, which are part of Security Printing and Minting Corporation of India Limited (SPMCIL), a company registered under the Indian Companies Act, are not exempt. The Committee are shocked to note that the charges could not be levied due to lack of clarity or confusion on the status of the Presses and it took CPWD one whole year to secure clarification on their status. The Committee note from the submission of the representatives of the Ministry during oral evidence that they would issue a Circular to the effect that each time a project is taken up, the status of the organization should be clarified. The Committee may be apprised of the action taken in this regard by the Ministry. The Committee take exception to the

lame excuse of 'confusion' by the Ministry. A mere or simple checking of SPMCIL website would have cleared the confusion. The Committee, therefore, desire that officials concerned may be given regular training to make them aware/ keep them updated about the extant rules and regulations and any amendments made thereof to ensure that such instances do not recur.

#### Recommendation No. 5

5. The Committee note that Central Public Works Department awarded the work of construction of a new building for the Ministry of Environment and Forests at Aliganj, New Delhi to a contractor for ₹86.97 crore. The Committee observe that though under the agreement, ₹22.96 lakh was payable to the contractor for a quantity of 22,960 cubic meters (cum) on account of "in or under water and/or liquid mud, including pumping out water as required", ultimately ₹79.25 lakh was paid to the contractor for dewatering quantity of 1,41,119.88 cum. The Committee are shocked to note that the variation between the figures agreed to for payment as per the agreement as compared to the quantity of wet soil actually excavated, which was to the extent of more than 3.5 times of the estimated cost. The Committee are surprised to note from the reply of the Ministry that deviation in quantity was due to the change in ground water level with respect to assessed water level and such a deviation was found to be in order and payable as per the CPWD works manual provisions and after scrutiny by the CSQ (Contract Specification and Quality Assurance) section of CPWD. The Committee are apprehensive that if deviations of such magnitude are allowed, it could leave scope for the contractor to be lackadaisical and for collusion or fraudulent practices. The Committee, therefore, desire that suitable provisions be incorporated in contracts to make bidders pay for estimates which deviate substantially so that they are doubly

cautious while submitting estimates of items of works. The Committee would also like to be apprised of such cases of contracts wherein deviation was found and also the extent or magnitude of such cases in the last three years.

#### Recommendation No. 6

6. As brought out above, according to Audit, as per Para 1.6.1 of the 'Schedule of Quantities' forming part of the agreement ₹22.96 lakh was agreed to be payable for a quantity of 22,960 cubic meters (cum) for the purpose of "in or under water and/or liquid mud, including pumping out water as required." Further, as per the Audit observation, Para 1.4 of the 'Additional Specifications' forming part of the agreement stated, "the contractor should inspect the site and make his own assessment about sub-soil water level likely to be encountered at the time of execution and quote his rates accordingly. Rate of all items were inclusive of pumping out or bailing out water, if required. Nothing extra on this account whatsoever was to be paid to him." However, ₹79.25 lakh was paid to the Contractor for dewatering quantity of 1,41,119.88 cum. In this regard, the Committee note the reply of the Ministry that Clause 1.4 and item no 1.6.1 are applicable to different stages of construction and were not related/overlapping to each other. According to the Ministry, since the excavation (which is stage-1 of construction of building) was carried out in wet soil (in or under water/liquid mud), payment under item 1.6.1 was required to be made for excavation (extra rate of earth work) and that it is for deviation in quantity of this item, that the amount was paid. According to the Ministry, Clause 1.4 was only applicable at stage 2 of construction of building after excavation was completed i.e. at the time of Concreting of basement slab/raft to reduce water pressure on basement slab and no extra payment was paid for dewatering / pumping out water under clause no 1.4 for maintaining water table at the time of

concreting/construction of basement. The Committee also note the reply of the Ministry that the payment for deviation in quantity was made after scrutiny as per the laid down procedure and by the CSQ (Contract Specification and Quality Assurance) section of CPWD. The Committee are surprised to note the Ministry's response to the ambiguity in the clauses that sub-soil water level prediction was not feasible and was actually known during the excavation of foundation. The Committee are of the considered opinion that, being 166 years old, an organisation such as CPWD which has professional expertise in disciplines including Architecture, Engineering, Project Management coupled with comprehensive experience in building construction and maintenance, it is expected that CPWD would be a repository of reliable and extensive data as well as technical know-how on assessing and estimating sub-soil water level etc. which would enable it to make its contract provisions even more foolproof and evaluate estimates better. The Committee would, therefore, like to be apprised if CPWD has/refers to any data/reports on groundwater level wherever such projects are undertaken or consults technical or engineering experts in the field. While observing that there was lack of clarity in the applicability of clauses of contracts of work, the Committee would like to be apprised whether Ministry/CPWD has carried out any assessment of the contract agreements of CPWD to ensure that such clauses, wherein confusion arises in cost of items of work, are made foolproof, before including them in future agreements.

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NEW DELHI:  
February, 2021  
 Magha 1942 (Saka)

ADHIR RANJAN CHOWDHURY  
 Chairperson,  
 Public Accounts Committee

- 94 -

**MINUTES OF THE TWELFTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2019-20) HELD ON 12 MARCH, 2020.**

The Committee sat from 1530 hrs. to 1730 hrs. on 12 March, 2020 in Committee Room No. '2', Block A, Extension Building, Parliament House Annexe, New Delhi.

**PRESENT**

Shri Adhir Ranjan Chowdhury - Chairperson

**MEMBERS**

**LOK SABHA**

2. Shri T.R. Baalu
3. Shri Subhash Chandra Baheria
4. Shri Sudheer Gupta
5. Shri Bhartruhari Mahtab
6. Shri Ajay (Teni) Misra
7. Shri Jagdambika Pal
8. Shri Vishnu Dayal Ram
9. Shri Rahul Ramesh Shewale
10. Shri Rajiv Ranjan Singh alias Lalan Singh
11. Dr. Satya Pal Singh
12. Shri Jayant Sinha
13. Shri Ram Kripal Yadav

**RAJYA SABHA**

14. Prof. M.V. Rajeev Gowda
15. Shri P. Bhattacharya

**LOK SABHA SECRETARIAT**

- |                            |                       |
|----------------------------|-----------------------|
| 1. Shri T.G. Chandrasekhar | - Joint Secretary     |
| 2. Shri M.L.K. Raja        | - Director            |
| 3. Smt. Bharti S. Tuteja   | - Additional Director |

**REPRESENTATIVES FROM THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

- |                         |                               |
|-------------------------|-------------------------------|
| 1. Shri Venkatesh Mohan | - Dy. CAG (RC)                |
| 2. Ms. Mahua Pal        | - Director General (Commerce) |

- |    |                      |   |                            |
|----|----------------------|---|----------------------------|
| 3. | Shri Sandeep Lall    | - | Director General (PC)      |
| 4. | Shri C. Nedunchezian | - | Principal Director (Audit) |

**REPRESENTATIVES OF THE MINISTRY OF HOUSING AND URBAN AFFAIRS & CPWD**

- |    |                           |   |                                     |
|----|---------------------------|---|-------------------------------------|
| 1. | Shri Durga Shankar Mishra | - | Secretary                           |
| 2. | Shri Shyam S. Dubey       | - | Joint Secretary & Financial Advisor |
| 3. | Shri Ved Prakash          | - | Joint Secretary                     |
| 4. | Shri Puneet Kumar Vats    | - | DG, CPWD                            |
| 5. | Shri Tarun Kapoor         | - | Vice Chairman, DDA                  |
| 6. | Shri Anant Kumar          | - | ADG (Tech.), CPWD                   |
| 7. | Shri S.C. Bharadwaj       | - | ADG (RD), CPWD                      |

**PART-A**

- |    |      |      |      |      |
|----|------|------|------|------|
| 2. | xxxx | xxxx | xxxx | xxxx |
| 3. | xxxx | xxxx | xxxx | xxxx |
| 4. | xxxx | xxxx | xxxx | xxxx |
| 5. | xxxx | xxxx | xxxx | xxxx |
| 6. | xxxx | xxxx | xxxx | xxxx |
| 7. | xxxx | xxxx | xxxx | xxxx |

**PART-B**

8. Then, the representatives of the C&AG were called in. The representatives gave a briefing to the Members on the subjects 'Financial Loss due to non-receipt of Completion-cum-Occupancy Certificate', 'Loss due to failure to levy departmental charges' and 'Undue benefit to contractor' based on Paras 22.1, 22.2 and 22.3 respectively, of C&AG Report No. 12 of 2017.

9. Thereafter, the representatives of the Ministry of Housing and Urban Affairs were called in. The Hon'ble Chairperson while welcoming the representatives of the Ministry and CPWD put forth the findings of Audit Report such as non-receipt of Completion-cum-Occupancy certificate for staff quarters of Indian Meteorological Department (IMD) at Dwarka, New Delhi, resulting in expenditure of ₹ 2.81 crore incurred on the construction being rendered idle; failure of CPWD to levy departmental charges on construction works for the Currency Note Press and India Security Press, Nasik resulting in short collection of revenue of ₹0.59 crore because of an apparent confusion over the status of these Presses and undue benefit of Rs. 0.56 crore extended by the CPWD to the contractor in violation of contract conditions. He asked the representatives of the Ministry and CPWD to explain to the Committee their position with regard to Audit findings and also to give a brief account of the follow-up action taken thereon.

10. The Secretary then replied to the queries raised by the Members on related aspects of the subject. As some queries required detailed information, the Hon'ble Chairperson directed the Secretary to furnish written replies to the Secretariat. The Secretary assured to do the same.

11. The Hon'ble Chairperson thanked the representatives of the Ministry and CPWD for appearing before the Committee for giving free and frank replies to the queries of the

Members and further directed them to send written replies to queries raised by members during the sitting, which remained uncovered or partially answered.

The witnesses then withdrew.

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

**PART-C**

12.    xxxx    xxxx    xxxx    xxxx
13.    xxxx    xxxx    xxxx    xxxx
14.    xxxx    xxxx    xxxx    xxxx

**The Committee then adjourned.**



**MINUTES OF THE TENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2020-21) HELD ON 4<sup>TH</sup> FEBRUARY, 2021.**

The Public Accounts Committee (2020-21) sat on Thursday, the 4<sup>th</sup> February, 2021 from 1430 hrs to 1440 hrs in Committee Room 'D', Parliament House Annexe, New Delhi.

**PRESENT**

Shri Adhir Ranjan Chowdhury

- Chairperson

**Members**

**LOK SABHA**

2. Shri T. R. Baalu
3. Shri Subhash Chandra Baheria
4. Shree Sudheer Gupta
5. Shri Bhartruhari Mahtab
6. Shri Ajay (Teni) Misra
7. Shri Jagdambika Pal
8. Shri Vishnu Dayal Ram
9. Shri Rahul Ramesh Shewale
10. Shri Rajiv Ranjan Singh alias Lalan Singh
11. Dr. Satya Pal Singh
12. Shri Jayant Sinha
13. Shri Balashowry Vallabhaneni

**RAJYA SABHA**

14. Shri Rajeev Chandrasekhar
15. Shri C. M. Ramesh
16. Shri Bhupender Yadav

**LOK SABHA SECRETARIAT**

- |    |                        |   |                     |
|----|------------------------|---|---------------------|
| 1. | Shri T.G.Chandrasekhar | - | Joint Secretary     |
| 2. | Shri S.R.Mishra        | - | Director            |
| 3. | Smt. Bharti S.Tuteja   | - | Additional Director |

**OFFICERS OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

- |    |                       |   |                    |
|----|-----------------------|---|--------------------|
| 1. | Shri Deepak Anurag    | - | Director General   |
| 2. | Shri K.S. Subramaniam | - | Director General   |
| 3. | Ms. Kavita Prasad     | - | Director General   |
| 4. | Shri S. V. Singh      | - | Principal Director |

2. At the outset, Hon'ble Chairperson welcomed the Members and Officers of the office of C&AG of India to the sitting of the Committee. Thereafter, he invited suggestions of the Members on the following Draft Reports:-

- |      |  |      |      |      |
|------|--|------|------|------|
| i.   | xxxx   | xxxx | xxxx | xxxx |
| ii.  | xxxx   | xxxx | xxxx | xxxx |
| iii. | xxxx   | xxxx | xxxx | xxxx |
| iv.  | xxxx   | xxxx | xxxx | xxxx |
| v.   | Draft Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their One Hundred and Thirty Fourth Report (Seventeenth Lok Sabha) on "Pradhan Mantri Swasthya Suraksha Yojana" |      |      |      |
| vi.  | xxxx   | xxxx | xxxx | xxxx |
| vii. | xxxx   | xxxx | xxxx | xxxx |

3. After some deliberations, the Committee adopted the aforesaid Draft Reports without any modification and authorised the Chairperson to finalise the Reports in the light of factual verification done by the Audit.

*The Committee then adjourned.*

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**LOK SABHA SECRETARIAT**

- |    |                        |   |                     |
|----|------------------------|---|---------------------|
| 1. | Shri T.G.Chandrasekhar | - | Joint Secretary     |
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| 3. | Ms. Kavita Prasad     | - | Director General   |
| 4. | Shri S. V. Singh      | - | Principal Director |

2. At the outset, Hon'ble Chairperson welcomed the Members and Officers of the office of C&AG of India to the sitting of the Committee. Thereafter, he invited suggestions of the Members on the following Draft Reports:-

- |      |   |      |      |      |
|------|---|------|------|------|
| i.   | xxxx  | xxxx | xxxx | xxxx |
| ii.  | Draft Report on 'Financial Loss Due to non-receipt of Completion-cum-occupancy Certificate', 'Loss due to Failure to Levy Departmental Charges' and 'Undue Benefit to Contractor' based on Paras 22.1, 22.2 and 22.3 of C&AG Report No. 12 of 2017 (Union Civil Compliance) |      |      |      |
| iii. | xxxx  | xxxx | xxxx | xxxx |
| iv.  | xxxx  | xxxx | xxxx | xxxx |
| v.   | xxxx  | xxxx | xxxx | xxxx |
| vi.  | xxxx  | xxxx | xxxx | xxxx |
| vii. | xxx   | xxxx | xxxx | xxxx |

3. After some deliberations, the Committee adopted the aforesaid Draft Reports without any modification and authorised the Chairperson to finalise the Reports in the light of factual verification done by the Audit.

*The Committee then adjourned.*

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