

CHAPTER X : MINISTRY OF INFORMATION AND BROADCASTING

10.1 Premature release of funds

The Ministry failed to ensure compliance with the terms of contract entered into with the National Buildings Construction Corporation (NBCC) and prematurely released payments to the latter without observing linkages with various milestones of construction activity and their completion. Out of a total sum of ₹ 88.11 crore released to NBCC between March 2010 and March 2011, only ₹ 36.72 crore had been utilised leading to blocking of substantial sum with the NBCC.

The Ministry of Information and Broadcasting initiated (2010) a project of constructing the National Museum on Indian Cinemas (NMIC) in Film Division Complex at Mumbai, proposed to be commissioned for public during the centenary year of Indian Cinemas in 2013. For this purpose Films Division (FD) entered (March 2010) into a contract with National Buildings Construction Corporation (NBCC) on turnkey basis. The estimated cost of work was ₹ 101.20 crore with expected date of completion being June 2012.

As per clause 7 of the contract, the payment to NBCC was to be based on actual cost of all the works of the project and it included all the costs as paid to contractors/suppliers etc. Further, payments to NBCC were to be released on completion of various milestones as specified in the contract. NBCC had to submit report for requirement of funds and while submitting the invoice it had to certify that it had completed the activity as per schedule.

Further, in terms of clause 10 of the contract, NBCC had to submit quarterly report indicating physical and financial progress of the work.

Audit examination of records disclosed that the Ministry in contravention of the terms of contract, released funds to NBCC without linkages with the specific milestones as provided in the contract; Neither did it ascertain the actual progress of work before releasing payments.

Further, there was no provision of advance payment except payment on signing of contract.

The conditions attached to release of payments in terms of the contract and the deviations are captured in the following table:

Date of release of payment	Amount released (₹ in crore)	Milestones to be achieved	Whether adhered to	Remarks
March 2010	15.00	Signing of contract	Yes	As per payment schedule mentioned in the agreement.
September 2010	10.00	Submission of initial drawings/obtaining approvals from local bodies to commence the work.	No	NBCC did not get necessary approvals from various authorities except traffic authorities of Mumbai. The Ministry hence violated clause 6.2 of the agreement.
March 2011	19.00	Submission of initial drawings/obtaining approvals from local bodies to commence the work, Excavation/Raft/ Foundation work, other works of basements, upliftment of ground floor of Gulshan Mahal, Facades of existing buildings.	No	Ministry released ₹ 19.00 crore (₹ 5.35 crore + ₹ 4.87 crore+₹ 8.78 crore for second, third and fifth milestone) without ensuring completion of milestones.
October 2011	44.11	There was not any condition attached for this release. It was released as payment of mobilization advance and for other committed expenditure.	No	The Ministry released amount without ensuring completion of milestone

Audit also observed that the required statutory approval from Municipal Corporation of Greater Mumbai was obtained by the Ministry only in August 2013. The Ministry had thus released more than 85 *per cent* of the estimated project cost (₹ 88 crore out of ₹ 101 crore) even before obtaining the required statutory approval.

Audit further observed NBCC could incur expenditure of only ₹ 36.72 crore out of released amount of ₹ 88.11 crore as of December 2014 resulting in blocking of substantial sums for different durations during the period March 2010 to December 2014.

On this being pointed out by audit the Ministry stated (February 2015) that since the project was to be completed before Centenary Celebration of Indian Cinema in the year 2013, Ministry had relaxed/modified the milestones of construction of NMIC, before releasing the funds to NBCC through FD. It further stated that NBCC opened a separate Bank Account for NMIC project. The bank interest was being credited to that account. The construction work of the Museum was in progress and as per revised timeline for completion, the Museum was to be completed and handed over by December 2015.

The reply of the Ministry does not address the issue of premature release of funds without synchronising the payments with the progress of work.

The fact remains that the Ministry failed to secure compliance with the provisions of the contract before releasing advance payments to NBCC leading to blocking of funds while the intended objective of commissioning the National Museum on Indian Cinemas for public remained unfulfilled.

Prasar Bharati

10.2 Not rectifying tilt of 100 m FM Tower in time led to its collapse and resultant wasteful expenditure of ₹ 84.92 lakhs

Eastern Zonal Office, failed to impose the conditions of agreement on Electronics Corporation of India Limited for timely rectification of FM Tower which had tilted within the guarantee period. They also did not take any action for two years to repair the tower. The tower finally collapsed rendering the expenditure of ₹ 84.92 lakh on antenna and erection of the tower wasteful.

The Additional Director General (Engineering) (East Zone), All India Radio and Doordarshan, Prasar Bharati, Kolkata (Eastern Zonal Office) is entrusted with the work of execution of Plan Projects of All India Radio (AIR) and Doordarshan in four eastern states *namely* Bihar, Jharkhand, Orissa and West Bengal. The Eastern Zonal Office is consequently responsible for monitoring and co-ordination of activities for completion of the projects. In terms of provision of the AIR Manual¹, an Installation Officer (IO) from the AIR, East Zone is selected for each project, who is responsible for ensuring proper measurements of the work.

The Director General, All India Radio, New Delhi (DG AIR) sanctioned (October 2003) the project of a Radio Station with 10 KW FM transmissions and staff quarter facilities at Coochbehar, West Bengal for strengthening coverage in the adjoining areas. Administrative approval and Expenditure sanction of ₹ 2.25 crore for equipment was conveyed by DG AIR in January 2004. The work of supply, erection, testing and commissioning of 100 meter self-supporting FM tower was awarded to Electronics Corporation of India Limited, Hyderabad (ECIL) at a cost of ₹ 86.48 lakh only in July 2007 since the land for the purpose could not be acquired immediately. As per terms of the tender, it was obligatory on the part of ECIL to rectify the defects that occurred in the tower within 12 months from its installation.

ECIL supplied materials for the tower by March 2008, started the erection of tower in April 2008 and completed it in September 2009. An amount of

¹ All India Radio Manual Volume I Part III

₹ 80.52 lakh was paid to ECIL till November 2009 for erection of the tower. The Eastern Zonal Office had to take over (September 2009) the tower without the antenna since the same could not be supplied by DG AIR, New Delhi. At the time of taking over, verticality check of the tower was conducted jointly by representatives of ECIL and the IO deputed by the Eastern Zonal Office. The verticality reading showed some variation from 40 meters upwards. This was stated to be within the admissible limit and the IO certified the tower to be in 'good condition'. The antenna worth ₹ 4.40 lakh was mounted on the tower in March 2010, after it was supplied by DG AIR, New Delhi.

Eastern Zonal Office noticed certain tilt in the upper portion of the tower in April 2010 which was within guarantee period of twelve months. They requested (May 2010) ECIL to repair the defect in order to save the tower from further damage. ECIL did not respond despite repeated reminders. Later, in March 2011, ECIL agreed to undertake the work on the condition that financial compensation be extended by issuing a work order. However, no action was taken on the proposal of ECIL and the tower remained in tilted position for two years. Meanwhile, the bank guarantee of ₹30.29 lakh, submitted by ECIL as security deposit, expired in August 2011.

The tower finally collapsed in April 2012, rendering the tower and the antenna unusable. DG AIR took up (June 2012) the matter with ECIL for re-erection of the tower without any extra cost. ECIL stated (June 2012) that the tower was designed to withstand a wind speed of 169 Km *per* hour and the initial tilt in the tower was caused by heavy storm with a wind speed much higher than the designed capacity. The collapse of the tower was also attributed by ECIL to similar heavy storm. They stated that there was no flaw in workmanship. However, Structural Engineering Department of Jadavpur University, Kolkata (JU) on being consulted by Eastern Zonal Office, attributed (October 2012) the collapse of tower to its 'initially imperfect and eccentric tower structure'. According to JU, Kolkata, "The reduced capacity of stability criterion due to imperfect alignment may be responsible for the failure of the tower". Records further revealed that the maximum recorded wind speed by the Cooch Behar observatory when the tilt occurred in the tower and when the tower

finally collapsed was in the range of 10-20 km *per* hour *i.e.* much below withstanding capacity of the tower for wind speeds of 169 km *per* hour.

The Eastern Zonal Office, Kolkata, while confirming the facts, stated (February 2015) that since the Installation Officer found the verticality of the tower within the limits, the imperfectness and eccentricity of the tower was not noticed by him. They further stated that the storm acted only as external impetus to the collapse of the tower.

Thus, Eastern Zonal Office failed to impose the conditions of agreement on ECIL for timely rectification of tower which had tilted within the guarantee period. They also did not take any action for two years to get the tilt rectified. The tower finally collapsed rendering the expenditure of ₹84.92 lakh incurred on antenna and erection of the tower wasteful.

The matter was reported to the Ministry in October 2014; their reply was awaited as of February 2015.