

CHAPTER XXII : MINISTRY OF URBAN DEVELOPMENT

22.1 Financial loss due to non-receipt of Completion-cum-Occupancy Certificate

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.

As per clause 7.5.1 of the Building Bye Laws of Union Territory of Delhi, 1983, under jurisdiction of Delhi Development Authority (DDA), no person shall occupy or allow any other person to occupy any building or part of a building for any purpose until such building or part has been granted the occupancy certificate. Further, every owner shall have to submit a notice of completion of the building to DDA regarding completion of the work described in the building permit.

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 (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 (January 2010) to DDA for issuance of Completion-cum-Occupancy Certificate stating that it had submitted the application along with relevant documents in December 2009. DDA intimated (March 2010) CPWD that complete set of Carbon Copy drawings and requisite fee may be submitted as per the prescribed procedure.

- CPWD wrote (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 (April 2011) CPWD 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 (December 2011) various documents to DDA for issuance of Completion-cum-Occupancy Certificate. In response, DDA intimated (June 2012) 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.
- On enquiry by Audit, of the status of submission of documents to DDA, CPWD intimated (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.
- It was noticed further that CPWD had handed over (March 2014) 17 quarters to the IMD 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.

CPWD stated (January 2017) further 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 have been resubmitted to DDA on 3 January 2017.

The reply is not acceptable as CPWD did not forward to DDA all the documents required for obtaining the Completion-cum-Occupancy Certificate

promptly as a result of which Completion-cum-Occupancy certificate was still awaited (January 2017) i.e. more than seven years after completion of construction. The lackadaisical handling of this issue by the CPWD led not only in assets constructed at a cost of ₹ 2.81 crore remaining idle, but also non-achievement of objective of providing residential accommodation to the staff of IMD. Besides, from 2009-10 to 2015-16 an expenditure of ₹ 0.88 crore on the maintenance and watch and ward of these quarters had been incurred. This also led to an avoidable expenditure to the tune of ₹ 1.53 crore (calculated on the basis of minimum pay in pay scale) on account of payments of HRA to the staff of the IMD and non-receipt of Licence Fee till 31 March 2016.

The matter was reported to the Ministry in September 2016; their reply was awaited as of January 2017.

Central Public Works Department (CPWD)

22.2 Loss due to failure to levy departmental charges

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.

Central Public Works Department (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.

CPWD replied (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 remains part of GOI. The replies are 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.

The matter was reported to the Ministry in August 2016; their reply was awaited as of January 2017.

22.3 Undue benefit to contractor

In violation of contract conditions, Central Public Works Department extended undue benefit of ₹ 0.56 crore to the contractor.

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.

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.

In reply, CPWD stated (June 2016) 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 (May 2014) from the Ministry of Environment and Forests.

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.

Thus, due to non-adherence to contract conditions, CPWD incurred additional expenditure and extended undue benefit of ₹ 0.56 crore to the contractor.

The matter was reported to the Ministry in October 2016; their reply was awaited as of January 2017.