

CHAPTER-VI : AUDIT PARAGRAPHS

Housing and Environment Department

6.1 Blocking of capital on construction of houses/shops

22 houses and 24 shops constructed by M.P. Housing Board at Durg remained unsold resulting in blocking of capital worth Rs. 1.56 crore.

Madhya Pradesh Housing Board (MPHB) constructs houses and shops, Shopping Complexes and sells them under Hire Purchase Scheme or by public auction. MPHB Durg constructed 22⁸⁷ houses costing Rs.68.71 lakh and 24⁸⁸ shops costing Rs.87.72 lakh which were completed during 1986-99 and were lying unsold as on December 2002. This resulted in blocking of Board's capital worth Rs. 1.56 crore. 3⁸⁹ out of 22 houses costing Rs. 5.11 lakh were lying vacant since their construction and their present value is significantly lower.

The Estate Manager Housing & Urban Development Authority, Durg (January 2003) was unable to explain the reasons for these houses/shops lying unsold. The Board was supposed to take up construction of the houses/shops only after assessing the demand which was not ensured.

The matter was referred (October 2001 and February 2002) to the Government and Commissioner Madhya Pradesh Housing Board; their reply is awaited (February 2003).

6.2 Non recovery of extra cost from contractors

Effective steps not taken for recovery of Rs.20.10 lakh from contractors

For execution of various works Madhya Pradesh Housing Board (MPHB) entered into contracts which invariably provided that if any work is left incomplete by the contractor, MPHB shall arrange the completion of residual work through another contractor or agency and any extra cost incurred for completion of work would be recoverable from the defaulting contractor.

⁸⁷ 5 Higher Income Group (HIG) Rs.15.31 lakh, 16 Middle Income Group (MIG) Rs.52.15 lakh, 1 Economically Weaker Section (EWS) Rs.1.25 lakh.

⁸⁸ 4 at Padmanabhpur Rs.18.18 lakh, 3 at Malviya Nagar Rs.11.81 lakh, 17 at Bus stand Durg Rs.57.73 lakh.

⁸⁹ 2 HIG Rs.4.09 lakh at Borsi one constructed in 1988 and another in 1990, 1 MIG Rs.1.02 lakh at Padmanabhpur Durg constructed in 1986.

Test check (April 2002) of the records of the Office of the Estate Manager, MPHB, Bilaspur Division revealed that 13 works left incomplete by contractors were rescinded during the period 1979-94 and got completed between February 1985 and April 1996 from other agencies by incurring extra expenditure of Rs.22.40 lakh. This extra expenditure was to be recovered from the original contractors but recovery of only Rs.1.30 lakh was made and Rs.20.10 lakh remained unrecovered (January 2003).

Estate Manager (January 2003) stated that action for recovery was being taken. The reply was not tenable as due to passage of time recovery would not be possible.

The matter was referred to Government (May 2002); reply had not been received (February 2003).