

## CHAPTER XII : MINISTRY OF MINES AND MINERALS

### 12.1 Avoidable expenditure towards payment of rent

**Failure of the Ministry to ensure occupation of the allotted space in government building by the CAO resulted in avoidable expenditure of Rs. 25.15 lakh towards payment of rent for private accommodation.**

The Central Accounts Office, Geological Survey of India (CAO, GSI) was operating from a rented building at Brabourne Road, Kolkata and was paying Rs 1.19 lakh per month towards rent of 7,044 square feet (sq.ft.) occupied by it since November 1998. The erstwhile Ministry of Steel and Mines instructed (July 1999) the Director General, GSI to vacate the hired buildings and shift its different offices to government owned buildings. GSI, therefore, shifted to its own buildings and allotted (September 2002) space to its CAO on the 6<sup>th</sup> and 7<sup>th</sup> floor of its Dharitri building.

Audit examination (August 2005) disclosed that the CAO did not shift to the Dharitri building on the ground that the allotted space of 6,343 sq.ft. was insufficient, and requested GSI, for providing alternate space. GSI therefore, approached (March 2003) the Estate Manager, Kolkata for allotting suitable space to the CAO. On not receiving any favorable response from the Estate Manager, GSI constituted a Committee to identify space for CAO at Dharitri building. About a year later, the Committee identified (April 2005) 12,343 sq. ft. of space on various floors of Dharitri building for the CAO. Accordingly, the availability of space was intimated to the CAO in the same month, but the CAO did not vacate the rented accommodation and continued to incur avoidable expenditure towards payment of rent as of September 2006.

On this being pointed out in Audit (August 2005), the Ministry in September 2005 expressed inability to vacate the rented accommodation at least upto June 2006 due to lack of infrastructure at Dharitri building as also because of the ongoing computerization work in CAO wing.

Subsequent audit examination further revealed that even as of June 2006, CAO had not shifted from the rented accommodation on the stated grounds of unsuitability of the space allotted although GSI found Dharitri building suitable for occupation. The action of CAO was irregular and violates the orders of competent authority with impunity. The changing stand of CAO from insufficient space to unsuitability of space (when allowed excess space) would indicate that grounds adduced are not bonafide. The action of CAO to ignore continuously the directions of the Ministry for shifting to Government

buildings, issued as late as 1999, is also indicative of its disregard for economy in public expenditure.

The matter was referred to the Ministry in August 2006. In their response (January 2007), the Ministry stated that in view of the launch of the COMPACT integrated application using a Local Area Network (LAN), it was not found feasible to work in a location which was not found compact but spread over different floors. Further, the CAO would be shifted as soon as a suitable accommodation was provided by the Estate Manager, Kolkata.

The reply of the Ministry is not tenable since applications running on Local Area Networks (LANs) are not restricted to being run on a single floor or a compact space, and only confirms the unwillingness of the CAO to shift out of hired premises.

Thus, failure of the Ministry to ensure that the CAO vacates the private accommodation and shift to allotted space in the Government building resulted in avoidable expenditure of Rs. 25.15<sup>1</sup> lakh towards payment of rent for private accommodation.

## **Geological Survey of India,**

### **Central Region, Nagpur**

#### **12.2 Non-recovery of outstanding dues**

**Failure to evolve a mechanism by Geological Survey of India, Nagpur to recover outstanding dues resulted in loss of revenue of Rs. 75.74 lakh and consequential loss of interest of Rs. 24.81 lakh.**

The Geological Survey of India, Central Region, Nagpur (GSI) undertakes exploratory works like survey, investigations drilling etc., on behalf of Central/State Government departments, autonomous bodies and private parties and collects fees for the same from its clients.

Audit observed that out of the total fee of Rs. 87.40 lakh due from its client departments, an amount of Rs. 11.66 lakh only was realised up to March 2006. The balance fee of Rs. 75.74 lakh (Rs. 9.38 lakh pertaining to the period upto 1997-98 and Rs. 66.36 lakh from 1997-98 to 2005-06) was outstanding for the works executed from its client departments involving six State Governments (Maharashtra, Andhra Pradesh, Madhya Pradesh, Haryana, Karnataka and Chhatisgarh) and some departments of the Union Government. The department had not yet evolved any mechanism for collection of fees in

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<sup>1</sup> Calculated from April 2005, the month in which the Committee identified sufficient space in Dharitri building up to December 2006.

advance for prompt recovery of fees on completion of work or to charge penalty for delay etc. Failure to take action at Ministry level for recovery of outstanding dues other than issue of reminders to defaulters resulted in accumulation of arrears and loss of interest of Rs. 24.81 lakh upto March 2006 calculated at the average borrowing rate of the Union Government.

Department replied (April/October 2006) that final bills were preferred only after completion of work and periodical reminders were issued at higher levels to all defaulters for speedy recovery of outstanding dues. Some old bills were stated to have been recovered whenever work for the same project was repeated. It was also stated that there was no procedure to write off outstanding dues.

Department's reply was not tenable as the clients were largely Government departments wherein entrustment of jobs is preceded by approvals of competent authorities and there should have been no reasons for such defaults. Failure to devise an effective procedure for speedy recovery of dues led to accumulation of arrears of Rs. 75.74 lakh and consequential loss of interest of Rs. 24.81 lakh approximately as on 31 March 2006.

The matter was referred to the Ministry in August 2006. Their reply was awaited as of September 2006.