

**TWO HUNDRED AND EIGHTEENTH
REPORT**

**PUBLIC ACCOUNTS COMMITTEE
(1984-85)**

(SEVENTH LOK SABHA)

**LOCAL PRINTING OF INLAND LETTER CARDS
AND
CONSTRUCTION OF STAFF QUARTERS AT
ANNANAGAR**

**MINISTRY OF COMMUNICATIONS
(P & T BOARD)**

[Action Taken on 133rd Report (Seventh Lok Sabha)]

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*Presented in Lok Sabha on _____
Laid in Rajya Sabha on _____*

**LOK SABHA SECRETARIAT
NEW DELHI**

June, 1984/Vaistha, 1906 (Saka)

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PART II

Minutes of the sitting of the Public Accounts Committee
(1984-85) held on 4 April, 1984

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**PUBLIC ACCOUNTS COMMITTEE
(1984-85)**
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2. Shri H. S. Kohli—*Chief Financial Committee Officer.*
3. Shri R. C. Anand—*Senior Financial Committee Officer.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this 218th Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 133rd Report (Seventh Lok Sabha) relating to local printing of inland letter cards and construction of staff quarters at Annanagar.

In this Report, the Committee have mainly dealt with the inordinate delay in the investigation of the irregularities in the local printing of inland letter cards and the reported untraceability of a file relating to purchase of land from a private party by direct negotiations as in the absence of file the justification for such a purchase could not be established. The Committee have called for expeditious completion of the investigation and the action taken against the persons found guilty. The Committee have taken a serious view of the loss/misplacement of file and suggested an inquiry with a view to fixing responsibility.

6. The Committee considered and adopted this Report at their sitting held on 4 June, 1984. Minutes of the sitting form **Part II of the Report**.

7. For facility of reference and convenience, the recommendations and observations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in the Appendix to the Report.

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

NEW DELHI;

2 July, 1984

11 Asadha, 1906 (S)

SUNIL MAITRA,

Chairman,

Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by Government on the Committee's recommendations/observations contained in their 133rd Report (Seventh Lok Sabha) on paragraphs 26 and 32 of the Report of the Comptroller and Auditor General of India for the year 1980-81, Union Government (P&T) relating to "Local Printing of Inland Letter Cards" and "Construction of Staff Quarters at Annanagar", respectively.

2. The Committee's Hundred and Thirty-Third Report (Seventh Lok Sabha) was presented to Lok Sabha on 13 April, 1983. It contains 12 recommendations/observations. Action Taken Notes on all these recommendations/observations have been received from the Government and these have been broadly categorised as follows:—

(i) Recommendations/observations that have been accepted by Government:

Sl. Nos. 1, 2, 4 to 6 and 8 to 12.

(ii) Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from Government:

Sl. No. 7

(iii) Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration:

Nil

(iv) Recommendations/observations in respect of which Government have furnished interim replies:

Sl. No. 3

3. The Committee expect that final reply to the recommendation in respect of which only interim reply has so far been furnished, will be submitted soon, after getting it vetted by Audit.

4. The Committee will now deal with the action taken on some of their recommendations/observations.

Inquiry into irregularities revealed in para 26 of C&AG's Report, 1980-81 Union Government (P&T)—Para 1.54 (S. No. 2) and Para 1.55 (S. No. 3).

5. In his evidence before the Public Accounts Committee (1982-83), on para 26 of the C&AG's Report 1980-81 (P&T) regarding local printing

of inland letter cards, the Secretary, Ministry of Communications admitted:—

“Frankly speaking, I did not know earlier about all the unsavoury dealing of this case. I have come to know them comparatively recently. This case is bristling with irregularities. We will institute a thorough inquiry very soon.”

6. In para 1.55 of their 133rd Report, the Public Accounts Committee trusted that the assurance given by the Secretary, Ministry of Communications for instituting an inquiry into the whole affair would be implemented expeditiously. The Committee desired to be apprised of the findings and the action taken by Government in pursuance thereof as soon as possible.

7. In their action taken note, the Ministry of Communications have stated that the case is under investigation by the Vigilance Branch of the P&T Directorate and the action taken against the officers concerned will be intimated to Public Accounts Committee on finalisation of the vigilance case.

8. The Committee are astonished to note that the serious irregularities in the Local Printing of Inland Letter Cards admitted in evidence by the Secretary of the Ministry in no uncertain words “.....This case is bristling with irregularities. We will institute a thorough enquiry very soon”, as far back as November, 1982, are still under investigation by the Vigilance Cell of the Ministry. It shows how casual is the approach of the Ministry even in the matter of such serious cases.

9. While deprecating this inordinate delay the Committee desire that the investigation should be completed expeditiously and the action taken against the persons found guilty intimated to the Committee within a period of three months.

Purchase of a plot of land by the P & T Department of Annanagar Madras—
Paras 2.37 and 2.38 (S. Nos. 10 and 11).

10. Dealing with the direct purchase of a plot of land measuring 25.03 acres by the P&T Department at Annanagar, Madras in September, 1971 from a private party at the rate of about Rs. 0.90 lakh per acre, the Public Accounts Committee, in para 2.37 of their 133rd Report (Seventh Lok Sabha) presented to the House on 13 April, 1983, had recommended that an inter-Ministerial inquiry should be instituted, associating the P & T Department, the Ministry of Works & Housing and Ministry of Finance, with a view to ascertaining *inter alia* why the prescribed procedure was not followed in the case, how much extra payment was made and how much of betterment fee was to be paid by the various Central Government Departments which had purchased the land from the private party. The

Committee had desired to be apprised of the findings of the Inter-departmental Committee within a period of three months.

11. In their final report submitted in November, 1983, the inter-Ministerial enquiry Committee have *inter alia* observed as follows:—

“The procedure for purchase of land by the P & T Department is prescribed in rules 458 and 460 of P&T Manual, Volume II. The relevant extracts from these rules are reproduced below:—

Para 458 of P&T Manual Vol. II

“...If the land or property is suitable, the Head of the Circle should, in the first instance, consult the Chief Revenue Officer of the district, and obtain from him the fullest possible information as to the probable cost of the land together with the value of the buildings, etc. situated on the property for which compensation will have to be paid. Upon the information thus obtained, an estimate should be framed and submitted to the competent authority, for sanction together with site plans and maps. When sanction to such an estimate has been obtained, the Head of the Circle, should commit the matter to the Revenue Officer who will take the necessary preliminary action for the appropriation of the land under the Land Acquisition Act, or for its acquisition by private negotiation...”

Para 460 of P & T Manual Vol. II

‘Land acquisition proceedings are generally necessary in the case of purchase from private parties, firms or local bodies in order to secure a clear title... In case it is felt that acquisition through local authorities will take considerable time and land is required urgently or under any other special circumstances, land may be purchased by direct negotiations from private persons or firms subject to the following conditions:—

- (i) that the title of the land verified by the Government Pleader and it is certified by him that it is free from all legal-encumberances.
- (ii) That the valuation of land or any structure standing on it is done through the services of Revenue Authorities, Civil Wing or P&T, CPWD or State P.W.D.
- (iii) That the price to be paid through private negotiations is not higher than that through land acquisition proceedings. In case the owner is not agreeable to these terms higher prices can only be paid with the prior approval of Government.’

P&T reported that relevant volume (Vol. 1) of DGP&T file 63—53/70-TPS(BG) was not traceable after the same was returned after scrutiny by PAC in November 1982. Therefore, circumstances for resorting to purchase by direct negotiations from the private party instead of through Land Acquisition proceedings could not be confirmed. The P&T member stated that purchase by negotiation was quite prevalent in P&T then and that the P&T Board set up negotiating committees whenever such requests were made by GMTs.

The Enquiry Committee found in the present case that:—

- (i) after a decision was taken in principle to enter negotiation to purchase the land measuring about 25 acres at Anna Nagar, Madras for staff quarters, an order was issued on the 10th August 1971 under the signature of the Secretary (Communications), Government of India constituting a high level negotiating Committee consisting of the following:—
 - (a) Senior Member (Finance)
 - (b) Member (TD)
 - (c) General Manager (Madras Telephone District).
 - (d) Dy. General Manager (Planning), Madras.
 - (e) Chief Engineer (Civil), P&T.
 - (f) Senior Architect-III.

... The (negotiating) committee met and after inspecting the site and discussion with the private party recommended to the Govt. to purchase the land at a rate of Rs. 5000 per ground which was accepted by the Government.

- (ii) for the land at Annanagar, the P&T Department did not approach the State Government specifically for acquisition.
- (iii) the procedure prescribed for purchase of land by direct negotiating in Rule 460, P&T Manual, Vol. II was, however, followed.

* * * * *

... the (inter-ministerial enquiry) committee is of the opinion that notwithstanding the fact that the reasons for resorting to purchase of land through private negotiations have not been clearly specified nor the State Govt. approached for acquisition of this particular land, there was no other deviation from the prescribed procedure."

12. The findings of the inter-ministerial enquiry committee are summed up as follows:—

- "1. The prescribed procedure for acquisition of land through direct negotiations from private parties was largely followed.

2. The cost paid by the Department for the land acquired at Annanagar does not appear to be excessive.

3. Except for the cost of sewerage connection (amounting to Rs. 11,07,463) paid to the Tamil Nadu Housing Board, no other betterment fee has been paid by the Department.

4. Ministry of Works & Housing/Finance have initiated the action to amend DFPR (Delegation of Financial Powers Rules) for proper regulation of purchase of land through negotiations from private parties."

13. In para 2.38 of the afore-mentioned 133rd Report the Public Accounts Committee (7th Lok Sabha) had recommended as follows:—

"In order to obviate recurrence of such cases involving loss of huge amount to the exchequer, the Committee would urge that strict instructions be issued by the Ministry of Finance/Works and Housing to the Ministries/Departments to the effect that in all cases, where land is proposed to be purchased from private parties for office buildings or for staff quarters, the State Government concerned should not only be kept fully apprised at all stages but also asked to verify the reasonableness of the price proposed to be paid before finalising the deal. Such verification should be obtained from an officer not below the rank of District Magistrate/Collector."

14. In their action taken note, the Ministry of Communications have stated as follows:—

"Reference in this regard has been made to the Ministries of Finance and Works & Housing *vide* letter No. 760-14/81-IPS (Genl.) BG dated 25th August, 1983 for issuing necessary instructions to all Ministries/Departments. Instructions to P&T field units have been issued *vide* No. 482-32/78 II IPS (BG) dt. 29-8-83."

15. While the Committee note the finding of the inter-Ministerial enquiry committee that the cost paid by the P&T Department for the land acquired at Annanagar in 1971 "does not appear to be excessive", they can't help observing that the enquiry committee could not give their finding on the vital issue whether the circumstances of the case justified resort to purchase by direct negotiations from the private party instead of through the land acquisition proceedings as envisaged by para 458 of the P & T Manual—Vol. II, as the relevant volume (Volume I) of DGP&T file was not traceable after the same was returned after scrutiny by PAC

in November 1982. Nor had the P&T Department approached the State Government specifically for acquisition of the land in question. The Committee are unhappy over these omissions. However, they note that in pursuance of their recommendations, the P&T Department have since issued instructions to all its units that in all cases where it is proposed to purchase land from private parties through direct negotiations, the State Government concerned should not only be kept fully apprised at all stages but also asked to verify the reasonableness of the price proposed to be paid before finalising the deal. It is also mentioned in the instructions that such verification should be obtained from the State Revenue Officer not below the rank of District Magistrate/Collector. Instructions have also been issued that before going in for purchase of a site by negotiations from private parties, the possibility of acquisition of suitable land through normal land acquisition procedure should be fully explored. The Committee trust that the P&T Department will ensure that their aforesaid instructions will be strictly complied with by the field formations both in letter and spirit.

16. The Committee are surprised that an important file showing the circumstances for resorting to purchase by direct negotiations from the private party instead of through the land acquisition proceedings should have become untraceable after the same was returned after scrutiny by PAC in November 1982. The Committee take a serious view of this. They desire that an inquiry should be instituted and responsibility fixed for the loss/misplacement of the file. The system of movement and custody of files in the P&T Department should also be reviewed so that such instances do not recur.

17. The Committee note that the Ministry of Works & Housing/Finance have initiated action to amend the Delegation of Financial Powers Rules for proper regulation of purchase of land through negotiations from private parties. They desire that the Ministry of Works & Housing/Finance should act with promptness in the matter and issue necessary instructions to all the Ministries/Departments of Government of India on the lines desired by the Committee without any further loss of time. The Committee would like to be informed of the details of the action taken in the matter.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Examination by Public Accounts Committee of para 26 of C&AG Report 1980-81, Union Government (P&T) regarding local printing of inland letter cards has brought to light the following irregularities:—

- (i) Orders for manufacture and supply of 7.10 crores inland letter card forms (ILCs), were placed on firm 'D' disregarding the lowest tender of Firm 'A' resulting in an extra expenditure of Rs. 8.86 lakhs.
- (ii) Despite clear instructions to the effect that not more than 10 lakh ILCs or to the extent of actual requirements, whichever was less, should be got printed locally, repetitive orders were placed by PMG U.P. on firm 'B'—for 10 lakh ILCs in March, 1979, 3 crore ILCs during the period from August, 1979 to November, 1979 and a further 4 crore ILCs in March, 1980. No formal agreement was signed with the Firm at any stage.
- (iii) While it was clearly stipulated in the Guidelines issued by the DGP&T that the quality of paper to be used for ILCs, its dimensions and patterns were to conform to the one printed by the Security Press, Nasik, the firm's request for permission to use paper of a slightly different colour, which was claimed by the firm to be of better quality than the approved sample, was accepted. It later turned out that the paper used by the firm was of substandard quality, with the result that a huge stock of 3.06 crore ILCs worth Rs. 16.39 lakhs were lying unsold in the postal Circle of P.M.G. U.P. (October 1981). The Department also did not take any action to get the rate of the ILCs reduced by the firm on account of inferior paper and non-gumming of flaps.
- (iv) The order for printing of 4 crore additional ILCs was placed on firm 'B' in March, 1980 disregarding the fact that the Security Press Nasik had resumed supply of Postal stationery in January, 1980 in termination of the strike in the Press. What is worse, the order was placed without taking a deci-

sion on the tenders invited in October, 1979 and without signing any agreement with the party.

(v) The excessive orders placed on the firm were due to faulty assessment of requirements, particularly by the Dehradun Head Post office, which intimated its requirements of the order of 20 crore ILCs for 4 months, as against the requirements of the whole circle, except Dehradun Head Post Office, of the order of 2.65 crores for 4 months.

[S. No. 1 (Para 1.53) of Appendix II to 133rd Report of PAC (7th Lok Sabha)].

Action Taken

Noted for future guidance.

This has been vetted by Audit Vide their U.O. No. RRII/2(d)2073 II/1112(A) dt. 28.10.83.

[Ministry of Communications (P&T Board) O.M. No. 48-1/81—Phil (Part) dated 14.11.1983]

Recommendation

The Committee are constrained to point out that no action was taken by the Department on the various irregularities that had already come to their notice at least a year earlier through the Draft Audit paragraph. It was only when the Committee took up the matter for examination that the Department came to realise the irregularities in the unusual purchase and the procedural violations involved therein. The Secretary, Ministry of Communications, admitted in evidence:

“Frankly speaking, I did not know earlier about all the unsavoury dealing of this case. I have come to know them comparatively recently. This case is bristling with irregularities. We will institute a thorough inquiry very soon.”

While appreciating the frank admission on the part of the representative of the Government in this case, the Committee would like to point out that it is the duty of a vigilant administration to initiate remedial action irregularities pointed out by Audit as soon as they are brought to their notice in the form of a draft audit paragraph or otherwise. It would be indeed unfortunate if Government were to wait for the Committee's examination to be over. In fact, it is neither possible nor necessary for the Committee to examine each and every Audit paragraph. The Committee would therefore like to emphasize in very strong terms the need for the Government departments to take conclusive action on the Audit paragraphs as soon as these are brought to their notice.

[S. No. 2 (Para 1.54) of Appendix II to 133rd Report of PAC (7th Lok Sabha)]

Action Taken

This has been noted for guidance.

This has been vetted by Audit vide their U.O. No. RR II/2(d) 2073 II/1112(A) dt. 28.10.83.

[Ministry of Communications (P&T Board) O.M. No. 48-1/81 Phil (Part) dated 14.11.1983]

Recommendation

From the information furnished the Committee find that the actual supplied of ILCS have fallen short of the projective requirements by nearly 48 crores in 1979-80, 32 crores in 1980-81 and 10 crores in 1981-82. The committee have been informed that the manufacturing capacity of the India security Press, Nasik, has since been increased and a second Security Printing Press has been established at Hyderabad for production of various items of postal stationery. The Committee trust that these two presses would be able to take care of the growing requirements.

[S. No. 4 (Para 1.56) of Appendix II to 133rd Report of P.A.C. (7th Lok Sabha)].

Action Taken

Noted

This has been vetted by Audit vide their U.O. No. RR II/2(d) 2073 II/1112(A) dt. 28.10.83.

[Ministry of Communications (P&T Board) O.M. No. 48-1/81 Phil (Part) dated 14.11.1983]

Recommendation

So far as question of stocking and distribution of the postal stationery is concerned, the Committee were informed that in view of complaints from practically all the circles, it has been decided that the P&T Department should take over this function from the India Security Press, Nasik. The Committee would like the Ministry of Communications to examine in depth the entire procedure for indenting stocking and distribution of postal stationery with a view to streamlining the system so that the public could be assured of uninterrupted supplies.

[S. No. 5 (Para 1.57) of Appendix II to 133rd Report of PAC (7th Lok Sabha)]

Action Taken

The work of stocking and distribution of postage stamps and postal stationery is gradually being taken over by the P&T Department through the establishment of circle stamp Depots. Some stamp Depots have already been established in the circles and have started looking after the requirements of stocking and supplies. The remaining circles and offices would also be covered by the Departmental stamp Depots very soon.

This has been vetted by Audit vide their U.O. No. RRII[2(d) 2073 II] 1112(A) dt. 28.10.83].

[Ministry of Communications (P&T Board) O.M. No. 43-1[82-Phil Part .. dated 14.11.1983]

Recommendations

The Audit paragraph has brought to light a case of purchase of a plot of land measuring 25.03 acres by the P&T Department at Annanagar in Madras in September 1971 at an exorbitant rate of about Rs. 0.90 lakh per acre as against the rate of Rs. 0.18 lakh per acre at which land was acquired by the Govt. of Madras in a nearby area resulting in extra expenditure to the tune of over Rs. 18 lakhs. The evidence tendered before the committee has brought to light the following disquieting features of the deal:—

- (i) The deal in question was entered into by the P&T authorities with a private party [M/s. Krishna Tiles & Potteries (Madras) Pvt. Ltd. through direct negotiations instead of going through the normal process of land acquisition through the concerned agency of the State Government.
- (ii) Rule 460 of P&T Manual, Volume II, permits purchase of land by direct negotiations from private parties provided:—
 - (a) the need for construction is urgent; and
 - (b) the price to be paid through direct negotiations is not higher than the price at which such land could be purchased through land acquisition proceedings.

While the plea of urgency in a matter like construction of staff quarters which is a continuous process, is obviously tenuous, the other condition was ignored altogether in this case.

- (iii) The plot of land in question was part of 78.51 acres of land which had earlier been acquired by the Tamil Nadu Housing Board but subsequently derequisitioned by them on the plea of the party that the same was required by it for extracting clay and for factory purposes. No attempt was made by the P&T authorities to ascertain from the State. Whether the private party could not be violating the condition of release by selling it for building staff quarters.
- (iv) The Department relied on the certificate given by a Junior functionary of the revenue department about the fair value of the land instead of verifying the same from the District Collector.

[S. No. 6 (Para 2.33) of Appendix II to 133rd Report of PAC (7th Lok Sabha].

Action taken

Instructions to the field units have already been issued making it clear that before going in for purchase of land by negotiations from private parties, the possibility of acquisitions of suitable land through normal land acquisition process should be fully explored. Field units have already been instructed that for getting the land valuation done, the District Collector|Town Planning authority only should be approached. A copy of the letter issued is also enclosed for reference (Annexure-I).

A copy of the circular letter issued by the State Government in 1979 regarding issue of valuation Report or certificate is also enclosed (Annexure-II).

Audit comments

P&T Directorate may indicate the action taken against the erring officers|officials for not adhering to the codal provisions in the instant case for the information of the PAC.

Reply

The need for construction of the staff quarters was urgent due to very low availability of residential accommodation (2.7 per cent) for P&T staff quarters at Madras Telephones being essential services, shortage of residential accommodation for P&T quarters has been a source of perennial and serious concern for the P&T Board for years.

P&T Board appointed a study team in August 1970 to survey the need of land and building for P&T in metropolitan cities where the problem of accommodation was very acute which assessed 70 acres of land at Madras on the basis of 25 per cent satisfaction ratio. In the present case, the offer of 25 acres of land at Annanagar was forwarded to P&T Dte., where P&T Board set up a Negotiating Committee comprising Member (F) M(TD), Chief Engineer (P&T Civil) P&T Senior Arch. III and Dy. G.M. (Plg.), Madras Telephones which assessed the site for site suitability and price fixation.

The recommendation of the Negotiating Committee for 25.03 acres of land at a cost of Rs. 23.51 lakhs was considered by Govt. and sanctioned in September 1971.

M.s. Krishna Tiles and Co. Ltd. got the land released earlier for its utilisation as raw material for clay and factory purposes. However TNHB did not allow it to be used for the purpose due to water stagnation that may be caused by dug up site and consequent health hazard. It has therefore to be for housing purposes in conformity with TNHB plans.

There has been no violation of rules by P&T and no action is contemplated against any official. However, in pursuance of PAC recommendations, appropriate instructions have been issued *vide* letter No. 482-32|

78-II TPS(BG) dt. 30-11-82 and 23-8-83. Copies of instructions issued are also enclosed for reference. (Annexures I & III).

This has been vetted by Audit *vide* their U.O. No. RPI/2 (d) 1774/Vol. II/1220 dt. 19-11-83.

[Ministry of Communications (P&T Board) O.M. No. 760-14/81—TPS (Genl.) BG.Vol.-IV dated 13-12-83]

ANNEXURE I

INDIAN POSTS & TELEGRAPHS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS
DAK TAR BHAWAN, PARLIAMENT STREET, NEW DELHI
—110001.

No. 482-32/78-TPS(BG)

Dated 30-11-1982

To

All General Manager (Telecom.)
All General Manager (Telephones)
All District Manager (Telephones)

Subject:—Purchase of land from Private Parties

Reference may kindly be made to this office letter No. 482-32/78-TPS (BG) dated 6-6-1979 in which constitution of Standing Negotiating Committee was given for the purpose of land, by negotiations from private parties, as permitted under rule 460 of the P&T Manual, Volume-II.

In item No. (viii) of the above referred letter it has been indicated that the valuation of the land should be obtained from the concerned local revenue authorities. In this regard it is clarified that the local revenue authority implied is the District Collector/Town Planning Authority.

Therefore, reference should normally be made to the District Collector/Town Planning Officer for valuation in the first instance.

The following points may also please be noted in this regard:—

- (a) Before going in for purchase of a site by negotiations from private parties, the possibility of acquisition of suitable lands through normal land acquisition should be fully explored.
- (b) Whenever it is proposed to purchase land by negotiations, it is preferable to invite offers by advertising the requirements in the local newspaper.
- (c) After examining the competitive offers, the procedure as laid down in this office letter number mentioned above should be strictly followed.

(H. C. GULATI)
Director(BT)

Copy to:

1. DDG(PNS) 2. Director (BP)

Copy also to:

FA II/III/IV/DDG(L)/DDG(ES)DDG(Trg.)DDG(RDTF).

Copy to:—File No. 760-14/81 TPS(BG) Vol. II.

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ANNEXURE II

Copy of B. P. PERM.997(1)|75, dated 19-12-75.

CIRCULAR

Sub: LAND ACQUISITION—Valuation of lands and buildings to be furnished to State of Central Government—Certain procedures to be followed—Instructions-Issued.

Ref: 1. Govt. Letter No. 87706|G2|75, Reveue dated 25-10-75.
 2. Minutes of M.S.

It has been brought to the light of the Government that the former Tehsildars and Revenue Divisional Officers of Saidapet have furnished the market value of the lands in Koyambedu village, direct to the Central Government Department and other agencies without bringing the fact to the notice of the Collector of District Revenue Offices. Further the Tahsildars and Revenue Divisional had not worked out the market value correctly. They appear to have relied on the sales effected by the Housing Board of lands which were developed plots, whereas the lands purchased by the Central Government Department were not developed at the time of purchase. The rate at which the Housing Board was selling well developed pieces of small house sites could no by any stretch of imagination be applied to the sale of large blocks of undeveloped land which might never get amenities. This resulted in undue gains to the Land owners besides causing embarrassment to the Housing Department. All the Collectors and District Revenue Officers are therefore instructed to ensure that no valuation report or certificates is given by any of their subordinate except through the Collector, to any other states or Central Government Department or Corporation or Company or undertakings and the Collector's office should invariably consult the Land Acquisition Section also before sending out any valuation report.

This procedure should be followed scrupulously in future.
 The receipt of this circular may be acknowledged at once.

As|-T. PANCHAKSHARAM

Assistant Secretary (LA)

sd|

for Commissioner (LA)

ANNEXURE III ..

INDIAN POSTS & TELEGRAPHS DEPARTMENT
 OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS
 DAK TAR BHAWAN PARLIAMENT STREET NEW DELHI
 No. 482-32/78-II TPS(BG) August 22/23, 1983
To

All Heads of Telecom Circles|Telephone Districts

Subject: Purchase of land for various purposes in the department from private parties through direct negotiations.

Reference is invited to this office letter of even number dated 30.11.82 in which it has been desired that direct purchase of land from private parties should be restored to after having first fully explored the possibility of acquisition through normal Land Acquisition Act, as prescribed in Rule 458/460 of P&T Manual Vol. II.

It is further reiterated that in all cases where it is proposed to purchase land from private parties through direct negotiations, the State Government concerned should not only be kept fully apprised at all stages but also asked to verify the reasonableness of the price proposed to be obtained from State revenue officer not below the rank of District Magistrate| Collector.

(P. K. Chanda)
 Director (BT)

Copy to:—1. Director (BP)TX|(L)|Telecom Trg.|(TG.)|F(II)|F-III|F-IV, P&T Directorate.
 2. FA-II|FA-III|FA-IV, P&T Directorate.
 3. ADG(BG)|BT|Trg.|CX|LHW P&T Directorate.

Recommendations

The Committee further observe that in their letter dated 19 December 1975 addressed to the revenue authorities, the Tamil Nadu Government pointed out that the “the tehsildars and revenue divisional officers had not worked out the market value correctly. They appear to have relied on the sales effected by the Housing Board on lands which were developed plots, whereas the lands purchased by the Central Government departments were not developed at the time of purchase. The rate at which the Housing Board was selling well developed pieces of small house sites could not by any stretch of imagination be applied to the sale of large blocks of underdeveloped land, which might never get amenities. This resulted in undue gains to the land owners besides causing embarrassment

(S. No. 8 (Para 2.35) of Appendix II to 133rd Report of PAC (7th Lok Sabha)

to the Housing Department. Confronted with this, the Secretary, ministry of Communications conceded in evidence that "it would have been more appropriate to contact the Collector."

Action taken

Instructions have already been issued *vide* 482-32/78-TPS(BG) Dt. 30.11.82 that land evaluation should be obtained from the District Collector or Town Planning Authority only. This has been vetted by Audit *vide* their UO No. RRL/2(d) 1774hVol. II dt. 27-7-83.

[Ministry of Communications (P&T Board) O.M. No. 760-14/81—TPS (Genl.) BG Vol.IV dated 13.12.83]

Recommendations

The Secretary, Ministry of Communications had during the course of evidence, promised to examine the entire question with a view to ascertaining if the officers concerned had acted prudently in this case and to furnish his findings by the end of January, 1983. The Committee regret to point out that the results of this enquiry have not yet been made available to them. [S. No. 9 (Para 2.36) of Appendix II to 133rd Report of PAC (7th Lok Sabha)].

Action taken

The case is under review by Ministry of Communications

The Audit comments

Interim reply. The Directorate may indicate as to when the report of the enquiry will be available and what is holding up?

Reply

The report of Secretary(C) on the purchase of site at Anna Nagar, Madras for construction of staff quarters is attached. This has been vetted by Audit *vide* their U.O. No. RRI/2(d) 1774hVol.II 1220 dt. 19.11.83. (Ministry of Communications (P&T Board) O.M. No. 760—14/81—TPS (Gen.)'BG Vol.IV dated 13.12.83)

Enclosure

Report of Secretary (Communications) on the purchase of site at Anna Nagar, Madras for construction of staff quarters (Para 32 of CAG's Report for 1980-81).

This report is a follow up of PAC's directive *vide* paras 2.29 and 2.30 of 133rd Report of PAC (82-83) on Ministry of Communications. While deposing before the PAC (1982-83) of 7th Lok Sabha on 12th November, 1982 on paragraph 32 of CAG's Report 80-81, I had stated that the entire question as to whether the P&T officers concerned had acted prudently in this case, will be examined personally by me and my findings furnished to the PAC. Unfortunately, for various reasons, the investigations could not

be completed in time. I have gone through the relevant files and documents of the case and my findings are contained in following paragraphs.

2. Shortage of residential accommodation for P&T staff has been a source of perennial and serious concern for the P&T Board for years. Broadly 6 per cent of the P&T employees are provided with departmental accommodation. P&T Board appointed a study team in August 1970 to survey the needs of lands and buildings for P&T in metropolitan cities where the problem of accommodation was very acute. The team assessed the requirements of land as 70 acres for Madras on the basis of 25 per cent satisfaction ratio, including existing sites. The Madras Telephones then approached the Tamilnadu Housing Board for allotment of a suitable land who offered 16.5 acres of land in Ashok Nagar, Madras. Another offer was received from M/s Krishna Potteries Ltd. in Oct., 1970 for sale of 25 acres of land at Anna Nagar at Rs. 6500 per ground (1 ground=2400 sq. ft.). The offers received by Madras Telephones were referred by them to the P&T Board in October, 1970 with recommendation for purchase by negotiations. Accordingly, P&T Board set up a Negotiating Committee, comprising Senior Member (Fin.), Member (Telecom. Development), General Manager (Telephones), Madras, Chief Engineer (P&T Civil), P&T Senior Architect-III and Deputy General Manager (Plg.), Madras Telephones. Purchase of land was proposed by direct negotiations under Rule 460 of P&T Manual, Volume II. The Committee met at Madras on 21st August, 1971, inspected the various sites viz. Anna Nagar, Ashok Nagar and examined the suitability of site in respect of location, environment, proximity of schools, market, main roads etc. The civil wing experts examined the soil availability of the facilities of water supply, drainage, electricity etc. The Committee then negotiated with the representatives of M/s Krishna Potteries and felt that a price of Rs. 5000 per ground was reasonable which M/s. Krishna Potteries agreed to accept. The recommendation of the Negotiating Committee for purchase of 25.03 acres of land at a cost of Rs. 23.51 lakhs was considered by the Government and sanctioned in Sept., 1971. Possession of the site was taken over by G.M. Telephones, Madras on 22nd Sept. 1971. Construction of 254 quarters in the first phase at a cost of Rs. 50.96 lakhs was sanctioned by the P&T Board on 28-12-72. Actual construction of the quarters was delayed due to a ban on construction of non functional buildings, imposed by the Govt. in 1972. There were also problems relating to extension of water supply and sewerage connections to the site as Govt. of Tamilnadu had prohibited sanction of the external services to the lands purchased by various Central Govt. Departments from M/s Krishna Potteries for non observance of the condition of release of their land from earlier acquisition by the Housing Board. Construction of the quarters commenced on July, 75 and was completed in September, '78 and were fully occupied by October, 1982.

3. The case can be considered in two stages. The first stage relates to the action of officers of Madras Telephones who selected the site and proposed its acquisition through negotiations with the private party. The second stage relates to the action of the officers of the negotiating Committee who examined the offers and recommended purchase of the land belonging to M/s. Krishna Potteries.

4. During the first stage the proposal was dealt entirely by the officers of Madras Telephones. Following questions arise in regard to prudence exercised by them in this case:

- (i) Whether any effort was made by them to procure the land for staff quarters from the State Govt. or Land Departments or to acquire private land through Land Acquisition Act, 1884?
- (ii) What was the urgency for purchase of land by negotiations in this case?
- (iii) Was any effort made by them to obtain more information about the market value of the land in the locality apart from obtaining valuation certificate from the local revenue authorities?
- (iv) Was any attempt made to ascertain the circumstances under which the land was got released by the party from acquisition?

4.1. As regards item (i) above, I find that no formal approach to the State Government was made for allotment of Government land. However, Madras Telephones did take up with the Tamilnadu Housing Board for allotment of suitable site which they did by offering land at Ashok Nagar. Since in large metropolitan cities the development of land for public housing is undertaken by the Housing Board it was logical that approach was made to the Housing Board instead of State Government for assignment of land.

4.2 As regards item (ii), the acquisition of land through Land Acquisition Act takes considerably long time due to litigation suits in the courts for higher compensation etc. It is relevant to note that in the present case itself the Tamilnadu Housing Board themselves took over 10 years to acquire the site at Anna Nagar. The purchase through negotiations can be effected expeditiously. In fact, Bombay Telephones and Andhra Circle have acquired large number of sites by resorting to purchase through such negotiations. Since the price of land is escalating rapidly all over the country there is considerable advantage in acquiring the land through negotiations wherever it can be put to use quickly. The urgency for purchase is also justified by very low availability of residential accommodation (2.7 percentage) for P&T staff in Madras. Officers of Madras Telephones were therefore fully justified in proposing purchase of this land through negotiations.

4.3 As regards valuation of land, it is customary to refer to the local revenue officer viz. District Magistrate, Revenue Divisional Officer, Town

Planning Officer or Collector, as the case may be. In the present case, the Madras Telephones ascertained from other Central Govt. Departments who purchased the land earlier in the same locality in addition to valuation from Revenue Division Officer, Saidapet. I also find that Chief Engineer (SWZ), CPWD, Bombay has considered the price of Rs. 5800 per ground for Annanagar site as reasonable *vide* his letter WS-7A/CP/23(TO) dated 18-5-71. His opinion is valuable since rule 460 of P&T Manual Vol. VI also permits valuation of land by CPWD for negotiated purchases. I am therefore satisfied that Madras Telephones had made all reasonable efforts to ascertain the market value of land at Annanagar.

4.4 The authorities of Madras Telephones were aware of the conditions under which M/s. Krishna Potteries got the land released from acquisition from TNHB (*vide* para 18 of GMT Office note attached to Negotiating Committee report). However, there was no mention of these in the Gazette Notification releasing the lands. Therefore, there was apparently no bar for developing these lands for housing. This was subsequently confirmed when the State Government approved the master plan of the P&T Colony *vide* D.O. No. 21212/733-GR 2 dated 3-12-1973 from Dy. Director (Spl.), Town Planning, Madras. It would have been better, however, if No Objection Certificate were obtained from TNHB by Madras Telephones before they purchased the land.

5. As regards actions of the Negotiating Committee, following points come up:

- (i) Did Committee check up whether the Revenue Valuation pertained to developed land or undeveloped land. If undeveloped, was any estimate made for development cost?
- (ii) Did committee, particularly, the Civil Wing members, check up the feasibility of providing water, sewerage and other external services?

5.1 Although the report of RDO, Saidapet dated 8-1-71 does not specify the nature of the land, the report of Tehsildar, Saidapet to Central Excise Collector dated 3-9-69 clearly indicates that the valuation refers to undeveloped land. GMT's note attached to N.C.'s report *vide* para 20(3), also mentions that development costs will have to be incurred by the Department. However, the Committee acted rightly by getting the owner to agree to provide access roads to the plot.

5.2 The Committee relied mainly on the report of GMT's office that it would be possible to get water on payment from Madras Corporation. As regards sewerage, connection to the main sewer (of Corporation) was envisaged. Preliminary investigation on feasibility and costs of extending these services to the P&T site does not seem to have been made. It would have expedited the construction later if the Civil Wing members had examined this aspect in greater depth.

6. On the whole, I am convinced that the departmental officers acted with adequate prudence in choice of the site and fixation of the rate of the

land. However, a little more attention was necessary in ensuring timely provision of external services. In retrospect I feel that the deal has been economical and timely considering the difficulty in getting large sites in the city and soaring land prices in the recent years in Madras. On the contrary, the undermentioned actions of TNHB and State Government are difficult to comprehend:—

- (i) Central Excise Department purchased 26 acres of land in Annanagar at Rs. 5000 per ground in August, 1970 from M/s Krishna Potteries. If this was exorbitant, TNHB or State Government did not advise P&T against the purchase from the same party at the same price in 1971 although they were aware of the proposed deal. They thought it fit to write to Central Government only in 1975.
- (ii) State Government released 78 acres of land belonging to M/s Krishna Potteries at Annanagar from acquisition in 1969 on representation that the land was used for clay as raw material for making potteries, while TNHB did not allow them to use it for clay in the fear of water stagnation in low lying area that may be created by removal of clay and advised the owner to make the arrangements elsewhere for his raw material. TNHB, however, did not have objection to use the land for housing purposes.
- (iii) The master plan for P&T housing colony at Annanagar was approved by State Government (Town Planning Department) in December, 1973 while Housing Department of the State Government directed TNHB in February, 1975 not to extent the service facilities to the released 78 acres land including P&T Colony (80592'a'A2'71-80 of 13-2-1975).

Perhaps these also need to be reconciled.

Sd/-

(S. K. GHOSE)

Secretary (Communications)

Recommendations

In the circumstance of the case the Committee recommended that an inter Ministerial enquiry should be instituted associating the P&T Department, Ministry of Works and Housing and Ministry of Finance with a view to ascertaining why the prescribed procedure was not followed in the case, how much extra payment was made and how much of betterment fee is to be paid by the various Central Government Departments which had purchased the land from the private party and what remedial action, if any, was taken on the Communication dated 20th March, 75 from the Government of Tamil Nadu. The Committee would like to be apprised of the findings within three months.

[S. No.10 (Para 2.37) of Appendix II to 133rd Report of PAC (7th Lok Sabha]

Action taken

Action is being taken to constitute the inter-department committee as recommended by PAC in which members from the P&T Department, Ministry of Works and Housing and Ministry of Finance will be associated.

Audit Comments

Interim reply. No comments.

Inter ministerial enquiry committee comprising Members from P&T Department, Ministry of Finance, and Ministry of Works & Housing for going into various aspects of the deal has met in July 83 and called for more information from GMT Madras on various aspects of the case. The information has now been received and final report of the Committee has since been submitted* to PAC in November 1983. This has been vetted by Audit under their U.O. No. 'RRI|2(d)1774|Vol.II|1220. dt. 19-11-83.

[Ministry of Communications (P&T Board) O.M. No. 760-14|81—TPS (Genl.) |BG-Vol.IV dated 13.12.83]

Recommendations

In order to ob-viate recurrence of such cases involving loss of huge amount to the exchequer, the Committee would urge that strict instructions be issued by the Ministry of Finance|Works and Housing to the Ministries|Departments to the effect that in all cases, where land is proposed to be purchased from private parties for office buildings or for staff quarters, the State Government concerned should only be kept fully apprised at all stages but also asked to verify the reasonableness of the price proposed to be paid before finalising the deal. Such verification should be obtained from an officer not below the rank of District Magistrate|Collector.

[S. No. 11 (Para 2.38) of Appendix II to 133rd Report of PAC (7th Lok Sabha)]

Action taken

Reference in this regard is being made to the Ministry of Finance|Works and Housing for issuing necessary instructions to all Ministries Departments. As regards P&T separate instructions are being issued to field units.

*Not enclosed.

Audit Comments

P&T Directorate may indicate the final action in this matter.

Reply

Reference in this regard has been made to the Ministries of Finance and Works & Housing *vide* letter no. 769-14/81-TPS(Genl) BG dated 25th August, 1983 (Copy enclosed) for issuing necessary instructions to all Ministries|Departments. Instructions to P&T field units have been issued *vide* no. 482-32/78 II TPS(BG) dt. 29.8.83, copy at para 2.33. This has been vetted by Audit under their U.O. No. RRI|2(d) 1774|Vol.II| 1220 dt. 19.11.83.

[Ministry of Communications (P&T Board) O.M. No. 760—14|81—TPS (Gen.)/BG-Vol IV dated 13-12-83].

Enclosure

INDIAN POSTS & TELEGRAPHS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL POSTS & TELEGRAPHS.
DAK TAR BHAWAN, NEW DELHI

No. 760-14|81-TPS(Gen)BG

dated 25 August '83

To

The Secretary

The Ministry of Finance,
Government of India,
North Block,

New Delhi

The Ministry of Works & Housing
Govt. of India,
Nirman Bhawan,
New Delhi.

Sub: Action taken on the recommendations contained in 133rd report of the Public Accounts Committee (7th Lok Sabha) (1982-83) pertaining to Ministry of Communications (P&T) Board.

I am directed to refer to 133rd Report of the Public Accounts Committee (7th Lok Sabha) (1982-83) *inter alia* for construction of staff quarters at Anna Nagar (Madras) *Vide* serial No. 11, Para 2.38, extract given below. PAC has recommended instructions to be issued by Ministry of Finance|Works & Housing to the Ministries|Departments.

Para 2.38

In order to obviate recurrence of such cases involving loss of huge amounts to the exchequer, the Committee would urge that strict instructions be issued by the Ministries of Finance/Works & Housing to the Ministries/Departments to the effect that in all cases, where land is proposed to be purchased from private parties for office buildings or for staff quarters, the State Government concerned should not only be kept fully apprised at all stages but also asked to verify the reasonableness of the price proposed to be paid before finalising the deal. Such verification should be obtained from an officer not below the rank of District Magistrate/Collector.

A copy of Audit para as printed in the Report of CAG of India for the year 1980-81, Union Government (P&T) is also enclosed for your perusal.

It is requested that a copy of instructions issued in pursuance of PAC directive may please be sent to this office for furnishing compliance report to PAC.

(R.K.PURD)
Asst. Director General (BG)

Recommendations

Another aspect of total lack of coordination with the State authorities concerns provisioning of the sewerage and water supply facilities to the staff quarters for which land was acquired by the P&T Department. The complacency of the Department is evident from a reply furnished to the Committee to the effect that "it is reasonable to presume that the local authorities will provide sewerage and water supply at the appropriate time as TNHB was developing the entire area for a housing colony". As pointed out in the Audit paragraph, the Department undertook and completed construction of quarters of Phase I and part of Phase II without securing provision of service facilities with the result that the quarters could not be allotted to the employees resulting in loss of Rs. 5.96 lakhs on account of house rent allowance and non-realisation of licence fee. The Committee desire that necessary instructions should be issued to ensure that planning of such projects is done in a coordinate manner in future and that the State Government concerned is consulted at all stages.

[S. No. 12 (Para 2.39) of Appendix II to 133rd Report of P.A.C.
(7th Lok Sabha)]

Action taken

Instructions have since been issued to all the field units to ensure that a coordinated development should be done whenever constructing staff quarters. A copy of the letters issued is also enclosed herewith. (See Annexure III to reply to para 2.33).

This has been vetted by Audit their U.O. No. FRI/2(d)/1774/Vol. II dated 27-7-83.

[Ministry of Communications (P & T Board) O.M. No. 760-14/81—
TPS (Genl.)/ BG-Vol. IV dated 13-12-83].

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES

RECEIVED FROM GOVERNMENT

Recommendations

The Committee find that in a communication dated 20th March, 1975 addressed to the Secretary, Government of India, Ministry of Works & Housing/Finance, the Tamil Nadu Government had *inter alia* pointed out that "it is not clear how even Central Government Agencies went about making purchase by private negotiations instead of going through the normal process of land acquisition through the agencies of the State Government . . the clandestine disposal by M/s Krishna Tiles of the area . . at exorbitant rates has thus resulted in the Government of India departments paying a high price for the lands purchased by them. . . . the owners of the land are now liable to pay the betterment fee as per the provisions of the Housing Board Act, over and above what they have already paid towards the cost of land". The State Government therefore urged the Ministries to look into the circumstances in which it was found necessary by the Government of India departments to go in for direct purchase at such exorbitant prices and take appropriate action as demand fit. Curiously the P&T Department is not aware of the communication and no action has been taken.

[S. No. 7 (para 2.34) of Appendix II to 133rd Report of PAC (7th Lok Sabha)]

Action taken

It is true that the P&T Department did not get any communication from the Ministry of Works & Housing, consequently no action could be taken. Even otherwise the issue of the above letter itself was consequent on the purchase of the instant land by Central Govt. Departments. This has been vetted by Audit under their U.O. No. RRL/2(d)/1774/Vol. II dt. 27. 7. 83.

[Ministry of Communications (P&T Board) O.M. No. 760—14/81—
TPS (Genl.)/EG—Vol. IV, dated 13-12-83]

CHAPTER IV

**RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH
HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND
WHICH REQUIRE REITERATION**

—NIL—

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendations

So far as the present case is concerned, the Committee trust that the assurance given by the Secretary, Ministry of Communications for instituting an inquiry into the whole affairs, would be implemented expeditiously. The Committee would like to be apprised of the findings and the action taken by Government in pursuance thereof as soon as possible.

The Committee further suggest that in the light of experience in this case, the Ministry should devise a suitable procedure for assessment of the requirements of postal stationery on a realistic basis so that necessary follow-up action to meet these requirements on a systematic basis can be taken and the complaints often received with regard to the shortage of stamps, inland letter cards etc. are obviated.

[S. N. 3 (Para 1.55) of Appendix II to 133rd Report of PAC (7th Lok Sabha)]

Action taken

This case is under investigation by the Vigilance Branch of the P&T Directorate. The action taken against the official officer concerned on finalisation of vigilance case will be intimated to PAC.

The Heads of Circles have been addressed to realistically assess their requirements on the basis of consumption of previous years and then to project their requirements for various items of postage stamps and postal stationery. Their requirements, as and when received are being scrutinised by the Directorate, regular review has been undertaken this regard.

This has been vetted by Audit under their U.O. No. RRII/2(d) 2373 II/1112(A) dt. 28-10-83.

[Ministry of Communications (P&T Board) O.M. No. 48-1/81 phil. (part) dated 14-11-1983].

NEW DELHI:
, 1984

SUNIL MAITRA
CHAIRMAN,
Public Accounts Committee.

APPENDIX
Recommendations and Observations

Sl. No.	Para No.	Ministry/Department Concerned	Re commendations/observations
1	2	3	4
1	3	Communication	The Committee expect that final reply to the recommendation in respect of which only interim reply has so far been furnished, will be submitted soon, after getting it vetted by Audit.
2	8 and 9	-do-	<p>The Committee are astonished to note that the serious irregularities in the Local Printing of Inland Letter Cards admitted in evidence by the Secretary of the Ministry in no uncertain words "....This case is bristling with irregularities. We will institute a thorough enquiry very soon", as far back as November, 1982, are still under investigation by the Vigilance Cell of the Ministry. It shows how casual is the approach of the Ministry even in the matter of such serious cases.</p> <p>While deprecating this inordinate delay the Committee desire that the investigation should be completed expeditiously and the action taken against the persons found guilty intimated to the Committee within a period of three months.</p>
3	15	-do-	While the Committee note the finding of the inter-Ministerial enquiry committee that the cost paid by the P&T Department for the land acquired

at Annanagar in 1971 "does not appear to be excessive", they can't help observing that the enquiry committee could not give their finding on the vital issue whether the circumstances of the case justified resort to purchase by direct negotiations from the private party instead of through the land acquisition proceedings, as envisaged by para 458 of the P&T Manual—Vol. II, as the relevant volume (Volume I) of DGP&T file was not traceable after the same was returned after scrutiny by PAC in November 1982. Nor had the P&T Department approached the State Government specifically for acquisition of the land in question. The Committee are unhappy over these omissions. However, they note that in pursuance of their recommendations, the P&T Department have since issued instructions to all its units that in all cases where it is proposed to purchase land from private parties through Direct negotiations, the State Government concerned should not only be kept fully apprised at all stages but also asked to verify the reasonableness of the price proposed to be paid before finalising the deal. It is also mentioned in the instructions that such verification should be obtained from the State Revenue Officer not below the rank of District Magistrate/Collector. Instructions have also been issued that before going in for purchase of a site by negotiations from private parties, the possibility of acquisition of suitable land through normal land acquisition procedure should be fully explored. The Committee trust that the P&T Department will ensure that their aforesaid instructions will be strictly complied with by the field formations both in letter and spirit.

4. 16 Communication

The Committee are surprised that an important file showing the circumstances for resorting to purchase by direct negotiations from the private party instead of through the land acquisition proceedings should have become untraceable after the same was returned after scrutiny by PAC in November 1982. The Committee take a serious view of this. They desire that an enquiry should be instituted and responsibility fixed for the loss/misplacement of the file. The system of movement and custody of files in the P&T Department should also be reviewed so that such instances do not recur.

5. 17 (i) Works & Housing
(ii) Finance (Dept of Expenditu)

The Committee note that the Ministry of Works & Housing/Finance have initiated action to amend the Delegation of Financial Powers Rules for proper regulation of purchase of land through negotiations from private parties. They desire that the Ministry of Works & Housing/Finance should act with promptness in the matter and issue necessary instructions to all the Ministries/Departments of Government of India on the lines desired by the Committee without any further loss of time. The Committee would like to be informed of the details of the action taken in the matter.

30

PART II

MINUTES OF THE SECOND SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (1984-85) HELD ON 4 JUNE, 1984(AN)

The Committee sat from 1500 hrs. to 1730 hrs.

PRESENT

Shri Sunil Maitra—*Chairman*

MEMBERS

Lok Sabha

2. Shri Chitta Basu
3. Smt. Vidyavati Chaturvedi
4. Shri Digambar Singh
5. Shri G. L. Dogra
6. Shri Bhiku Ram Jain
7. Shri K. Lakkappa
8. Shri Mahavir Prasad
9. Shri Jamilur Rahman
10. Shri Harish Rawat
11. Shri G. Narsimha Reddy
12. Shri Suraj Bhan

Rajya Sabha

13. Smt. Amarjit Kaur
14. Shri Bhim Raj
15. Shri Nirmal Chatterjee
16. Dr. (Smt.) Najma Heptulla
17. Shri Chaturanan Mishra
18. Shri Ramanand Yadav

SECRETARIAT

1. Shri T. R. Krishnamachari—*Joint Secretary*.
2. Shri R. C. Anand—*Senior Financial Committee Officer*.

REPRESENTATIVES OF THE OFFICE OF THE C&AG

1. Shri S. Sethuraman—*Addl. Dy. C&AG of India (Reports)*.
2. Shri S. P. Joshi—*Director of Audit, Commerce, Works & Miscellaneous*.
3. Shri A. N. Biswas—*Director of Audit (P&T)*.
4. Shri G. R. Sood—*Joint Director*
5. Shri Gopal Singh—*Joint Director (P&T)*
2. The Committee considered and adopted the following Draft Reports subject to the amendments/modifications as indicated in Annexure**
** II.

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- (ii) Draft Action Taken Report on 133rd Report of PAC (7 LS) on Local Printing of Inland letter Cards and Construction of Staff Quarters at Annanagar.
3. The Committee also approved some minor modifications/amendments arising out of factual verification of draft Reports by Audit.
4. The Committee also authorised the Chairman to finalise the Reports and present the same to the House.

The Committee then adjourned.

**Other business transacted by Committee. Minutes relating thereto will form part of the relevant Report.

