

**PUBLIC ACCOUNTS COMMITTEE  
(1968-69)**

**THIRTY-SEVENTH REPORT**

(FOURTH LOK SABHA)

**[Action taken by Government on the recommendations  
of the Public Accounts Committee contained in their  
65th Report (Third Lok Sabha) relating to the Min-  
istry of Works, Housing & Supply (Department  
of Works & Housing) regarding undue  
benefit to a firm of Hoteliers]**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*November, 1968 / Agrahayana, 1890 (Saka)*

*Price : Rs. 0.30 P*

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<u>PAGE</u>	<u>LINE</u>	<u>FOR</u>	<u>READ</u>
6	3	its	it
10	first from bottom	laws involved	laws was involved
12	1	Security	security
15	31	Security	security
18	15 & 16	Government land, Agree- ment	Government land, Agree- ment

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(1968-69)

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Shri N. N. Mallya—*Joint Secretary*

Shri Avtar Singh Rikhy—*Deputy Secretary*

Shri K. Seshadri—*Under Secretary.*

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\* declared elected on the 19th August, 1968 since Shri M. M. Dharis resigned from the Committee.

## INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this 37th Report on the action taken by Government on the recommendations of the Public Accounts Committee in their 65th Report (Third Lok Sabha) relating to the Ministry of Works, Housing and Supply (Department of Works and Housing) regarding undue benefit to a firm of hoteliers.

2. On 12th June, 1968, an "Action Taken" Sub-Committee was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with the following Members:

1. Shri D. K. Kunte—*Convener*
  2. Shri C. K. Bhattacharyya
  3. Shri K. K. Nayar
  4. Shri Narendra Kumar Salve
  5. Shrimati Tarkeshwari Sinha
  6. Shri N. R. M. Swamy
- } *Members.*

3. The draft Report was considered and adopted by the Sub-Committee at their sitting held on 7th November, 1968 and finally adopted by the Public Accounts Committee on 25th November, 1968.

4. For facility of reference the main conclusions|recommendations of the Committee have been printed in thick type in the body of the Report. A statement showing the summary of the main conclusions|recommendations of the Committee is appended to the Report (Appendix).

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

NEW DELHI;  
November 26, 1968.  

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Agrahayana 5, 1890 (S).

M. R. MASANI,  
Chairman,  
Public Accounts Committee.

## CHAPTER I

### REPORT

This Report deals with Action Taken by Government on the recommendations contained in the 65th Report of the Public Accounts Committee (Third Lok Sabha) on paragraph 76 of Audit Report (Civil), 1966 relating to the Ministry of Works, Housing and Urban Development regarding undue benefit of a firm of hoteliers which was presented to the House on 2nd December, 1966.

1.2. The Action Taken notes/statements on the recommendations of the Committee contained in this Report have been categorized under the following heads:—

- (i) Recommendations/observations that have been accepted by Government:  
S. Nos. 4, 6, 8 & 9.
- (ii) Recommendations/observations which the Committee do not desire to pursue in view of the replies of Government:  
S. Nos. 1, 5 & 7.
- (iii) Recommendations/observations in respect of which Government have furnished interim replies:  
S. No. 10.
- (iv) Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration:  
S. Nos. 2 & 3.

The Committee will now deal with the recommendations at S. Nos. 2, 3 & 6.

*Concession in Price—Paragraphs 1.13 & 1.15 S. Nos. 2 & 3.*

1.3 In December 1955, Government allotted land to a private firm of hoteliers at a concessional rate for construction of a hotel, with a view to providing residential accommodation for the delegates of UNESCO Conference held in November, 1956. The firm were required to deposit a security of Rs. 25,000 as a guarantee for completing



the construction of at least 100 rooms by 31st October, 1956 and this was liable to be forfeited in the event of breach of this condition. The firm had failed to complete the work in time and make the accommodation available for the purpose in view. Commenting on this aspect of the case the Public Accounts Committee in paragraphs 1.8, 1.13 & 1.15 of the 65th Report (Third Lok Sabha) had made the following observations:

“1.8: It is not clear to the Committee how the price of Rs. 2 lakhs per acre charged from the firm was arrived at by the Ministry. From the facts placed before them, the Committee find that at the time of negotiations with the firm the Ministry were not aware about the market rates of land for commercial use in the particular area. The rates given by the Land and Development Officer related only to the land for residential purposes. During evidence before the Committee two conflicting views about calculating the rates of land for commercial use (setting up of a hotel is a commercial activity) were expressed by the Ministry and the Land and Development Officer. In the opinion of the Committee, if the intention was to lease the land at market rates it would have been a better course to ascertain it through a tender inquiry.”

“1.13: From the above facts the Committee have no doubt that in consideration of the firm's undertaking to make available 100 rooms in time, the premium of Rs. 2 lakhs per acre charged for the land involved certain concession. The Ministry of Finance were all along of the view that the rate of premium was too low. The Committee note that in October, 1955 the Joint Secretary (Finance) confirmed that the terms embodied in the draft sanction as already discussed with the Secretary, Ministry of Works, Housing and Supply and the President of the company were quite reasonable. In the opinion of the Committee, “reasonable” terms as agreed to with the firm are to be judged in the context of the essential condition imposed on the firm to make available 100 rooms by 31st October, 1956 for the use of the delegates of the UNESCO Conference. This is also clear from the minutes of the first meeting held with the firm on the 27th July, 1955. It is also significant to note in this connection that the Ministry of Works, Housing and Supply did not dispute the views that “the lessees in this case were given substantial concessions” expressed by the Finance Ministry even as late as 24th September, 1957.

Even when the reply to the draft para was sent by the Ministry to Audit in October, 1965, they did not dispute the fact that the land was allotted at a concessional rate; though during the evidence before the Committee, the witness pleaded that it was an oversight."

"1.15: It is not clear to the Committee as to what were the reasons for fixing the security deposit at such a low figure of Rs. 25,000. The Committee note that originally it had been suggested that an additional premium of Rs. 50,000 per acre might be charged from the firm in the event of their failure to provide the required number of rooms in time. This worked out to Rs. 2,73,000 for 5.46 acres. The Committee consider that the security deposit of Rs. 25,000 finally agreed to was too low as compared with the original proposal to realise Rs. 50,000 per acre. As the completion of rooms by the 31st October, 1956 was an essential condition, the security deposit should have been adequate to make the firm fulfil this condition seriously."

1.4. In their reply to paragraph 1.13, the Ministry of Works, Housing and Supply (Department of Works and Housing) have stated:

"In this Ministry's d.o. letter dated the 12th May, 1955 to the Secretary General, Ministry of External Affairs for seeking approval of the then Prime Minister, the reasons for negotiating the contract with the company were fully explained and it was also stated that there was no intention to give the Company any concession. In view of this and the position explained against para 1.8, the premium of Rs. 2 lakhs per acre charged from the Company in 1955 did not involve any subsidization and cannot be considered as a concessional rate.

The decision to charge Rs. 2 lakhs per acre was taken with the approval of the Joint Secretary in the Ministry of Finance and no significance can be attached to the views expressed subsequently by some officers in that Ministry who were junior to him in rank; nor their views can be deemed to over-ride the decision already taken at a higher level. It will, thus, not be correct to say that the Ministry of Finance were all along of the view that the premium charged was too low or that it involved any concession.

It is common practice to specify conditions in the contracts entered into by the Government and inclusion of such conditions cannot be interpreted to mean that the prices specified in the contracts involved any concession. In the same manner, the condition prescribed in the agreement with the Company that they would make available 100 rooms by the 31st August, 1956 for the use of delegates of UNESCO Conference cannot be interpreted to mean that the price charged for land involved any concession."

1.5. In their reply to paragraph 1.15, the Ministry of Works, Housing and Supply (Department of Works and Housing) have stated:

"In the note recorded on the 17th August, 1955, it was stated as under:—

'Shri—————agreed to making available, fit for occupation, about 120 rooms in time for the next session of the UNESCO Conference scheduled to be held in New Delhi in 1956. It was also made clear to Shri————— that this would be an essential condition of allotment of land to him for the construction of a Hotel and that in case the required number of rooms were not made available by the scheduled time he would be required to pay an additional premium to the extent of Rs. 50,000 per acre for the land. As an alternative to this penalty clause J.S. (F) suggested that a security deposit should be taken from Shri—————which, in the event of failure on the part of Shri—————to complete the required number of rooms in time, should be forfeited by the Government. Shri—————did not commit himself finally to either of these 2 alternatives and the matter was left over for discussion with Shri—————later.'

In his letter dated the 26th August, 1955, Shri—————, Director of the Company recorded the decisions taken at a subsequent meeting held in the room of Secretary of the Ministry on the 23rd August, 1955. In this letter the relevant paragraph relating to the security deposit reads as under:—

'Unless delayed by 'force majeure' or circumstances beyond our control, we guarantee to make ready for occupation a minimum of 100 rooms by 31st October, 1956 and in proof

of our good faith, we are prepared to deposit with the Government a sum of Rs. 25,000 in bonds, to be forfeited in the event of failure on our part in this guarantee.'

The then Under Secretary in the Ministry dealing with this case stated in his marginal note dated the 6th September, 1955 that the record of discussions put down by Shri—————was correct. In view of this, certain expressions used in this Ministry's note dated the 6th September, 1955 and referred to in para 1.14 of the Report were rather unfortunate because, this note was not further considered at a higher level and the decision recorded by Shri————— to pay the security deposit of Rs. 25,000 was finally accepted by Government and included in the sanction issued by the Ministry in consultation with the Ministry of Finance without any further consideration."

1.6. While the Committee do not wish to pursue the question why the land in this case was allotted to the firm at a concessional rate, they would like to emphasize that in cases where land is allotted to a private party for a specific purpose, Government should keep a careful watch to ensure that the party fulfills its obligation in time, failing which the question of invoking the penalty clause including resumption of the land should be seriously considered. The Committee need hardly add that the security required to be deposited by the party in such cases should be adequate to serve as a deterrent against non-fulfilment of obligation.

*Execution of the agreement—paragraph 1.24 (S. No. 6)*

1.7. After the firm failed to construct 100 rooms by the stipulated date, the Land and Development Officer issued orders on the 13th December, 1957 forfeiting the security deposit of Rs. 25,000. The matter was considered in consultation with the Ministry of Law who opined that the letter allotting the land issued by the Land and Development Officer was neither expressed in the name of the President nor signed on his behalf. It, thus failed to comply with the requirement of Article 229 of the Constitution and the transaction evidenced by the allotment letter was, therefore, not a binding and enforceable contract and no right or action could be based on non-

observation of its terms. In para 1.24 of the 65th Report, the Committee had made the following recommendations:

“The Committee consider it unfortunate that the letter of allotment issued by the Land and Development Officer in December, 1955 was neither expressed in the name of the President nor signed on his behalf. They were informed during evidence that at that time a certain practice was followed in the Land and Development Office. Allotment letters are since being issued by the Land and Development Officer on behalf of the President.”

1.8. In their reply the Ministry of Works, Housing and Supply (Department of Works and Housing) have stated that “the observation of the Committee have been noted”.

1.9. The Committee would like Government to make sure that all letters allotting Government land to parties are drawn up in the proper form and are worded appropriately by the Land and Development Officer so that Government's interests are fully safeguarded. The Committee feel that before handing over Government land, Agreement in the proper legal form should be got executed so that, in the event of failure of the party to fulfil any of the prescribed conditions, the penalty provided for in the Agreement could be enforced forthwith.

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### MINISTRY OF WORKS, HOUSING & SUPPLY (DEPARTMENT OF WORKS & HOUSING)

##### *Recommendation*

The Committee are sorry to note another disquieting feature that no record was maintained in the Ministry of the discussions held with the President of the Company on the 23rd August, 1955 where important decisions were said to have been taken which superseded some of the earlier decisions.

[S. No. 4 para 1.16 of Sixty-fifth Report of the P.A.C. (3rd Lok Sabha)]

##### *Action taken*

The Observations made by the P.A.C. have been noted. Instructions are however being issued to ensure that a record note of important discussions should be kept in future.

##### *Recommendation*

The Committee consider it unfortunate that the letter of allotment issued by the Land and Development Officer in December, 1955 was neither expressed in the name of the President nor signed on his behalf. They were informed during evidence that at that time a certain practice was followed in the Land and Development Office. Allotment letters are since being issued by the Land and Development Officer on behalf of the President.

[S. No. 6, para 1.24 of Sixty-fifth Report of the P.A.C. (3rd Lok Sabha)]

##### *Action taken*

The Observations of the Committee have been noted.

##### *Recommendation*

The Committee consider that the delay in the matter was unconscionable and hope that such delays will not recur.

[S. No. 8, para 1.27 of Sixty-fifth Report of the P.A.C. (3rd Lok Sabha)]

*Action taken*

Noted. L&DO is being asked to avoid such delays.

*Recommendation*

The Committee are perturbed to note that inspite of concessions given to the firm by Government, they took an illegal action and encroached upon the Government land twice i.e. in 1960 and 1964. The Committee are not satisfied with the in-action on the part of Government in allowing encroachment for two years in the first case even after the agreement was entered into with the firm in July, 1962. The Committee feel that a specific mention should have been made about the encroachment by the party at the time of settlement and the lease documents should not have been executed unless the encroachment was vacated by the party.

[S. No. 9, para 1.31 of Sixty-fifth Report of P.A.C. (Third Lok Sabha)]

*Action taken*

The Observations of the Committee have been noted.

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### CHAPTER III

#### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF GOVERNMENT

##### *Recommendation*

It is not clear to the Committee how the price of Rs. 2 lakhs per acre charged from the firm was arrived at by the Ministry. From the facts placed before them, the Committee find that at the time of negotiations with the firm the Ministry were not aware about the market rates of land for commercial use in the particular area. The rates given by the Land and Development Officer related only to the land for residential purposes. During evidence before the Committee, two conflicting views about calculating the rates of land for commercial use (setting up of a hotel is a commercial activity) were expressed by the Ministry and the Land and Development Officer. In the opinion of the Committee, if the intention was to lease the land at market rates, it would have been a better course to ascertain it through a tender inquiry.

[S. No. 1, para 1.8 of Sixty-fifth Report of the P.A.C. (Third Lok Sabha)]

##### *Action taken*

In the year 1948 or so, quotations were invited from leading firms interested in hotel business for the lease of a plot of land measuring about 5 acres in Jorbagh on Lodi Road for the construction of a first class hotel. A number of offers were received and the highest offer was of Rs. 70,000 per acre plus 5 per cent ground-rent thereon. The market rate of land for residential/commercial purposes was not then fixed by Government. In the year 1955 i.e. at the time of allotment of land to M/s.... the market values of land adopted by Government for residential purposes were Rs. 90,000 to Rs. 1 lakh per acre in Jorbagh Nursery and Rs. 1,20,000 to Rs. 1,30,000 per acre in Golf Links, New Delhi. The price of Rs. 2 lakhs per acre charged from the company was fixed on the basis of the above data then available to the Government. In 1955, Government had not fixed prices of land for commercial purposes. As.



already stated before the Committee, experience shows that the price of land for a hotel site which is comparatively larger in area and on which cost of construction, furnishing and equipment was high, was generally not higher than that of land for residential plots. While making the statement in his evidence before the Committee that the 'price of a commercial plot would be, by and large, almost double of that of a residential plot' L. & D. O. was, perhaps, referring to the present practice adopted by the Government for fixing rates for commercial purposes.

#### *Recommendation*

The Committee note that when the Ministry considered the question of relaxation of height line of the building in August, September, 1956 it was realised that the firm would not be able to fulfil the essential condition of the agreement viz. making available 100 rooms for the delegates of the UNESCO Conference by 31st October, 1956. In the opinion of the Committee before agreeing to the relaxation in the height, the Ministry should have re-examined the whole matter and not allowed any relaxation beyond the permissible limit without an extra charge. The Committee also note that according to the Ministry of Works, Housing and Supply note recorded in August, 1956 there was no great justification for charging the additional ground rent as the income capacity of the Hotel was not going to be increased. The Ministry of Finance at that time were not impressed by this argument although they agreed to no additional charges being levied in view of the earlier commitment. Secondly, in this case, the delay was mainly due to a long time taken by the firm in submitting their plans to the N.D.M.C., and in approaching Government after the plans were rejected by the N.D.M.C. The Committee feel that there was no justification for giving the concession.

[S. No. 5, para 1.20 of Sixty-fifth Report of the P.A.C. (3rd Lok Sabha)].

#### *Action taken*

In this Ministry's letter dated the 10th December, 1955 to the Chief Commissioner, Delhi, conveying the sanction for allotment of land to M/s. \_\_\_\_\_ it was *inter alia* stated as under:

"As regards the height of the building, this was to be considered separately if any relaxation of the ordinary bye-laws involved."

The normal maximum height permissible under the existing bye-laws was 70'. The above mentioned condition for allotment of land indicated that a relaxation in this regard could be permitted by the Government. The Company submitted their building plan to the N.D.M.C. on the 10th April, 1956 showing the height of the building up to the roof of the 7th floor as 109'. The Company's request for relaxation in the height of the building was considered by Government and was allowed without any additional charge of premium/ground-rent with the approval of the Joint Secretary, Ministry of Finance due to the following considerations:—

- (i) according to the Company's understanding of the terms settled at the meeting held on the 27th July, 1955 which was found to be correct by the then U.S. (Lands), the height of the building was not to exceed 120'.
- (ii) the total covered area according to the plans submitted by the company was within the permissible limit, that is, 5.46 acres if the company had covered the entire 1<sup>1</sup>/<sub>3</sub>rd area permissible under the Municipal bye-laws, then the floor area which they would have obtained by going upto a height of 70 feet would not have been less than what they got by covering a lesser area and going upto a height of 109 feet. Thus, no extra coverage was involved in relaxing the height-line in this case.

In view of the position explained above and the commitment already made by the Government with the approval of the Joint Secretary in the Ministry of Finance and referred to at (i) above, the views expressed subsequently by the Officers in that Ministry who were Junior to him in rank have no relevance.

#### *Recommendation*

The Committee do not agree with the Ministry that the delay in sanctioning the plans was due to the time taken by the Government. As already stated in para 1.19 above, the firm took 3 months to submit the plans to the New Delhi Municipal Committee and another 4 months to approach Government for sanctioning the height line after the plans were rejected by the N.D.M.C. The Committee therefore feel that these circumstances were not beyond the control of the firm and the original decision taken by Government in December, 1957 to forfeit the security deposit was justified. As

regards the question that the forfeiture of the Security deposit was illegal, the Committee feel that in view of the fact that the whole agreement was void and the firm could be treated as a trespasser on the land, there was no case for giving effect to the illegality of the agreement only to the forfeiture of the security deposit. The Committee, therefore, see no justification for the refund of the security deposit after negotiations with the firm either on the ground that the circumstances leading to delay were beyond the control of the firm or on the ground that the agreement was void.

[S. No. 10, para 1.32 of Sixty-fifth Report of the P.A.C. (3rd Lok Sabha)].

*Action taken*

As advised by the Ministry of Law, the terms of settlement were discussed with the Company and the refund of security deposit was one of the terms of the settlement reached with the Company.

## **CHAPTER IV**

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

#### *Recommendation*

**'The Committee desire that the Government should recover the full damages from the party for the two encroachments.'**

**[S. No. 2, para 1.13 of Sixty-fifth Report of the P.A.C. (3rd Lok Sabha)].**

#### *Action taken*

The proceedings under the Public Premises (Eviction of Unauthorised Occupants) Act, 1958, for recovery of damages are going on in the court of the Estate Officer.

## CHAPTER V

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

#### *Recommendation*

From the above facts the Committee have no doubt that in consideration of the firm's undertaking to make available 100 rooms in time, the premium of Rs. 2 lakhs per acre charged for the land involved certain concession. The Ministry of Finance were all along of the view that the rate of premium was too low. The Committee note that in October, 1955 the Joint Secretary (Finance) confirmed that the terms embodied in the draft sanction as already discussed with the Secretary, Ministry of W.H. & S. and the President of the company were quite reasonable. In the opinion of the Committee, "reasonable" terms as agreed to with the firm are to be judged in the context of the essential condition imposed on the firm to make available 100 rooms by 31st October, 1956 for the use of the delegates of the UNESCO Conference. This is also clear from the minutes of the first meeting held with the firm on the 27th July, 1955. It is also significant to note in this connection that the Ministry of Works, Housing and Supply did not dispute the views that "the lessees in this case were given substantial concession", expressed by the Finance Ministry even as late as 24th September, 1957. Even when the reply to draft para was sent by the Ministry to Audit in October, 1965, they did not dispute the fact that the land was allotted at a concessional rate; though during the evidence before the Committee, the witness pleaded that it was an oversight.

[S. No. 2, para 1.13 of Sixty-fifth Report of the PAC (3rd Lok Sabha)]

#### *Action taken*

In this Ministry's d.o. letter dated the 12th May, 1955 to the Secretary General, Ministry of External Affairs for seeking approval of the then Prime Minister, the reasons for negotiating the contract with the company were fully explained and it was also stated that there was no intention to give the Company any concession.

In view of this and the position explained against para 1.8, the premium of Rs. 2 lakhs per acre charged from the Company in 1955 did not involve any subsidization and cannot be considered as a concessional rate.

The decision to charge Rs. 2 lakhs per acre was taken with the approval of the Joint Secretary in the Ministry of Finance and no significance can be attached to the views expressed subsequently by some officers in that Ministry who were junior to him in rank; nor their views can be deemed to over-ride the decision already taken at a higher level. It will, thus, not be correct to say that the Ministry of Finance were all along of the view that the premium charged was too low or that it involved any concession.

It is common practice to specify conditions in the contracts entered into by the Government and inclusion of such conditions cannot be interpreted to mean that the prices specified in the contracts involved any concession. In the same manner, the condition prescribed in the agreement with the Company that they would make available 100 rooms by the 31st August, 1956 for the use of delegates of UNESCO Conference cannot be interpreted to mean that the price charged for land involved any concession.

#### *Recommendation*

It is not clear to the Committee as to what were the reasons for fixing the security deposit at such a low figure of Rs. 25,000. The Committee note that originally, it had been suggested that an additional premium of Rs. 50,000 per acre might be charged from the firm in the event of their failure to provide the required number of rooms in time. This worked out to Rs. 2,73,000 for 5.46 acres. The Committee consider that the security deposit of Rs. 25,000 finally agreed to was too low as compared with the original proposal to realise Rs. 50,000 per acre. As the completion of rooms by the 31st October, 1956 was an essential condition, the Security deposit should have been adequate to make the firm fulfil this condition seriously.

[S. No. 3, para 1.15 of Sixty-fifth Report of P.A.C. (Third Lok Sabha)]

#### *Action taken*

In the note recorded on the 17th August, 1955, it was stated as under:—

Shri \_\_\_\_\_ agreed to making available, fit for occupation, about 120 rooms in time for the next session of

the UNESCO Conference scheduled to be held in New Delhi in 1956. It was also made clear to Shri——— that this would be an essential condition of allotment of land to him for the construction of a Hotel and that in case the required number of rooms were not made available by the scheduled time he would be required to pay an additional premium to the extent of Rs. 50,000 per acre for the land. As an alternative to this penalty clause, J.S. (F) suggested that a security deposit should be taken from Shri——— which, in the event of failure on the part of Shri——— to complete the required number of rooms in time, should be forfeited by the Government. Shri ——— did not commit himself finally to either of these 2 alternatives and the matter was left over for discussion with Shri——— later.

In his letter dated the 26th August, 1955, Shri ——— Director of the Company recorded the decisions taken at a subsequent meeting held in the room of Secretary of the Ministry on the 23rd August, 1955. In this letter the relevant para relating to the security deposit reads as under:—

‘Unless delayed by ‘force majeure’ or circumstances beyond our control, we guarantee to make ready for occupation a minimum of 100 rooms by 31st October, 1956 and in proof of our good faith, we are prepared to deposit with the Government a sum of Rs. 25,000 in bonds, to be forfeited in the event of failure on our part in this guarantee’.

The then Under Secretary in the Ministry dealing with this case stated in his marginal note dated the 6th September, 1955 that the record of discussions put down by Shri ——— was correct. In view of this, certain expressions used in this Ministry’s

note dated the 6th September, 1955 and referred to in para 1.14 of the Report were rather unfortunate because, this note was not further considered at a higher level and the decision recorded by Shri \_\_\_\_\_ to pay the security deposit of Rs. 25,000 was finally accepted by Government and included in the sanction issued by the Ministry in consultation with the Ministry of Finance without any further consideration. (O.M. No. S/40/66—Bt. dated May 16, 68).

NEW DELHI;  
November 26, 1968.  

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Agrahayana 5, 1890 (S).

M. R. MASANI,  
Chairman,  
Public Accounts Committee.



## APPENDIX

### Summary of Main Conclusions/Recommendations

Sl. No.	Para No.	Ministry/Deptt. concerned.	Conclusions/Recommendations
1	2	3	4
1	1'6	Ministry of Works Housing & Supply (Deptt. of Works & Housing)	While the Committee do not wish to pursue the question why the land in this case was allotted to the firm at a concessional rate, they would like to emphasize that in cases where land is allotted to a private party for a specific purpose, Government should keep a careful watch to ensure that the party fulfills its obligation in time, failing which the question of invoking the penalty clause including resumption of the land should be seriously considered. The Committee need hardly add that the security required to be deposited by the party in such cases should be adequate to serve as a deterrent against non-fulfilment of obligation.
2	1'9	-do-	The Committee would like Government to make sure that all letters allotting Government land to parties are drawn up in the proper form and are worded appropriately by the land and Development Officer so that Government's interests are fully safeguarded. The Committee feel that before handing over Government land. Agreement in the proper legal form should be got executed so that, in the event of failure of the party to fulfil any of the prescribed conditions, the penalty provided for in the Agreement could be enforced forthwith.

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Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
DELHI— <i>contd.</i>					
21.	Sat Narain & Sons, 314 <sup>1</sup> Mohd. Ali Bazar, Mori Gate, Delhi.	3	30.	People's Publishing House, Rani Jhansi Road, New Delhi	76
22.	Atma Ram & Sons, Ka- shmere Gate, Delhi-6	9	31.	The United Book Agen- cy, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88
23.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11	32.	Hind Book House, 82, Janpath, New Delhi.	93
24.	The Central News Agen- cy, 23/90, Connaught Place, New Delhi	15	33.	Bookwell, 4 Sant Naran- kari Colony, Kings- way Camp, Delhi-9.	96
25.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20	MANIPUR		
26.	Lakshmi Book Store, 42 Municipal Market, Janpath, New Delhi	23	34.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annex, Imphal.	77
27.	Bahree Brothers, 188, Lajpatrai Market, Delhi-6.	27	AGENTS IN FOREIGN COUNTRIES		
28.	Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.	66	35.	The Secretary, Establish- ment Department, The High Commis- sion of India, India House, Aldwych, LONDON, W.C.-2	
29.	Oxford Book & Station- ery Company, Scin- dia House, Con- naught Place, New Delhi-1	68			

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