

CHAPTER XVI : MINISTRY OF SOCIAL JUSTICE & EMPOWERMENT

National Institute for the Mentally Handicapped, Secunderabad

16.1 Unfruitful & avoidable expenditure due to inordinate delay in taking up construction of Regional Center building in Kharghar, Navi Mumbai

Absence of feasibility study & inadequate planning regarding the design & utilities needed in the proposed building before entrusting the work to CPWD, resulted in continuous revision in the cost of Preliminary Estimate. Consequent delay in construction of the building led to avoidable & unfruitful expenditure of ₹ 1.32 crore for various purposes and on account of rent & maintenance charges for the rented buildings and increase in estimated cost of construction from ₹ 2.70 crore to ₹ 14.67 crore.

National Institute for the Mentally Handicapped, Regional Center, Mumbai (NIMH-RCM), made a proposal (January 2003) to its Head Office, NIMH, Secunderabad (the Institute), for shifting of its activities to Navi Mumbai due shortage of space in the then existing premises¹ and with an objective to expand service activities. Subsequently, on allotment (October 2003 / February 2004) of land admeasuring 2,401 Sq.m in Kharghar, Navi Mumbai, on lease basis, by City Industrial Development Corporation of Maharashtra Limited (CIDCO), the Institute paid (March 2004- January 2005) an amount of ₹ 20,35,220/-² towards lease premium and registration charges for the land.

The Institute entered (November 2004) into a Lease Agreement with CIDCO, and the terms and conditions of agreement, inter-alia, stipulated that:

- *Clause 3(d)*: The Institute should commence the construction work within one year from the date of agreement (by 1st November 2005) and complete the work within five years from the date of agreement (by 1 November 2009).
- *Clause 3(ee)*: The Institute will on efflux of four years from the date of agreement or from the date of obtaining completion and Occupancy Certificate from the CIDCO, whichever is earlier, should make yearly

¹ Aliyavar Jung National Institute for the Hearing Handicapped (AYJNIHH) Campus, Bandra (West), Mumbai

² (i) Lease premium: ₹ 19,26,500/-, (ii) Cost of Registration (₹ 18,420/-) and Stamp duty (₹ 90,300/-) for the land taken on lease

payment of Service charges at the rate notified from time to time by CIDCO.

- *Clause 6:* If the building is not constructed within the time limit prescribed in Clause 3(d) and CIDCO is satisfied with the reasons for delay in construction, then extension of time for construction would be granted on payment of “*Additional Premium*” by the Institute at the applicable rate fixed by CIDCO.

The Institute entrusted construction of Regional Center building at Kharghar, Navi Mumbai, to CPWD, by depositing an initial amount of ₹ 35 lakh in March 2004. The preliminary estimates (PE) for the work for ₹ 2.70 crore submitted (November 2005), by CPWD was revised continuously³, on the requests of Institute to accommodate changes in designs/ Building plan and the latest revised estimate was for ₹ 14.67 crore (January 2015). Against deposit of ₹ 35 lakh, CPWD reported expenditure of ₹ 16,08,505 towards drawings and miscellaneous works.

Further, Institute paid (up to July 2014) an amount of ₹ 13,41,233/-⁴ towards additional lease premium and service charges, in compliance to clauses 3(ee) & 6, of the agreement and CIDCO accorded extension of time period up to 1st November 2016 for construction to the Institute.

Audit scrutiny of the records of the Institute and NIMH-RCM, revealed the following shortcomings in the proposals to take up the work:

- There was inadequate planning regarding the design & utilities needed in the proposed building and no feasibility study was conducted. The requirements of users of the proposed building were not considered before entrusting the work to CPWD in March 2004. Consequently, plans/designs were repeatedly changed. Due to continuous changes in the plans/designs, the cost of preliminary estimates increased from ₹ 2.70 crore in November 2005 to ₹ 14.67 crore in January 2015 after five revisions.
- Due to inordinate delay in taking up of the construction work and non-completion of the building within a five-year period (1 November 2009) as per clause 3(d) of the Agreement, the Institute carried out the activities of Regional Centre in rented buildings at Belapur and Kharghar, Navi

³ ₹ 9.44 crore in June 2009, ₹ 9.05/- crore in July 2010, ₹ 18.43/- crore in September 2013, and ₹ 21.12 crore in January 2014

⁴ (i) Additional lease premium: ₹ 8,10,338/- and (ii) Service charges: ₹ 5,30,895/-

Mumbai and had to incur an amount of ₹ 82,11,552/- towards rent & maintenance charges during the period from November 2009 to November 2015, which was an avoidable expenditure.

The Institute replied (November 2015) that the delay in construction of the building was due to changes in plan/designs suggested by the Ministry during visits, to create State of Art facilities based on latest technology and facilities required by the clients, which necessitated revisions of PE. It was stated that Screening Committee of the Ministry, had recommended (September 2015) for sanction of an amount of ₹ 14.67 crore under Scheme for Implementation of Persons with Disabilities Act (SIPDA), 1995, for construction of Regional Center buildings at Navi Mumbai and accordingly an amount of ₹ 4.89 crore (1/3rd of total estimated cost of ₹ 14.67 crore) was released (December 2015) by the Ministry and deposited (December 2015) with CPWD, Mumbai, as advance amount of first instalment for initiating construction of the building. Further, it was also stated that the rent & maintenance charges for the rented buildings were paid only towards providing services to the clients.

The reply of the Institute endorsed by the Ministry (November 2015), confirms that no feasibility study and proper planning was done to determine user friendly facilities required for the building before entrusting the work to CPWD. Further, the recommendation of the Screening Committee came only after Audit objection was communicated, as mentioned in their Minutes of meeting. Besides, the Institute had not entered into an Agreement/Memorandum of Understanding with CPWD for the work and as such there were no timelines for completion of the buildings.

Thus, despite avoidable & unfruitful expenditure of ₹ 1.32⁵ crore for various purposes and on account of rent & maintenance charges for the rented buildings, the intended objective of constructing a permanent building for the Regional Center at Navi Mumbai, could not be achieved even after a lapse of more than eleven years of the decision and increase in estimated cost of construction from ₹ 2.70 crore to ₹ 14.67 crore.

⁵ (i) Lease premium and Registration charges for 2401 Sq.m. of land: ₹ 20,35,220/-
(ii) ₹ 16,08,505/- incurred by CPWD towards drawings and miscellaneous items of work
(iii) Additional lease premium and Service charges: ₹ 13,41,233/- (iv) Rent & maintenance charges for the rented buildings during the period from November 2009 to November 2015: ₹ 82,11,552/-