

CHAPTER XV: MINISTRY OF SHIPPING

15.1 Excess purchase of flats without realistic assessment

Failure of the Department to make realistic assessment resulted in excess purchase of flats.

Pursuant to a decision of the Cabinet Committee on Accommodation (CCA) in May 1987, Ministry decided to shift the Department of Lighthouses and Lightships from Delhi to New Okhla Industrial Development Authority (NOIDA). Shifting of the office was interlinked with the availability of residential accommodation for officers and staff on the ground that on shifting the office to NOIDA, the staff would become ineligible for general pool accommodation at New Delhi.

The department had total staff strength of 142 including Pay and Accounts office staff as of February 1994. About half of them were likely to make their own arrangements for stay in Delhi for reasons of children's education, employment of spouse and other personal circumstances. Despite being aware of these facts and also that no norms of satisfaction had been stipulated by the Directorate of Estates for allotment of Government accommodation, the department decided to provide 100 *per cent* satisfaction and acquired 154 residential flats (against the decision to acquire 163 flats in September 1991) of different categories at a total cost of Rs 337.42 lakh from the NOIDA. Possession of flats was taken during October 1994 to December 1995.

On shifting of the office from New Delhi to NOIDA in August 1999, the staff association as well as staff members represented that they be allowed to stay in their own/parent's accommodation for various domestic and personal reasons.

Only 80 flats could be allotted to officers and staff including those of the Pay and Accounts office up to March 2001 and the remaining 74 flats remained vacant from the date of taking over possession between October 1994 and December 1995.

Thus:-

(a) Incorrect decision of the department to acquire flats much in excess of their actual requirements resulted in avoidable expenditure of Rs 142.89 lakh on acquisition of 74 flats which remained vacant from the date of taking over possession in October 1994 to December 1995 till date (October 2001).

(b) The purchase of residential accommodation did not synchronise with the shifting of the office from New Delhi to NOIDA. Although possession of residential accommodation was taken between October 1994 and December 1995, the office was shifted to NOIDA only in August 1999 due to delays in the construction of office building by Central Public Works Department.

(c) The payment of House Rent Allowance amounting to Rs 2.65 lakh to the employees (excluding staff of Pay & Accounts office) during the period September 1999 to April 2000 was irregular as it was admissible only if they had applied for accommodation but had not been provided with it, which was not the case.

Department stated in July 2001 that it was considering a proposal to transfer 58 out of the 74 vacant flats to an autonomous body and that the current market value of these flats would off set the expenditure. However, this contention is unacceptable since the flats were acquired by the Department without assessing their actual requirement. The department is also not in the business of constructing and selling residential units.

The Ministry, while admitting the facts in September 2001, emphasized that the decision of the Department to acquire 154 flats was with the sole aim of complying with the decision of CCA to ease congestion in Delhi. The reply is not tenable as CCA's decision related to shifting of the Department and it was the Department who was to execute the order in a judicious manner. The decision of the department to acquire residential flats based on 100 *per cent* satisfaction norms was injudicious and not based on accurate assessment of actual requirements.

Regional Directorate of Lighthouses and Lightships, Mumbai

15.2 Infructuous expenditure on decommissioned vessel "M.V.Sagardeep"

The Regional Director of Lighthouses and Lightships incurred an infructuous expenditure of Rs 3.92 crore from October 2000 to September 2001 on decommissioned vessel 'M.V.Sagardeep'.

The Regional Director of Lighthouses and Lightships, Mumbai had purchased in 1964 'M.V.Sagardeep' for maintenance of buoys in Gulf of Kutch, Vengurla Rock lighthouse and for monitoring of various visual and radio navigational aids and testing and checking of Beacon Recons. All necessary certificates required for running the vessel in good condition had expired by September 2000. The vessel was not used for maintenance or operational work of the department from October 2000 but had been berthed at Mumbai Port. The vessel was operated and maintained by Shipping Corporation of India (SCI). The SCI was paid for operating and management expenses by the Regional Directorate, Mumbai. Director General, Lighthouses and Lightships (DGLL), requested in August 2000 the SCI to intimate the charges on account of berthing and anchoring the vessel for survey and other formalities. The Regional Directorate, Mumbai also informed the SCI in October 2000 that the quarterly advance payment for operation and maintenance of the vessel would not be paid beyond September 2000. The SCI charged Rs 197.92 lakh in December 2000 for the period from October 2000 to March 2001 on account of manning, maintenance, port charges of the vessel. The SCI further charged Rs.278.15 lakh for the period April to September 2001 out of which

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Rs.194.38 lakh for manning and maintenance of the vessel were also paid to SCI.

Considering the condition of the vessel as well as prior knowledge of expiry of its statutory certificates and also the time required for completing formalities for scrapping the vessel, the department should have initiated action at least four months in advance. A proposal for decommissioning of the vessel was made to the Ministry only in September 2000. Thus, failure to dispose of the vessel in time, resulted in infructuous expenditure of Rs 3.92 crore on decommissioned vessel up to September 2001.

The Regional Directorate stated in June 2001 that action in regard to scrapping of the vessel had been initiated well in advance by the DGLL as Government had constituted two committees in January 2001 and May 2001, one for scrapping the vessel and another for its sale. In view of Committee's recommendations the DGLL invited tenders, which were opened on 12 July 2001. However, pending finalisation of tender, the vessel continued to berth at Mumbai Port.

Thus, due to delay in scrapping the decommissioned vessel, the department had to incur an unnecessary expenditure of Rs 3.92 crore on account of management expenses and overhead charges up to September 2001 which proved to be infructuous.

The Ministry stated in September 2001 that the delay in decommissioning / scrapping of the vessel was due to completion of necessary procedure and the expenditure incurred was unavoidable. Thus, the fact remains that final action in regard to disposal of the vessel still remains under finalisation even after a period of one year (September 2001).