

CHAPTER XVII: MINISTRY OF URBAN DEVELOPMENT

17.1 Inordinate delay in implementation of a scheme for minimising aircraft accidents due to bird hits at the airfields

Lack of adequate and sustained efforts on the part of the Ministry in implementing a project on “Solid Waste Management and Drainage in 10 Selected IAF airfields” costing Rs. 105 crore resulted in serious delay of more than a decade in completing the project. This led to continuing national loss of IAF aircraft and invaluable lives of pilots in air accidents due to bird hits. During the period from 1990-91 to 2006-07, IAF aircrafts had 13 air accidents and 542 incidents on account of bird hits, which resulted in loss of 12 aircraft with a financial implication of Rs. 181.33 crore.

Bird hits have been a major cause of air accidents. Indiscriminate disposal of garbage and stagnation of waste water in open drains close to the airfields attract birds, thereby posing serious hazards to aircraft operating at such airfields. During the period from 1978-79 to 1987-88, the Indian Air Force (IAF) suffered damages to 60 aircraft due to bird hits; of these, in 38 cases, the aircraft were totally destroyed and five pilots killed. IAF was stated to be incurring an expenditure of more than Rs. 50 crore annually on account of damage to aircraft due to bird hits.

In order to prevent/ reduce accidents due to bird hits, an Inter Ministerial Joint Sub Committee (IMJSC) was constituted in February 1989 to formulate action plans to sanitise a few selected airfields. In February 1990, IMJSC recommended implementation of garbage disposal and sewerage/ drainage schemes in 10 selected high risk category-I airfields¹ at an estimated cost of Rs. 5.05 crore, which were to be completed in a period of two to three years. Having observed that the problem areas and the remedial measures identified a decade ago were not implemented due to lack of financial resources and unwillingness of the States and local bodies to invest funds in these schemes, IMJSC recommended Central funding of this scheme, and also recommended that the Ministry of Urban Development be made the nodal ministry for the solid waste management and sewerage schemes.

Audit examination indicated that despite the IMJSC’s recommendations of February 1990, the solid waste management and sewerage schemes in the 10 airfields were not completed even after 17 years, as detailed below:

¹ Gwalior (M.P.), Sirsa and Ambala (Haryana), Hindon and Bareilly (U.P.), Adampur (Punjab), Tezpur (Assam), Pune (Maharashtra), Jodhpur (Rajasthan), Dindigul (A.P.)

- The Planning Commission was approached only in October 1993, more than three years after the IMJSC recommendations, for budget provision. In May 1994, the Ministry requested the State Governments to submit projects with commitments to share one-third of the cost, as indicated by the Planning Commission. The Ministry initiated project preparation only in March 1995.
- The initial feasibility report for the project was got prepared by HUDCO² in October 1996. However, due to delayed actions for obtaining in-principle approvals from the Planning Commission and the Expenditure Finance Committee, HUDCO was asked in October 2003 for preparing DPRs; no time schedule for preparation was, however, framed.
- Due to the failure of HUDCO to prepare the DPRs, the work was reassigned in August 2004, after more than three years, to three agencies, and the DPRs were finally approved by March 2006.
- Against the estimated cost of Rs. 118.58 crore indicated in the DPRs, total funds of Rs. 104.72 crore were released up to 2006-07. Subsequently, the estimated cost was revised upwards to Rs. 129.54 crore.
- Out of 10 projects, only two projects at Sirsa and Jodhpur were reported completed in June 2006 and October 2006 respectively; details of physical and financial progress in respect of the 10 projects are indicated in the **Annex-A**.

Thus there were serious delays in implementation of solid waste management and sewerage schemes due to lackadaisical approach of the Ministry. Meanwhile, during the period from 1990-91 to 2006-07, the IAF had 13 air accidents and 542 incidents on account of bird hits, which resulted in loss of 12 aircraft with a financial effect of Rs. 181.33 crore. Further, even after completion of the projects at Sirsa and Jodhpur, 11 incidents occurred at these airfields during 2006-07, raising doubts on the effectiveness of the projects.

Hence, inordinate delay on the part of the Ministry in monitoring and ensuring implementation of solid waste management and drainage schemes in 10 selected airfields, resulted in loss of 12 IAF aircraft, and repair/ replacement cost of Rs. 181.33 crore, and non-achievement of the intended objectives of minimising bird hits. The Ministry stated (October 2007) that the main causes of delay were non-finalisation of sources of funding, and delays in formulation

² Housing and Urban Development Corporation (HUDCO)

and finalisation of DPRs and project approvals by various authorities. The contention of the Ministry is not tenable, as these issues should have been sorted out much earlier, through better co-ordination and serious and sustained efforts on the part of the Ministry. The delay of more than 17 years in the implementation of the schemes resulted in air accidents causing invaluable loss of lives of pilots and continuing national loss of IAF aircraft due to bird hits, with much higher financial implications than the cost of these solid waste management and drainage schemes/projects.

Central Public Works Department

17.2 Non-recovery of Construction Workers Welfare Cess from contractors

Forty eight Divisions of CPWD in Delhi did not recover Rs. 2.09 crore from contractors on account of construction workers welfare cess between August 2005 and March 2007.

The Building and Other Construction Workers Welfare Cess Act 1996 (Cess Act) provides for levy and collection of a cess on the cost of construction incurred by employers with a view to augmenting the resources of the Building and Other Construction Workers Welfare Boards constituted under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of the Cess Act and the Rules made thereunder in 1998 were made operative in the whole of the National Capital Territory of Delhi from January 2002, with the notification of the Delhi Building and Other Construction Workers (RE&CS) Rules 2002. These rules required all Government Departments and other bodies carrying out any building or other construction works through contractors to mandatorily deduct cess at source at one *per cent* of the cost from the bills at the time of making payment to the contractors and to remit the deductions within 30 days to the Delhi Building and Other Construction Workers Welfare Board (Board), along with a prescribed return. In November 2004, the Directorate General, Central Public Works Department (CPWD) made provisions for deduction of cess in the General Conditions of Contract 2005 and directed all concerned in December 2005 to ensure recovery and remittance of the cess and also to take necessary action for clearing the backlog on this account.

Test check of records of 48 Divisions of CPWD in Delhi revealed non-recovery of cess aggregating Rs. 2.09 crore during the period from August 2005 to March 2007 as per details in the **Annex-B**. Audit noted in one of the

divisions that on demand from the New Delhi Municipal Council (NDMC), CPWD itself had made payment of Rs. 9 lakh from its own budget in March 2004 and May 2005 to the NDMC on account of the cess in respect of Handicrafts Bhawan at Baba Kharag Singh Marg, New Delhi constructed by it through a contractor, thus extending undue favour to the contractor at Government cost.

Thus, ineffective implementation of the Cess Act and Rules by CPWD Divisions in Delhi, despite specific orders of the Directorate General for clearing the backlog on this account, resulted in non recovery of Rs. 2.09 crore from contractors on account of the cess. The Ministry may put in place an effective internal control and oversight mechanism to ensure that the cess is recovered from the contractors before releasing their payments so that the objective of augmenting the resources of the Building and Other Construction Workers Welfare Boards is achieved as envisaged in the Act.

The matter was referred to the Ministry in July 2007; their reply was awaited as of October 2007.

Directorate of Estates

17.3 Non-recovery of outstanding dues

Failure of the Directorate of Estates to realise licence fees of Rs. 4.36 crore in time resulted in undue financial benefit to Central Cottage Industries Corporation.

Directorate of Estates, New Delhi (DOE) provided office space measuring 25045 square feet to the Central Cottage Industries Association, a voluntary organisation, in September 1967. The Association was later taken over by Central Cottage Industries Corporation (CCIC), a Government of India Undertaking under the Ministry of Textiles, in April 1976. DOE also provided additional accommodation measuring 9078 square feet (December 1976) to CCIC on the condition that market licence fee as determined by Government from time to time, would be paid by the Corporation for the entire accommodation.

The market rate of licence fee as fixed by DOE was revised periodically. From 16 March 1999, the licence fee recoverable from non-Government/non-eligible allottees of general pool accommodation was revised to Rs. 63 per square feet and CCIC was requested in October 2000 for payment of arrears of Rs. 2.70 crore for the period from March 1999 to September 2000. CCIC did not make payment of arrears of the revised licence fee and vacated the

premises in October 2001. When the non-recovery was pointed out in audit (June 2003), DOE issued notices in August 2004, April 2006 and August 2007, but the arrears of Rs. 4.36 crore up to the date of vacation were yet to be recovered as of September 2007. DOE replied in September 2007 that the matter was being actively pursued with CCIC and Ministry of Textiles and they had also initiated recovery proceedings under the provisions of Public Premises (Eviction of Unauthorised Occupants) Act, 1971. The reply is not acceptable as the DOE has not effectively enforced the recovery of licence fee even after six years of vacation of premises. Failure to recover the licence fee dues amounts to grant of undue favour to the corporation.

The matter was referred to the Ministry in July 2007; their reply was awaited as of January 2008.

17.4 Non-recovery of licence fee

Delay in allotment of a commercial property facilitated its unauthorised occupation by Delhi Police for 17 years. Besides, licence fee of Rs. 1.66 crore for this period was yet to be recovered by Directorate of Estates.

The Ministry of Urban Development decided in March 1979 (then Ministry of Works and Housing) that the construction of convenient shopping centre in Mehrauli Badarpur Road would be undertaken by Central Public Works Department (CPWD) and the shops would be sold by auction by the Land and Development Office (L&DO) at the earliest so as to ensure that they do not remain vacant after completion. CPWD completed construction of shopping centre with 13 shops and nine stalls in March 1985 and made several requests to the L&DO for taking over the shops for allotment. However, the auction conducted by L&DO proved unsuccessful and the shops remained vacant. Accordingly, the Ministry decided in December 1996 that all shops/ stalls in Government colonies would be allotted by the Directorate of Estate (DOE) on licence fee basis through open tender system. During a joint inspection in June 1998 with CPWD officials, DOE noted unauthorised occupation of these shops by Delhi Police since January 1990. Despite pursuance from August 1998, the shopping complex could not be got vacated from Delhi Police, who requested to allow them to retain the premises till completion of their own building by March 2006.

On being pointed out in audit, DOE decided to charge licence fee and demanded (December 2005) an amount of Rs. 1.47 crore towards licence fee for the premises for the period from January 1990 to November 2005. Delhi Police finally vacated the shopping centre on 10 July 2007. However, the

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licence fee of Rs. 1.66 crore up to the date of vacation remained unrecovered. DOE stated (August 2007) that the recovery of licence fee was being actively pursued with the Ministry of Home Affairs.

The reply is not tenable as the licence fee had not been recovered for nearly ten years after taking note of the unauthorised occupation in June 1998. The Ministry needs to evolve an effective oversight mechanism for control over unallotted properties.

The matter was referred to the Ministry in June 2007; their reply was awaited as of January 2008.

Annex-A

(Referred to in Paragraph No. 17.1)

Details of physical and financial progress of projects on Solid Waste Management and Drainage in 10 selected IAF airfields

(Rupees in lakh)

Sl. No.	Name of the Town	Total Funds Released	Physical Progress (Percentage completed)	Financial Progress (Percentage funds utilised)
1.	Sirsa	811.51	100	100
2.	Jodhpur	1850.74	100	100
3.	Ambala	846.01	85	75
4.	Adampur	231.40	80	75
5.	Gwalior	960.12	90	75
6.	Pune	2833.37	10	9
7.	Tezpur	462.19	2	2
8.	Dundigal	161.43	70	75
9.	Hindon	1276.00	NA	NA
10.	Bareilly	1039.50	79	75
Total		10472.27		

Annex-B

(Referred to in Paragraph No. 17.2)

Statement showing non-recovery of Construction Workers Welfare Cess by CPWD in Delhi from contractors during 16.08.2005 to 31.03.2007

(Amount in Rupees)

Sl.No.	Name of Division	Amount of Cess recoverable @ 1% of gross payment	Amount of Cess actually recovered	Short recovery from contractors
1.	A	2430536	1308405	1122131
2.	B	915287	0	915287
3.	C	1019430	661946	357484
4.	D	630407	256136	374271
5.	G	664586	0	664586
6.	I	709730	332117	377613
7.	K	599935	0	599935
8.	H	1047993	666234	381759
9.	L	312902	305946	6956
10.	M	1410490	0	1410490
11.	Q	473031	0	473031
12.	V	1437951	1293917	144034
13.	PWD-I	942651	794413	148238
14.	PWD-III	815547	753721	61826
15.	PWED-I	846653	401722	444931
16.	PWED-II	573720	0	573720
17.	P Estate D	2542966	2198534	344432
18.	ED-I	582307	0	582307
19.	ED-II	462186	337491	124695
20.	ED-III	89624	81278	8346
21.	ED-IV	138416	96692	41724
22.	ED-V	604240	0	604240
23.	ED-VII	938395	0	938395
24.	ED-VIII	409184	0	409184
25.	ED-IX	369330	0	369330
26.	ED-XII	187759	113306	74453
27.	ED-XV	86922	0	86922
28.	SJHED	187370	0	187370
29.	SJHD	418848	0	418848
30.	RMLHD	211661	0	211661
31.	RML(Elec)	212132	0	212132
32.	SSKH	336342	0	336342
33.	UFWSD	339776	0	339776
34.	ECD-I	718453	0	718453

(Amount in Rupees)

Sl.No.	Name of Division	Amount of Cess recoverable @ 1% of gross payment	Amount of Cess actually recovered	Short recovery from contractors
35.	ECD-II	226150	0	226150
36.	ECD-III	729966	0	729966
37.	ECD-IV	124333	0	124333
38.	ECD-V	442594	357884	84710
39.	ECD-VI	392121	195027	197094
40.	ECD-VII	116346	49253	67093
41.	ACD-IV	147439	0	147439
42.	ACD-V	2549862	0	2549862
43.	CD-VI	741707	0	741707
44.	CD-XII	1663796	936566	727230
45.	VBD	1102324	934573	167751
46.	VBED	453750	0	453750
47.	NGMA	195581	45448	150133
48.	ED-XVIII	426432	0	426432
Total		32979161	12120609	20858552