

LOKPAL OF INDIA
[Plot No. 6, Institutional Area, Phase-II, Vasant Kunj]
New Delhi - 110070

Complaint No. : 3564 & 3695 of 2022.
Date : 17th March, 2023.
Coram : **Justice Abhilasha Kumari**
Judicial Member

Shri Mahender Singh
Member

Dr. Indrajeet P.Gautam
Member

ORDER

Both these complaints have not been filed in the proper format as prescribed by the rules and, even after a written intimation sent to the complainant, the needful has not been done.

2. The complainant is a social activist from Rewa, Madhya Pradesh, and has sent the present complaints to several authorities, besides the Lokpal of India. As the contents of both the complaints are similar, they were considered together by the Full Bench of the Lokpal of India, on 8th Sept. 2022.

3. The complainant has alleged that a private limited company, namely K.K. Spun India Limited (the company) was successful in obtaining a tender for the Rewa City Development and Rewa Sewer Line Project, under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT). It is alleged that a huge amount was

paid by the Municipal Corporation, Rewa, to the company. The said project was required to be completed within a period of three years but the company has not followed the prescribed time-line and, as a result, great inconvenience is being caused to the public. The complainant has alleged that there are irregularities in the work-pattern and funds granted for the maintenance and development of Rewa city are being embezzled. The complainant has approached the Nagar Nigam, Rewa, and other authorities in this regard, but as no action has been taken, he has filed the present complaint.

4. After perusal of the complaint, the Full Bench of the Lokpal of India, taking into consideration the allegations of corruption and embezzlement of government funds granted to the company under the AMRUT Scheme (an initiative taken by the Ministry of Housing and urban Affairs, Government of India), directed, vide order dt. 08th Sept. 2022, that the complaints, be referred to the Secretary, Ministry of Housing and Urban Affairs, Government of India, for eliciting his comments in the matter, which were to be received on, or before, 31st October, 2022.

5. The said comments dated 28th February, 2023 have been received and perused by us. From the comments of the Ministry, it appears that the company has, indeed, defaulted on the time-period within which the work had to be completed (November 2016-17 November, 2019) and there has been a considerable delay. Even after the delay, the progress of the work is insignificant. Looking to these facts, the state of Madhya Pradesh

has taken certain measures to penalize the company, which are quoted from the letter dated 28th February, 2022, as below:-

- *"The said contract was suspended by giving a prior notice of 14 days for three months for not fulfilling condition of achieving 6% progress of work every month on 27.9.2021. Progress of work was negligible and therefore, contract was again suspended on 25.04.2022."*
- *While laying of pipelines for sewer and sewage treatment plant, instructions are issued from time to time, so that public do not suffer.*
- *An amount of Rs. 56.26 crore was paid to the contractor, out of which Rs. 32.25 crore, which was Bank Guarantee, was forfeited. Hence, contractor was paid only Rs 24.01 crore towards 24.32 % work completed by him.*
- *As per contract provisions, Municipal Corporation, Rewa has been issuing notices to the company for adhering to the time lines.*
- *Municipal Corporation, Rewa vide letter dated 17.10.2022 blacklisted M/s. K.K. Spun India Ltd. for two years, from 17.10.2022 to 16.10.2024 under the provisions of Madhya Pradesh Work Department and Municipal Corporation Act, 1956.*
- *The allegation regarding labourers is baseless and false.*
- *The decision to award the contract to M/s K.K. Spun was taken by the State Level Technical Committee (SLTC). During first call, bids were invited by the Rewa Municipal Corporation*

wherein two bidders viz. M/s Laxmi Const JV Bhugan and M/s K.K. Spun JV Paramount were participated and both were rejected by SLTC on 23.05.2016 due to higher rates quoted by them.

- During second call, bids were again invited and both the above two bidders participated. The quoted rates are as such:

Name of Bidder	Capital cost (in lakhs)	Total of capital and NPV of O&M and electrical cost (in lakhs)	% variation with DPR provisions	Rank
As per DPR	17225.33	19656.65		
Laxmi Const.	21,085.75	22748.20	15.72	
K.K. Spun	19,937.44	21,410.67	8.92	L1

Hence M/s K.K. Spun was selected, being the lowest bidder, by SLTC on 03.09.2016.

From above, it may be seen that the delay on the part of the contractor, M/s K.K. Spun in not completing the work on time has been seriously taken by the State Government of Madhya Pradesh. State Government took the above actions at different point of time and eventually blacklisted M/s K.K. Spun for two years i.e. up to 16.10.2024 and initiated the process of inviting tenders for completion of remaining work of STP by using the bank guarantee amount of Rs. 32.25 crore”.

6. A perusal of the above makes it clear that adequate penal measures have been taken against the company for the defaults

committed by it. As no specific details or figures have been provided by the complainant regarding the alleged corruption and embezzlement and no public servants have been named, these allegations do not merit further scrutiny.

7. As the needful has already been done by the State Government of Madhya Pradesh, no further action is required from the Lokpal of India.

8. Accordingly, both the complaints are closed and disposed of.


COURT MASTER,
LOKPAL OF INDIA.