CHAPTER III
AUDIT OF TRANSACTIONS

PUBLIC WORKS DEPARTMENT

3.1.1 Undue benefit to contractors in violation of MoRTH specifications

Executive Engineer, National Highways (NH) Division, Malappuram made an excess payment of ₹ 64.72 lakh for laying additional layer of tack coat in six road works against MoRTH specifications and thereby providing undue financial aid to the contractors.

Chief Engineer, National Highways, Public Works Department, Thiruvananthapuram (CE) sought technical approval of Ministry of Road Transport and Highways (MoRTH) for four out of six road works for laying of 50mm Bituminous Macadam[1] (BM) and 30mm Bituminous Concrete[2] (BC) on existing surface of four stretches of NH 213 under Improvement of Riding Quality Programme (IRQP) at a cost of ₹ 29.48 crore. The works were funded by MoRTH under direct payment system. CE also proposed two works costing ₹ 23.75 crore with similar specification for two State roads utilising Central Road Funds created by Government of India. The detailed estimates of both the proposals contained use of two layers of tack coat[3]; one layer over the existing road surface and an additional layer over the freshly laid BM layer. MoRTH, while according the sanction (between October 2007 and November 2008) stipulated that the additional layer of tack coat provided in the estimates are approved only for estimate purpose and if the roads, before laying BC were required to be opened after laying BM, the cost of which should be borne by contractors.

Test check of records of these works in the office of the Executive Engineer,(EE), NH Division, Malappuram revealed that the EE paid ₹ 64.72 lakh for additional tack coat over 8,56,489.90 square metres area of BM at rates ranging from ₹ 5 to ₹ 10 per square metre in violation of MoRTH specification. The expenditure was irregular due to the fact that the MoRTH, in their technical note had stated that the approval for second layer of tack coating was only for estimate purpose.

Composition of laying bituminous compound

1 BM- a single course of 50mm thickness of compacted crushed granite premix with bituminous binder to serve as base course

2 BC- a single top most layer of bituminous concrete on a previously prepared bituminous macadam surface

3 Tack coat is layer spraying of bituminous emulsion at zero thickness

The Government stated (December 2012) that the above works were carried out on the existing roads having heavy traffic and that the BM surface was getting contaminated and necessitated additional tack coat layer. The reply is not acceptable since the situation mentioned by the Government required laying of seal coat at contractor's cost instead of tack coat at Government's expense.

Thus, making payments for the execution of work of laying additional layer of tack coat in violation of the technical specification of work and the specific directions issued by MoRTH at the time of issuing technical sanctions for works resulted in undue benefit to the contractors to the tune of ₹ 64.72 lakh.

The department may ensure that work is executed complying with specification and MoRTH direction.

3.1.2 Undue benefit to a contractor of a bridge work

Chief Engineer extended undue benefit of ₹ 2.32 crore to a contractor by enhancing the unit rate of pile work by 528.68 *per cent* on a concluded contract for construction of a bridge.

Government issued (June 2009) Administrative Sanction of ₹ 7.40 crore for the construction of a bridge at Aralam across Baveli river connecting Iritty and Aralam in Kannur District under NABARD RIDF XIV Scheme. The Chief Engineer, Roads and Bridges (CE) issued Technical Sanction of ₹ 7.35 crore for the work. The scope of work included construction of bridge proper (₹ 5.51 crore), approach road and side protection works (₹ 1.29 crore), construction of culverts (₹ 0.24 crore) and miscellaneous items[4] (₹ 0.31 crore). The Superintending Engineer, Roads and Bridges (SE), North Circle, Kozhikode awarded (November 2009) the work to a contractor[5] for a contract amount of ₹ 8.89 crore at a premium of 30 *per cent* on the estimated amount of ₹ 6.84 crore. The estimate was prepared based on 2009 Schedule of Rates and the contract condition *inter alia* stipulated that the rates once fixed could not be increased. The work was completed and the final payment of ₹ 8.71 crore had been made in February 2012.

The foundation proposed for 177.24 metre long bridge was (a) wells – at two pier points[6] and (b) piles – at two abutment points[7] and at four pier points. The piles were designed as bored-cast-in-situ piles and estimated for a length of 465 metre at ₹ 9,504 per metre; the cost on piles being ₹ 44 lakh. During execution, the foundation of one pier point was changed from piles to wells. Resultantly, the length of piles was reduced to 360.56 metres, but the cost of piles increased manifold from ₹ 44 lakh to ₹ 2.45 crore. The increase was due to revision of rate for piling from ₹ 9,504 per metre to ₹ 68,980 per metre

4 Shifting utilities (₹ 0.06 crore), Tools and Plants quality control (₹ 0.02 crore), Inauguration Ceremony (₹ 0.02 crore), Toll facility (₹ 0.02 crore), Improvements to Aralam-Puzharakkara Road (₹ 0.03 crore) and unforeseen items if any (₹ 0.16 crore)

5 T.A. Abdul Rahiman, PWD Contractor, 'Jasmin House', P.O. Thekkil, Kasaragod, Kerala

6 Pier point – a structure where support of the superstructure of a bridge rests.

7 Abutment point – Pier located at the extreme ends of a bridge which connects the bridge to the land.

treating the item as an 'extra item'. After applying 30 *per cent* tender excess on eligible items, the effective rate payable to the contractor worked to ₹ 77,674 per metre as against the contracted rate of ₹ 12,355 per metre; the difference being ₹ 65,319 per metre which was 528.68 *per cent* of the agreed rate. Of the total length of piles executed, a length of 354.53 metre was priced at the revised rates resulting in extra expenditure of ₹ 2.32[8]crore. The rates were revised by the CE at the request of contractor because of difficulties experienced in drilling due to presence of pebbles and boulders in the bore holes. The CE while justifying the need for higher rates had stated that the drilling work was possible only with specialised equipment and not with ordinary equipment and execution of drilling work with the specialised equipment was not possible within tender rates. Accordingly, the original estimates of ₹ 6.84 crore were revised to ₹ 7.39 crore.

Audit scrutiny (June 2011) revealed that the work of boring was expressly provided for in the agreement as per the specification in pile driving work and did not fall within the definition of an 'extra item'. Further in view of clause 11 of the agreement, an item of work expressly or impliedly described in the scheduled plans or specifications would not be treated as extra. Hence extra payment amounting to ₹ 2.32 crore on account of revision of rates was a violation of contract conditions and an undue benefit to the contractor.

Government replied (December 2012) that the rates were revised after assessing the actual work executed at site and was found necessary for the satisfactory completion of the work.

The reply was not acceptable as the contractor had completed 2.20 metres of piles in a day using ordinary equipment but as per the data prepared by the EE, the contractor could complete only 0.50 metre a day after using the advanced technology. This negated the very purpose of using specialised equipment.

Thus, the unjustified sanction of enhanced rate for piling by incorporating the revised rate as 'extra item of work' resulted in undue benefit to the contractor to the tune of ₹ 2.32 crore.

3.1.3 Avoidable expenditure due to use of quarry muck in filling of roads

Use of costlier 'quarry muck' in contravention of IRC standards, in place of conventional ordinary earth soil resulted in avoidable expenditure of ₹ 1.63 crore.

As per the Public Works Department (Buildings and Roads) instructions (May1984), the filling of roads was to be made only with ordinary soil. In February 1988, the department decided to adopt the Indian Road Congress (IRC) specification in road works in Kerala. According to the IRC specifications the earth - especially that obtained from road way cutting or from burrow pits was recognised as the best material for embankment filling in road works. Thus, the earth soil if available in the site without cost was required to be utilised in work.

[8] 354.53 x 65319

During test check of records in the office of the Executive Engineer (EE), Roads Division, Kozhikode and Wayanad, it was observed that the EE had opted for quarry muck, instead of earth soil for road construction and maintenance, in the estimates of eight works, without any justification. On the basis of the estimates, the technical sanctions (between September 2009 and October 2010) were issued by the Chief Engineer (CE) and works were awarded (between January 2010 and October 2010) by Superintendenting Engineer (SE). The agreements entered into by the SE with the contractor also did not contain the specification or quality requirement of quarry muck to be used by the contractors.

The cost of quarry muck utilised in these works ranged from ₹ 79.20 per cubic metre (cum) to ₹ 93.50 per cum. As cut earth was available at the site itself, there would not have been any requirement for incurring any additional expenditure for filling had the available cut earth been used. Similarly, the conveyance charges incurred for the quarry muck in the works ranged from ₹ 277.20 to ₹ 777.70 per cum whereas the conveyance charges for earth was from ₹ 193.90 per cum to ₹ 276 per cum. Therefore the cost of embankment filling using quarry muck was much higher than the cost of embankment filling using earth.

In eight works, the department had incurred an additional expenditure of ₹ 1.44 crore by using 27,083 cum of quarry muck **(Appendix 3.1)**.

Further, in four works out of the above eight works, 10343.66 cum cut earth available at site for filling in road works was transported to contractor's place of choice, involving additional payment on transportation to the tune of ₹ 0.19 crore **(Appendix 3.2).**

The avoidable expenditure in the above works on account of embankment filling, using quarry muck in place of earth amounted to ₹ 1.63 crore.

The department stated that quarry muck was used as Granular Sub Base (GSB) in the widened portion and in selected water logged low lying portions of the roads to raise the embankments. As good quality earth was not available in Wayanad district, quarry muck was used for stabilising the carriage way of the roads. It was also stated that quarry muck was used as capillary cut off as the alignment of road passed through areas with high water table.

The reply of the department was not acceptable as the specifications of IRC or MoRTH and the technical circulars of the department do not identify quarry muck as GSB or road filling material and is not provided for capillary cut off according to IRC 34. Further, as per the data published by Kerala Agricultural Department, the soil in major parts of Wayanad and Kozhikode districts is laterite/sandy which was considered suitable for road work. As the supply of good cut earth provided in the agreements of works was available in the site itself as evident from the contractor's bill, the use of quarry muck involving expenditure of ₹ 1.63 crore could have been avoided.

The matter was referred to the Government in March 2012; the reply had not been received (April 2013).

3.1.4 Avoidable expenditure in finalisation of tenders

Failure of the department to finalise tenders of four building works within firm period resulted in avoidable expenditure of ₹ 4.02 crore on re-tendering of works.

According to the provisions of Kerala Public Works Department Manual, consideration of tenders and the decision thereon should be completed well before the date of expiry of firm period[9] indicated in the tender so that the selection notices are sent on or before the expiry of the firm period. As per provisions in the Notice Inviting Tenders (NIT) for works, the firm period was four months from the date of opening of tender. In case selection notice was not issued before the expiry of the firm period, the bidders' offer would stand nullified automatically.

Test check of the records relating to pre-qualification tenders awarded in two circles of the Buildings and Local Works of the Public Works Department (PWD) during 2009-12, revealed that though the firm period was fixed as four months from the date of opening tenders, the works were not awarded within the firm period due to delay at various stages. The works were subsequently re-tendered between August 2011 and March 2012 and awarded to different contractors at the rate upto 39.48 *per cent* above the rates quoted in first tendering. This resulted in extra expenditure of ₹ 4.02 crore on the works as shown below:

Table 3.1: Details showing extra expenditure due to delay in tendering

Sl. No	Name of Work	Days taken for approving the tender	Delay beyond firm period (days)	First tender quoted probable amount of contract (₹ in crore) date	Re-tender, Accepted probable amount of contract (₹ in crore) date	Difference (₹ in crore)
1	Construction of Mini Civil Station at Kottarakkara	131	11	9.27 28 January 2010	9.41 31 October 2011	0.14
2	Construction of Hostel for Men at Government TDMC Alappuzha	310	190	8.18 2 March 2010	11.41 27 December 2011	3.23
3	Construction of a Mega Office Complex under Taxes Department Kacherippady Ernakulam	183	63	10.61 11 August 2010	11.14 19 August 2011	0.53
4	Construction of Ladies Hostel – Government Engineering College Idukki	334	214	3.49 29 July 2010	3.61 27 March 2012	0.12
					Total	**4.02**

Source: Department Records

Audit while analysing the reasons for the delay observed that the Government had taken 65 days and 236 days respectively for approving tenders in the work

[9] Firm period is the period upto which the tender will be firm and the contractor will not be free to withdraw the tender during the period.

of TDMC Alappuzha and Ladies hostel at Idukki, and 50 days each in other two works in the above table. The time taken for receipt of financial bids at CE's office after evaluation of technical bids was about 49 to 83 days. The average time taken at SE, CE and Government for finalising the tenders of the works was 45, 44 and 100 days respectively excluding an average transit delay of 16 days. Thus the total average time taken for finalising the tender was 205 days as against the stipulated time of 120 days.

Government's failure in finalising the tender within tender period necessitated the Department to re-tender the work and resulted in extra expenditure of ₹ 4.02 crore.

The matter was brought to the notice of the Government in October 2012. Government stated (December 2012) that the delay in processing the tender was not purposeful. The reply was not acceptable as the process was required to be completed within the tender period as stipulated in para 15.7.13 of the Kerala Public Works Department Manual.

REVENUE DEPARTMENT

3.1.5 Irregular payment for supply of drinking water against bogus trip-sheets

***Tahsildar* Chittur released payment of ₹ 19.95 lakh to the contractor for supply of drinking water in drought hit areas on unauthenticated trip-sheets.**

In order to address the problems of habitants of drought affected areas, the Government approved (February 2009) a scheme for providing drinking water. The scheme was implemented by the District Collectors in drought hit areas. The places for supply of drinking water were to be identified by local bodies and the people's representatives/officials of local bodies and were required to verify the actual supply and authenticate the trips-sheets. The village officers – as functionary of revenue department – was required to approve the claim and forward to the *tahsildar* for payment. Thus the stipulation of joint certification by three authorities[10] from local bodies along with village officer was to ensure that the payments were genuine.

Palakkad district was one of the drought affected areas identified by the department. The *tahsildar*, Chittur awarded (May 2009) the work, supply of drinking water in tanker lorries having capacity of 12000 litres in 16 *grama panchayats*[11] and one municipality[12] in Chittur *taluk,* to the lowest bidder[13]. The rates provided in the estimates ranged from ₹ 810 to ₹ 1,290 per trip depending on the distance from water source in drought affected area to the supply point. The same contractor supplied drinking water for one more year at the same rates.

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[10] *Panchayat* authorities or their authorised representatives, *Panchayat* ward member, Presidents of local bodies

[11] Nallepally,Kozhinjampara,Vadakarapathy,Eruthempathy,Perumatty,Pattancherry, Puthunagaram,Vadavannur, Koduvayur, Pallassana, Kollagode II, Muthalamada, Elavanchery, Nenmara, Ayiloor and Nelliambathy

[12] Chittur-Thathamangalam

[13] Aboobacker Siddique S/o Bappootty, Mutharathodiveedu, Vadanamkurussy, Palakkad District

A test check (February 2012) of the records of the office of *tahsildar*, Chittur relating to the period from 1 April 2009 to 31 March 2011 revealed that the *tahsildar* Chittur *taluk* paid ₹ 3.89[14]crore to the contractor for the supply of drinking water in the *taluk* during the years 2009-10 and 2010-11.

As per the notice inviting tenders/ agreement the drinking water was to be supplied in tanker lorries having capacity to carry 12000 litres. Audit, however, cross verified registration numbers of vehicles recorded in the trip sheets with that of the registration details available in the Motor Vehicles Department and found that four vehicles reportedly used as tanker lorries, were actually three motorcycles (1031 trips) and a car (424 trips) as shown below:

Table 3.2: Details of payments of fake claims

Sl. No	Vehicle No. & Type	Name of village	Number of trips					Total No. of trips	Rate/ trip (₹)	Transportation charges paid (₹)
			03/10	04/10	05/10	06/10	07/10			
1	KL-08 H -792 Motor Cycle	Eruthempathy	0	30	31	0	0	61	1290	78,690
		Kollangode II	0	0	93	90	60	243	1285	3,12,255
2	KL 07 N-792 Motor Cycle	KollangodeII	0	90	0	0	0	90	1285	1,15,650
		Vadakarapathy	10	0	0	0	0	10	1290	12,900
3	KL 07 L-1077 Motor Cycle	Vadavannur	110	150	155	150	155	720	1280	9,21,600
		Kollengode II	7	0	0	0	0	7	1285	8,995
4	KL 08 H-8155 Motor Car	Kollangode II	0	120	124	120	48	412	1285	5,29,420
		Pattancherry	12	0	0	0	0	12	1285	15,420
									Total	**19,94,930**

Further, it was observed that the required certification by authorities from local bodies were absent in all the bills as the claims were signed by the village officer only. In the absence of certification by local bodies/authorities there was no mechanism to verify the genuineness of the supply/trips made. The trip sheets signed by village officer instead of joint certification were accepted by the *tahsildar* for payment.

Thus failure of the *tahsildar* in observing the scheme guidelines facilitated release of the payment of ₹ 19.95 lakh on unauthenticated trip-sheets.

The matter was referred to Government in April 2012. Government stated (September 2012) that a detailed enquiry would be conducted into the irregularities in the supply of drinking water in Chittur *taluk* through Vigilance and Anti-Corruption Bureau.

[14] ₹ 1.25 crore and ₹ 2.64 crore for this purpose in 2009-10 and 2010-11 respectively.

INDUSTRIES DEPARTMENT

3.1.6 Grant of margin money loan to a Society

Government sanctioned release of NCDC loan to a Society and created an avoidable liability of ₹ 2.68 crore.

The Thiruvananthapuram Taluk Integrated Silk Handloom Weaver's Co-operative Society Ltd. No.S.IND (T) 847 (Society) was formed (January 2006) with the objective of empowering the handloom industry and development of sericulture, thereby raising the income level of weavers. In order to meet the objective, the Society envisaged an action plan to reposition 1000 handlooms engaged in cotton cloth weaving to innovative silk product weaving looms in four years, at the rate of 250 looms per year availing financial assistance from the National Co-operative Development Corporation (NCDC). The NCDC provided financial assistance to the societies in the form of Margin Money Assistance for mobilising working capital on the basis of proposals forwarded by District Industries Centre and Director of Handloom and Textiles guaranteed by the Government. The administrative/supervisory control over the disbursement, utilisation and recovery of loan availed by the Society was vested with General Manager, District Industries Centre, Thiruvananthapuram and Director of Handloom and Textiles, Thiruvananthapuram. The working capital estimated for the project for the first year was ₹ 5.37 crore of which 40 *per cent* was to be obtained from NCDC as Margin Money Assistance and the balance 60 *per cent* was to be raised by the Society from banks.

Government recommended the project proposal and NCDC sanctioned (July 2009) Margin Money Assistance of ₹ two crore as loan to the Society. The amount was to be utilised for raising working capital from banks for production and related activities. The loan was to be repaid to NCDC by Government in five annual instalments at an interest rate of 9.75 *per cent* and the Society was to repay the loan to Government in five annual instalments at an interest rate of 14.50 *per cent.*

The Industries Department, Government of Kerala accorded administrative sanction (August 2009) for release of the loan to the Society and the Director of Handloom and Textiles drew and handed over the loan amount to the General Manager (GM), District Industries Centre, Thiruvananthapuram (DIC) for payment to the Society after executing necessary loan agreement. The GM deposited (September 2009) the loan amount in a bank account[15] operated jointly by himself and Secretary of the Society and released the entire amount of ₹ two crore in three instalments (October 2009, January 2010, March 2010)[16],after executing an agreement (September 2009) with the Society.

Audit scrutiny (April 2011) revealed the following lapses in the sanctioning and release of loan to the Society:

- The Society with a share capital of only ₹ 6.75 lakh could not raise the working capital as envisaged. The NCDC reported (March 2011) that

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15 SB A/c No.8377 in Thiruvananthapuram District Co-operative Bank

16 ₹ 20,19,200/-, ₹ 4,60,800/- and ₹ 175,20,000/-

the Society lacked a clear cut strategy for production, marketing and did not have a mechanism to check the quality of raw materials/finished goods. The department, however, overlooking these aspects recommended the project for loan without evaluating its feasibility.

- As per Article 234 of Kerala Financial Code (KFC), before considering a loan application, the sanctioning authority should obtain from the applicant *inter alia*, details of sources of income for repaying the loan within the stipulated period and details of security proposed to be offered for the loan together with valuation of security by an independent authority. The Society executed (August 2009) a Mortgage Deed with the Department, transferring all its movable and immovable properties, both present and future, to be charged as security for repayment but did not enclose the details of any property so mortgaged. As per the latest accounts furnished by the Society for 2006-07, the Society did not possess any movable property but had an un-discharged liability of ₹ 12.31 lakh. The Junior Co-operative Inspector (Handloom Circle), Balaramapuram had also reported (September 2009) that the Society did not own any property and increase of un-discharged liability to ₹ 13.68 lakh. Thus, the application of the Society for loan was recommended by Industries department without ascertaining its financial status thereby not safeguarding the financial interests of Government. Consequently, the Society had not repaid any amount to Government and the amount outstanding as of September 2012 in respect of the first three instalments was ₹ 2.09 crore.

- The Society in its project report had claimed 250 looms to be ready for silk production in the first year. But a site verification by Department (February 2010) revealed only 31 operational looms. As the Society already had 52 working silk weaving looms at the time of applying for loan, it was evident that the Society had not re-positioned any additional cotton loom since its availing of two instalments amounting to ₹ 25 lakh. Further, it had also failed to raise corresponding working capital. These facts were reported (February 2010) to the Government by the GM. As the Society failed to raise its share of working capital, implementation of the project had become unviable. So, Government should not have released the balance amount of loan to the Society. The Secretary to Government on contrary directed (March 2010) the GM to release the remaining amount of loan of ₹ 1.75 crore to the Society and the GM had complied with the directions.

- Even though the GM was to watch proper utilisation of the funds released and produce utilisation certificate (UC) after verifying the accounts of the Society, within one year from the date of release, UC was produced only in respect of the first two instalments.

As of September 2012, the Society did not repay any amount towards repayment of loan. However, Government had to refund ₹ 80 lakh towards principal and ₹ 45 lakh towards interest to NCDC (November 2012) and the liability of Government remained at ₹ 120 lakh towards principal and ₹ 23 lakh towards interest.

Thus, department's failure in ensuring the eligibility of the Society before recommending sanctioning of loan coupled with the injudicious decision of the Secretary, Industries Department to release the loan amount ignoring the report of the GM, resulted in the release of assistance of ₹ two crore to an ineligible Society. Consequently, the Government had to bear the liability of ₹ 2.68 crore (over a period of five years from November 2011 to November 2015) besides denial of assistance to members of other eligible societies.

The matter was reported to Government (October 2012); the reply had not been received (April 2013).

FISHERIES AND PORTS DEPARTMENT

3.1.7 Unfruitful expenditure on construction of wharf

A newly constructed wharf at Vizhinjam port at a cost of ₹ 8.87 crore could not be used due to structural defects and lack of infrastructure facilities.

Vizhinjam port is a minor port in Thiruvananthapuram district under the Fisheries and Ports Department with an old 'Leeward wharf' which could handle small vessels. Harbour Engineering Department (HED) was formed as the specialised department to carry out all the investigation, planning, design, evaluation, execution, operation, maintenance and management and related marine engineering and technical works for the development schemes of the Fisheries and Ports Department. The HED proposed construction of a cargo berth at Vizhinjam under the scheme for modernisation of Ports at an estimated cost of ₹ four crore in September 2002 and the Government issued Administrative Sanction (AS) in December 2002. The proposal comprised construction of 104 metre long wharf along Seaward, approach road, compound wall and other facilities such as transit shed, water tank, security room apart from maintenance of approach road etc. The construction work after completing the tender process was awarded (May 2003) to the lowest tenderer but the contractor did not execute the work. Subsequent tenders (May 2004 and June 2005) awarded at the risk and cost of the first contractor was not accepted by Government for the reason that the lowest rate offered was very high.

The Secretary to Government, Ports Department and the Chief Engineer, HED, in a joint meeting decided (February 2006) to include the works under Tsunami Emergency Assistance Programme (TEAP) as the non-functional existing structure was damaged by Tsunami disaster 2004.

Accordingly, a fresh estimate costing ₹ 5.10 crore was prepared by CE, HED who was to execute the work for the user department. Though the technical specifications and estimate of the work was similar to the estimate sanctioned in 2002 but the length of the wharf was reduced to 66 metres apart from deleting the provision for compound wall due to shortage of funds. The State Level Monitoring Committee (SLMC) on disaster management under Revenue Department, accorded (March 2007) AS for construction of the wharf and allied facilities under TEAP utilizing Asian Development Bank (ADB) loan. The CE issued (March 2008) technical sanction for the work and the Superintending Engineer (SE), Harbour Engineering South Circle, Thiruvananthapuram awarded (April 2008) the work to a contractor[17].

In the meantime, the Government (November 2008) decided to extend the length of wharf at Vizhinjam from 66 metres to 87 metres by utilizing ₹ 2.19 crore from the work awarded at Neendakara Minor Port which was terminated due to poor response from the contractor. Government (January 2009) accorded sanction for the additional work of increasing water depth for ₹ 1.62 crore stipulating its completion by 31 March 2009. The contractor completed (June 2009) the construction of the wharf at a cost of ₹ 8.87 crore.

On a test check of the records of the office of the CE, HED revealed the following points:

After taking over the wharf from the HED, the Port Department (October 2009) reported some major structural defects to the wharf due to which it could not be put to use notwithstanding the fact of non-availability of facilities like compound wall, transit shed, storage facility etc. for the newly constructed wharf. On the request of the Ports Department, the Government constituted (July 2010) a technical committee headed by a Professor of IIT Chennai to conduct safety audit of the newly constructed wharf. The committee, recommended rectification measures costing ₹ 87 lakh to strengthen the new wharf. Government while accepting the recommendations directed the CE to carry out the rectification works. The contractor rectified some defects like crack on the stub columns etc. but refused to rectify the balance items recommended by IIT, Chennai stating that the recommendations included additional strengthening which was outside the purview of agreement of contract.

Thus, a new wharf constructed at a cost of ₹ 8.87 crore could not be used due to non-rectification of defects and lack of infrastructural facilities.

On this being pointed out, the CE (September 2012) stated that the defects might be due to poor workmanship or due to bending of steel rods from the struts while placing reinforcement of deck beam prior to curing of concrete. While the Port Department stated (May 2012) that the HED had constructed the wharf without consulting them, CE (HED) stated (October 2012) the Port Department had recommended the project report to Government for issuing AS in December 2002.

[17] Sri.P.K.KammadKutty, PKK Constructions.

The reply of the CE is not acceptable as the HED had not conducted any new feasibility study or called for requirements from Port Directorate, while proposing the construction work of the wharf in 2006 under TEAP. The structural defects point to lack of supervision by engineers of the HED. The rectification works proposed by safety audit committee for strengthening the wharf had not been executed so far. The department did not conduct any detailed enquiry or take any action against the poor workmanship.

The matter was referred to the Government in October 2012; the reply had not been received (April 2013).

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