

**FOURTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2016-2019)**

**NINETEENTH REPORT**

**(Presented on 22nd March, 2018)**



**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM**

**2018**

**FOURTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2016-2019)**

**NINETEENTH REPORT**

**On**

**Paragraphs relating to Food ,Civil Supplies and Consumer Affairs  
Department and Public Works Department contained in the  
Report of The Comptroller and Auditor General of India  
for the year ended 31 March, 2013(Economic Sector)**

## CONTENTS

	<i>Page</i>
Composition of the Committee ..	v
Introduction ..	vii
Report ..	1
Appendices :	
I. Summary of main Conclusions/Recommendations ..	35
II. Notes furnished by Government ..	40
III. Appendices from AG's Report ..	70

## COMMITTEE ON PUBLIC ACCOUNTS (2016-2019)

### *Chairman :*

Shri V. D. Satheesan.

### *Members :*

Smt. P. Aisha Potty

Shri A. M. Ariff

Shri P. K. Basheer

Shri James Mathew

Shri K. Krishnankutty

Shri K. Kunhiraman

Shri K. Muraleedharan

Shri A. Pradeepkumar

Shri Mullakkara Retnakaran

Shri Roshy Augustine.

### *Legislature Secretariat:*

Shri V. K. Babu Prakash, Secretary

Smt. S. Shahina, Joint Secretary

Shri P. P. Shahnawas, Deputy Secretary.

## INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the 19th Report on paragraphs relating to Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2013 (Economic Sector).

The Reports of the Comptroller and Auditor General of India for the year ended 31st March, 2013 (Economic Sector) was laid on the Table of the House on 8th July 2014.

The Committee considered and finalised this Report at the meeting held on 19-3-2018.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General in the examination of the Audit Report.

Thiruvananthapuram,  
19th March, 2018.

V. D. SATHEESAN,  
*Chairman,*  
*Committee on Public Accounts.*

## **REPORT**

### **FOOD, CIVIL SUPPLIES AND CONSUMER AFFAIRS DEPARTMENT**

#### **LEAKAGES IN PUBLIC DISTRIBUTION SYSTEM**

##### **INTRODUCTION**

Public Distribution system (PDS) came into existence with effect from 1st July 1965 with the multiple objective of rationing of essential commodities, ensuring availability of basic commodities to the poor and needy through Fair Price shop (FPS), stability of prices and to check the practice of hoarding and black marketing.

##### **Functioning of the Rationing System**

The major agencies of the system are:

- |  |   |
|--|---|
| Government of India (GoI)  | - Responsible for fixing quantity and price of food grains to be distributed to all categories of beneficiaries.                  |
| Food Corporation of India (FCI)  | - Responsible for procurement, transportation and warehousing the food grains.  |
| State Government (Secretary, Food, Civil Supplies and Consumer Affairs Department) | - Responsible for identification of BPL families, issuing ration cards, the management of PDS, supervision and monitoring of FPS. |
| Dealers  | - Responsible for distribution to actual consumers.   |

The Commissioner of Civil Supplies (CCS) is the Head of the Department who is assisted by Director of Civil Supplies (DCS), Controller of Rationing, two Deputy Controllers of Rationing, 14 District Supply Officers (DSO), 63 Taluk supply Officers (TSOs) and six City Rationing Officers.

In order to ensure the availability of essential commodities, Kerala State Civil Supplies Corporation Limited (KSCSC) was also entrusted the responsibility of providing assistance and services in the distribution of essential commodities under two separate subsidy schemes. The activities of the Company supplement the other schemes implemented by the department.

The GoI makes bulk allocation of ration articles for distribution through PDS among the States whereas the Ministry of Petroleum and Natural Gas allocates kerosene. The quantity of allocation is based on the number as well as category of ration cards in the State as approved by it. Food grains procured by GoI through FCI are allocated to State on price fixed by GoI for different categories of card holders.

### **Audit objectives, scope and methodology**

The objective of Audit was to examine whether:

- there was diversion of ration articles by the Authorised Retail Dealers (ARD) and
- there was excess issue of subsidised commodities to families by KSCSC

Audit conducted a field survey of ration articles availed by 2783 card holders<sup>1</sup> spread over 39 taluks (out of 69) in 10 districts (out of 14) of the State were cross verified with primary records maintained at the respective ARDs during the period. Audit also test checked about 40 lakh sales bills of 102 outlets (under

---

<sup>1</sup> Employees of the audit units under the audit jurisdiction of AG (E&RSA) where audit was undertaken during the year 2013 and who volunteered to participate in the survey.

five depots) using the data analysis software IDEA to check the veracity of quantity restriction exercised by KSCSC on the commodities sold at subsidised rates.

### **Audit Findings**

Audit found leakages in PDS as shown below:

#### **Falsification of ration accounts by dealers**

##### *(i) Accounting of ration articles*

As per Rule 53 (1) and 29 (1) of Kerala Rationing Order 1966 (KRO), Authorised Wholesale Dealer (AWD) should make necessary entries in the day book and ledger on supply of ration articles to ARD against payment of cash and similarly, on issue of ration articles to Card holder, ARD should record the same in the appropriate space in the ration card. The AWDs/ARDs should also maintain regular, accurate daily accounts of each rationed articles. At the end of the month, a monthly rationing report should be prepared showing details of quantity allotted, lifted and distributed and submit to the TSOs along with the monthly indent for the next month. The TSOs consolidate the monthly reports of the ARDs under their jurisdiction and submit to the DSOs and the DSOs to the DCS.

##### *(ii) Comparison of issued quantity recoded in ration cards with the records in ARDs through field survey*

A field survey was considered to see whether the rationed articles accounted for as issued were actually distributed to the card holders and also to ascertain whether the accounts maintained by the ARDs were correct and complete.

For the purpose, copies of 2783 ration cards (2607 APL<sup>2</sup> and 176 BPL) collected were tabulated and cross verified with the preliminary accounts viz., day book and ledger of the ARDs.

---

2 As the probability for availing the ration articles were comparatively less in respect of APL cards the survey focussed on APL card holders.



It was revealed that the ARDs had accounted essential commodities far in excess of that was availed by card holders as shown below:

Table 1: Excess accounting by ARDs for the month of March 2013

	Rice			Wheat			Kerosene
	APL	BPL	Total	APL	BPL	Total	Total
No. of cards test checked	2607	176	2783	2607	176	2783	2783
No. of cards in which quantity was less than ARD's record	2142	166	2308	1046	123	1169	1944
Percentage of cards with difference	82.16	94.32	82.93	40.12	69.89	42.01	69.85
Quantity availed by card holders (in Kg/L)	10415	1,836	12,251	737.5	250	987.5	813.7
Quantity recorded as issued by ARDs (in Kg/L)	22766	4613	27379	3317.5	988	4305.5	2138.55
Quantity inflated by ARDs as a percentage of original purchase	219	251	223	450	395	436	263

Lack of departmental monitoring on issue and accounting of ration articles and failure to make end to end computerisation of PDS led to falsification of accounting of ration articles and its diversion to open market.

#### **Sale of subsidised items by KSCSC without restriction and resultant loss**

Kerala State Civil Supplies Corporation Limited (KSCSC), a public Sector Undertaking, was incorporated with the objective of procurement and distribution of essential commodities to the public at reasonable prices. KSCSC procures commodities from the open market through tenders and sell them from

1314 outlets (as of March 2013) across the State which are coordinated by 56 Depots. These items are sold to the customers without quantity restriction at a retail price fixed by the Company on a commercial basis above the procurement price.

KSCSC sells part of the commodities procured as "subsidised sale" based on a lesser price fixed by the GoK. GoK releases grants to KSCSC for compensating the loss borne by the Company. Being a subsidised sale, the eligible quantity to a household is restricted and the quantity restriction is monitored through ration cards by entering the card number at the time of sales in the billing software in the sales outlets. The sales from outlets are managed using MySQL based database-Outlet Management System (OMS).

Audit noticed that the subsidised sales were made without any restriction. The commodities were sold without entering the ration card numbers<sup>3</sup> in the billing software or against invalid ration card numbers or in excess of the restricted quantity per household.

The amount of subsidy borne by GoK on the sales without restriction – being the difference between subsidised rates and regular retailed price worked out to ₹9.88 crore at five test checked depots and the outlets coming under them as indicated in the table below:

Table 2

Sl. No.	Name of depot	No. of outlets analysed	Amount of ineligible subsidy (₹ in crore)			
			Without ration cards	Invalid ration cards	Sales above eligible quantity	Total
1	Kannur	26	0.40	1.34	0.12	1.86
2	Kottayam	15	0.21	0.15	0.01	0.38
3	Alathur	16	0.62	0.34	0.09	1.04
4	Chavakkad	20	0.94	1.90	0.04	2.88
5	Attingal	25	3.47	0.19	0.06	3.72
<b>Total</b>		<b>102</b>	<b>5.64</b>	<b>3.92</b>	<b>0.32</b>	<b>9.88</b>

3 Refers to ration card numbers not matching with 10 digit unique numbers.

The Government stated (January 2013) that strict instructions were given to ensure that subsidy items were issued only to genuine customers. Further, directions were also given to recover the loss on account of such instances, if any, from the officers responsible.

### Conclusion

The results of the findings show that the accounts maintained by the ARDs were manipulated and the quantity obtained through the manipulation were possibly diverted and disposed in black market. Audit also noticed that the commodities were sold at subsidised rate through KSCSC without any restriction. The diversion/unrestricted sales so made were mainly due to the lack of supervision and monitoring on the part of the department. Considering that Government subsidies distribution of ration articles to beneficiaries, Government was bearing a huge unnecessary subsidy burden on sale of ration articles to ineligible people.

### Recommendations

- Action may be taken to strengthen the inspection of the ARDs by periodical verification of the accounts of the ARDs with reference to the entries made in the ration cards;
- End to end computerisation including biometric system may be implemented in a time bound manner;
- Action may be taken to ensure sale of item only to genuine customers through KSCSC.

### Excess payment due to incorrect computation of Value Added Tax

*An excess amount of ₹ 14.23 crore was reimbursed to FCI due to the incorrect computation of VAT on CIP*

Food Corporation of India (FCI) is responsible for procurement, transportation and warehousing the food grains to be distributed to the ration card holders through Authorized Wholesale Dealer and Retail Dealer. FCI procures the

food grains at Central Issue Price (CIP) fixed by GoI and sells them to Authorized Wholesale Dealers at wholesale price. GoK introduced [vide G.O. (Ms.) No.11/2011/F&CSD dated 25 February 2011] a special scheme of issue of food grains (rice and wheat) at subsidised rates to different categories of card holders through PDS (as stated below):

- At the rate of ₹ two per kg to certain categories of APL card holders.
- At the rate of ₹ two per kg to all BPL card holders up to 31st August 2011 and at the rate of ₹ one from 1st September 2011.

In order to compensate the difference between the CIP and wholesale price of FCI, the State Government gave subsidy to FCI at the following rates during the years 2010-11, 2011-12 and 2012-13.

Table 3

Category	Amount of subsidy per quintal (in ₹)
APL (Rice)	690
APL (Wheat)	470
BPL (Rice) (upto 31-8-2011)	420
BPL (Rice) (from 1-9-2011)	520
BPL (Wheat)	270

The quantum of subsidy was arrived at in such a way that the retail selling price should be ₹ two/₹ one per kg as the case may be, after meeting all other expenses including VAT on central issue price. As per the provisions of the Kerala Value Added Tax Act, 2003, the FCI is not liable to pay VAT on the amount of subsidy received from Government. Thus, VAT to be reimbursed to FCI is to be calculated on net CIP (i.e., CIP less amount of subsidy). Instead, VAT was calculated in full CIP (inclusive of subsidy) and re-imbursed to FCI. This resulted in excess payment of ₹ 14.23 crore as shown in **Appendix III**.

Due to the incorrect computation of VAT on CIP, the amount reimbursed during the years 2010-11, 2011-12 and 2012-13 was in excess by ₹ 14.23 crore. On this being pointed out, the department accepted the point.

[Audit Paragraphs 3.1 to 3.2 contained in the report of the Comptroller and Auditor General of India (Economic Sector) for the year ended 31st March, 2013.

Notes furnished by the Government on the above audit paragraphs is included as Appendix II]

(1) Regarding the audit observation that lack of departmental monitoring of issue and accounting of ration articles and failure to make end to end computerisation of PDS (Public Distribution System) led to falsification of accounting and its diversion to open market, the Committee sought the reason for the same. The witness, Director of Civil Supplies informed that some corrective measures had taken as per the directive issued to all district supply officers and their subordinates regarding the same. He also detailed that the diversion of 1060.91 MT of rice, 54.25 MT of wheat, 24.76 MT of kerosene and about 1080 cylinders of gas have been detected during the cross checking of about 56767 ration cards and a fine to the tune of ₹ 1.01 crore have been imposed in this regard from the defaulters. With regard to the audit para that Authorised Ration Dealers (ARD's) had accounted essential commodities far excess of that availed by ration card holders, the Committee strongly opined that necessary action should be taken to strengthen the inspection of the ARD's by periodical verification of the accounts of the ARDs with reference to the entries made in the ration cards as mandated by the Rule 53(1) and 29(1) of Kerala Rationing Order 1966.

(2) In respect of end to end computerisation programme, the witness, Director of Civil Supplies Department detailed that initial work for the said project had started in the year 2011-2012 and the National Food Security Act (NFSA) came into force in the year 2013. The central rule came into being on 7-8-2015, and in Kerala, the State rule framed in line with the central rule has been given to

get it notified in the Gazette. The Department had proposed to install E-Pos machines in all ration shops across the state and its tender procedure is going to be entrusted with KELTRON. All transactions in the ration shops will be through the machine. He detailed that the department had contemplated to introduce door to door delivery system which facilitate the online transfer of rice, wheat and other commodities from the godown of Food Corporation of India (FCI) to 14330 ration shops across the State which is also one of the components of end to end computerisation.

(3) To a query of the Committee he informed that the department had expended the allocated fund from the central Government which was about 50% of the project estimate. In this context, the Committee lashed out at the Department for not implementing the end to end computerisation in the department and strongly recommended that end to end computerisation including biometric system should be implemented in the department in a time bound manner.

#### **Conclusions/Recommendations**

(4) In order to prevent hoarding, black marketing and to reduce unnecessary subsidy burden, the Committee recommends that inspection of ARD's should be strengthened by periodical verification of the accounts with reference to the entries made in the ration cards as mandated by the Rule 53 (1) and 29 (1) of Kerala Rationing Order 1966.

(5) The Committee observes with concern that lack of supervision and monitoring on the part of officials resulted in diversion and unrestricted sale of commodities and sale of subsidised commodities in an uncontrolled manner to ineligible people. Failure to make end to end computerisation of PDS led to falsification of accounting of ration articles and its diversion to open market. Therefore, the Committee recommends that end to end computerisation including biometric system should be implemented in a time bound manner and strict instruction should be given to ensure that subsidy items to be sold only to genuine customers through the KSCSC.

## PUBLIC WORKS DEPARTMENT

## EXECUTION OF STATE ROAD PROJECTS USING CENTRAL ROAD FUND

## INTRODUCTION

Central Road Fund (CRF) created under the CRF Act, 2000, envisages development and maintenance of various roads by GoI from cess collected on petrol and high speed diesel oil at the rate of ₹ two per litre. Subsequently in exercise of powers conferred under the Section 12 of the CRF Act, Ministry of Road Transport and Highways (MoRTH), GoI vide notification dated 10th July 2007 made the CRF (State Roads) Rules, 2007 for the disbursement of CRF in respect of Specified projects. Categories of works under the programme are as follows:

- State roads excluding rural roads ie., construction of missing bridges, Cross-drainage works, bye passes, parallel service roads along with National and State Highways; widening of two lanes; strengthening of weak pavement; rehabilitation of bridges and engineering aspects of road safety works;
- road projects of Inter-State Connectivity (ISC); and
- road projects of Economic Importance (EI) ie., roads directly connecting important market places, economic/industrial zones, agricultural region, roads benefitting vulnerable section of the society and also roads leading to socially important infrastructure such as cremation grounds, orphanage etc.

Implementing agency for the schemes is Public Works Department (PWD) headed by Secretary to Government at Government level and CE, PWD (National Highways) and his officers and staff at departmental level.

CRF works were implemented in the State from 2001-02 onwards. During the 12 year period up to 2012-13, 88 works relating to State roads having a length of 1380.60 kms and five road projects of ISC having length of 97.3 kms were sanctioned by the MoRTH. Of these 76 State road works having a length of 1219.395 kms and four roads of ISC having a length of 87.6 kms were completed as on 31st March 2013.

The audit of Execution of State Road Works using CRF during 2008-09 to 2012-13 was carried out through test check of records during the period May 2012 to June 2012 in the offices of the CE, National Highways, all three circles and eight divisions covering 67.10 per cent expenditure (₹ 315.76 crore) of the total expenditure of ₹ 470.55 crore incurred during the period. In addition to the 48 road projects (Appendix III) sanctioned during 2008-2013, the expenditure incurred on the ongoing projects are also test checked in audit. The audit findings with reference to non observance of the provisions of the CRF Act, 2000, CRF (State Road) Rules, 2007 and other Rules and codal provisions for planning and execution of works are discussed below:

### Physical progress

The present position of projects sanctioned during the five year audit period from 2008-09 to 2012-13 are given in table shown below:

Table 4: Details of works sanctioned, completed and pending for the period 2008-2013

	CRF State roads			ISC			Total		
	No.	Length in km.	Sanctioned cost (₹ in crore)	No.	Length in km.	Sanctioned cost (₹ in crore)	No.	Length in km.	Sanctioned cost (₹ in crore)
1	2	3	4	5	6	7	8	9	10
Ongoing projects as on 31st March 2008	21	352.635	138.14	4	87.60 0	33.02	25	440.235	171.16
Projects Sanctioned during 2008-2013	47	676.96	424.64	1	9.7	7.10	48	686.66	431.74
<b>Total</b>	<b>68</b>	<b>1029.595</b>	<b>562.78</b>	<b>5</b>	<b>97.3</b>	<b>40.12</b>	<b>73</b>	<b>1126.895</b>	<b>602.90</b>



1	2	3	4	5	6	7	8	9	10
Completed during 2008-2013	56	868.395	433.44	4	87.6	33.02	60	955.995	466.46
De-sanctioned	2	0	6.29	0	0	0	2	0	6.29
Work not taken up	1	6.00	3.73	0	0	0	1	6.00	3.73
Ongoing Works	9	155.20	119.32	1	9.7	7.10	10	164.90	126.42

### Financial outlay and expenditure

Year-wise position of budget allocation, receipt of funds from GoI, corresponding expenditure by GoK are given in table below:

Table 5: Details of budget provision, grants received from GoI etc.

Year	Budget Provision	Sanctioned cost of projects by MoRTH	Funds released by GoI	Expenditure	(₹ in crore)
					Excess (+)/ Savings (-) over BE (Percentage in bracket)
2008-09	49.50	103.73	44.85	51.88	(+) 2.38 (4.81)
2009-10	58.70	85.68	60.12	58.40	(-)0.30 (0.51)
2010-11	151.86	169.65	81.34	154.36	(+)2.50 (1.65)
2011-12	51.04	0	4.44	51.12	(+) 0.08 (0.16)
2012-13	148.86	66.39	124.86	154.79	(+)5.93 (3.98)
<b>Total</b>	<b>459.96</b>	<b>425.45</b>	<b>315.61</b>	<b>470.55</b>	

State Government incurred an expenditure of ₹ 470.55 crore, against which GoI reimbursed only ₹ 315.61 crore during the period from 2008-09 to 2012-13 leaving a shortfall in re-imburement to the extent of ₹ 154.94 crore. The delay in taking up and completion of projects in compliance with CRF Rules resulted in shortfall in release of fund by GoI. The flow of fund from GoI was dependent on the works executed and any failure to comply with the stipulations would affect adversely the flow of fund from GoI. The department has not maintained work wise details to facilitate any reimbursements in case of shortfall.

### **Planning**

Audit scrutiny revealed that the primary requirement of survey and investigation for balanced development of infrastructure in the road network of the State [Rules 5(5) of CRF Rules] was not available with the department. The department did not prepare any work plan, either annual or composite to execute the projects in a systematic manner. The department stated that the selection of projects was made on the basis of the requests of MLAs, MPs and Ministers. This led to various disparities in taking up CRF projects as mentioned below.

### **Regional imbalance in selection of road works**

As per Rule 5(5) of CRF Rules, the project shall be selected with a view to have a balanced development of the road network in the entire State. However, no projects had been sanctioned in Idukki district of the State ever since the CRF schemes had been implemented in 2001 and in Wayanad since the last five years despite the fact that these districts share border with other States and are important for ISC. The district-wise details are as shown below.

Table 6: Details of projects sanctioned during the period 2001-02 to 2012-13

Sl. No.	Name of district	Total	Sanctioned cost (₹ in crore)	Actual expenditure	State roads		ISC projects	
					Completed	Ongoing	Completed	Ongoing
1	Thiruvananthapuram	17	164.28	173.58	16	1	-	
2	Kollam	1	7.85	4.35	0	1		
3	Alappuzha	2	17.75	12.08	1	1		
4	Pathanamthitta	1	8.45	11.44	1	0		
5	Kottayam	6	89.73	56.77	3	3		
6	Idukki	0	0	0	0	0		
7	Emakulam	19	112.81	117.09	19			
8	Thrissur	4	21.21	21.54	4			
9	Palakkad	4	46.59	38.41	1	1	1	1
10	Malappuram	9	79.78	59.49	8	1		
11	Kozhikode	13	59.04	47.98	12	1		
12	Wayanad	5	31.76	32.27	2		3	
13	Kannur	7	60.12	57.58	6	1		
14	Kasargod	3	21.00	17.79	3			
<b>Total</b>		<b>91</b>	<b>720.37</b>	<b>650.37</b>	<b>76</b>	<b>10</b>	<b>4</b>	<b>1</b>

Audit observed that the department has not selected road works so as to have a balanced development as mandated by the Rules.

**Projects on Inter-State Connectivity (ISC) and Economic Importance (EI) were ignored**

During the period 2008-2013, only one project<sup>4</sup> under the category of ISC was taken up whereas no projects under the category of EI had been taken up since 2001.

<sup>4</sup> Improvements to Kannannur Mercy College Mepparambu Kavilppadu olavacode road connecting NH 47 and NH 213 in Palakkad district.

### **Overlapping projects**

MoRTH approved in principle (July 2010) execution of the 13.710km of road comprising – 'Improvements to Aluva – Paravur road from km 1/330 to 12/200 km' and 'Anchal-Vazhikulangara road from km 0/000 to 2/840 km under the category of EI at a cost of ₹ 8.10 crore. But another project viz 'CRF – link road connecting NH 17 and NH 47 under the improvement to riding quality of Parur – Nedumbassery Airport road' had also been sanctioned by MoRTH in November 2009. The second project includes the first road except the portion of 'Anchal-Vazhikulangara road' from km. 0/000 to 2/840. Audit observed that proposal of the same road under two projects led to overlapping which eventually lead to halting one of the projects. Thus the absence of sound planning system eventually resulted in granting two sanctions for a single project.

### **Selection of NH projects using CRF allotment for State road projects**

Projects required in NH roads are being funded by GoI directly. CRF allotment to States was meant for utilising on State roads. Audit revealed that the project 'Construction of Dharmandom Bridge in NH 17' in Kannur District which was completed at a cost of ₹ four crore was taken up by National Highways Division, Kannur using CRF. CE replied that due to sudden settlement of piers, the bridge was in the verge of collapse and that there was no provision made in Annual Plan and hence CRF was used immediately for the construction of bridge.

Audit observed that the bridge forming part of NH wing should have been constructed utilising funds allotted for NHs and the CRF meant for State roads could have been utilised for other eligible State road projects.

### **Projects proposed without ensuring availability of land**

Rule 5(3) of CRF Rules inter alia stipulates that the proposals shall include only those projects where land is available without any encumbrance. But the

department prioritised and obtained sanction of MoRTH for two projects in two divisions<sup>5</sup> without ensuring the availability of unencumbered land/clear site. Various pre-requisites such as acquisition of land, clearance from forest department etc. were not obtained prior to taking up the project. This had resulted in lagging of projects or de-sanctioning of projects by MoRTH as shown below:

Table 7: Details of projects proposed without ensuring availability of land

Sl. No.	Name of projects	Year of sanction	Present position of the projects	Reasons for non-availability of land	Amount involved (₹ in crore)
1	Anakayam bridge in Nedumbassery-Kodaikkanal road (NH division Muvattupuha)	Ocotober 2008	De-sanctioned by MoRTH (August 2011)	Want of clearance from GoI to divert Forest land for the construction of bridge	5.17
2	Ezhimala-Vellur-Padiyottuchal road-Pulingome from chainage 37/800 km to 43/234 km including construction of bridge (NH Division, Kannur)	June 2005	Completed in March 2010 with a delay of more than two years. Delay resulted in enhancement of contract value by ₹ 1.61 crore.	Non shifting of utilities from the alignment of road	1.61

The award of project without ensuring the availability of unencumbered land not only resulted in non completion of project and escalation of cost but also delayed further grants by GoI.

<sup>5</sup> Muvattupuzha and Kannur

### Improper planning and evaluation of projects

Selection of the following projects without planning and absence of evaluation of benefit to public, resulted in dropping the project midway or remaining incomplete indefinitely after incurring ₹ 5.91 crore in two cases test checked in two divisions as shown below:

Table 8: Projects for which intended benefit could not be served

Sl. No.	Name of projects	Status/expenditure incurred	Details of project	Audit observation
1	2	3	4	5
1	Ezhimala-Vellur-Padiyottuchal pulingome from chainage 37/800 km to 43/234 km including construction of bridge (NH Division Kannur)	Work completed on March 2010 Expenditure: ₹ 5.83 crore	The Bridge is situated on the State border and ends in forest area of the State of Karnataka. The cost incurred for the construction of the bridge alone was ₹ 1.75 crore. The improvement of the road was given top priority stating that the road was the shortest link between Ezhimala Naval Academy and Bangalore from where infrastructure related requirements of naval academy was to be conveyed. The work could not be arranged beyond the border as the land is situated in forest area.	The project was wrongly prioritised and executed without considering the fact that the other end of the bridge was forest land of another State and as a result the expenditure for the bridge became idle. Though the work in the State of Kerala has been completed, the work in the State of Karnataka could not be arranged. The State Government should have co-ordinated with Government of Karnataka for the timely completion of work.

1	2	3	4	5
2	Construction of Kalpetta bye pass (NH Division Kozhikode)	Expenditure ₹ 4.16 crore Balance work is being carried out by Roads Division, Kalpetta	<p>In June 2006, construction of Kalpetta bye pass with provision for pavement was awarded using CRF in NH Division, Kozhikode. Owing to defective planning sufficient quantity of various items work was not included in the estimate.</p> <p>Therefore the work was completed only up to embankment level with an expenditure of ₹ 4.16 crore. The balance work is being executed by roads wing of State PWD using State fund and the work has not been completed so far. (June 2013)</p>	<p>The intention of CRF is to utilise the fund for development of the road as per Indian Road Congress/MoRTH specification. But due to omission in providing sufficient items/quantities in the work, the bye pass has not materialised even after expending ₹ 4.16 crore from CRF.</p> <p>CE replied that the expenditure towards extra quantity of random rubble and hard rock excavation was assessed as ₹ 2.20 crore but there was no provision to meet the extra liability. Hence it was decided to close the project at formation level.</p>

## Delays

According to CRF (State Road) Rules, 2007 for the disbursement of the CRF in respect of specified projects, an individual project is required to be technically approved, financially sanctioned and awarded to contractor within a period of four months from the date of approval from GoI and period of completion should not exceed 24 months including tendering process.

Test check of records of three<sup>6</sup> implementing circles regarding the projects awarded during 2008-09 to 2012-13 revealed that there was delay in award of work by the department in respect of 41 projects ranging from one month to 34 months and hence the commencement of the project was delayed.

In two cases, the projects had to be awarded at higher costs. The cost overrun consequent on the delay in the award of project in two cases amounted to ₹ 2.08 crore as illustrated below:

The project of Improvements of riding quality of SH 52 Palakkad – Pollachi road was sanctioned by MoRTH in June 2007 for ₹ 9.28 crore against the estimate of ₹ 8.79 crore. The lowest quoted (October 2007) rate was 12.97 per cent above the estimate rate. State Government approved (March 2008) nine per cent above estimate rate after a lapse of five months against the stipulated period of four months. But contractor was not willing to execute the project at the rate approved by the department. Subsequently, the work was retendered and awarded in January 2010 at 28 per cent above estimate rate after a lapse of 31 months from the date of sanction with an excess cost of ₹1.32 crore.

The project of Improvement to Thrikunnapuzha-Mavelikkara (via) Nangiarkulangra road was sanctioned by MoRTH for ₹ 7.02 crore in January 2011. The Estimated PAC of the work was ₹ 6.65 crore. The project was tendered with last date for submitting tender proposals as 28 February 2011. Financial bid was opened on 19 May 2011. The lowest offer received was ₹ 7.41 crore. As firm period of 120 days from 28 February 2011 expired on 28 June 2011 the lowest

---

<sup>6</sup> NH Central circle, Kochi, NH North circle, Kozhikode and NH South circle, Thiruvananthapuram.



bidder extended the firm period for further three months up to 29 September 2011. However, the department approved tender only in October 2011. The lowest bidder refused to take up the project. The department approved (April 2012) the offer of second lowest bidder with the agreed PAC was ₹ 8.17 crore. Audit revealed that delay in finalisation of tender within the firm period led to extra commitment of ₹ 0.76 crore.

#### Modification of specification in violation of sanction led to extra expenditure

As per para 1801.1.2 of KPWD Manual the specifications should not be changed during the execution of the project unless warranted due to technical reasons. Audit revealed that the alterations to the approved specifications were made without proper justification and resulted in avoidable extra expenditure of ₹ 42.68 lakh as detailed in table shown below:

Table 8: Details of projects with unjustified changes in specifications

Sl. No.	Name of projects	Expenditure incurred/ Status	Nature of projects	Audit observation
1	2	3	4	5
1	Improvement to Muvattupuzha-Theni road	₹ 5.41 crore project completed	The thickness of Bituminous Concrete (BC) as per the estimate approved by CE was 25mm. Accordingly the quantity sanctioned was 1500m <sup>3</sup> . While inviting tenders the thickness was enhanced from 25 mm to 30mm by SE resulting in increase in the quantity of BC by 318.235m <sup>3</sup>	SE has not furnished any technical reasons for the modification of the thickness except the plea that Tender schedule provided of Thickness of 30 mm. Hence the change was unwarranted as no valid reason attributed to the change and this has resulted in excess expenditure of ₹ 21.12 lakh.

1	2	3	4	5
2	Improvements to Padanilam-Nanminda road	₹ 8.83 crore project completed	The scrutiny of the project file of CRF 2010-11 under NH Division, Kozhikode, showed the Surface Dressing was provided as extra item and was executed on WMM for allowing traffic. The item of Surface Dressing was not provided in the project sanctioned estimate of MoRTH.	As per MoRTH specification 112.2 the contractor should have done the project of widening road by allowing traffic along part width of existing road by providing treated shoulders on the side where project was not progressing; The treatment on shoulders included providing of Granular Sub Base (GSB) and surface dressing over it. As per MoRTH specification 112.6 such treatment was an incidental item of project and should be the responsibility of the contractor and should not be paid separately. Hence payment for the same as an extra item was unwarranted. The extra expenditure works out to ₹ 13.52 lakh.

1	2	3	4	5
3	Strengthening and improvement to Azhichilam-Faroke College -Faroke Chungam road connecting Calicut bypass and NH-17	₹ 2.18 crore project completed	In the sanctioned estimate (May 2009)of the project the area to be widened is 6597 m <sup>2</sup> and area of existing road to be raised by laying Built up Spray Grout (BUSG) was 1304m <sup>2</sup> . On execution, the area to be widened was limited to 2,529.54 m <sup>2</sup> due to insufficient land width and quantity of BUSG (in area) enhanced to 36,793.47 m <sup>2</sup> citing execution of BUSG in entire area to increase in crest thickness.	<p>i. Road widening was proposed with the courses of layers of GSB, WMM, BM and BC. But deviating from original sanction an additional course of BUSG was provided in the widened area of 2,529.54m<sup>2</sup> as provided in the original estimate. This has resulted in an avoidable expenditure of ₹ 5.39 lakh.</p> <p>ii. Before applying bituminous courses, tack coat was to be applied on existing bituminous layer and prime coat on non bituminous layer as per MoRTH specification. However in violation of the same, prime coat was applied over both bituminous and non bituminous areas before applying BUSG. Avoidable expenditure due to providing prime coat instead of tack coat for an area of 22221.73 m<sup>2</sup> was ₹ 2.65 lakh.</p>

### Absence of a monitoring system

The expenditure incurred for projects utilising CRF is reimbursed from GoI subject to restrictions such as;

- i. Expenditure to the extent of 110 per cent of sanctioned cost of a project.
- ii. Project should be commenced within four months and completed within 24 months of sanction.

Reimbursement from GoI (₹ 315.61 crore) was far short (₹ 154.94 crore) of expenditure incurred (₹ 470.55 crore), as detailed in Table 5. Audit revealed that CE, NH or the State Government had neither project wise reimbursement details nor reason for shortage of reimbursement. Further, Government did not take timely action to arrange the projects within four months so that projects could be completed within 24 months. Government replied that the shortage of reimbursement was not taken up with GoI and that there is no system of informing shortage of reimbursement. It was also stated that the department does not have a system of maintaining project – wise reimbursement.

Audit recommends that there should be a mechanism to monitor progress of projects sanctioned and reimbursement form MoRTH so that the Government would be able to get the amount reimbursed from GoI in time.

### Impact

Table 9:

Sl. No.	Particulars	Reference to para	Amount (₹ in crore)
1	Overlapping projects	3.5.4.3	8.10
2	Selection of NH project using CRF allotment for State road projects	3.5.4.4	4.00
3	Projects proposed without ensuring availability of land	3.5.4.5	6.78
4	Improper planning and evaluation of projects	3.5.4.6	5.91
5	Delays	3.5.5	2.08
6	Modification of specification in violation of sanction led to extra expenditure	3.5.6	0.43
	<b>Total</b>		<b>27.30</b>

### Inadmissible payment to contractor for works not executed

Overpayment of ₹ 09.1 crore by the EE due to improper assessment of actual work executed

The Superintending Engineer (SE), Roads and Bridges, North Circle, Kozhikode awarded two Road improvement works namely 'Improvements to Karyavattom -Alanalloor road' (Work-I) and 'Mankada-Pattikkad road' (Work-II) in Malappuram district with Estimated Probable Amount of Contract (EPAC) of ₹ 2.15 crore as detailed below:

Table 10:

(₹ in crore)

Particulars	Work I	Work II	Total
Date of Award	July 2005	August 2004	
EPAC	1.08	1.07	2.15
Accepted rate	17.99 per cent below EPAC	27.92 per cent below EPAC	
Contract amount	0.93	0.78	1.71
Revised EPAC	1.65	1.80	3.45
Date of completion	February 2007	August 2007	
Claim preferred by the contractor	1.44	1.37	2.81
Amount paid to the contractor	1.19	0.91	2.10
Month of payment	June 2008	May 2007	
Balance payment due	0.25	0.46	0.71

In June 2007 Audit objected to the revised estimate as it exceeded the powers of the SE. EE, Roads Division Manjeri therefore paid ₹ 2.10 crore limiting the payment within the sanction amount of ₹ 2.15 crore. Aggrieved by non-receipt of balance amount, the contractor moved the High Court. In the counter affidavit filed, the EE admitted the claims of the contractor, based on which the High Court ordered (27 August 2009) to release the balance amount. The department effected payment of balance amount of ₹ 0.71 crore in May 2011.

*Audit scrutiny of records of the Division revealed that:*

1. A departmental scrutiny of work was ordered (October 2010) and conducted in January 2011/April 2011 to assess the actual work executed by the contractor. It was found that ₹ 2.10 crore paid before the Court's intervention was actually in excess of the work done by ₹ 19.85 lakh (₹ 17.51 lakh for work I+ ₹ 2.34 lakh for work II). It is evident from this that the EE admitted the excess payment without proper measurement of work actually done. Further, by filing an affidavit admitting the contractor's claim for a further amount of ₹ 0.71 crore, the EE was responsible for a total excess paid amount of ₹ 0.91 crore.
2. The Court while giving direction (August 2009) for payment had opined that it is open to the Government to take appropriate steps against the contractor if the work had not been completed satisfactorily. Based on the belated scrutiny conducted by the department in January 2011/April 2011, the department could have recovered the excess paid amount from the contractor. Instead they chose to file a writ petition which was not necessary to effect the recovery. The matter was reported to the Government in July 2012. The Government replied (October 2013) that the withheld amount was released based on orders of the High Court and that the delinquent officers were punished for the erroneous sanction of revised estimates. Government also stated that a writ appeal was filed in the High Court for recovering the excess amount from the contractor. The second part of the reply is not acceptable due to the fact that the High Court had given an order that gave room for recovery of amounts for work not done by the contractor and there was no need for the department to approach the Court.

**Time and cost overrun due to delay in revision of a faulty design**

Absence of adequate field work and subsequent delay in revising design in construction of a bridge resulted in time overrun by more than six years and cost overrun of ₹ 13.79 crore.

766/2018.

Public Works Department issued (September 2004) AS for the construction of Mattool-Madakkara bridge across Mattool river in Kannur district under the RIDF X scheme of NABARD at an estimated cost of ₹ 11.50 crore (based on 1999 SoR). The work consisted of construction of a 259.43m bridge having seven spans approved by Design Research Investigation and Quality control Board (DRIQ). The length of approach road was 475m on Madakkara side of which 250 m passes through water logged area and for a length of 508 m on Mattool side.

The work was technically sanctioned (November 2004) for an estimated cost of ₹ 9.79 crore. The work was awarded (March 2005) to M/s Kerala State Construction Corporation Ltd. (KSCC) by SE, Roads and Bridges, North Circle, Kozhikode at 20.50 per cent above the estimate rate at an agreed EPAC of ₹ 11.11 crore. The work was to be completed by April 2007.

The land was handed over to the contractor on 5 April 2005 for construction work. The contractor commenced the work and requested (May 2005) the department to change the scope and design of the work by extending the bridge to cover the portion of the approach road over the water logged area at an estimated extra cost of ₹ 9.18 crore. Total cost of original works and extra works (including tender excess) was ₹ 20.29 crore. As no decision on his proposal was taken, the contractor stopped the work (June 2006) after completing six pile groups incurring an expenditure of ₹ 3.78 crore. The Division submitted (August 2006) a revised design of bridge to cover approach road. Government rejected the said proposal in August 2007 and directed the department to complete as originally designed and estimated.

However, based on a subsequent report of CE (R&B) (December 2008), Government issued (February 2009) revised AS for ₹ 31.78 crore (based on 2008 SoR) including provision for payment already made amounting to ₹ 3.78 crore for executed item of work. CE approved the revised estimate for ₹ 31.78 crore incorporating 11 extra items which covered the construction of bridge proper over the water logged area. Government also conceded the demand of the contractor for

rate revision and sanctioned revised rate at 10 per cent over the estimate for the balance work which resulted in escalating the total contract value to ₹ 34.08 crore. The payment made to the contractor (upto January 2014) amounted to ₹ 33.65 crore. The work was completed in February 2014.

The defective design in the project and undue delay in revision of estimated to remedy the same resulted in cost escalation of ₹ 13.79 crore<sup>7</sup> and time overrun by more than six years (as February 2014).

The matter was reported to Government (July 2013); their reply has not been received (March 2014).

#### **Undue benefit to a contractor**

Extra expenditure of ₹ 0.80 crore due to calculation of rates for 'extra item' based on SoR 2010 instead of SoR 2007 and mistake in reckoning the distance from source of material to the work site.

Government issued AS (August 2006) for the work of Improvement of 16100 metres of Kottayam-Kumarakom-Thaneermukkom road in three<sup>8</sup> reaches at an estimated cost of ₹ 6.91 crore under RIDF XI Scheme of NABARD for tourism development. The work was technically sanctioned for an estimated cost of ₹ 6.80 crore based on 2004 SoR. The SE, Roads and Bridges, South Circle, Thiruvananthapuram invited tenders on three occasions between January 2007 and May 2008, but all the three tenders could not be finalised either due to incomplete bids of reluctance by contractors to extend firm period.

The work was tendered for the fourth time during June 2009 was awarded (November 2009) to a contractor<sup>9</sup> at 65 per cent above the estimates. The Agreed Probable Amount of Contract amounted to ₹ 9.53 crore. The work was completed in December 2011 and total payment of ₹ 18.76 crore was made.

7 ₹ 34.08 crore-₹ 20.29 crore

8 Reach -I: Baker Junction to Illickal bridge- 4,200 metres.

Reach -II : Illickal bridge to Kumarakom boat jetty - 7,200 metres.

Reach -III: Boat jetty to Pennar bridge - 4,700 metres.

9 Shri.K.V. Joseph & sons, Kurickkal house, Edappally village, Ernakulam.



The original proposal for the base course of the road was 'Water Bound Macadam'<sup>10</sup> (WBM). During execution of the work (November 2010) the base course was changed from WBM to 'Wet Mix Macadam'<sup>11</sup> (WMM) for the reason that the WMM would be better considering the type of soil, more durable and better for the life of pavement. The revision of base course form WBM to WMM was treated as an 'extra item' and the rate was worked out to ₹1,355/cum based on SoR 2010. The quantity of WMM actually executed was 22,938.385 cum and amount paid on the same was ₹ 5.13 crore.

The Audit scrutiny of records in this regard in the office of the CE, Roads and Bridges, Thiruvananthapuram revealed the following:

- The Change from WBM to WMM was decided after ascertaining the site conditions, nature of soil, the connectivity of the road from Kumarakom with other part of the town, the state of road during monsoon season etc. The department had ignored the site condition while preparing the original estimates and awarding the work. Hence this had to be assigned as an 'extra item'.
- For effecting the changes in the base course from WBM to WMM, the rates as per SoR 2010 were adopted instead of SoR 2007. This was a violation of tender conditions which stipulate that the rate of 'extra item' should be arrived at applying the rates as per original tender on which the tenders were invited. As a result there was an excess expenditure of ₹ 53.91 lakh (Appendix III).

10 WBM: A paved surface having compressed layer of clean crushed coarse aggregate mechanically interlocked, voids filled with binding materials with the assistance of water.

11 WMM: it is a road base material consisting of crushed rock usually pre-mixed with controlled amount of water for adequate compaction.

- Similarly, it was noticed that while changing the base course from WBM to WMM, it required three types of Bolder Stone (BS) to be transported to the site. However, while calculating the conveyance charges of BS the distance was reckoned as 36 kms against the actual distance of 30kms. The conveyance charges of BS for one cum. of WMM for 30 kms worked out to ₹ 385.97 as per SoR 2007. But in the computation of rates, for extra items, it was incorrectly reckoned as ₹ 443.78, the difference being ₹ 57.81 for one cum. of WMM. The resultant excess payment worked out to ₹ 26.47 lakh (Appendix III).

Thus the calculation of rate of extra item in violation of contract conditions resulted in extension of undue benefit of ₹ 80.38 lakh to the contractor.

On this being pointed out the CE stated (July 2013) that the computation of extra items on the basis of SoR 2010 was a mistake and that action would be taken in due course.

[Audit Paragraphs 3.5 to 3.8 contained in the report of the Comptroller and Auditor General of India (Economic Sector) for the year ended 31st March 2013.

Notes furnished by the Government on the above audit paragraphs is included as Appendix II]

(6) Regarding the utilization of fund for the construction of Dharmadom Bridge in NH 17 in Kannur District, the Committee sought details regarding the same. The witness, Secretary, Public Works Department informed that, the Department had no other way, than its inclusion under CRF (Central Road Fund), since the bridge was at the verge of collapse and it deemed unfit for vehicular traffic at that time. He also depicted the necessity of immediate reconstruction of the bridge before the Committee. When the Committee asked whether the Department was aware about the dilapidated condition of the bridge, another witness, Deputy Chief Engineer, Public Works Department answered in the affirmative and deposed that the construction of the said bridge was included in the Annual Plan, but the dearth of fund was the main obstacle. To a query of the Committee, the witness, Secretary, Public Works Department informed that the construction of Dharmadom bridge had almost been completed and it will be open to public very soon.

(7) Regarding the National Highway 17, the Committee observed that no construction had been taking place in the Old National Highway, the witness, Secretary, Public Works Department informed that it had been declassified into State Highway.

(8) In this context the Committee expressed its grave concern regarding the under construction of National Highways in the State and the witness, Secretary, Public Works Department detailed that acquisition of land for National Highways is the main hindrance prevailing in the State and an action plan had already been charted out in this regard and Chief Secretary has been nominated as a member in the High Level Committee constituted by National Highway Authority of India to resolve the issue. The Committee accepted the explanation furnished by the Department.

(9) Regarding the audit observation of projects proposed without ensuring availability of land the Committee accepted the explanation furnished by the Department.

(10) Regarding the audit observation an improper planning and evaluation of projects in the Ezhimala-Vellu-Padiyattachal road the Committee accepted the explanation furnished by the Department.

(11) Regarding the audit observation that the Kalpetta bypass (NH Division Kozhikode) has not materialised even after expending ₹ 4.16 crore from Central Road Fund, the Committee sought the details and the Deputy Chief Engineer, Public Works Department admitted the technical lapse on their part in this regard. In this context the Committee observed the lethargic attitude of the department in not executing the mandatory procedure in road construction, such as soil test and expressed in deep resentment in this regard, and opined that exact procedures should be formulated at the department level and the provision of soil test be made compulsory for the road construction in future. In this context an official from the office of the Accountant General intervened and pointed the issue of persistent violation of provisions in PWD rules and manuals regarding 'extra items' incurred in PWD construction, which in turn causes huge loss to State exchequer.

(12) The Committee didn't hide its anguish and concern in this regard and opined that the revision estimate of the works executed by the Public works Department is absolutely terrible at present and lashed out at the department for allocating ₹ 76 crore for Karamana - Kaliyikkavila road without tender. The witness, Secretary, Public Works Department while admitting the procedural as well as technical lapses in this regard assured that a detailed and thorough reply should be submitted to the Committee.

(13) Regarding the audit observation about the lapse of assistance to the tune of ₹ 154.94 crore from Government of India the Committee recommended that a proper mechanism should be formulated to monitor progress of projects sanctioned and reimbursement from MoRTH (Ministry of Road Transport and Highway) so that the Government would be able to get the amount reimbursed from Government of India in time.

(14) Regarding the audit observation about inadmissible payment to contractor for works not executed the Committee wanted to know, had any disciplinary action been taken against the delinquent officers who were responsible for the approval of Revised Estimate of the works without authority, one of the witnesses, Chief Engineer (Roads & Buildings) Public Works Department informed that two increments of a Superintending Engineer have been barred with cumulative effect and an order had already been issued to realise ₹ 50 per month from the pension benefits of another Superintending Engineer. In this context the witness, Secretary, Public Works Department submitted that internal vigilance wing in the department is very weak and hence appealed for the strengthening of quality control wing so as to make the field checking very effective. He also stood for the appointment of an official with technical competency in the Vigilance and Audit Corruption Bureau (VACB) for dealing with the cases of corruption in the Department. In this context the Committee recommended that a separate monitoring agency should be constituted, having persons with technical knowledge within the Public Works Department to deal with the cases of corruption reported from the Department.

(15) With regard to the audit observation that time and cost over run due to delay in revision of faulty design, the Committee sardonically asked how the Department conceded the demand which was once rejected by the Government, the witness, Secretary, Public Works Department deposed that in the case of Mattool – Madakkara Bridge it consisted of 7 spans in its original design, but considering some technical difficulty such as formation of embankment it was redesigned with additional seven more span after going through some expertise in this regard. After this, the proposal was forwarded to Government, but it got rejected, he added. He also submitted that the redesigning of the bridge in the best interest of the public was the sole reason for the cost escalation to the tune of ₹ 13.79 crore. But the Committee negated with the arguments put forth by the witness and opined that tendering procedures were at stake and observed rocketing of revision of estimate in this case. The Committee also noted with dismay that detailed estimate was made without considering the ground realities which in turn resulted in huge loss and time over run by more than six years. In this context the Committee recommended that detailed fool proof estimate and a scientific design should be the sole criteria when executing a work with crores of rupees of public fund to avoid lapse of money and time in future.

(16) With regard to the audit para that the calculation of rate of extra items in violation of contract condition resulted in extension and undue monetary benefit, the Committee asked had any penal action been taken against the erring official, one of the witnesses, Chief Engineer (Roads & Bridges) Public Works Department ensured that either the money should be realised from the agency responsible for the lapse or stringent action should be taken against the delinquent officials for the lapses they committed. The Committee accepted the explanation furnished by the Department.

### **Conclusions/Recommendations**

(17) The Committee was disappointed to note that the preparation of estimates regarding Kalpetta bypass without conducting scientific study on roads and soil conditions resulted in dropping the project midway even after expending 4.16 crore from Central Road Fund. The Committee opines that improper planning and evaluation of the project reveals the lethargic attitude of the department.

Therefore, the Committee recommends that exact procedures should be formulated at the department level and the provision for soil test should also be made compulsory for the construction of roads in future.

(18) The Committee express its anguish and concern over the additional allocation of ₹ 76 crore for constructing retaining wall in the Karamana-Kaliyikavila road project, without tender. The Committee opines that such a terrible deviation in an approved estimate can't be entertained on any ground and even if it was necessary it should have been done through separate tender proceedings. Therefore the Committee directs the Public Works Department to submit a detailed report regarding the revision of estimates as well as procedural and technical lapses occurred while allotting additional Fund for Karamana-Kaliyikavila road project.

(19) The Committee also express its concern over the issue of persistent violation of provision in PWD Rules and Manuals regarding 'extra items' incurred in PWD construction which in turn cause huge loss to state exchequer. Therefore the Committee directs the PWD to formulate a mechanism to avoid such lapse in future.

(20) The Committee opines that lack of proper monitoring of project wise progress and status of reimbursement resulted in the lapse of assistance to the tune of ₹ 154.94 crore from Government of India. Therefore, the Committee recommends that proper mechanism should be formulated to monitor progress of projects sanctioned and reimbursement from MoRTH (Ministry of Road Transport and Highway) in order to get the amount reimbursed from Government of India in time in future.

(21) On examining the audit objection 'overpayment of ₹ 9.1 crore to the contractor for works not executed', the Committee opines that quality control and field checking need to be more effective. Therefore proper disciplinary action should be taken against the delinquent officers who are responsible for such lapses. Therefore the Committee recommends that a separate monitoring wing should be constituted, having persons with technical knowledge within the Public Works Department to deal with the cases of corruption.

(22) The Committee express its strong displeasure over the procedural lapse in implementing Government projects through agencies like KITCO, SIDCO and Kerala State Construction Corporation which gains contracts as accredited agencies and then subcontract the work to others without proper tender proceedings. Thus it happened to be a safe corridor to bypass the Government norms on expending public money. Therefore the Committee directs the department to evaluate the performance of such agencies in implementing the projects already awarded and to ensure a mechanism that the department itself can implement the project in future.

(23) The Committee is aggrieved to note that defective design and undue delay in the revision of faulty design resulted in the cost escalation of ₹ 13.79 crore in the construction of Mattool-Madakkara bridge. Therefore, the Committee recommends that detailed and foolproof estimate and scientific design should be adopted as sole criteria while executing public projects in order to avoid lapse of public money and time in future.

(24) The Committee observes that in the case of Kottayam-Kumarakom-Thanneermukkom road, the PWD had ignored the site conditions while preparing the original estimates due to which the basic course was changed from Water Based Maccadam to Wet Mix Maccadam and resulted in additional expenditure. Moreover the calculation of 'extra item' in violation of contract conditions resulted in extension of undue benefit to the contractor. Therefore the Committee recommends that departmental action should be taken against the erring officials and the money should be recovered.

Thiruvananthapuram,  
19th March, 2018.

V. D. SATHIESAN,  
Chairman,  
Committee on Public Accounts.

## APPENDIX - I

## SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

Sl. No.	Para No.	Department concerned	Conclusion/ Recommendation
1	2	3	4
1	4	Food, Civil Supplies and Consumer Affairs Department	In order to prevent hoarding, black marketing and to reduce unnecessary subsidy burden, the Committee recommends that inspection of ARD's should be strengthened by periodical verification of the accounts with reference to the entries made in the ration cards as mandated by the Rule 53 (1) and 29 (1) of Kerala Rationing Order 1966.
2	5	Food, Civil Supplies and Consumer Affairs Department	The Committee observes with concern that lack of supervision and monitoring on the part of officials resulted in diversion and unrestricted sale of commodities and sale of subsidised commodities in an uncontrolled manner to ineligible people. Failure to make end to end computerisation of PDS led to falsification of accounting of ration articles and its diversion to open market. Therefore, the Committee recommends that end to end computerisation including biometric system should be implemented in a time bound manner and strict instruction should be given to ensure that subsidy items to be sold only to genuine customers through the KSCSC.



1	2	3	4
3	17	Public Works Department	<p>The Committee was disappointed to note that the preparation of estimates regarding Kalpetta bypass without conducting scientific study on roads and soil conditions resulted in dropping the project midway even after expending 4.16 crore from Central Road Fund. The Committee opines that improper planning and evaluation of the project reveals the lethargic attitude of the department. Therefore, the Committee recommends that exact procedures should be formulated at the department level and the provision for soil test should also be made compulsory for the construction of roads in future.</p>
4	18	Public Works Department	<p>The Committee express its anguish and concern over the additional allocation of ₹ 76 crore for constructing retaining wall in the Karamana-Kaliyikavila road project, without tender. The Committee opines that such a terrible deviation in an approved estimate can't be entertained on any ground and even if it was necessary it should have been done through separate tender proceedings. Therefore the Committee directs the Public Works Department to submit a detailed report regarding the revision of estimates as well as procedural and technical lapses occurred while allotting additional Fund for Karamana-Kaliyikavila road project.</p>

1	2	3	4
5	19	Public Works Department	The Committee also express its concern over the issue of persistent violation of provision in PWD Rules and Manuals regarding 'extra items' incurred in PWD construction which in turn cause huge loss to state exchequer. Therefore the Committee directs the PWD to formulate a mechanism to avoid such lapse in future.
6	20	Public Works Department	The Committee opines that lack of proper monitoring of project wise progress and status of reimbursement resulted in the lapse of assistance to the tune of ₹154.94 crore from Government of India. Therefore, the Committee recommends that proper mechanism should be formulated to monitor progress of projects sanctioned and reimbursement from MoRTH (Ministry of Road Transport and Highway) inorder to get the amount reimbursed from Government of India in time in future.
7	21	Public Works Department	On examining the audit objection 'overpayment of ₹ 9.1 crore to the contractor for works not executed', the Committee opines that quality control and field checking need to be more effective. Therefore proper disciplinary action should be taken against the delinquent officers who are responsible for such lapses. Therefore the Committee recommends that a separate monitoring wing should be constituted, having persons with technical knowledge within the Public Works Department to deal with the cases of corruption.

1	2	3	4
8	22	Public Works Department	<p>The Committee express its strong displeasure over the procedural lapse in implementing Government projects through agencies like KITCO, SIDCO and Kerala State Construction Corporation which gains contracts as accredited agencies and then subcontract the work to others without proper tender proceedings. Thus it happened to be a safe corridor to bypass the Government norms on expending public money. Therefore the Committee directs the department to evaluate the performance of such agencies in implementing the projects already awarded and to ensure a mechanism that the department itself can implement the project in future.</p>
9	23	Public Works Department	<p>The Committee is aggrieved to note that defective design and undue delay in the revision of faulty design resulted in the cost escalation of ₹ 13.79 crore in the construction of Mattool-Madakkara bridge. Therefore, the Committee recommends that detailed and foolproof estimate and scientific design should be adopted as sole criteria while executing public projects inorder to avoid lapse of public money and time in future.</p>

1	2	3	4
10	24	Public Works Department	<p>The Committee observes that in the case of Kottayam-Kumarakom-Thanneermukkom road, the PWD had ignored the site conditions while preparing the original estimates due to which the basic course was changed from Water Based Maccadam to Wet Mix Maccadam and resulted in additional expenditure. Moreover the calculation of 'extra item' in violation of contract conditions resulted in extension of undue benefit to the contractor. Therefore the Committee recommends that departmental action should be taken against the erring officials and the money should be recovered.</p>

**ANNEX - II**  
**GOVERNMENT OF KERALA**  
**FOOD & CIVIL SUPPLIES (B) DEPARTMENT**  
**ACTION TAKEN REPORT ON COMPTROLLER AND AUDITOR GENERAL OF INDIA ON ECONOMIC SECTOR**  
**FOR THE YEAR ENDED 31.03.2013.**

Sl. No.	Dept.	Para No.	Details	Remedial Measures Taken
1	Civil Supplies	3.1.4.1 (i)	<p><b>Accounting of ration articles :-</b></p> <p>As per Rule 53(1) and 29 (1) of Kerala Rationing Order 1966 (KRO), Authorised Wholesale Dealer (AWD) should make necessary entries in the day book and ledger on supply of ration articles to ARD against payment of cash and similarly, on issue of ration articles to Card holder, ARD should record the same in the appropriate space in the ration card. The AWDs/ARDs should also maintain regular, accurate daily accounts of each rationed articles. At the end of the month, a monthly rationing report should be prepared showing details of quantity allotted, lifted and distributed and submit to the TSOs along with the monthly reports of the ARDs under their jurisdiction and submit to the DSOs and the DSOs to the DCS.</p>	<p>As per Kerala Rationing Order, 1966 (KRO), necessary entries are made in the day book and ledger book when ration articles are supplied by Authorised Wholesale Dealer to retail dealers (ARD) and ARDs to cardholders. Thus the accounts of each rationed articles are maintained in the record book by AWD/ARDs. The monthly report on the quantity allotted, lifted and distributed is submitted to concerned Taluk Supply Officers. The TSOs in turn submit the report to the District Supply Officer and the consolidated report are transferred to the Director of Civil Supplies. The Director of Civil Supplies submit the report of 14 districts as monthly rationing report to the Government.</p> <p>It is being continuously verified whether there is any variation in lifting of ration articles by ARD/AWDs and dues are collected if there is any irregularity. Other than this, the records of AWD/ARD are cross checked with stock by Vigilance Officer in State level, District Supply Officers in district level, Taluk Supply Officers and Rationing Inspectors in Taluk level and strict action is being taken against the concerned.</p>
2	Civil Supplies	3.1.4.1 (ii)	<p><b>Comparison of issued quantity recorded in rationcards with the records in ARDs through field survey :-</b></p>	<p>Steps have been taken to monitor the lifting of ration articles and to check whether they are issued according to the prescribed quantity to the cardholders. Instruction have been given to all District Supply Officers</p>

3	Civil Supplies	3.1.7	<p>A field survey was considered to see whether the rationed articles accounted for as issued were actually distributed to the card holders and also to ascertain whether the accounts maintained by the ARDs were correct and complete. For the purpose, copies of 2,783 ration cards collected were tabulated and cross verified with the preliminary accounts viz: day book and ledger of the ARDs. It was revealed that the ARDs had accounted essential commodities far in excess of that was availed by card holders.</p> <p>Lack of departmental monitoring on issue and accounting of ration articles and failure to make End to End Computerisation of PDS led to falsification of accounting of ration articles and its diversion to open market.</p>	<p>to inspect the records of concerned ARDs with the help of Rationing Inspectors and it is monitored that the same is being conducted regularly. It is also instructed to impose dues to those persons where irregularity is found. Apart from this inspections are conducted by Vigilance Officers, District Supply Officers and Taluk Supply Officers. Food Advisory Committee and Vigilance Committees are working efficiently in the Panchayat and Municipal level. This discrepancy can be completely overcome by the introduction of End to End Computerisation Programme.</p>
			<p>Recommendations :-</p> <ul style="list-style-type: none"> <li>Action may be taken to strengthen the inspection of the ARD by periodical verification of the accounts of the ARDs with reference to the entries made in the ration cards.</li> </ul>	<p>Steps have been taken to monitor the lifting of ration articles and to check whether they are issued according to the prescribed quantity to the cardholders. Instruction have been given to all District Supply Officers to inspect the records of concerned ARDs with the help of Rationing Inspectors and it is monitored that the same is being conducted regularly. It is also instructed to impose dues to those persons where irregularity is found. Apart from this inspections are conducted by Vigilance Officers, District Supply Officers and Taluk Supply Officers. Food Advisory Committee and Vigilance Committees are working efficiently in the Panchayat and Municipal level.</p>

45

• End to End Computerisation including biometric system may be implemented in a time bound manner.

The Detailed Project Report for the scheme End to End Computerisation of Public Distribution System based on the guidelines issued by Government of India has been approved by the Government. The following components are to be implemented for the scheme.

- a) Creation and Management of Digitized Beneficiary database.
- b) Computerisation of Supply Chain of TPDS commodities from Food Corporation of India to ARDs.
- c) Sale of TPDS commodities at Fair Price Shops including identification and authentication of beneficiaries and recorded of transactions.
- d) Transparency and Grievance Redressal Mechanism.

As part of implementing the scheme the work relating to digitization of database of beneficiaries including Aadhar number and Bank Account number has almost been completed. The CAS (Common Application Software) developed by NIC - Delhi is being used for the Computerisation of Supply Chain. In order to overcome the technical difficulties in the implementation of the CAS by NIC-Delhi a PIU (Project Implementation Unit) and an IT Cell has been formed in the office of the Commissioner of Civil Supplies. Decision has been taken for implementing a model pilot of the scheme at 22 selected ARDs of Thiruvananthapuram and Ernakulam Districts.

**PUBLIC ACCOUNTS COMMITTEE (2016-19) REMEDIAL MEASURES TAKEN STATEMENT ON PARA No. 3.1.5  
CONTAINED IN THE C & AG REPORT (2012-13) RELATED TO KERALA STATE CIVIL SUPPLIES CORPORATION  
LIMITED**

Sl. No.	Para No.	C & AG Report	Remedial Measures Taken
1	3.1.5	<p>Audit noticed that the subsidised sales were made without any restriction. The commodities were sold without entering the ration card numbers in the billing software or against invalid ration card numbers or in excess of the restricted quantity per household. <u>Action may be taken to ensure sale of item only to genuine customers through KSCSC (Recommendation 3.1.7)</u></p>	<p>Supplyco has issued directions to strictly follow the quantity restriction on the subsidized items sold to the consumers. The Junior Managers (M&amp;I) have been instructed to conduct surprise inspection and this aspect is also verified through the Internal Audit Wing in their detailed audit of outlets. The operation of Supplyco outlets is also monitored by the Vigilance Officer of the Company.</p> <p>In order to limit subsidy sale to genuine customers only and to have a better management on the sale of subsidized commodities, the following steps have also been taken.</p> <p>Instruction has been given to the concerned regarding the issue of subsidized items on production of Ration Cards only. The Outlet Management Software with the outlets have already been updated in such a way that the sale of subsidy items cannot be done without entering the 10 digit ration card number in that particular bill. Moreover sale of subsidy items in excess of the prescribed quantity limit is not possible from an outlet in a particular month. Instructions have been issued to the outlet managers to enter the details of subsidy sale in the relevant page of the ration card. Further the Board of Directors have recently decided to restrict the sale of subsidy items through ration cards to a single outlet by registering customer's ration card in a nearby outlet and limiting sale from that exclusive outlet. Implementation of ERP (Economic Resource Planning) in the</p>



			Company and linking of Ration card data base of Civil Supplies Department with OMS (Outlet Management System) of all outlets to prevent invalid entry of ration card numbers and thereby diversion of subsidy is being examined by the Government.
--	--	--	--

ACTION TAKEN ON PUBLIC ACCOUNTS COMMITTEE 2014-16. AUDIT REPORT  
(ECONOMIC SECTOR) OF C&AG ENDED ON MARCH 2013

Para No.	Recommendations	Action Taken
3.1.7	<p>Action may be taken to ensure sale of item only to genuine customers through KSCSC.</p>	<p>Supplyco has issued direction to strictly follow quantity restriction on the subsidised items sold to the Consumers.</p> <p>In order to ensure that the instructions are being followed, the Junior Managers (M&amp;I) have been instructed to conduct surprise inspection and this aspect is also verified through the internal audit wing, in their detailed audit of Outlets.</p> <p>The Chartered Accountants entrusted with detailed audit of the accounts of Outlets have been specifically instructed to verify this aspect.</p> <p>The operation of Supplyco Outlets is also monitored by the Vigilance Officer who is an officer in the rank of Superintendent of Police.</p> <p>The loss on account of such instances, if found, will be recovered from the officers responsible.</p>

**Remedial measures taken on Audit Report (Economic Sector-2013) of Comptroller and Auditor General of India for the year ended 31/03/2013**

Sl.No.	Department	Para No.	Details	Remedial Measures Taken
1	Civil Supplies	Para 3.2	<p>Excess payment due to incorrect computation of Value Added Tax.</p> <p>An excess amount of ₹ 14.23 Crore was reimbursed to FCI due to the incorrect computation of VAT on CIP</p> <p>Food Corporation of India (FCI) is responsible for procurement, transportation and warehousing the food grains to be distributed to the ration card holders through Authorized Wholesale Dealer and Retail Dealer. FCI procures the food grains at Central Issue Price (CIP) fixed by Govt and sells them to Authorized Wholesale Dealers at wholesale price. Govt. introduced (vide GO (Ms) No. 11/2011/F&amp;CSD dated 25 February 2011) a special scheme of issue of food grains (rice and wheat) at subsidised rates to different categories of card holders through PDS (as stated below)</p> <ul style="list-style-type: none"> <li>• At the rate of ₹ two per kg to certain categories of APL card holders.</li> <li>• At the rate of ₹ two per-kg to all BPL card holders up to 31 August 2011 and at the rate of ₹ one from 1-September 2011.</li> </ul> <p>In order to compensate the difference between the CIP and wholesale price of FCI, the State Government gave subsidy to FCI at the following rates during the years 2010-11, 2011-12 and 2012-13.</p>	<p>The Civil Supplies Department prepares the price fixation of food grain by including the VAT on Central Issue Price. The FCI is not liable to pay VAT on the amount of subsidy received from Government and so VAT is to be paid by Government to FCI. VAT is collected by Commercial Tax Department, Government of Kerala. Due to incorrect computation of rate of subsidy, the amount of subsidy paid during the year 2010-11, 2011-12 and 2012-13 was in excess by Rs. 14.23 Crore. Excess of VAT paid by the department actually goes to Commercial Tax Department, Kerala. Hence excess VAT amount is not missing or lapsed but just goes to another department. On being pointed out, the Department accepted the point. However the VAT for rice and wheat has been exempted since 01/04/2013 and 01/04/2014 respectively. Hence the para may be dropped.</p>

Category	Amount of subsidy per quintal (in ₹)
APL (Rice)	690
APL (Wheat)	470
BPL (Rice) (upto 31.08.2011)	420
BPL (Rice) (from 01.09.2011)	520
BPL (Wheat)	270
<p>The quantum of subsidy was arrived at in such a way that the retail selling price should be ₹ two ₹ one per kg as the case may be, after meeting all other expenses including VAT on central issue price. As per the provisions of the Kerala Value Added Tax Act, 2005, the FCI is not liable to pay VAT on the amount of subsidy received from Government. Thus, VAT to be reimbursed to FCI is to be calculated on net CIP (ie CIP less amount of subsidy). Instead, VAT was calculated in full CIP (inclusive of subsidy) and re-imbursed to FCI.</p> <p>Due to the incorrect computation of VAT on CIP, the amount reimbursed during the years 2010-11, 2011-12 and 2012-13 was in excess by ₹ 14.23 Crore. On this being pointed out, the department accepted the point.</p>	

**GOVERNMENT OF KERALA  
PUBLIC WORKS DEPARTMENT**

**Report of C&AG of India on Economic Sector  
for the year ended 31.03.2013**

Sl. No	Para No.	Recommendations	Action taken by the Government
1	3.5.4.4	<p><b>Selection of NH projects using CRF allotment for State road projects</b></p> <p>Projects required in NH roads are being funded by Government of India directly. CRF allotment to States was meant for utilising on State roads. Audit revealed that the project 'Construction of Dharmadom Bridge in NH 17' in Kannur District which was completed at a cost of Rs.4 Crore was taken up by National Highways Division, Kannur using CRF. Chief Engineer replied that due to sudden settlement of piers, the bridge was in the verge of collapse and that there was no provision made in Annual Plan and hence CRF was used immediately for the construction of bridge.</p> <p>Audit observed that the bridge forming part of NH wing should have been constructed utilizing funds allotted for NHs and the CRF meant for State roads could have been utilised for other eligible State road projects.</p>	<p><b>Construction of Dharmadom Bridge in NH 17 in Kannur District</b></p> <p>Dharmadom bridge is situated at Km 173/900 of NH 17. At that time RCC bridge was at the verge of collapse. Severe settlement for the piers had occurred and the bridge was not safe for vehicular traffic. Hence the immediate reconstruction was inevitable. In order to avoid a hazard of the endangering situation like the collapse of the bridge, the construction of bridge was proposed under CRF. There was no provision for the same in the annual plan at that time.</p> <p>The proposed Thalassery - Mahe Bypass is near to the existing bridge and hence the possibility of taking up the construction of the bridge in the</p>

2	<p><u>Project Proposed without ensuring availability of land</u></p> <p>Rule 5(3) of CRF Rules inter alia stipulates that the proposals shall include only those projects where land is available without any encumbrance. But the department prioritized and obtained sanction of MORTH for two projects in two divisions without ensuring the availability of unencumbered land/clear site. Various pre-requisites such as acquisition of land, clearance from forest department etc.were not</p>	<p>existing alignment will normally be objected by MORTH. Moreover, after the completion of bypass it is a practice that the existing NH is handed over to the State Government. In such a case maintenance of Road &amp; Bridge is likely to be taken up by the State Government itself.</p> <p>The proposal for the construction of bridge under CRF is purely based on public interest and taking into account the dangerous position of the old bridge, which would endanger the lives of the people and it is also noted that the old bridge was collapsed after the construction of new bridge. This incident reveals that the proposal of bridge at that time under CRF was in a right perspective.</p>
3.5.4.5	<p><u>Exiundla - Vellur - Podiyattachal road Pullingome from Ch 37/800 Km to 43/224 Km including Construction of Bridge.</u></p> <p>The above road was under the control of PWD(Roads) wing handed over to the NH wing by the PWD for carrying out the CRF works, only few days before handing over the site to the contractor for the work (on</p>	<p><u>Exiundla - Vellur - Podiyattachal road Pullingome from Ch 37/800 Km to 43/224 Km including Construction of Bridge.</u></p> <p>The above road was under the control of PWD(Roads) wing handed over to the NH wing by the PWD for carrying out the CRF works, only few days before handing over the site to the contractor for the work (on</p>

Sl. No.	Name of projects	Year of Sanction	Present position of the projects	Reason for non availability of land	Amount involved (Rs.in Crores)
1	Analayam bridge in Nedumbassery - Kodaikkal road (NH division Muvattu puzha)	October 2008	De sanctioned by MORTH (August 2011)	Want of clearance from Govt to divert Forest land for the construction of bridge.	5.17
2	Ezhimvairu - Padiyottuchal road - Pullangone from chainage 37/800 Km to 43/234 Km including construction of bridge (NH Division, Kannur)	June / 2005	Completed in March 2010 with a delay of more than two years. Delay resulted in enhancement of contract value by Rs.1.61 Crore	Non shifting of utilities from the alignment of road	1.61

obtained prior to taking up the project. This had resulted in lagging of projects or De-sanctioning of projects by MORTH as shown below:  
Table 3.13:Details of projects proposed without ensuring availability of land.

10.02.2006). Immediately after receiving the road from PWD, action were initiated for shifting the utilities like underground cables which hinder the progress of the work. The Assistant Engineer, KSEB, Padiyottuchal was also addressed for shifting the electric poles standing on the side of the road. Meanwhile, Assistant Conservator of Forest, Social Forestry Division, Kannur was addressed for permission for cutting trees. This shows that timely action was taken by PWD for getting the hindrance removed.

Even though the KSEB Authorities were addressed timely, estimate for shifting of electric poles was received only on 13.02.2007 for an amount of Rs.10,22,753/-. This estimate was immediately submitted for sanction of funds. Necessary fund and letter of credit for the shifting of electric poles was given to KSEB during Feb.2008. The KSEB officials had been reminded regularly from the department for speeding up the work. But the work was in a slow pace.

As the work for shifting of utilities involves various departments, it is natural that this department has many

The award of project without ensuring the availability of unencumbered land not only resulted in non completion of project and escalation of cost but also delayed further grants by GOI

	<p>limitations to speed up the work.</p> <p>From the above mentioned facts it can be seen that this department has taken all the timely action necessary to avoid delay and the delay occurred are due to reasons beyond the control of this department.</p>										
<p><u>Ezhimala - Vellur - Padivottachal road Puffingome from Ch 37/800 Km to 43/234 Km including Construction of Bridge.</u></p> <p>It has been decided to maintain a good traffic worthy highway connectivity between Ezhimala Naval Academy and the city of Bangalore via Payyannur, Pulingome, Mundroure, Thilakkivery, Bagamandala in the larger interest of defense perspective. The Government has promised to setup required infrastructural facilities to Naval Academy outside its campus. One of the routes proposed is Ezhimala to Bangalore through the above said route. Based on the assurance given by Government, it was originally taken up for improvement by Kerala Road Fund Board and Estimate for the constructing was prepared through the constructing Engineering Services Private Ltd. New</p>	<p><b>3 3.5.4.6 Improper Planning and evaluation of projects</b></p> <p>Selection of the following projects without planning and absence of evaluation of benefit to public, resulted in dropping the project midway or remaining incomplete indefinitely after incurring Rs.5.91 Crore in two cases test checked in two divisions as shown below:-</p> <p><b>Table 3.14 : Projects for which intended benefit could not be served</b></p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name of projects</th> <th>Status/expenditure incurred</th> <th>Details of project</th> <th>Audit observation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Ezhimala - Vellur - Padivottachal - Puffingome from Chainage 37/800 K. to 43/234 Km including construction of bridge (NH Division Kannur)</td> <td>Work completed on March 2010 Expenditure Rs.5.83 Crore</td> <td>The bridge is situated on the State border and ends in forest area of Karnataka. The cost incurred for the construction of the bridge alone was Rs.1.75 Crore.</td> <td>The project was wrongly prioritized and executed without considering the fact that the other end of the bridge was forest land of another State and as a result the expenditure for the bridge improvement</td> </tr> </tbody> </table>	Sl. No.	Name of projects	Status/expenditure incurred	Details of project	Audit observation	1	Ezhimala - Vellur - Padivottachal - Puffingome from Chainage 37/800 K. to 43/234 Km including construction of bridge (NH Division Kannur)	Work completed on March 2010 Expenditure Rs.5.83 Crore	The bridge is situated on the State border and ends in forest area of Karnataka. The cost incurred for the construction of the bridge alone was Rs.1.75 Crore.	The project was wrongly prioritized and executed without considering the fact that the other end of the bridge was forest land of another State and as a result the expenditure for the bridge improvement
Sl. No.	Name of projects	Status/expenditure incurred	Details of project	Audit observation							
1	Ezhimala - Vellur - Padivottachal - Puffingome from Chainage 37/800 K. to 43/234 Km including construction of bridge (NH Division Kannur)	Work completed on March 2010 Expenditure Rs.5.83 Crore	The bridge is situated on the State border and ends in forest area of Karnataka. The cost incurred for the construction of the bridge alone was Rs.1.75 Crore.	The project was wrongly prioritized and executed without considering the fact that the other end of the bridge was forest land of another State and as a result the expenditure for the bridge improvement							



	<p>of the road was given top priority stating that the road was the shortest link between Ezhimala Naval Academy and Bangalore from where infrastructure related requirements of naval academy was to be conveyed. The work could not be arranged beyond the border as the land is situated in forest area</p>	<p>Delhi. The estimate was prepared in three reaches via (1) Reach 1 - Ezhimala to Perumba Km 0/000 to 9/439, Reach II - Perumba to Cherupuzha Km 9/439 to 37/800 and Reach III Cherupuzha to Pulingome Km 37/800 to 43/234. All the above works were proposed under CRF.</p>
<p>became (b). Though the work in the State of Kerala has been completed, the work in the State of Karnataka could not be arranged. The State Government should have co-ordinated with Government of Karnataka for the timely completion of work.</p>	<p>In June 2006, construction of Kalpetta bypass with provision for pavement was awarded using CRF in NH Division, Kozhikode. Owing to defective planning, sufficient quantity of various items work was not</p>	<p>Of this administrative sanction for Reach III was accorded by MORH and the work was completed and final bill paid. The work includes construction of a bridge at the State Border (Mundroute Bridge). The work of bridge and approach on Kerala side also had been completed. On Karnataka side the earthen road is retained as such. The distance from Kerala border to Thalakkavery in Karnataka state is about 18 Km. Beyond Mundroute bridge at Kerala Border there is a village road (Earthen road for 16 Km and 2 Km BT road). The immediate approach in Karnataka side of the bridge is passing through forest for about 9 Km and the balance 9 Km is passing through meadows to reach Thalakkavery. From Thalakkavery to Bangalore the existing road network can be used.</p>
<p>2</p>	<p>Construction of Kalpetta bypass (NH Division, Kozhikode)</p>	<p>Expenditure - Rs.4.16 Crore</p>
	<p>The intention of CRF is to utilise the fund for development of the road as per Indian Road Congress/Mo RTH specification. But due to omission in providing sufficient items/quantities in the</p>	

<p>included in the estimate. Therefore the work was completed only up to embankment level with an expenditure of Rs.4.16 Crore. The balance work is being executed by roads wing of State PWD using State fund and the work has not been completed so far (June 2013)</p>	<p>work, the bypass has not materialised even after Rs.4.16 Crore from CRF. Chief Engineer reported that the expenditure towards extra quantity of random rubble and hard rock excavation was assessed as Rs.2.20 Crore but there was no provision to meet the extra liability. Hence it was decided to close the project at formation level.</p>
<p>The distance from Ezhimata to Bangalore through this route comes to about 376 Km out of which 43 Km is in Kerala State and 317 Km in Karnataka State. They are in good trafficable condition and only missing is 16 Km, village road from State boundary to Thalakkavery. As a result of construction of the bridge across the river and due to the existence of the village road at present the connectivity is established. Even if the above mentioned 16 Km missing link is not a pucca road, this route can be utilized for defense activities in case any contingency arises. There is a CRPF campus at Peringome enroute this road. This route can also be utilized by CRPF personnel in case any contingency due to the law and order problem arises on both sides of the border. The inhabitants on both sides of the river are also now utilizing the bridge to reach their destination with the permission of Forest authorities.</p> <p>The Union Ministers and Members of Parliament have already taken up the matter of improving the missing link with MoRTH. Ministry had addressed the Karnataka PWD regarding the</p>	<p>work, the bypass has not materialised even after Rs.4.16 Crore from CRF. Chief Engineer reported that the expenditure towards extra quantity of random rubble and hard rock excavation was assessed as Rs.2.20 Crore but there was no provision to meet the extra liability. Hence it was decided to close the project at formation level.</p>

missing link and requested to improve this village road to MDR standard considering the importance of this route in the larger defense perspective. Government of Kerala also addressed Karnataka regarding the issue of construction of this missing link. It is expected that this link between Ezhimala naval academy and the city of Bangalore will become reality in the near future.

The expenditure incurred for the bridge already constructed across the river in the boundary is about 1.75 crore. After three or four years the cost may be increased to manifold considering the increase in the cost of materials and labour now a days.

Considering all the above facts the audit observations in the matter may be dropped.

Construction of Kalpetta bypass II from Km 2/000 to 3/770 in Wayanad district.

The above work was included in the CRF list of 2005-06 and the sanctioned amount from MoRTH is Rs.379.22 lakh. The technical sanction was issued by the Chief Engineer for Rs.366.41 lakh. The above work was

awarded to M/s. K.Ravindran, PWD Contractor. The site for the work was handed over to the contractor on 30.06.2006.

During execution certain deviation from the sanctioned estimate and additional extra items were found unavoidable for the completion of the work. Quantities of each work excavation in cutting, filling and excavation in rock were exceeded than that of the agreed quantities. The reason was mainly due to the change in limiting gradient from 1-in 10 to 1-in 12 from the road as per IRC specification. The estimate was prepared based on the data collected on preliminary survey. Owing to the inaccessibility of the areas, which was covered with thick and thorny jungle, meticulous assessment could not be carried out. Later, detailed survey was conducted using total station after clearing the entire stretch for the purpose of reporting to CTE. Only during excavation of soil, the presence of additional quantity of hard rock was noticed especially between Ch 3/053 & 3/623 of Kalpetta bypass at a depth of 2m below ground strata. The detailed

investigation works such as borings, leveling etc. could not be done earlier due to non availability of funds.

Since the alignment of the road is in such a way that it passes through hilly terrains with steep longitudinal and cross slopes, heavy cutting and filling came in many stretches. Valley sides of the road have to be protected to prevent sliding of earthen embankment. Random rubble retaining walls were necessitated in order to have a water tight structure as far as possible to prevent washing away of back fill material and embankment soil along with the percolating water. Hence dry rubble masonry work is replaced with RR masonry work with weep holes for retaining walls having a height of 3m and more. Granular sub base is provided in the foundation of culverts since the soil is slushy and to improve bearing capacity. The area is prone to landslides as the site is located in a mountainous Wayanad region where heavy rain for prolonged period is experienced. In original proposal it was proposed to abandon the cross road on the left side and make use of

the newly formed bypass as access to the road leading to graveyard at Ch 2/873. But during execution there is resistance from local public and also from Kalpetta Municipality against closing of the existing road. Hence retaining walls are additionally constructed for the protection of embankment for providing proper connection of approach roads taking off and meeting this bypass. Provision for cutting for 30m of approach is also additionally included to ease the gradient of approaches. Most of the culverts are coming in filling reaches where the base width of embankment is 30m. The culverts are coming in filling reaches where the base width of embankment is 30m. The increase in length of culvert resulted in increase in related items of cross drainage works.

Thus due to the huge variations in the quantity of rock cutting and above essential works, a revised estimate was prepared incorporating the above deviations and it was also decided that the work would be closed after achieving formation level, construction of cross drainage works and other side protection works including the

			<p>formation of road to crematorium and to delete the surfacing work. After incorporating all the above deviations and extra items, a revised estimate amounting to Rs.4,17,13,278.00 was got approved. All the quantities executed are as per the provisions and as per the revised sanctioned estimate. Now the work is completed up to formation level and the balance works are arranged by PWD Roads Division.</p>
4	3.5.5	<p><u>Delays</u> According to CRP (State Road) Rules, 2007 for the disbursement of the CRF in respect of specified projects, an individual project is required to be technically approved, financially sanctioned and awarded to contractor within a period of four months from the date of approval from GoI and period of completion should not exceed 24 months including tendering process. Test check of records of three implementing circles regarding the projects awarded during 2008-09 to 2012-13 revealed that there was delay in award of work by the department in respect of 41 projects ranging from one month to 34 months and hence the commencement of the project was delayed. In two cases, the projects had to be awarded at higher costs. The cost overrun consequent on the</p>	<p><u>Improvements of riding quality of SH -52 Patakkad - Pollachi road Km 5/000 to 29/992</u> The above work was sanctioned under CRF. The work has been tendered with last date of receipt of tender as on 15.10.2007 as per tender notice dated:21.08.2007. The lowest bid received from Sri.V.P.Thirumathy @ 12.97% above estimate rate. As per GO(Rt) No.386/08/PWD dated: 29.03.2008, Government accorded sanction of the lowest tender in favour of Sri.V.P.Thirumathy @9% above estimate rate, that is after the expiry of firm period. Selection notice was issued to the contractor. But the</p>

<p>delay in the award of project in two cases amounted to Rs.2.08 Crore as illustrated below:</p> <ul style="list-style-type: none"> <li>The project of Improvements of riding quality of SH 52 Palakkad - Pollachi road sanctioned by MoRTH in June 2007 for Rs.9.28 Crore against the estimate of Rs.8.79 Crore. The lowest quoted (October 2007) rate was 12.97 percent above the estimate rate. State Government approved (March 2008) nine percent above estimate rate after a lapse of five months against the stipulated period of four months. But contractor was not willing to execute the project at the rate approved by the department. Subsequently, the work was re-tendered and awarded in January 2010 at 28 per cent above estimate rate after a lapse of 31 months from the date of sanction with an excess cost of Rs.1.32 Crore.</li> <li>The project of Improvements to Thrikkunnappuzha - Mavelikkara (Via) Nangiarkulangara road was sanctioned by MoRTH for Rs.7.02 Crore in January 2011. The Estimated PAC of the work was Rs.6.65 Crore. The project was tendered with last date for submitting tender proposals as 28 February 2011. Financial bid was opened on 19 May 2011. The lowest offer received was Rs.7.41 Crore. As firm period of 120 days from 28 February 2011 expired on 28 June 2011 the lowest bidder extended the firm</li> </ul>	<p>contractor informed that he was willing to take up the work at his quoted rate only if the department was ready to pay the actual cost of bitumen, bitumen emulsion steel and cement at the time of actual execution.</p> <p>The work was re-tendered and awarded to the lowest bidder Ernad Engineering at 28% above the estimate rate.</p> <p>As per GRF rules, an individual project should be technically approved, financially sanctioned and awarded to contractor within a period of four months from the date of approval from Government. This work was sanctioned during June 2007, and the work tendered as last date of receiving tender as on 15.10.2007. If a competitive tender been received ie below estimate rate, then the work should have been awarded within four months of approval. It is informed that the delay in awarding the work was not due to the lack of efforts from the department, but it was due to the procedural delay in approval of tender etc. The matter has already been reported to MoRTH and sanction have been obtained from MoRTH for</p>
---	--



	<p>period for further three months up to 29 September 2011. However, the department approved tender only in October 2011. The lowest bidder refused to take up the project. The department approved (April 2012) the offer of second lowest bidder with the agreed PAC was Rs.8.17 Crore. Audit revealed that delay in finalization of tender within the firm period led to extra commitment of Rs.0.76 Crore.</p>	<p>revalidating of fund.</p> <p>In the view of the above points reply may kindly be admitted and the objection raised may kindly dropped.</p>
		<p><i>h. h. h.</i></p> <p>10/10/2011</p>

**GOVERNMENT OF KERALA  
PUBLIC WORKS (G.) DEPARTMENT**

**ACTION TAKEN STATEMENT ON THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR  
THE YEAR ENDED 31.03.2013 (ECONOMIC SECTOR)**

Sl. No.	Para No.	Recommendations	Action Taken																																
1	3.6	<p><b>Inadmissible payment to contractor for works not executed</b></p> <p>Over Payment of ₹ 0.91 Crore by the EE due to improper assessment of actual work executed</p> <p>The Superintending Engineer (SE), Roads and Bridges, North Circle, Kozhikode awarded two road improvement works namely Improvements to Kariyavattom - Alanalloor road (Work-I) and 'Mankada - Pattikkad road' (Work-II) in Malappuram district with Estimated Probable Amount of Contract (EPAC) of ₹ 2.15 crore as detailed below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>Work I</th> <th>Work II</th> <th>Total (₹ in Crore)</th> </tr> </thead> <tbody> <tr> <td>Date of Award</td> <td>July 2005</td> <td>August 2004</td> <td></td> </tr> <tr> <td>EPAC</td> <td>1.08</td> <td>1.07</td> <td>2.15</td> </tr> <tr> <td>Accepted rate</td> <td>17.99 per cent below EPAC</td> <td>27.92 per cent below EPAC</td> <td></td> </tr> <tr> <td>Contract amount</td> <td>0.93</td> <td>0.78</td> <td>1.71</td> </tr> <tr> <td>Revised EPAC</td> <td>1.65</td> <td>1.80</td> <td>3.45</td> </tr> <tr> <td>Date of completion</td> <td>February 2007</td> <td>August 2007</td> <td></td> </tr> <tr> <td>Claim preferred</td> <td>1.44</td> <td>1.37</td> <td>2.81</td> </tr> </tbody> </table>	Particulars	Work I	Work II	Total (₹ in Crore)	Date of Award	July 2005	August 2004		EPAC	1.08	1.07	2.15	Accepted rate	17.99 per cent below EPAC	27.92 per cent below EPAC		Contract amount	0.93	0.78	1.71	Revised EPAC	1.65	1.80	3.45	Date of completion	February 2007	August 2007		Claim preferred	1.44	1.37	2.81	<p>The work Improvements to Kariyavattom- Alanalloor Road Reach(Work-I) was accorded for an amount of ₹ 100 lakhs as per G.O(R)No. 1159/2004/PWD dated 20.11.2004 for an amount of ₹ 100 lakhs and Technical Sanction was issued by the Chief Engineer (R&amp;B) for ₹ 108 lakhs and the work was awarded to Sri. V.P Thirumathy at 17.99% below E/R. During the course of the work certain deviations were found necessary for the proper completion of the work and hence a Revised Estimate for ₹ 1,64,50,000/- was needed which was 52.31 % above the Technical Sanction amount. The then Superintending Engineer, Roads &amp; Bridges, North Circle, Kozhikode had sanctioned a Revised Estimate for an amount of ₹ 1,34,90,645/-. This amount was arrived by considering the below quoted rate of 17.99% from ₹ 1,64,50,000/-. On completion of the work, the 3<sup>rd</sup> and final bill was submitted for an amount of ₹ 1,64,62,981/- at the Estimate Rate resulting in an excess of 52.43%. The payment was made to the contractor limiting the amount to ₹ 1,34,90,645/-.</p> <p>The contractor had filed WPC No. 7503/09 before the Hon'ble High Court for getting the balance amount and accordingly as per the judgment dated 27-08-2009 in WPC No.7503/09 the Hon'ble High Court had directed to pay the amount due to the petitioner. Further to get the payment a C.C No. 583/10 was filed by the petitioner. In order to comply with the above judgment and to drop further proceedings in the Contempt Case Revised Administrative Sanction was accorded for an amount of ₹ 1,64,62,981/- as per G.O(Rt)No.1137/10/PWD dated 15.07.2010 along with which it was ordered that the Chief Engineer</p>
Particulars	Work I	Work II	Total (₹ in Crore)																																
Date of Award	July 2005	August 2004																																	
EPAC	1.08	1.07	2.15																																
Accepted rate	17.99 per cent below EPAC	27.92 per cent below EPAC																																	
Contract amount	0.93	0.78	1.71																																
Revised EPAC	1.65	1.80	3.45																																
Date of completion	February 2007	August 2007																																	
Claim preferred	1.44	1.37	2.81																																

(R&B) would forward necessary proposals for taking penal action against the delinquent officers who were responsible for the approval of the Revised Estimate of the work without authority. Disciplinary action was initiated against the delinquent officers.

Similarly Administrative Sanction and Special Sanction was accorded for the work- Improvements to Mankada-Pattikkad road Km 000 to 9/030 (Work-II) for an amount of ₹ 100 lakhs as per G.O(R)No. 836/2003/PWD dated 28.08.2003 and G.O(R)No.1090/2003/PWD dated 06.11.2003 for an amount of ₹ 100 lakhs and Technical Sanction was issued by the Chief Engineer (R&B) for ₹ 107 lakhs and the work was awarded to Sri. V.P.Thirumathi at 27.72% below E/R. During the course of the work certain deviations were found necessary for the proper completion of the work and hence the then Superintending Engineer, Roads & Bridges, North Circle, Kozhikode had sanctioned a Revised Estimate for an amount of ₹ 1,29,05,594/- against the Technical Sanction amount of ₹ 107 lakhs which was arrived by considering the below quoted rate. The contractor was paid ₹ 90,85,810/-. On completion of the work, the 3<sup>rd</sup> and final bill was submitted for an amount of ₹ 1,79,61,473/- and a payment of ₹ 20,08,317/- was also made. The total payment was made to the contractor for an amount of ₹ 1,37,08,120/-.

In the same manner as at Work-1, the contractor had filed WPC No. 7500/09 before the Hon'ble High Court for getting the balance amount and accordingly as per the common judgment dated 27-08-2009 in WPC No.7503/09 the Hon'ble High Court had directed to pay the amount due to the petitioner. Further to get the payment a C.C No. 576/10 was filed by the petitioner. In order to comply with the judgment in the WPC and to drop further proceedings in the Contempt Case Revised Administrative Sanction was accorded for an amount of ₹ 1,79,61,473/- as per G.O(R)No.1225/10/PWD dated 30.07.2010 alongwith which it was ordered that the Chief Engineer (R&B) would forward necessary proposals for taking penal action against the delinquent officers who were responsible for the approval of the Revised

by the Contractor			
Amount paid to the contractor	1.19	0.91	2.10
Month of payment	June 2008	May 2007	
Balance payment due	0.25	0.46	0.71

In June 2007 Audit objected to the revised estimate as it exceeded the powers of the SE, EE, Roads Division, Manjeri therefore paid ₹ 2.10 Crore limiting the payment within the sanction amount of ₹ 2.15 Crore. Aggrieved by non-receipt of balance amount, the contractor moved the High Court. In the counter affidavit filed, the EE admitted the claims of the contractor, based on which the High Court ordered (27 August 2009) to release the balance amount. The department effected payment of balance amount of ₹ 6.71 Crore in May 2011.

Audit scrutiny of records of the Division revealed that:

1. A departmental scrutiny of work was ordered (October 2010) and conducted in January 2011/ April 2011 to assess the actual work executed by the contractor. It was found that ₹ 2.10 Crore paid before the Court's intervention was actually in excess of the work done by ₹ 19.85 lakh (₹ 17.51 lakh for work I + ₹ 2.34 Lakh for work II). It is evident from this that the EE admitted the excess payment without proper measurement of work actually done. Further, by filing an affidavit admitting the contractor's claim for a further amount of ₹ 0.71 Crore, he EE was responsible for a total excess paid amount of ₹ 0.91 Crore.
2. The Court while giving direction (August 2009) for payment had opined that it is open to the Government to take appropriate steps against the contractor if the work had not been completed satisfactorily. Based on the belated scrutiny

	<p>conducted by the department in January 2011 / April 2011, the department could have recovered the excess paid amount from the contractor. Instead they chose to file a writ petition which was not necessary to effect the recovery.</p> <p>The matter was reported to the Government in July 2012. The Government replied (October 2013) that the withheld amount was released based on orders of the High Court and that the delinquent officers were punished for the erroneous sanction of revised estimates. Government also stated that a writ appeal was filed in the High Court for recovering the excess amount from the contractor. The second part of the reply is not acceptable due to the fact that the High Court had given an order that gave room for recovery of amounts for work not done by the contractor and there was no need for the department to approach the Court.</p>	<p>Estimate of the work without authority. As such disciplinary action was initiated against the delinquent officers.</p> <p>On the basis of the legal opinion furnished by the Government Pleader on the Review Petition by Government on both the WPCs it was decided to check the measurement and to requantity the work and also to recall the Govt. orders sanctioning the Revised Estimates. Based on the legal opinion both the Govt. orders sanctioning Revised Estimate ie, G.O(R)No.1137/10/PWD dated 15.07.2010 &amp; G.O(R)No.1225/10/PWD dated 30.07.2010 were cancelled.</p> <p>But the Hon'ble High Court had dismissed the Review Petition No. 874/10 &amp; 897/10 and had directed the Respondents to be present before the Court for pressing charges. As against this Government had filed an Appeal Petition before the Division Bench against the judgment. In order to comply with the common judgment dated 27-08-2009 Govt. as per G.O(R)No.747/2011/PWD dated 25.05.2011 &amp; G.O(R)No.746/2011/PWD dated 23.05.2011 ordered to pay an amount of ₹ 1,64,62,981/- &amp; ₹ 1,79,61,473/- for Work No.1 &amp; 2 respectively that which was due to the petitioner and to take action against the petitioner including recovery of amount due from the contractor if found guilty of any defect in the execution of the work. Even though the judgment gave ample room for the department for the recovery of amounts for the work not done by the contractor, the same could not be done due to lack of time in view of the time limit in the judgment and hence Government had to comply with the judgment. As in the event of the non-disbursement of the amount within three weeks the Respondents shall need to go for a personal appearance before the Court.</p> <p style="text-align: right;"><i>Reeha</i></p>
--	---	--

**GOVERNMENT OF KERALA  
PUBLIC WORKS (D) DEPARTMENT**

**Report of C&AG of India on Economic Sector  
for the year ended 31.03.2013**

Para	Title of Paragraph	Reply
3.7	<p><b><u>Time and cost overrun due to delay in revision of a faulty design.</u></b></p> <p>Absence of adequate field work and subsequent delay in revising design in construction of a bridge resulted in time overrun by more than six years and cost overrun of ₹ 13.79 Crore.</p>	<p>Mattool Madakkara Bridge work has been completed in all respects and opened to traffic on 17.02.2014. Originally the work consisted of 7 spans of 37.062 m length and width 1.5 m wide footpath on either sides. Length of approach road on Mattool side is 508 m and 475 m on Madakkara side. Width of the river is 509m. The approach in Madakkara side is through river about 250 m. At the time of detailed estimate preparation the difficulty of forming embankment through very weak soil for a length of 250 m on Madakkara side was reported in the estimate report that excessive settlement for a long period is expected for portions where depth of filling is more. Also it was suggested to conduct detailed soil investigation and obtain expert opinion. Investigation was conducted by LBS center and based on their investigation design finalized.</p>
	<p>Public Works Department issued (September 2004) AS for the construction of Mattool-Madakkara bridge across Mattool river in Kannur district under the RIDF X scheme of NABARD at an estimated cost of ₹ 11.50 Crore (based on 1999 SoR). The work consisted of construction of a 259.43 m bridge having seven spans approved by Design Research Investigation and Quality control Board (DRIQ). The length of approach road was 475 m on Madakkara side of which 250m passes through water logged area and for a length of 508 m on Mattool side. The work was technically sanctioned (November 2004) for an estimated cost of ₹ 9.79 Crore. The work was awarded (March 2005) to M/s Kerala State Construction Corporation Ltd.(KSCC) by SE, Roads and Bridges, North Circle, Kozhikode at 20:50 percent above the estimate rate at an</p>	<p>M/s KSCC Limited, the Contractor for the above work reported the difficulty of forming the embankment at Madakkara side through water logged area for a length of 250m, effects of tidal actions and low N value of soil etc.</p>

They suggested to provide 11 span of 42.162 m for a total length of 463m only. This proposal did not cover the entire width of river.

The matter was referred to Prof. T.K.G.Nair, soil expert and he visited the site on 30.05.2005. Since the height of embankment at Maḍakkara side is 8.2 m and the soil below having low shear strength and high compressibility of characteristics, it was advised to construct an additional 8 span. Further, there was request from different walks of life to construct the bridge to the entire width of river, otherwise it will lead ecological impact and obstruct the natural flow of the river.

On 14.11.2007 the then Hon'ble Minister for Works convened a meeting to discuss the prevailing situation and it was decided to conduct a new Geo technical investigation by REC Calicut or IIT Chennai. Dr.S.R.Gandhi, Department of Civil Engineering IIT Chennai recommended to provide additional 7 span by replacing earthen embankment. But the contractor was not willing to take up the additional work at the agreed rate. Meetings were convened by the then Hon'ble Minister for Works on 01.07.2008 and 15.07.2008 and it was directed to submit revised estimate. Accordingly revised estimate was prepared and got approved in 2/2009.

i. The general arrangement drawing was

agreed EPAC of ₹ 11.11 Crore. The work was to be completed by April 2007.

The land was handed over to the contractor on 5 April 2005 for construction work. The contractor commenced the work and requested (May 2005) the department to change the scope and design of the work by extending the bridge to cover the portion of the approach road over the water logged area at an estimated extra cost of ₹ 9.18 Crore. Total cost of original works and extra works (including tender excess) was ₹ 20.29 Crore. As no decision on his proposal was taken, the contractor stopped the work (June 2006) after completing six pile groups incurring an expenditure of ₹ 3.78 Crore. The Division submitted (August 2006) a revised design of bridge to cover approach road. Government rejected the said proposal in August 2007 and directed the department to complete as originally designed and estimated.

However, based on a subsequent report of the CE (R&B) (December 2008), Government issued (February 2009) revised AS for ₹ 31.78 Crore (based on 2008.SoR) including provision for payment already made amounting to ₹ 3.78 Crore for executed item of work. CE approved the revised estimate for ₹ 31.78 Crore incorporating 11 extra items which covered the construction of bridge proper over the water logged area. Government also conceded the demand of the contractor for rate revision and sanctioned revised rate at 10 percent over the estimate for the balance work which resulted in escalating the total

contract value to ₹ 34.08 Crore. The payment made to the contractor (upto January 2014) amounted to ₹ 33.65 Crore. The work was completed in February 2014).

The defective design in the project and undue delay in revision of estimates to remedy the same resulted in cost escalation of ₹ 13.79 Crore and time overrun by more than six years (as of February 2014).

- ii. delayed due to the above said reasons. As per the decision in the meeting held on 14.11.2007 new soil investigation was conducted. Also in the KSCC design, the entire width of river was not covered.
- iii. It is clear that the department has not failed to consider the fact that Madakara side was a marshy land, as the original investigation was conducted by LBS Center and at the time of detailed estimate preparation it was proposed for a further investigation and expert opinion.

Under the circumstances explained above it is submitted that no loss was sustained to Government due to the design change of Matbol Madakkara Bridge and the work was done in the best interest of public. Hence it is requested that the explanations may kindly be accepted and audit para may kindly be dropped.

*[Signature]*  
 11/11/14

Government of Kerala

Public Works (H) Department

Action Taken Report on the Audit Report (Economic Sector) for the year ended March 31, 2013 of the Comptroller and Auditor General of India

Paragraph	Recommendation	Action Taken Report
3.8	<p>There was extra expenditure of ₹ 0.80 crore due to calculation of rates for 'extra item' based on SoR 2010 instead of SoR 2007 and mistake in reckoning the distance from source of material to the work site in respect of the project Kottayam-Kumarakom-Thanneermukkom Road.</p>	<p>As per the agreement the proposal was to raise the road by filling with earth, CSE and BM &amp; BC. The earth filling is proposed in three reaches. Reach 1 from Baker Junction to Illickal Bridge for a length of 4200 meters, Illickal bridge to Kumarakom boat jetty for a length of 7200 meters. Reach 3 is from boat jetty to junction to Pennar Bridge for a length of 4700 meters. The portion from 3/380 to 03/580 km in Reach 1, and 0/100 to 0/300 km and 1/410 to 0/085 of Reach 2 gets submerged during the monsoon season. The work started in September 2010. However the filled up portion was submerged due to heavy rain and traffic disrupted. The nature of the soil in this portion is clayey just like Kuttanad. This caused many difficulties for the people residing in Kumarakom as there is no alternate road to reach Kottayam and also to the Medical College. Kumarakom is also a world famous Tourist destination. An all weather road is highly essential as tourism is one of the major revenue earners of the State. It was decided that the work may be carried out on a war-footing to ease the suffering of the local people and tourists visiting Kumarakom which is a world's famous Tourist destination. Raising the portion with earth will cause much difficulty to the vehicular traffic. Hence it was decided to carry out the work with modifications so as not to cause suffering as there is no alternate route to allow traffic during construction. It was also decided that raising the width of carriage way with GSM and WMM is also good and more suitable for carrying out BM and BC work. The changing of the base course with WMM instead of WBM will be better, considering the type of soil and it is more durable and will be better for the life of pavement. It will reduce the traffic problem during the construction as earth filling is found not possible due to lack of deviation.</p>



available. Hence the change from WBM to WMM was adopted based on site condition, nature of soil, traffic problem and condition of roads during monsoon season. These factors could not be envisaged at the time of preparation of estimate and hence assigned as an extra item.

The distance from source of materials at Pattithanam to the site is actually 36 km. However in the sanctioned schedule of work and the sanctioned data it was shown as 30 km which is a clerical mistake. Actually the distance to the site is 36 km. The conveyance charge for one cubic meter of broken stone comes to Rs. 336.20/m<sup>3</sup> (Appendix-1).

After detailed examination, it is revealed that the bids were accepted on the basis of estimate based on 2010 SoR instead of 2007 SoR. The rate for Broken Stone (BS) was not available. The rate applicable to KSTP was accepted which resulted in excess payment. This is an omission on the part of PWD officers while preparing estimate without applying mind (Appendix-2). Government have initiated disciplinary action against the officers concerned for dereliction of duty and to recover the excess amount paid, if any, from them.

CONVEYANCE STATEMENT

1.	<u>Rubble 25 km by lorry (Payvappady)</u> For 10 km Balance 15 km @ Rs.7.30/km	146.40 109.50 ----- 255.90/m3 =====
2.	<u>Broken Stone 36 km by lorry (Pattithanam)</u> For upto 10 km Balance 26 km @ Rs.7.30/km	146.40 189.80 ----- 336.20/m3 =====
3.	<u>Sand from Vadayar 42 km</u> Upto 10 km Balance 32 km @ Rs.7.30/km	146.40 233.60 ----- 380.00/m3 =====
4.	<u>Cement and steel from Kottayam 5 km</u> Upto 5 km	162.80
5.	<u>Red earth from Manarcad 12 km</u> Upto 10 km Balance 2 km @Rs.3.70/km	146.40 14.60 ----- 161.00/m3 =====
6.	<u>Bitumen from Ambalamukal 74 km</u> Upto 10 km Balance 64 km @Rs.3.70/km	180.80 236.80 ----- 417.60/T =====

Appendix-2DETAILED CALCULATION SHEET ON EXCESS PAYMENT BASED ON ACCOUNTANT GENERAL'S REPORT

The Accountant General (Audit) has observed that ₹ 80.38 lakh as excess payment mainly due to two following reasons:-

- i. Wrong adoption of rate as per SoR 2010 while sanctioning the Revised Estimate for extra items for WMM instead for rate SoR 2007 adopted in sanctioning of original estimate..
- ii. Wrong adoption of distance for conveyance of broken stone as 36 km for working out rate for WMM instead of 30 km specified in Agreement Schedule.

Regarding the Part (i) Chief Engineer, Roads & Bridges is the Technical sanction authority already confirmed the Accountant General's observation vide letter No.CE/R&B/NB-11/31/06 dated 22.11.2013 and furnished that rate as per SoR 2007 comes to ₹ 1223/m<sup>3</sup> only against sanctioned rate of 1355/m<sup>3</sup> as per SoR 2010.

As such extra expenditure will be = (Quantity actually executed) X  
(difference in rate)

Quantity actually executed as per A.G.'s observation = 22938.385m<sup>3</sup>  
Difference in rate due to SoR 2010 and SoR 2007 = 132/m<sup>3</sup>(1355-1223)  
Extra expenditure = 22938.385x132 = ₹ 30,27,867/-

Regarding Part (ii) there is no extra expenditure since the 36 km adopted as conveyance for working out rate for WMM same as actual conveyance certified while submitting DFR.

- (iii) Conveyance Charge of broken stone increased due to clerical mistake

The actual conveyance of broken stone from source is 36 km and the same was considered for preparing the data. The clerical error of 30 km is noted occurred while entering the distance of conveyance in the schedule only and not in the computation of rates. Hence there is no physical increase in conveyance charges as the actual certified convey is taken for working out rate for WMM.

## APPENDIX -III

Tables showing excess amount incurred by Government due to incorrect computation of subsidy  
(Reference: Paragraph 3.2 ; Page 53)

Category	Units of subsidy given (per quintal)	Rate of subsidy to be given (per quintal) ₹	Excess subsidy (per quintal)	Quantity on which subsidy was given (in MT)	Excess amount paid (in ₹)
<b>2010-11</b>					
APL (Rice)	690	683.17	6.83	67027	45,77,944
APL (Wheat)	470	465.35	4.65	14317	6,65,740
BPL (Rice)	420	415.84	4.16	389608	1,62,07,692
BPL (Wheat)	270	267.33	2.67	102118	27,26,550
<b>Total</b>					<b>2,41,77,926</b>
<b>2011-12</b>					
APL (Rice)	690	683.17	6.83	429267	2,93,18,936
APL (Wheat)	470	465.35	4.65	111810	51,99,165
BPL (Rice) upto 31.08.11	420	415.84	4.16	180040	74,89,664
BPL (Rice) from 01.09.11	520	514.85	5.15	259317.6	1,33,54,856
BPL (Wheat)	270	267.33	2.67	118293.5	31,58,436
<b>Total</b>					<b>5,85,21,057</b>
<b>2012-13</b>					
APL (Rice)	690	683.17	6.83	443556	3,02,94,874
APL (Wheat)	470	465.35	4.65	105479	49,04,773
BPL (Rice)	520	514.85	5.15	413660	2,13,03,490
BPL (Wheat)	270	267.33	2.67	117746	31,43,818
<b>Total</b>					<b>5,96,46,955</b>

**Grand Total : ₹ 14,23,45,938/-**

## APPENDIX-III

Projects sanctioned during 2008-13  
(Reference: Paragraph 3.5.1 ; Page 62)

Sl. No.	Name of Work	District	CRF No.	Area of Work (Sq. Km.)	Expenditure (Rs. Lakhs)
<b>Completed Works</b>					
1	CRF Improvements to Areacode - Tirukad Road from km. 2/500 to 34/500	Malappuram	CRF-43-KL-2008	1447.12	1498.00
2	CRF- 2007-08 Improvements to Thalassery Anjankandy Road	Kannur	CRF-44-KL-2008	788.03	761.84
3	Improvements to Kaloore - Kattappuram road between Km. 0/00 to 12/000	Muvattupuzha	CRF-46-KL-2008 dt. 14.10.08	431.38	425.63
4	Improvements to Muvattupuzha - Theri road between Km. 3/765 to 15/750	Muvattupuzha	CRF-47-KL-2008 dt. 14.10.08	534.85	540.80
5	Improvements to Kothamangalam Kuttapady - Muttathupara road from km 0/00 to 10/00	Muvattupuzha	CRF-48-KL-2008 dt. 14.10.08	416.34	387.91
6	Improvement to Nellikuzhi - Thirakaryoor - Nadokan - Oonjapara road from Km 0/00 to 12/400	Muvattupuzha	CRF-49-KL-2008 dt. 14.10.08	367.69	367.16
7	Bhoothathankettu-Vadattupara- Anakayam road	Muvattupuzha	CRF-50-KL-2008 dt. 12.1.09	189.68	201.68
8	CRF 2008-09 Strengthening and Improvements to Azhichilam - Farook College - Farook Chungam road connecting NH 17 Circuit Bypass and NH 17 in Kozhikode district	Kozhikode	CRF-56-KL-2008 dt. 2.3.09	221.51	217.59
9	CRF 2008-09 Improvements to riding Quality of Kondotty - Edevannappara road from Km 0/00 to 11/450	Malappuram	CRF-57-KL-2008 dt. 2.3.09	758.86	754.00
10	CRF 2008-09 Improvements Paadikkad Kumarampukur road from Km 0/00 to 29/700	Malappuram	CRF-58-KL-2008 dt. 2.3.09	1614.00	1600.00
11	CRF strengthening the weak pavement by providing 50 mm Bm and 25 mm Ac from Ayazkonam -NH junction- Mappampur-Kavalayur-	Thiruvananthapuram	CRF-59-KL-2008 dt. 2.3.09	702.74	658.70

	Cheruvayar-Palacchira-Nadayar-Sivagiri Road in Thiruvananthapuram district				
12	Improvement to riding quality of Kottappuram Kalkitanchery road	Malappuram	CRF-62-KL-2009 dt. 20.11.09	199.45	216.00
13	Pallichal -Vangmoor - Vizhinjam road	Thiruvananthapuram	CRF-63-KL-2009 dt. 20.11.09	1502.76	1574.74
14	Strengthening of Mini. bypass road	Kozhikode	CRF-67-KL-2009 dt. 20.11.09	245.92	254.94
15	Improvement of Mavvor - Koolimada road MDR	Kozhikode	CRF-52-KL-2008 dt. 12.1.09	951.28	727.41
16	CRF Improvements to Alappuzha - Kuzhivilangadu road from Kuzhivilangadu to Thameerunnikam	Muvattupuzha	CRF-42-KL-2008	1316.14	2789.58
17	CRF 2008-09 Improvements and strengthening of Thiruvangoor - Kunyilkadavu -Azhali road connecting NH 17 and SH 38	Kozhikode	CRF-54-KL-2008 dt. 2.3.09	139.76	107.16
18	Marikuzh Cherotty Nagar Mini bypass road connecting two MDRs	Kozhikode	CRF-53-KL-2008 dt. 2.3.09	120.88	69.51
19	Link road connecting NH 17 and NH 47 - Improvements to riding quality of Paravur Nedumbassery - Airport road	Kodungalloor	CRF-64-KL-2009 dt. 20.11.09	1169.07	1167.00
20	Improvements to riding quality of Valken - Poothotta - Kanjiramattom -Thalappara road	Muvattupuzha	CRF-60-KL-2009 dt. 20.11.09	1295.65	1139.81
21	Thalassery - Beveli road	Kannur	CRF-61-KL-2009 dt. 20.11.09	1480.92	1331.74
22	Improvements to Arakuzha-Vazhakkalam -Neerampuzha-Kaloor road Km 0/000 to 14/200	Kodungalloor	CRF-65-KL-2009 dt. 20.11.09	585.38	608.62
23	Improvements to Vazhakkode - Puzhi in Thrissur district	Kodungalloor	CRF-66-KL-2009 dt. 20.11.09	1013.44	996.97
24	Improvements to the Pala Town-Koothattukulam road from Ch 0/000 to 23/300 (via Uzhavoor in Kottayam district).	Muvattupuzha	CRF-KL-2010-11-077 dt. 7.12.2011	1232.22	1349.52
25	Improvements Nedumangad Puthappalam- Vengannooda Animgal-Mananikka road	Thiruvananthapuram	CRF-KL-2010-11-079 dt. 21.01.2011	1501.11	1544.33
26	Improvements to Manjerwaran Ulkada road from ch:25/000 to 39/500	Kannur	CRF-KL-2010-11-080 dt. 21.01.2011	551.09	573.03

27	Improvements to Chelai - Pazhappanagadi -MDR in Malappuram district	Malappuram	CRF-73-KL-2010 dt. 15.10.2010	523.93	576.00
28	Improvements to Alkuzham - Sreekaryam - Kudeppanakkuzham - Kandamkudavu - MDR in Thiruvananthapuram district	Thiruvananthapuram	CRF-073-KL- 2010 dt. 21.10.2010	2210.00	2661.85
29	Improvements to Feroke- Kiluvanthuruthy road	Kozhikode	CRF-KL-2010-11- 083 dt. 21.01.2011	347.27	321.29
30	Improvements to Madathil-Edu- Keezhpally road in Kannur district	Kannur	CRF-74-KL-2010 dt. 27.10.2010	753.48	791.95
31	Improvements to Paduzham- Nannur in Kozhikode district	Kozhikode	CRF-70-KL-2010 dt. 30.9.2010	814.90	882.74
32	Improvements to km 0/00 to 15/000 of Hosnurg-Panathur road (SH 56)	Kasaragod	CRF-KL-2010-11- 084 dt. 21.01.2011	898.50	544.39
33	Strengthening of Calicut beach road - Coastal Highway	Kozhikode	CRF-68-KL-2009 dt. 20.11.09	1073.02	537.94
34	Improvements to Kuripur airport- Edavannapara-Thrikalayoor- Mahasivadasan- Neelikkavayal road between 0/000 to 6/000	Kozhikode	CRF-KL-2010-11- 081 dt. 21.01.2011	543.20	270.39
35	Construction of Pala town bypass road including a new bridge across Lalem Thodu, ch 0/000 to 24/160 (via Ramapuram) in Kottayam district	Muvattupuzha	CRF-KL-2010-11- 076 dt. 7.12.2010	1586.00	1337.88
	Sub Total			29829.07	29862.18
<b>Ongoing works</b>					
36	Improvements to the Dharwadom-Mehur- Mamankkuzham-Kadachira road in Kannur district	Kannur	CRF-69-KL-2010 dt.30.9.2010	932.58	735.52
37	Strengthening the weak pavements by providing 50 mm BM and 25 mm BC from Neyyar Dam to Shorilokode of Nedumangad SH road in Thiruvananthapuram district	Thiruvananthapuram	CRF-71-KL-2010 dt.2.11.2010	1275.89	309.76

38	Improvements to Kuzhalmanam-Kottayil-Odamu-Mundur road connecting NH 47 (new NH66) and NH 213(new NH 966) in Palakkad District	Malappuram	CRF-075-KL-2010 dt. 3.12.2010	1597.88	384.00
39	Construction of a new bridge parallel to the existing iron bridge at Kollam town at Km 494/800 of NH 47	Kollam	CRF-KL-2010-11-078 dt. 21.01.2011	784.50	435.00
40	Improvements to Thrikannapuzha, Mavelikara via Nangarkkulangara 0/000 to 13/300	Alappuzha	CRF-KL-2010-11-082 dt. 21.01.2011	702.00	0
41	Improvement of Manneckad-Puthupally-Cheroh-Valathan-Thengara-Nalukoody-Poruvanthuthy road connecting NH 208and MC Road and bypassing Kottayam Town and Changanassery Town	Muvattupuzha	CRF-KL-2012-087 dt. 10.09.2012	2000.00	0
42	Improvements to Poovarani-Pala-Hospital Junction Puthupattikkunnu-Kappil Junction-Mundapalan-Pandemurayal	Muvattupuzha	CRF-KL-2012-088 dt. 10.09.2012	600.00	0
43	Improvements to Koodoty-Koleppuram road in Malappuram District	Malappuram	CRF-KL-2012-089 dt. 10.09.2012	1800.00	0
44	Poojar- Erumely 0/000 to 36/000	Muvattupuzha	CRF-KL-2012-090 dt. 10.09.2012	2239.00	0
	<b>Sub total</b>			<b>11931.85</b>	<b>2864.28</b>
<b>ISC work (Ongoing)</b>					
45	Improvement to the Kamsar Mercy college-Meparambu-Kavilpattu-Olavakode road connecting NH 47 and NH 213 in Palakkad district	Malappuram	ISC -KL-2010-005 dt. 3.12.2010	709.70	1.72
<b>Work not taken up</b>					
46	CRF - 2007 - 08 Improving Riding Quality of Calicut - Bypass Fort connectivity from 0/00 to 6/00	Kozhikode (roads)	CRF-35-KL-2008 dt.2.3.2009	372.65	0
<b>De-sanctioned works</b>					
47	Nodumbassery Kodalkkhal Road-construction of Anakkayam Bridge	Muvattupuzha	CRF 45-KL-2008 dt. 14.10.2008	517.09	0



48	Foot over bridge on both sides of narrow bridge across Panamint river at ch.283/317 NH 49	Murovettapuzha	CRP 51-KL-2008 dt.12.01.2009	112.37	0
Total				43,173.33	31,924.10

## APPENDIX-III

Statement of requirement and work out of excess payment of different materials for the execution of quantity of 22938.385 cum of Wet Mix Macadam (Paragraph 3.8; Page 73)

<b>Item I - 25 mm to 47.5 mm</b>	
Eligible rate for 1 cum as per 2007 SoR	₹ 308.25
Actual rate for 1 cum paid to contractor	₹ 641.50
Excess per 1 cum	₹ 133.25
Requirement of 45 mm to 22.4 mm @ 30 per cent	89.100 cum
Hence, requirement for 1 cum of WMM	$89.100/225 = 0.396$ cum
For 22938.385 cum of WMM	$0.396 \times 22938.385 = 9083.60$ cum (A)
Excess rate paid per cum	₹ 641.50 (-) ₹ 308.25 = ₹ 133.25 (B)
Excess paid amount for 9083.60 cum [(A) X (B)]	₹ 12,10,389
<b>Item II - 22.4 mm to 2.36 mm @ 20 per cent</b>	
Eligible rate for 1 cum as per 2007 SoR	₹ 382.45
Actual rate for 1 cum paid to contractor	₹ 484.50
Excess per 1 cum	₹ 102.05
Requirement of 22.4 mm to 2.36 mm @ 40 per cent	118.800 cum per 225 cum of WMM
Hence, requirement for 1 cum of WMM	$118.800/225 = 0.528$ cum
Hence for 22938.385 cum of WMM	$22938.385 \text{ cum} \times 0.528 = 12111.47$ cum (A)
Excess rate paid per cum	₹ 484.50 (-) ₹ 382.45 = ₹ 102.05 (B)
Excess paid for 12111.47 cum [(A) X (B)]	₹ 12,35,975
<b>Item III - 2.36 mm to 75 microns @ 30 per cent</b>	
Eligible rate for 1 cum as per 2007 SoR	₹ 72.00
Actual rate for 1 cum paid to contractor	₹ 100.00
Excess per 1 cum	₹ 28.00
Requirement of 2.36 mm to 75 microns @ 30 per cent	89.100 cum per 225 cum of WMM
Hence, requirement for 1 cum of WMM	$89.100/225 = 0.396$ cum
For 22938.385 cum of WMM	$22938.385 \text{ cum} \times 0.396 = 9083.60$ cum (A)
Excess rate paid per cum	₹ 100 (-) ₹ 72 = ₹ 28 (B)
Excess paid amount for 9083.60 cum [(A) X (B)]	₹ 2,54,340
Total excess for items I-III (₹ 12.10 lakh + ₹ 12.36 lakh + ₹ 2.54 lakh)	₹ 27.00 lakh
Add 10 per cent contractor's profit	₹ 2.97 lakh
Total	₹ 29.97 lakh
Add 10 per cent Overhead charges	₹ 3.00 lakh
Total	₹ 32.97 lakh
Add 65 per cent tender excess	₹ 32.97 X 165 %
	₹ 53.91 lakh

**Statement of eligible conveyance rate for broken stones 45 mm and below as per  
2007 SoR**

Specified source as per descriptive specification sheet of the agreement	Pattithanam	
Distance to site	30 kms	
Broken stones 30 km by lorry (Pattithanam)		
For upto 10 kms	₹ 146.40	
Balance 20 kms @ 7.32/km	₹ 146.00	
<b>Total</b>	<b>₹ 292.40</b>	
For 225 cum of WMM requirement of BS		
45 mm to 22.4 mm @ 30 per cent	89.100	
22.4 mm to 2.36 mm @ 40 per cent	118.800	
2.36 mm to 75 microns @ 30 per cent	89.100	
<b>Total</b>	<b>297 cum</b>	
For 1 cum of WMM (297/225)	1.32 cum	
Hence rate for 1 cum of WMM	₹ 292.40 X ₹ 1.32 = ₹ 385.97 (A)	
Specified source as per descriptive specification sheet of the agreement	Pattithanam	
Distance to site	36 kms	
Broken stones 36 km by lorry (Pattithanam)		
For upto 10 kms	₹ 146.40	
Balance 26 kms @ 7.30/km	₹ 189.80	
<b>Total</b>	<b>₹ 336.20</b>	
For 225 cum of WMM requirement of BS		
45 mm to 22.4 mm @ 30 per cent	89.100	
22.4 mm to 2.36 mm @ 40 per cent	118.800	
2.36 mm to 75 microns @ 30 per cent	89.100	
<b>Total</b>	<b>297 cum</b>	
For 1 cum of WMM (297/225)	1.32 cum	
Hence rate for 1 cum of WMM	₹ 336.20 X ₹ 1.32 = ₹ 443.78 (B)	
Excess paid per 1 cum of WMM	₹ 443.78 (B) - ₹ 385.97 (A) = ₹ 57.81	
For 22938.385 cum of WMM	22938.385 X ₹ 57.81 = ₹ 13.26 lakh	
Add 10 per cent overhead charges	₹ 1.33 lakh	
<b>Total</b>	<b>₹ 14.59 lakh</b>	
Add 10 per cent contractor's profit	₹ 1.46 lakh	
<b>Total</b>	<b>₹ 16.05 lakh</b>	
Add 65 per cent tender excess	₹ 10.42 lakh	
<b>Total excess paid</b>	<b>₹ 26.47 lakh</b>	

©  
Kerala Legislature Secretariat  
2018

**KERALA NIYAMASABHA PRINTING PRESS.**