

CHAPTER V
COMPLIANCE AUDIT
(URBAN LOCAL BODIES)

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COMPLIANCE AUDIT

Compliance Audit on Comprehensive Development of Ooranies in Town Panchayats, Coimbatore, Salem and Tiruppur City Municipal Corporations and Theni Allinagaram Municipality brought out instances of lapses in management of resources and failure in the observance of the norms of regularity, propriety and economy. These are presented in the succeeding paragraphs.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT

5.1 Comprehensive Development of Ooranies in Town Panchayats

5.1.1 Introduction

Ooranies are traditional water bodies created to harvest rainwater for drinking and other purposes. As all the Town Panchayats (TPs) in the State supply water through pipeline, ooranies are now used as rain water harvesting structures for the purpose of increasing the level of ground water table and for bathing and agricultural purposes. In Tamil Nadu, there are 1,916 ooranies under the ambit of TPs in 31 districts¹. Of these, nine ooranies were developed in 2011-12 under Integrated Urban Development Mission. Out of the remaining 1,907 ooranies, the Government of Tamil Nadu (GoTN) accorded (August 2012) sanction for carrying out comprehensive development of 234 ooranies in 143 TPs in 27 districts at a cost of ₹ 54.32 crore². GoTN selected the 234 ooranies based on immediate requirement for maintenance and allocation of funds for TPs for undertaking works under various sectors (including ooranies) during 2012-13 and the TPs executed the development works for the 234 ooranies during 2012-14.

The Principal Secretary to GoTN, Municipal Administration and Water Supply Department, is the overall head at Government level. The Director of Town Panchayats is the Head of Department for TPs and is also the Inspector of TPs responsible for reviewing and monitoring the activities relating to the development programmes implemented through TPs. Each TP has a Council and the Executive Officer of the TP is the executive authority and reports to Assistant Director of Town Panchayats.

¹ Excluding Chennai district which does not have TPs.

² ₹ 46.17 crore (85 *per cent*) as loan from National Bank for Agriculture and Rural Development and ₹ 8.15 crore (15 *per cent*) from GoTN.

5.1.2 Audit objectives and methodology

The audit of comprehensive development of ooranies was conducted during April - August 2017, with a view to assess whether the ooranies were developed comprehensively and were maintained properly. Audit findings were benchmarked against the provisions of Tamil Nadu District Municipalities Act, 1920, and instructions issued by GoTN and the Director of Town Panchayats from time to time for implementation of the scheme.

For selection of sample ooranies for test check, the State was divided into four zones, viz. East, West, North and South. Among the districts in each zone, the district with the highest number of ooranies covered in the GoTN's sanction was selected. In the four selected districts (Dindigul, Kanniyakumari, Thanjavur and Thiruvannamalai), out of 38 TPs covered in the sanction, 20 TPs³ (53 per cent) were selected by simple random sampling. All 44 ooranies covered in the sanction in the 20 TPs were selected for scrutiny.

Audit scrutinised the records of GoTN Secretariat (Municipal Administration and Water Supply Department), Directorate of Town Panchayats, offices of four jurisdictional Assistant Director of Town Panchayats at Dindigul, Nagercoil, Thanjavur and Vellore and 20 TPs. Further, all the 44 ooranies were jointly inspected by Audit and officials of TPs concerned.

5.1.3 Financial and physical performance

The details of financial and physical performance are given in **Table 5.1**.

Table 5.1: Financial and physical performance for the State and sample TPs

Year	Allocation	Expenditure	Target	Achievement
	(₹ in crore)		(in numbers)	
State level				
2012-13	27.16	27.16	234	234
2013-14	27.16	27.16		
Total	54.32	54.32	234	234
Sample TPs				
Dindigul District - three TPs	3.90	3.90	7	7
Kanniyakumari District - seven TPs	3.35	3.35	20	20
Thanjavur District - six TPs	3.90	3.90	13	13
Thiruvannamalai District - four TPs	1.35	1.35	4	4
Total	12.50	12.50	44	44

(Source: GoTN orders and details furnished by the Director of Town Panchayats)

³ Dindigul District (three TPs): Kannivadi, Natham and Thadicombu; Kanniyakumari District (seven TPs): Arumanai, Kappiyarai, Kothanallur, Kulasekaram, Mulagumoodu, Pacode and Ponmanai; Thanjavur District (six TPs): Adirampattinam, Dharasuram, Orathanadu, Perumagalur, Thiruppanandal and Vallam; and Thiruvannamalai District (four TPs): Chengam, Kalambur, Kilpennathur and Polur.

Audit findings relating to partial and excess execution of works, non-execution of some developmental works and non-maintenance of ooranies are discussed in Paragraphs 5.1.4.1, 5.1.4.2, 5.1.4.3 and 5.1.5 respectively.

Audit findings

5.1.4 Execution

The scheme proposed to improve and protect ooranies in a comprehensive manner, which includes desilting, strengthening of bunds, creation of baby ponds⁴, improvement to inlet and outlet weirs, provision of pathway, lighting and fencing with barbed wire, to yield major benefits viz. rain water harvesting and recharging of the aquifer⁵ and to protect the ooranies from encroachment and contamination. The 20 selected TPs executed developmental works in 44 ooranies.

5.1.4.1 Partial execution of works

The Council of Thadicombu TP (Dindigul District) selected (January 2012) four ooranies listed in **Appendix 5.1** (along with execution details) with a total extent of 5,90,720 square metres and total perimeter of 5,896 metres, for development at a cost of ₹ 2.35 crore. The works required to be carried out were desilting, construction of retaining wall/revetment, fencing and laying of footpath.

Audit observed that the development works in the ooranies were not carried out fully as detailed in **Appendix 5.1**. In the four ooranies, out of the total area of 5,90,720 square metres, desilting was planned and executed only for 62,169 square metres (11 *per cent*). Similarly, out of total perimeter of 5,896 metres, construction of retaining wall/revetment and fencing were planned and executed for 1,080 metres (18 *per cent*) and 2,900 metres (49 *per cent*) respectively. In three ooranies with a total perimeter of 4,788 metres, footpath was planned and laid only for 300 metres (six *per cent*).

In reply to Audit, the Director of Town Panchayats attributed (November 2017) the taking up of works for part of the ooranies to site conditions. However, the Director of Town Panchayats did not furnish details of the site conditions that warranted the taking up of works partially. Also, the joint inspection (May 2017) by officials of the TP and Audit showed undulations in the entire area of the ooranies, which indicated that the entire

⁴ Baby pond is a water body within a pond/oorani dug for a depth of minimum one metre beneath the level of the main pond, and length and breadth being half that of the main pond, or as decided according to the local conditions. The purpose is to have water in the baby pond even after the main tank goes dry.

⁵ An underground layer of water-bearing permeable rock, rock fractures or unconsolidated materials (gravel, sand or silt), from which groundwater can be extracted using a water well.

oorani area needed desilting and construction of retaining wall/revetment and fencing was required for the left out areas also.

Wasteful expenditure on footpath: Of the four ooranies, footpaths with paver blocks were laid in three ooranies. Against a perimeter of 4,788 metres of the three ooranies, footpath was planned and executed for only 100 metres in each oorani, at a total cost of ₹ 8.87 lakh; the meagre extent of footpath provided indicated wastefulness of the expenditure as it would not serve any purpose to the public.

In reply to Audit, the Director of Town Panchayats stated (November 2017) that footpath was constructed to a measured length due to need only and laying of footpath for the entire length of ooranies would not increase water table. The reply is not acceptable since it did not justify the need for laying footpath for a meagre length.

5.1.4.2 Excess execution of works

The Director of Town Panchayats instructed (7 September 2012) that under the scheme, walled supply channels for inlet and outlet for an oorani shall be constructed only for a length of 10 metres each in either side of the oorani. Thadicombu TP prepared (10 September 2012) a detailed estimate for development works to Nachiyar Kulam, which included construction of walled supply channel for 600 metres. The Engineering Wing of Directorate of Town Panchayats accorded (13 September 2012) technical sanction for the estimate including the walled supply channel for 600 metres, without recording reasons for deviating from the instruction of the Director of Town Panchayats to construct the channels for 20 metres only. The channel was constructed at a cost of ₹ 57.68 lakh, which was an excess of ₹ 55.76 lakh (constructed cost: ₹ 57.68 lakh less proportionate cost of ₹ 1.92 lakh for 20 metres).

The Director of Town Panchayats attributed (November 2017) the approval with deviation to analysis of technical outcome as per site condition. The reply is not acceptable as there were no details of the site condition in the proposal to justify the deviation, and the instruction for construction of 20 metres only was specific for this scheme. This led to a huge additional expenditure of ₹ 55.76 lakh.

5.1.4.3 Non-execution of some developmental works

Baby pond: In Orathanadu TP, Kumanankulam oorani with area of 4.84 acres was developed at a cost of ₹ 15 lakh by desilting and constructing a retaining wall. Despite the size of the oorani, provision of baby pond was not included in the estimate for the works and hence not executed.

Fencing: Fencing to protect ooranies from encroachment and contamination was not done in 17 out of 44 sample ooranies. Of this, in five ooranies in Kanniyakumari district (Ponmanai TP: three and Kulasekaram TP: two), fencing for work value of ₹ 7.27 lakh was included in the estimate but was not executed. The Executive Officer of Ponmanai TP attributed the same to public protest. The reply is not acceptable as public protest cannot be a reason for not fencing ooranies benefiting the public and the protest ought to have been handled with assistance from Departments concerned (Police/Revenue). The Assistant Director of Town Panchayats, Nagercoil, replied (August 2017) that during preparation of the estimates, the ooranies were full with water and it necessitated inclusion of the possible items for the improvement in the estimates but during execution, the items not required were not taken up. This reply is not acceptable as ooranies need to be protected from encroachment and the fencing could have been undertaken when the water levels went down.

In 12 other ooranies in the districts of Kanniyakumari (seven), Thiruvannamalai (one), Dindigul (one) and Thanjavur (three), fencing was not proposed in the estimates.

Regarding non-inclusion of baby pond and fencing in the estimate, the Director of Town Panchayats replied (November 2017) that items of works were selected based on priority, immediate requirements for maintenance, benefits accruing to the public and also considering paucity of funds and that items, which were not much important were avoided. The reply is not acceptable in view of the GoTN's orders (August 2012) to provide baby pond and fencing.

5.1.4.4 Development of ooranies not owned by TP

In Pacode TP and Kappiyarai TP of Kanniyakumari district, four ooranies belonging to Public Works Department were developed (2012-14) at a total cost of ₹ 60 lakh under the scheme. Audit observed that this was done even when six ooranies belonging to the two TPs (three each) required development for which the cost was estimated (June 2013) as ₹ 1.35 crore; the six ooranies remained undeveloped till date (October 2017).

In reply to Audit, the Director of Town Panchayats stated (November 2017) that ooranies belonging to other departments also were taken up for development under the scheme since the benefit accrued to public of the TPs' area. However, the fact remained that the ooranies belonging to TPs remained undeveloped.

5.1.5 Non-maintenance of ooranies

As per Section 227 of the Tamil Nadu District Municipalities Act, 1920, the TP Council should maintain in a clean condition all wells, tanks and reservoirs, which were not private property, and might fill them up or drain them when it appears necessary to do so. Joint inspection of 44 ooranies by

Audit and TP officials revealed that 10 ooranies⁶ developed (January 2013 to May 2014) at a cost of ₹ 1.94 crore in eight TPs were not periodically cleaned; garbage and growth of vegetation blocked the inlets and outlets of the ooranies. The unclean condition of an oorani in Kanniyakumari district is depicted in **Picture 5.1**.

Picture 5.1: Unclean condition of Kulachavilagam Puthankulam in Ponmanai TP



The non-cleaning and non-maintenance of ooranies indicated violation of the statutory provision.

Executive Officers of the TPs concerned stated that funds for maintenance were not provided and sanitary workers of the TPs were deployed for cleaning of ooranies then and there. Due to non-provision of funds, maintenance of ooranies could not be carried out regularly. In view of the unclean condition of the ooranies and their inlets/outlets, the claim of having clean ooranies is not acceptable.

5.1.6 Non-availability of data on groundwater table

The development of ooranies was taken up to improve and protect them for rainwater harvesting and recharging of the aquifer. However, details of groundwater table were not maintained by any of the 20 sample TPs, due to which, Audit could not assess whether improvement of the water table happened through development of ooranies in that area. Since recharging of aquifer was one of the objectives of the scheme and the TPs did not have the

⁶ Konathukulam, Sirukottukulam and Arayakulam in Mulagumoodu TP; Kulachavilagam Puthankulam in Ponmanai TP, Cherutharavilaikulam in Pacode TP; Karichamankottukulam in Kothanallur TP; Manavilaikulam in Kulasekaram TP; Chettiyankulam in Adirampattinam TP; Muslim Street kulam in Thiruppanandal TP and Machakulam in Kannivadi TP.

required technical resources to assess the recharge that actually happened, they should have obtained details of groundwater level from Public Works Department to assess impact of the scheme. GoTN may introduce mechanism to assess impact on groundwater table due to development works executed in the ooranies.

In reply to Audit, the Director of Town Panchayats stated (November 2017) that the data on ground and surface water would be maintained in future.

5.1.7 Monitoring and Evaluation

Monitoring

The Director of Town Panchayats, as the Head of the Department, looks after the affairs of all the TPs. The Director of Town Panchayats stated (July 2017) that all the scheme works were closely monitored by conducting periodical review meetings with the Assistant Director of Town Panchayats. However, Audit observed deficiencies in the execution of works as detailed in the above paragraphs. The Director of Town Panchayats did not monitor the adherence by TPs to the provisions of the Tamil Nadu District Municipalities Act, 1920, regarding maintenance of the ooranies.

Evaluation

The Director of Town Panchayats did not evaluate outcome of implementation of the scheme. The Director of Town Panchayats stated (November 2017) though evaluation was not done, the scheme was helpful in maintaining water table during the severe drought period. In the absence of groundwater data as pointed out in Paragraph 5.1.6, correctness of the reply could not be verified by Audit.

5.1.8 Conclusion

Audit of Comprehensive Development of Ooranies in Town Panchayats revealed that there were (i) partial execution of works, (ii) excess execution of works and (iii) non-execution of some developmental works envisaged under the scheme. Town Panchayats developed ooranies of Public Works Department, while their own ooranies requiring development were left out. Ooranies developed under the scheme were not maintained properly. There were deficiencies in monitoring. Outcome of the implementation of the scheme was not evaluated.

The matter was referred to Government in September 2017; reply has not been received (December 2017).

5.2 Loss of revenue

COIMBATORE CITY MUNICIPAL CORPORATION

5.2.1 Loss of revenue due to non-adoption of prescribed rate of interest

Failure of Coimbatore City Municipal Corporation to adopt rate of interest prescribed by Government of Tamil Nadu for charging interest on mobilisation advance resulted in loss of revenue to the Corporation and undue benefit to the contractors to the tune of ₹ 1.52 crore.

Based on the resolution passed (September 2007) by the Council of Coimbatore City Municipal Corporation (Corporation), Government of Tamil Nadu sanctioned (October 2007) ₹ 377.13 crore for implementing Comprehensive Underground Sewerage Scheme in Coimbatore City under Jawaharlal Nehru National Urban Renewal Mission. Tenders for the work of Construction of Collection System, which was split into three packages, were called for between April 2008 and April 2009. Package I was awarded (September 2009) for ₹ 69.65 crore, Package II was awarded (April 2010) for ₹ 56.13 crore and Package III was awarded (August 2009) for ₹ 122.05 crore. Packages I and III were originally scheduled to be completed in February 2012 and Package II in October 2012. Due to slow progress of work, the contract for Package III was terminated in December 2011. The balance work was awarded (March 2013) as Package III (New) for ₹ 143.65 crore and scheduled to be completed by September 2015. As of April 2017, Packages I and II were completed and Package III (New) was in progress.

As per Clause 19 of Contract Data of the agreements between the Corporation and the contractors, 10 *per cent* of the value of contract (in two instalments of five *per cent* each) was payable to the contractor towards mobilisation advance. Further, as per Clause 51 of the General Conditions of the agreements, interest for the mobilisation advance was to be charged at the rate fixed by the Government from time to time. The Government fixed 12 *per cent* per annum as the rate of interest to be charged on mobilisation advance from April 2009 to March 2012 and increased the rate to 12.50 *per cent* from April 2012. Scrutiny (December 2016) of the Corporation's records revealed that the Corporation paid (September 2009 to July 2013) mobilisation advance of ₹ 31.94 crore for the four packages (**Appendix 5.2**) and collected (February 2010 to December 2016) interest for the period from September 2009 to November 2016 at the rate of 10 *per cent* and not 12 and 12.50 *per cent* as prescribed by the Government, in contravention of the General Conditions of the agreement. Due to this, the Corporation charged interest to the tune of ₹ 6.91 crore only against

₹ 8.43 crore, resulting in loss of revenue to the Corporation and undue benefit to the contractors to the tune of ₹ 1.52 crore (**Appendix 5.2**).

Government replied (January 2018) that the Corporation has taken action to recover the amount from the retention amount of the contractor available with the Corporation and from running account bill payable to the contractor.

SALEM CITY MUNICIPAL CORPORATION

5.2.2 Loss due to non-invoking of Performance Bank Guarantee

Failure to invoke the Performance Bank Guarantee in time by Salem City Municipal Corporation resulted in loss of ₹ 1 crore.

Government of Tamil Nadu alienated (March 2007) 100 acres of land at Chettichavadi village to Salem City Municipal Corporation (Corporation) for establishing scientific disposal of municipal solid wastes. Development, Design and Engineering, Finance, Construction and Operation and Maintenance of Integrated municipal solid wastes Management facility at Chettichavadi village on Build, Own, Operate and Transfer basis under Public Private Partnership mode was awarded (February 2009) to Gujarat Enviro Protection & Infrastructure Limited (GEPIL), Gujarat, for a concession period of 20 years. A Special Purpose Vehicle (Salem City Integrated Waste Management Company Private Limited) was formed by a consortium of three companies with GEPIL, Gujarat, as the lead consortium member. The Corporation entered into concession agreement (July 2009) with the Concessionaire and handed over (September 2010) 25 acres of land to the Concessionaire. The Concessionaire commenced trial run operation of waste management plant from February 2011.

As per Article 5.1 of the concession agreement, the Concessionaire should deliver to the Corporation a performance security in the form of a Performance Bank Guarantee for ₹ 2 crore for the due and punctual performance of its obligations. The Guarantee should be kept valid throughout the term of the agreement by the Concessionaire and should be renewed at least one month before its expiry and failing which, the Corporation would be entitled to invoke the Guarantee. Further, Article 9.2 (a) (ii) of the agreement stipulated that if the Concessionaire failed to submit a proposal to cure the underlying event of default within 30 days of issue of Preliminary Notice, the Corporation shall be entitled to terminate the agreement by issuing Termination Notice and to appropriate the Performance Security. The Concessionaire gave (June 2009) two Performance Guarantees amounting to ₹ 2 crore (₹ 1 crore each) and the same were renewed periodically. The validities of the guarantees were extended upto 12 June 2014 and 07 July 2014.

Scrutiny of records by Audit revealed that the Corporation issued (January 2014) a Preliminary Notice to the Concessionaire pointing out that the tipping floor installed by the Concessionaire was not sufficient to handle the municipal solid wastes received, which resulted in vehicles standing for long hours to unload the garbage. Further, the quantum of municipal solid wastes received daily was not processed fully, which led to dumping of the waste in areas outside the project site, thereby resulting in pollution and environmental problem for local population. The Corporation also insisted on the Concessionaire on various occasions for installing fire fighting equipment and overhead tanks to protect the plant in case of fire. Owing to non-receipt of reply from the Concessionaire, Termination Notice was issued on 25 March 2014 indicating the effective date of termination as 27 June 2014. In the meanwhile, a major fire accident occurred on 16 March 2014, in which, the entire waste processing plant was devastated and the Concessionaire abandoned the work.

In the meantime, the Bank Guarantee for ₹ 1 crore given by GEPIL was allowed to lapse on 12 June 2014. It was noticed that though the proposal to invoke the guarantees was initiated on 30 May 2014, the Corporation sought legal opinion for invoking both the guarantees only on 13 June 2014 i.e., after the expiry of one of the guarantees on 12 June 2014. The legal advisor opined (21 June 2014) to invoke the one guarantee immediately, which was due to expire on 07 July 2014. Accordingly, this guarantee for ₹ 1 crore was invoked and encashed on 05 July 2014. Thus, failure of the Corporation to invoke the guarantee given by GEPIL in time by invoking the provisions of the agreement resulted in a loss of ₹ 1 crore.

As the Concessionaire did not effectively implement the project, the Corporation constructed a new windrows platform, landfill and leach pit in the land available in the Chettichavadi site and an amount of ₹ 66.59 lakh was spent during 2014. The entire waste generated and collected after the fire accident was dumped at the newly constructed windrows platform and landfill site without any scientific disposal, thereby defeating the objective of the project.

Government stated (January 2018) that there was no failure on the part of the Corporation, as the Concessionaire wound up the project due to fire accident and there was no loss to the Corporation. The reply is not tenable since as per the agreement conditions it was the responsibility of the Corporation to invoke the guarantee in case of non-performance of the contractual obligation by the Concessionaire.

THENI ALLINAGARAM MUNICIPALITY

5.2.3 Short levy of Property Tax

Failure to levy Property Tax for the actually constructed area led to short levy amounting to ₹ 50.50 lakh.

As per Section 81 of Tamil Nadu District Municipalities Act, 1920, Property Tax is to be levied on all buildings and lands within municipal limits. Government of Tamil Nadu prescribed (February 2008) the method of assessment of Property Tax for buildings. Based on the building plan approvals accorded (September 2010 and July 2011) by Department of Town and Country Planning to two applicants for construction of two commercial buildings for 62,026 and 23,157 square feet in Gandhiji Road, Theni, the Theni Allinagaram Municipality (Municipality) issued (February 2011 and July 2011) building permits to the two applicants to construct buildings. The applicants constructed the buildings for 91,140 and 67,496 square feet, which was in excess of the permitted extent. Their applications (March 2014 and November 2015) for regularisation of the deviations were pending with Director of Town and Country Planning, Chennai (October 2017).

In respect of unauthorised buildings, the Government ordered (November 2000) for levy of Property Tax for unauthorised buildings also, with a condition that after a decision is taken on the unauthorised construction, Property Tax may be reduced or the assessment cancelled if required. However, scrutiny (July 2017) of records of the Municipality revealed short levy of Property Tax on the buildings amounting to ₹ 50.50 lakh for the period up to March 2017, as shown in **Table 5.2**.

Table 5.2: Details of actual construction and levy of Property Tax

Particulars		Applicant 'A'	Applicant 'B'
Area (Sq. feet)	Constructed and to be assessed	91,140	67,496
	Actually assessed	56,000	29,500
Property Tax per HY (in ₹)	To be levied	7,90,454	5,85,391
	Actually levied and collected	4,85,688	2,55,852
	Short levy	3,04,766	3,29,539
Number of HYs of short levy		9 (from 2012-13 II HY)	7 (from 2013-14 II HY)
Short levy up to 2016-17 (II HY) (in ₹)		27,42,894	23,06,773
Total		₹ 50,49,667 or ₹ 50.50 lakh	

HY - half year

(Source: Municipality's records)

Though the constructions were for 91,140 and 67,496 square feet, the Municipality made assessment for only 56,000 and 29,500 square feet respectively, which was incorrect and lacked justification. On Audit's request (July 2017) for files pertaining to the assessments, the Municipality replied (July 2017) that the files were not traceable.

Thus, the failure of the Municipality to levy Property Tax for the actually constructed area led to short levy of Property Tax to the tune of ₹ 50.50 lakh. On this being pointed out, the Municipality replied (July 2017) that report on action taken would be sent to Audit.

The matter was referred to Government in November 2017; reply has not been received (December 2017).

5.3 Idle investment

TIRUPPUR CITY MUNICIPAL CORPORATION

5.3.1 Idling of materials due to non-ensuring feasibility of construction

Non-conduct of feasibility study for constructing pedestrian bridges resulted in idling of materials worth ₹ 2.11 crore, besides non-construction of the proposed bridges.

With a view to decongest traffic in Tiruppur city and enable pedestrians easily cross the roads, Tiruppur Local Planning Authority suggested (January 2012) to Tiruppur City Municipal Corporation (Corporation) for construction of pedestrian skywalk bridges at six locations (listed in **Appendix 5.3**) in the city, by utilising Infrastructure and Amenities Fund available with Director of Town and Country Planning (DTCP), Chennai. The Planning Authority requested the Corporation to conduct feasibility study and forward a proposal to DTCP.

Scrutiny (March and July 2017) of records of the Corporation revealed the following:

The Corporation prepared (March 2012) estimates for six steel bridges for ₹ 4.03 crore and without conducting the feasibility study, forwarded (April 2012) Detailed Project Report for the six bridges to DTCP seeking funds. The Government of Tamil Nadu (GoTN) sanctioned (December 2013) ₹ 4.03 crore from the Infrastructure and Amenities Fund and released (December 2014) it to the Corporation through Commissioner of Municipal Administration.

As the concerned roads were under the jurisdiction of Highways Department, the Corporation sought (May 2012) permission from Divisional Engineer (Construction and Maintenance) (C&M) of Highways Department, Tiruppur, for carrying out the six works, but did not follow up the request. On the Corporation's second request (January 2014) for the permission, the Divisional Engineer (C&M) sought (January 2014) design, plan, alignment/orientation, drawings and proposals for the bridges. The Corporation addressed (June 2014) a letter to Divisional Engineer (C&M) enclosing the drawings, with instructions to its Assistant Engineer to handover the drawings to Divisional Engineer (C&M)'s office in person. However, Divisional Engineer (C&M) informed (July 2017) Audit that such letter was not received and that the non-receipt of design and drawings was the only reason for not considering the Corporation's request for permission. On this being pointed out, the Corporation replied (September 2017) that the letter was sent by post as per usual procedure. The reply is not acceptable as it contradicted the personal delivery arrangement noted in the letter and the document produced to Audit in support of the reply did not indicate the procedure adopted for delivery of the letter.

Without obtaining the permissions, the Corporation awarded (December 2014) all the six works to a contractor selected through six separate tenders, for a total value of ₹ 4.10 crore, fixing the time for completion as three months. The contractor supplied (June - November 2015) materials (fabricated steel structures) weighing 278.80 tonnes worth ₹ 2.11 crore for four bridges serial numbered 1 to 3 and 6 in the **Appendix 5.3**; the Corporation paid (June 2015 - January 2016) ₹ 1.88 crore (89 *per cent* of ₹ 2.11 crore). However, the materials supplied were not utilised (July 2017) to form the bridges, but kept idle as shown in **Pictures 5.2 and 5.3**.

Pictures 5.2 and 5.3: Fabricated steel structures kept idle



Of the four bridges, the Honourable Madras High Court ordered (June 2017) *status quo* in respect of one bridge (serial number 6 of **Appendix 5.3**) based on a petition filed (April 2017) by a private individual objecting to construction of the bridge blocking access to his shop.

Meanwhile (March 2014), Government of India notified the State Highway in which five (serial numbered 1 to 5 in the **Appendix 5.3**) out of the six bridges were to be constructed, as National Highway 381 (NH 381) and the State Highway was taken over by National Highways (NH) Wing in June 2015. The Corporation, subsequently sought (February 2016) the permission of Chief Engineer, NH Wing, Chennai (Chief Engineer) of the Highways Department, for constructing the five bridges on NH 381 through five separate letters and endorsed copy of the letters to Divisional Engineer, NH Wing, Coimbatore. However, Divisional Engineer, NH Wing informed (July 2017) Audit that neither his office nor the Chief Engineer received the letters.

The representatives of National Highways Authority of India's Engineer (NH 381 widening project) and the Corporation's officials conducted (January 2017) a joint inspection of the five locations on NH 381, which showed absence of space to construct stairways for all the five bridges. The Corporation decided (August 2017) to (i) construct two bridges (materials received) in the already decided locations by constructing their stairways in the vacant place available in Town Hall and a school, both belonging to the Corporation, (ii) substitute one bridge (materials received) with two bridges at two new locations⁷ and (iii) drop the plan for construction of two bridges (materials not received) and refund ₹ 1.58 crore received therefor to DTCP. Accordingly, the Corporation sought (August 2017) approval of DTCP for the above decision and permission of the Chief Engineer for constructing two bridges with modification in stairways location. However, in the above request to DTCP, the Corporation did not specify that it had ensured need and feasibility of erecting bridges at the two new locations, feasibility of using the available material for constructing the two new bridges and permission from authorities concerned.

The Corporation in its replies (July and September 2017) was silent on the non-conduct of feasibility study and stated that the contract was awarded as Divisional Engineer (C&M) orally informed during site inspection that the permission would be granted in June 2014. The reply is not tenable since oral information would not suffice for proceeding with award of contract.

⁷ P.N Road - Pandian Nagar junction and Mangalam Road - Near Kumaran Women's College Road junction.

Thus, the award of contract by the Corporation without ensuring feasibility of constructing the bridges as required by the Planning Authority and obtaining necessary permissions from Highways Department, led to idling of materials worth ₹ 2.11 crore, besides non-construction of the pedestrian bridges even five years after the plan to erect them was conceived.

The matter was referred to Government in September 2017; reply has not been received (December 2017).



(R. THIRUPATHI VENKATASAMY)

Accountant General
(General and Social Sector Audit),
Tamil Nadu and Puducherry

Chennai
The 05 March 2018

Countersigned



(RAJIV MEHRISHI)
Comptroller and Auditor General of India

New Delhi
The 09 March 2018