



TWELFTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2006-2008)**

TWENTY FIRST REPORT

(Presented on 21st March, 2007)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2007

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**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2006-2008)**

TWENTY FIRST REPORT

On

**The Action Taken by Government on the Recommendations contained in the
Ninety Third Report of the Committee on Public Undertakings
(2004-2006) relating to Kerala Industrial Infrastructure
Development Corporation based on the Report of
the Comptroller and Auditor General of India
for the years ended 31 March 1999 and
31 March 2002 (Commercial)**

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COMPOSITION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS
(2006-2008)

Chairman :

Shri Mankode Radhakrishnan

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„ K. C. Venugopal.

Legislature Secretariat :

DR. N. K. Jayakumar, Secretary

Shri R. Vijayakumar, Joint Secretary

„ K. Mohanakumar, Deputy Secretary

„ C. R. Reghunathan Pillai, Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings (2006-2008) having been authorised by the Committee to present the Report on their behalf, present this Twenty First Report on the Action taken by the Government on the recommendations contained in the 93rd Report of the Committee on Public Undertakings (2004-2006) on the Working of the Kerala Industrial Infrastructure Development Corporation based on the Report of the Comptroller and Auditor General of India for the years ended 31-3-1999 and 31-3-2002 (Commercial).

The statement of action taken by the Government included in this Report were considered by the Committee constituted for the year 2004-2006.

This Report was considered and approved by the Committee at the meeting held on 14-2-2007.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit), Kerala in the examination of the statements included in this Report.

MANKODE RADHAKRISHNAN,

Thiruvananthapuram,
21st March, 2007.

*Chairman,
Committee on Public Undertakings.*

REPORT

The Report deals with the Action Taken by Government on the recommendations contained in the Ninety Third Report of the Committee (2004-2006) relating to Kerala Industrial Infrastructure Development Corporation based on the Reports of the Comptroller and Auditor General of India for the years ended 31-3-1999 and 31-3-2002 (Commercial) was presented in the House on 22nd March, 2005.

The 93rd Report contained two recommendations Government furnished replies to all recommendations. The Committee (2004-2006) considered the replies received from Government at the meeting held on 9-11-2005. The Committee accepted reply furnished by Government to the recommendation No 2(7) without any remarks. This recommendation of the Committee and reply furnished by Government form Chapter I of the Report.

The Committee accepted the reply furnished by Government to the recommendation No. 1(2) with remarks. The recommendation of the Committee and the reply received from the Government and the remarks of the Committee form Chapter II of the Report.

CHAPTER I

**Reply furnished by Government on the Recommendation of the Committee
which have been accepted by the Committee without remarks**

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department Concerned</i>	<i>Conclusions/ Recommendations</i>	<i>Action taken by Government</i>
(1)	(2)	(3)	(4)	(5)
2	7	Industries Department	The Committee understands that the estimate of the work is prepared on the basis of market rates. In the agreement entered into with the contractor also, only market rate was allowed instead of the PWD manual rates. As per the PWD schedule, the Government Department must either supply the materials or give the market rates. Here, the KINFRA has given only the market rates and hence no loss occurred. The Committee suggests that while estimates for the works are prepared on the basis of market rates, prior approval of Government should be obtained. The Committee also recommends for a uniform pattern to be followed by Government Departments for preparation of estimates before inviting tenders.	At present KINFRA follows the P.W.D norms for the preparation of estimates for the development works. In case, KINFRA decide to go for market rate for the preparation of estimates, it will be sent to Government for approval before implementation. The recommendation of the Committee that a uniform pattern has to be followed by Government Departments for preparation of estimates before inviting tenders is of general nature. As such this observation has been referred to the PWD for examining the possibility of drawing up a uniform pattern.

CHAPTER II

**Reply furnished by Government on the Recommendation of the Committee
which have been accepted by the Committee with remarks**

<i>Sl. Para No. No.</i>	<i>Department Concerned</i>	<i>Conclusion/ Recommendations</i>	<i>Action taken by Government</i>
(1) (2)	(3)	(4)	(5)
1 2	Industries Department	The Committee finds that the premature land acquisition proceedings without ensuring fund and viability of the projects resulted in an unnecessary expenditure of Rs. 15.09 lakh. The Committee is of the opinion that KINFRA alone is responsible for the infructuous expenditure. The Committee therefore recommends that in future, where projects are envisaged, feasibility study should be conducted first and necessary funds should also be ensured before commencement of land acquisition activities.	The recommendation of the Committee will be strictly followed in future projects.

Remarks of the Committee:

The Committee wants to know the person who is responsible for the unnecessary expenditure of Rs. 15.09 Lakh and the action taken to recover the loss of the Corporation due to the aforesaid expenditure.

MANKODE RADHAKRISHNAN,

Thiruvananthapuram,
21st March, 2007.

*Chairman,
Committee on Public Undertakings.*

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