



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

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

FIFTIETH REPORT
(Presented on 23rd May, 2017)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2017**

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

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

FIFTIETH REPORT

On

**The Action Taken by Government on the Recommendations contained in the
Hundred and First Report of the Committee on Public Undertakings
(2014-2016) relating to Kerala State Road Transport Corporation,
based on the Report of the Comptroller and Auditor General
of India for the year ended 31 March, 2012 (Commercial)**

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COMMITTEE ON PUBLIC UNDERTAKINGS (2016-2019)

Composition

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Shri C. Divakaran.

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Legislature Secretariat :

Shri V. K. Babu Prakash, Secretary

Smt. P. K. Girija, Additional Secretary

Shri P. B. Suresh Kumar, Deputy Secretary

Smt. Deepa, V., Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings (2016-2019) having been authorised by the Committee to present the Report on their behalf, present this Fiftieth Report on the Action Taken by Government on the recommendations contained in the Hundred and First Report of the Committee on Public Undertakings (2014-2016) on the working of Kerala State Road Transport Corporation (KSRTC) based on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2012 (Commercial).

The statements of Action Taken by the Government included in this Report was considered by the Committee constituted for the year 2016-2019 at its meeting held on 30-11-2016.

This Report was considered and approved by the Committee at its meeting held on 2-5-2017.

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

Thiruvananthapuram,
2nd May, 2017.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

REPORT

This Report deals with the Action Taken by Government on the recommendations contained in the Hundred and First Report of the Committee on Public Undertakings (2014-2016) relating to Kerala State Road Transport Corporation (KSRTC) based on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2012 (Commercial).

The Hundred and First Report of the Committee on Public Undertakings (2014-2016) was presented to the House on 3rd December, 2015.

The Report contained five recommendations in para numbers 9, 10, 11, 12 and 13 and the Government furnished Action Taken Statements to all of them on 1-7-2016. The Committee at its meeting held on 30-11-2016 accepted these Action Taken Statements. These recommendations and their replies furnished by the Government are included in this Report.

**REPLIES FURNISHED BY GOVERNMENT ON THE RECOMMENDATIONS OF THE
COMMITTEE WHICH HAS BEEN ACCEPTED BY THE COMMITTEE**

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations	Action taken by the Government
1	2	3	4	5
1	9	Transport	The Committee is upset to note that failure to place the purchase order within the validity period, delayed supply of chassis, extended technical evaluation, lack of proper monitoring and lack of any estimate about the actual requirements etc. were the reasons which led the Corporation to incur a loss of Rs. 8.12 crore.	In this case it may be noted that fool proof, reliable trials and scrupulous evaluation of the results are inevitable for making a decision of a comparatively newer product. If KSRTC had purchased those balance 277 BS III chassis without proper evaluation of the performance of these new version of chassis, the result would have been even worst in view of the recurring expense and it will exist until these 277 vehicles are scrapped after its fifteen years of life time operation as stage carrier. In future, if this type of new technological upgradation in major aggregates are involved.
2	10	Transport	The Committee remarks that even though the Corporation is finding it difficult to tide over the financial crisis day-by-day the responsible officers in the Corporation was imprudently dealing the financial matters to boost its burden again. The loss of Rs. 8.12 crore due to negligence is therefore not justifiable.	

1	2	3	4	5
3	11	Transport	The Committee points out that if the Corporation placed purchase orders within the validity period of offer, purchase of chassis at a higher rate could have been avoided. The Committee remarks this instance as a classic example of sheer negligence on the part of the responsible officers.	Corporation will take all possible steps to ensure that the technical report and other allied factors will not cause delay in purchase procedures.
4	12	Transport	The Committee is surprising to note that no action has so far been taken against the suppliers for the delayed supply of chassis in violation to the tender agreement. The Committee therefore recommends that penal provision should be incorporated in the tender agreement for the late delivery of tender items in order to avoid such gaps in future.	As directed by the committee sufficient penal provision clause has been incorporated in all tenders floated by KSRTC afterwards and being strictly followed.
5	13	Transport	The Committee is not at all satisfied with the explanation of the witness with respect to the mode of technical evaluation conducted by the Corporation. The Committee understands that absence of technically qualified member in the evaluation Committee and lack of an	As directed, competent and technically qualified members will be nominated by KSRTC to the evaluation committee in future and a time limit will be fixed for the submission of evaluation reports.

1	2	3	4	5
			<p>effective monitoring system were the main reasons for the incompleteness of technical evaluation in time. Therefore, the Committee recommends that the Corporation should ensure that one among the members of the evaluation Committee should be technically qualified. The Committee also directs that an effective system should be evolved to ensure that the evaluation would be completed within the prescribed time limit.</p>	

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Thiruvananthapuram,
2nd May, 2017.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

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