

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2014-2016)**

**ONE HUNDRED AND NINTH REPORT
(Presented on 15th December, 2015)**



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2015**

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PUBLIC ACCOUNTS
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on

**Action Taken by Government on the Recommendations contained in the
165th Report of the Committee on
Public Accounts (2008-2011)**

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INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the one hundred and ninth Report on Action Taken by Government on the Recommendations contained in the 165th Report of the Committee on Public Accounts (2008-2011).

The Committee considered and finalised this Report at the meeting held on 24th November, 2015.

Thiruvananthapuram,
15th December, 2015.

DR. T. M. THOMAS ISAAC,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the Action Taken by Government on the recommendations contained in the 165th Report of the Committee on Public Accounts (2008-2011).

The 165th Report of the Committee on Public Accounts (2008-2011) was presented to the House on 23rd February, 2011. The Report contained 18 recommendations relating to Power, Agriculture and Finance Departments. Government were addressed on 3-3-2011 to furnish the statements of Action Taken on the recommendations contained in the Report and the final copy was received on 1-8-2014.

The Committee considered the Action Taken Statements at its meeting held on 28-12-2011, 15-5-2012, 30-4-2014 and on 29-10-2014. The Committee was not satisfied with the Action Taken by Government on the recommendations contained in Sl. Nos. 3, 16, 17, 5, 6, 7, 10, 11, 13, 14, 15, 18 [Para Nos. 21, 34, 35, 23 (Power Department), 24, 25, 28, 29, 31, 32, 33, 36] and decided to pursue them further. Such recommendations, replies furnished thereon and further recommendations of the Committee are included in Chapter I of this Report.

The Committee decided not to pursue further action on the remaining recommendation vide Sl. Nos. 1, 2, 4, 5, 8, 9, 12 [Para Nos. 4, 5, 22, 23 (Finance Department), 26, 27, 30] in the light of the replies furnished by Government. The recommendations of the Committee, and the Action Taken by Government are included in Chapter II of this Report.

CHAPTER I

RECOMMENDATION IN RESPECT OF WHICH ACTION TAKEN BY GOVERNMENT ARE NOT SATISFACTORY AND WHICH REQUIRES REITERATION POWER DEPARTMENT

Recommendation

(Sl. No. 3, Para No. 21)

1.1 The Committee learns from the audit paragraph that though Government have formulated Renewable Energy Policy in 2002, no follow-up action was

taken either by Government or the Nodal Agency to implement the policy after a lapse of 7 years. The Committee views this irresponsible approach as very serious and opines that the inordinate delay is not justifiable in any case. In this connection, the Committee urges the Department to furnish details regarding total item-wise energy produced by the renewable energy sources such as wave, wind, biomass, solar, thermal etc., number of projects completed, ongoing, investigated and DPR stage without delay. The Committee recommends to revise the Renewable Energy Policy in the light of current developments in the sector. Considering the various concessions and incentives available and defining the roles of various agencies involved.

Action Taken

1.2 Government have already issued Policy guidelines in respect of Wind energy (November 2004), Small Hydro Power (October 2012) and Solar energy (November 2013). On the remaining points in the para, a further reply will be given shortly.

Recommendation

(Sl. No. 16, Para No. 34)

1.3 Regarding the annual stock verification, the Committee notes that it has not been conducted in ANERT after 2005-06. The Public Accounts Committee (2001-2004) in its 24th Report recommended the Science, Technology and Environment Department that strict disciplinary action should be taken against those officers who irresponsibly violated the stipulations of Kerala Financial Code which resulted in non-verification of stores and stock since its inception and failure to dispose of the unserviceable items and to furnish a report regarding the item in stock, shortage if any etc. As the Committee arrived at the conclusion that the Department had not moved for implementing corrective measures, it strongly recommends urgent action to be taken against the officer who had not enforced the recommendations of 24th Report of PAC (2001-2004) and who violated the provisions in the Kerala Financial Code.

Recommendation

(Sl. No. 17, Para No. 35)

1.4 As far as the recommendation in paragraph 37 of the 24th Report of PAC (2001-2004) the Committee urges that the Science, Technology and Environment Department should take immediate steps to conduct an exhaustive study of all programmes implemented by ANERT so that the lapses and drawbacks can be avoided in future. The Committee views seriously the statement of the Director of ANERT that he could not trace out the records relating to the period from 1991-92 to 1996-97 which exhibits the reluctance of the institution to enforce the recommendations of PAC. The Committee therefore strongly recommends to conduct a Police Vigilance enquiry covering entire irregularities in ANERT and to submit the report.

Action Taken

(Para Nos. 34 & 35)

1.5 As per the recommendation of the Public Accounts Committee Vigilance & Anti-Corruption Bureau conducted a Vigilance Enquiry on irregularities in the various programmes implemented by ANERT mentioned in 165th report of Public Accounts Committee. During Vigilance enquiry it was found that ANERT was not following proper file/record management system and there were no records available to provide the details of officers and other staff who worked during the execution of the projects concerned. It is also noted that no departmental enquiry or any other action has been initiated by ANERT to find out the truth of the disappearance of files under suspicious circumstances. Prof. P. B. Sugatha Kumar (Suspected Officer 1) held charge as the Director of ANERT during the period from 1990-1996 and Shri K. S. Vijayan (Suspected Officer 2) who held charge as Director, ANERT from 31-7-1999 to 31-3-2004 are liable for this mismanagement and maladministration which resulted the irregularities. Hence it is recommended to register a criminal case against suspect officers Prof. P. B. Sugatha Kumar and Shri K. S. Vijayan under Section 381, 120(B) and 201 IPC at the concerned local police station and transfer the case to CBCID for detailed investigation to trace the missing files and to book the culprits involved.

As per the above recommendation of the Vigilance Department, this Department has requested the Home Department to register crime case against Prof. P. B. Sugatha Kumar and Shri K. S. Vijayan, former Directors in ANERT under Section 381, 120 B and 201 IPC at the concerned local police station and transfer the case to CBCID for detailed investigation.

Further Recommendation

(Para Nos. 21, 34 & 35)

1.6 The Committee directed to intimate the present position of the criminal cases charged against Prof. P. B. Sugatha Kumar and Shri K. S. Vijayan, the former Directors in ANERT.

Recommendation

(Sl. No. 5, Para No. 23)

1.7 As regards funding pattern, the Committee analyses that during the five year period 2003-2008, the yearly plan expenditure of ANERT was in the range 6%-17% of budget allotment. The Committee understands that the Department is preparing unrealistic Budget estimates by providing a huge amount in excess of the actual requirement, without spending it properly by violating the provisions of Kerala Budget Manual. Due to internal systemic deficiencies, ANERT could not utilise funds available under various schemes resulting in accumulation of huge unspent funds. The Committee opines that if the amount earmarked for a project is not utilised properly, further amount should not be released. The Committee further directs the Finance Department to maintain vigilance while releasing funds to ANERT and the assistance to ANERT from State Government should be regulated in accordance with the actual requirements.

Action Taken

1.8 ANERT have submitted the project proposal to Government for utilising the amount parked with ANERT. In addition, strict instructions have been issued to the Director, ANERT to utilise the amount before March 31st of every year and also to refund the unutilised fund, if any, to Government.

Recommendation

(Sl. No. 6, Para No. 24)

1.9 The Committee observes that due to the laxity in furnishing utilisation certificate by the department, an amount of ₹ 1.43 crore lapsed. The Committee views the negligence of the Department in furnishing utilisation certificate in time, idling public money without utilising it in an effective manner etc., as serious offences and opines that the *modus-operandi* of the Department in money matters is not fair.

Action Taken

1.10 ANERT admits that there was lack of vision and time bound management in the implementation of IREP Programme. IREP Scheme had been wound up by the Ministry by the end of 10th Five Year Plan. Against the CFA of ₹ 285 lakh sanctioned by MNRE in January 2004, the total expenditure occurred till the closing of the scheme was ₹ 257.15 lakh only; Subsequently ANERT had prepared and submitted UC which was scrutinised by MNRE and vide Order No. 47/19/2003-IREP dated 28-7-2009 sanctioned the final settlement of accounts and released eligible balance CFA of ₹ 31,19,909. Accordingly the total CFA received for the implementation of the modified IREP scheme (2003-2007) is ₹ 173.70 lakh and the programme stands finally settled with MNRE.

Recommendation

(Sl. No. 7, Para No. 25)

1.11 The Committee finds that implementation of most of the schemes was tardy and as a result power generation from various renewable sources remained practically stagnant. Hence the Committee recommends that Government should take early action to rectify the administrative weaknesses and the systemic deficiencies in ANERT and identify reasons for dismal performance in the development and promotion of energy from Renewable sources.

Action Taken

1.12 Government have appointed a Special Officer, Dr. K. Ravi to make a realistic assessment of the existing functions and responsibilities of ANERT and to submit specific recommendations for the scientific restructuring of the Institution. He has submitted the report to Government and action has been initiated by Government to implement the recommendations.

Recommendation

(Sl. No. 10, Para No. 28)

1.13 The Committee learns that the amount released to Kerala State Electricity Board for establishing a demonstration wind farm of 4 MW capacity in January 2006 remained as idle investment. The Committee criticises the Department for the evident laxity in the matter and urges the department to furnish the latest report of the project after conducting thorough inspection.

Action Taken

1.14 ANERT and KSEB were planned to install 4 MW demonstration Wind Power Project at Ramakkalmedu in Idukki District. Even though tenders were invited twice, it couldn't be finalized due to the non-availability of suitable investors in this area and hence the project couldn't be implemented and the amount deposited by ANERT in KSEB for the above purpose was refunded to ANERT. Subsequently, independent power producers have set-up about 30 MW capacity wind power project and hence the demonstration project becomes irrelevant; Now Government have entered into an MoU with NTPC to set-up wind farms in Kerala including Ramakkalmedu.

Recommendation

(Sl. No. 11, Para No. 29)

1.15 The Committee notes that the achievement of implementation of Biogas Plants by ANERT under Bioenergy programme was poor during 2003-2007. Regarding the reasons for non-achievement of the target fixed for Biogas-electrical under Bioenergy programme during the years 2004-05 and 2005-06, the Committee directs the department to furnish a report urgently.

Action Taken

1.16 There are some technical difficulty in operationalizing biogas plant for generating electricity in the present situation. Since the sulphur content is to be removed before generation of power from biogas, it is not profitable. Hence Government is now focusing biogas generation from Solid/Kitchen waste and an average of 3000 such plants are installed every year leading to considerable saving in the use of LPG.

Recommendation

(Sl. No. 13, Para No. 31)

1.17 As regards the Research and Development Wing of ANERT, the Committee observes that it was practically non-functional due to non-availability of Scientists for research work. In the place of sanctioned strength of 11 posts of Scientists, only 4 Scientists are working in ANERT. Further it was noticed that out of ₹ 7.45 crore earmarked exclusively for the functioning of Research and Development Wing during 2004-2007, only ₹ 3.33 lakh was spent for the purpose. The Committee contemplated that due to the lack of promotion scope, insufficient motivation, encouragement in the work place, better opportunities and monetary benefit offered by other institutions the scientists were forced to leave ANERT.

Recommendation

(Sl. No. 14, Para No. 32)

1.18 The Committee views this tendency as serious and recommends that Government should take utmost effort to retain qualified and skillful Scientists working in Research and Development Wing of ANERT by giving attractive incentive and other perks as a measure of encouragement. The Committee further suggests that ANERT should provide greater importance and thrust to research activities.

Action Taken (31 & 32)

1.19 Government have appointed a Special Officer Dr. K. Ravi to make a realistic assessment of the existing functions and responsibilities of ANERT and to submit specific recommendation for the scientific restructuring of the Institution. He submitted the report to Government. Step by step process is being taken to implement the recommendation in the report. The four Scientists now working in ANERT are paid CSIR scale of pay and two Scientists are granted promotion under CSIR pattern.

Recommendation

(Sl. No. 15, Para No. 33)

1.20 The Committee perceived that there was no proper watch over adjustments of advances paid to Programme Implementation Officers and Staff. Advance of ₹ 94.03 lakh relating to the period 2006-2008 was pending settlement as of September 2008. The Committee's examinations of the subject revealed that

advance was given to those who had unsettled advance amount drawn previously. The Committee understands that the recommendations contained in the 24th Report of PAC (2001-2004) (paragraph No. 35) regarding the settlement of advance drawn were not yet accomplished and vehemently criticises the Department for not taking action against those who had unsettled advances drawn. In this connection, the Committee recommends to take action against those incumbents who had not settled the advance drawn in time. Further, the Committee suggests that strict action should be taken against the Head of Office who is reluctant to take action against the defaulters.

Action Taken

1.21 The Advances were settled. Wherever there were inordinate delay in settlement of advances, interest at the rate of 18% per annum was charged. Government have directed the Director, ANERT to initiate disciplinary action against the officers who were not settled the Project funds in time and thereby causing discontinuation of the projects. He was also directed to recover the amount sanctioned to ineligible employees as increments given in excess or to adjust it in future remuneration/pay.

Recommendation

(Sl. No. 18, Para No. 36)

1.22 The Committee notices that the prevailing anarchy in ANERT is the prime reason for all irregularities. Further, absence of effective internal control system in ANERT affected all the activities of the organization. Hence the Committee recommends that an efficient and effective Internal Control Mechanism needs to be established in ANERT and the Internal Audit Wing strengthened for better performance in future.

Action Taken

1.23 Government have appointed a Special Officer, Dr. K. Ravi to make a realistic assessment of the existing functions and responsibilities of ANERT and to submit specific recommendation for the scientific restructuring of the Institution. He submitted the report to Government. Action has been initiated to implement the recommendations one by one.

Further Recommendation

(Para Nos. 23, 24, 25, 28, 29, 31, 32, 33, 36)

1.24 The Committee noted ^{it} with displeasure ^{over} the ~~fair~~ functioning of ANERT and is of the view that the non-conventional energy resources were not being tapped effectively. It also expressed its concern in refunding the Central Fund in this regard without proper utilisation.

CHAPTER II

RECOMMENDATION IN RESPECT OF WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE FURTHER IN THE LIGHT OF THE REPLIES
FURNISHED BY GOVERNMENT

POWER DEPARTMENT

Recommendation

(Sl. No. 1, Para No. 4)

2.1 The Committee observes that the installation of 100 KWP Grid interactive Solar Photovoltaic Power Plant over the roof of Legislature Complex, Thiruvananthapuram with a project estimated cost of ₹ 2.99 crore failed due to poor planning. Even though a similar case was experienced by Kerala State Electricity Board (KSEB), Agency for Non-conventional Energy and Rural Technology (ANERT) took up the task with the support of KSEB resulting in a loss of Central assistance of ₹ 1.99 crore. The Committee expresses dissatisfaction over the action of the Department in not utilising the Central assistance in an effective manner without proper investigation and estimation. Hence, the Committee directs the Department to furnish the details regarding the agency which conducted investigation and estimation of the project and the amount paid to them for the purpose and the expenses incurred by the Department in this connection. The Committee considers the action of the Department as utter foolishness and opines that the immature action of the Department was not fair. Undoubtedly, such cases not only reveal the inadequate vision and foresight in the Governmental machinery but also leave scope for proliferation of corrupt practices in the system. This, therefore, underscores the need for utilising services of outside experts to conduct such studies.

Action Taken

2.2 ANERT have installed 25 kW Grid Interactive Solar Power Plant over the rooftop of the Kerala State Electricity Board with the Central Financial Assistance of Ministry of New and Renewable Energy. The Capital Investment of the Project was ₹ 77.1452 lakh, out of which ₹ 50.51 lakh was Central contribution and the balance amount of ₹ 26.6352 lakh was ANERT's share. From the Central Contribution, ₹ 51,000 was utilised for project study and for the preparation of DPR. This was done and effected through the Central Public Undertaking Firm, M/s BHEL.

In continuation of the above project, a proposal was put forwarded to implement 100 kwp Grid Interactive Solar Power Plant over the rooftop of Kerala Legislature Complex.

After conducting a detailed study, BHEL suggested that Solar Plant of less capacity may be installed due to the shadows by the eight lift towers at the top of the Legislature Complex. Meantime, certain synchronization problem were clearly noticed in the low capacity power project, already installed on the rooftop of Electricity Board. Hence the installation of 100 kwp Solar Power Plant over the rooftop of Kerala Legislature Complex has been dropped and the CFA which had been granted by MNRE for the purpose was refunded.

Recommendation

(Sl. No. 2, Para No. 5)

2.3 Regarding the installation of 2 MW Demonstration Wind Power Project at Ramakkalmedu, Idukki District, the Committee finds that the scheme was discontinued due to the irresponsible approach of ANERT. The Committee's examination of the subject revealed that there was significant weakness in the project planning, management and implementation process. The Committee regrets to note that though Kerala has a huge identified renewable energy potential, it remained practically untapped. The Committee expresses dissatisfaction over the inability of the Department for installing a wind farm at Ramakkalmedu where abundance of wind energy potential is attainable for the project.

Action Taken

2.4 ANERT and KSEB were planned to install 4 MW demonstration Wind Power Project at Ramakkalmedu in Idukki District. Even though tenders were invited twice, it couldn't be finalized due to the non-availability of suitable investors in this area and hence the project couldn't be implemented and the amount deposited by ANERT in KSEB for the above purpose was refunded to ANERT. The non-progress of Wind Electricity generation in Kerala at par with that in neighboring states like Tamil Nadu and Karnataka is not a problem arising from organisational lapses. The locations identified in the State having wind potential sufficient for electricity generation are in very remote areas having without or insufficient transportation and power evacuation facilities which make initial development of sites much more difficult than the sites in other States. Subsequently independent power producers have set-up about 30 MW capacity wind power project and hence the demonstration project becomes irrelevant. Now Government have entered into an MoU with NTPC to set-up wind farms in Kerala including Ramakkalmedu.

AGRICULTURE (PLANNING) DEPARTMENT

Recommendation

(Sl. No. 4, Para No. 22)

2.5 Regarding the expenditure of National Biogas and Manure Management Programme implemented by Agriculture Department, the Committee desires to know the items included in the expenditure. Further, the Committee wants the Department to furnish a detailed report regarding item-wise accounts related to the programme from the year 2003-04 to 2007-08 and the balance amount to be disbursed as subsidy.

Action Taken

2.6 The detailed report on item-wise expenditure incurred under NBMMP from 2003-04 to 2007-08 is furnished in the statement attached (Annexure D). All claims have been settled and there is no pending subsidy to be disbursed during this period.

FINANCE (PUC) DEPARTMENT

Recommendation

(Sl. No. 5, Para No. 23)

2.7 As regard funding pattern, the Committee analyses that during the five year period 2003-2008 the yearly plan expenditure of ANERT was in the range 6%-17% of budget allotment. The Committee understands that the Department is preparing unrealistic Budget estimates by providing a huge amount in excess of the actual requirement, without spending it properly by violating the provisions of Kerala Budget Manual. Due to internal systemic deficiencies, ANERT could not utilise funds available under various schemes resulting in accumulation of huge unspent funds. The Committee opines that if the amount earmarked for a project is not utilised properly, further amount should not be released. *The Committee further directs the Finance Department to maintain vigilance while releasing funds the ANERT and the assistance to ANERT from State Government should be regulated in accordance with the actual requirements.*

Action Taken

2.8 Consequent to the PAC's (2001-2004) observation regarding plan funds being kept unutilised and irregularly deposited with Banks and Treasuries, Finance Department issued Circular No. 84/2008/Fin. dated 9-12-2008 and Circular No. 75/09/Fin. dated 29-8-2009 for streamlining release of funds and parking of Governments funds (copies enclosed). Now funds are released only after obtaining utilisation certificates and comprehensive statements of expenditure, duly authenticated by the competent authority and ensuring that previous releases have been fully utilised and there remains no balance. Also, funds are released only for actual requirements in line with the project/scheme. As far as ANERT is concerned, Finance Department has since been monitoring it very closely and it is ensured that no funds are releasing unless the prior releases were fully utilised.

AGRICULTURE (PLANNING) DEPARTMENT

Recommendation

(Sl. No. 8, Para No. 26)

2.9 The Committee perceives that due to the weak financial status of the Scheduled Caste and Scheduled Tribe category the coverage under National Biogas and Manure Management Programme was far below the target fixed and the subsidy component payable to SC/ST category is the same as that of marginal

farmers and small farmers. The Committee understands that SC/ST population is not benefited by this programme. Therefore, the Committee strongly recommends that the Department should take necessary steps to subsidise the beneficiary component in respect of SC/ST category and the amount so incurred should be disbursed from the pool fund maintained by the Department which could be re-appropriated as per the provisions in the Kerala Budget Manual. The Committee also suggests to provide funds for the expenses in the State Budget from next year onwards if necessary.

Action Taken

2.10 It is admitted that though priority is given to SC & ST categories under the scheme to the tune of 15% and 10% respectively, the coverage is almost nil. This is attributed to the poor economic status of the above category. It may be noted that the average construction cost of a 2m³ Deenabandhu model biogas plant works to ₹ 25,000, ₹ 30,000 depending on prevailing local conditions. In order to increase the coverage under the SC/ST category, it is recommended to increase the subsidy for the above category (which is at present the same for all categories) so as to subsidise the beneficiary contribution and make it feasible and attractive for them. The additional financial commitment so incurred may be provided in the state budget additionally and earmarked for the above purpose.

Recommendation

(Sl. No. 9, Para No. 27)

2.11 The Committee's examination further revealed that directions were issued to select two villages each month for determining status of biogas plants already set-up and to send inspection reports thereto in quarterly progress reports as stipulated in the guidelines of NBMMP. In this connection, the Committee expresses dissatisfaction over issuing circulars and opines that the progress should be monitored by the department and stringent action should be taken against those who had not conducted inspection regularly and those who had not followed the guidelines properly.

Action Taken

2.12 As revealed by the Committee, directions have been issued for sample village wise monitoring of the NBMMP for determining the status of biogas plants

set-up in 2 villages each have been selected each month from July 2011 to March 2012 as detailed below:

Month	District
July	Kollam
August	Panthanamthitta
September	Kottayam
October	Ernakulam
November	Palakkad
December	Malappuram
January	Kozhikkode
February	Kannur
March	Kasargod

The details of number of biogas plants installed, size of plants, number of non-functional plants etc. are being monitored on half yearly basis in the above districts.

Further Recommendation

(Para No. 27)

2.13 The Committee directed the Agriculture Department to furnish the details regarding the number of biogas plants installed, size of plants as well as the number of non-functional plants in the districts mentioned in the SOAT.

Action Taken

2.14 Details of Biogas plants installed, size of plants and the number of non-functional plants are detailed in the enclosure. (Details enclosed)

POWER DEPARTMENT

Recommendation

(Sl. No. 12, Para No. 30)

2.15 The Committee, with a view to analyse the details of small Hydro Projects in the State urges the Department to furnish a report including project wise amount executed to KSEB/ANERT/Other agencies, number of ongoing

projects, number of cases in DPR stage, number of completed projects etc. The Committee stresses the need for establishing a monitoring system at the Government level to Co-ordinate the activities of various agencies involved.

Action Taken

KSEB

2.16 A. NUMBER OF ONGOING PROJECTS

1. **Ranni-Perunad Small Hydro Electric Project (4MW, 16.73MU)**
Commissioned on 16-2-2012.
2. **Peechi Small Hydro Electric Scheme (1.25MW, 3.21MU)**
Targeted dated of commissioning—May 2012.
3. **Chimmony Small Hydro Electric Scheme (2.5MW, 6.7 MU)**
Targetted date of completion—February 2014
4. **Perunthenaruvi Small Hydel Project (6MW, 25.77 MU)**
The work is expected to be completed during March 2014
5. **Vellathooval Small HE Project-3.6 MW (3.6MW, 12.17 MU)**
The work is expected to be completed during June 2014
6. **Poringalkuthu Small Hydro Electric Project (24MW, 45.02 MU)**
Expected to be completed by September 2014
7. **Anakkayam Small Hydro Electric Project (7.5MW, 22.83 MU)**
Time of completion—48 months (Agreement not yet executed)
8. **Chanthankottunada SHEP Stage II (6MW, 14.76MU)**
Expected date of completion—March 2013
9. **Vilangad SHEP (7.5MW, 23.63 MU)**
Expected date of completion—March 2013
10. **Barapole SHEP (15MW, 36MU)**
Expected date of completion—March 2013

11. **Kakkayam SHEP (3MW, 10.39 MU)**

Expected date of completion—March 2013

12. **Adyanpara SHEP (3.5 MW, 9.01 MU)**

Agreement is to be executed. The work is proposed to be completed in 24 months.

NEW SHPs FOR TENDERING IN 2012-13

1. **Olikkal SHEP (4.5MW, 10.18 MU)**

Project is expected to be Tendered in May 2012.

2. **Poovaramthode Small Hydro Electric Project (2.7MW, 5.88 MU)**

Project is expected to be Tendered in May 2012

3. **Chembukadavu SHEP Stage III 6MW (3x2MW)**

Project is expected to be Tendered in December 2012

4. **Peruvannamuzhi SHEP 6 MW (2 x3 MW)**

Project is expected to be Tendered in October 2012

5. **Upper Kallar SHEP (2MW, 5.14 MU)**

Project is expected to be Tendered in March 2012

6. **Peechad SHEP (7.7 MU)**

Project is expected to be Tendered in June 2012.

B. NUMBER OF SMALL HYDRO PROJECTS—DPR COMPLETED

1	Vakkalar Hydro Electro Scheme	24 MW
2	Poru falls	16 MW
3	Pazhassi Sagar	15 MW
4	Thumburmoozhy	7 MW
5	Koodam	4.5 MW
6	Ladrum	3.5 MW

DPR STAGE

1	Upper Sengilam	24 MW
2	Marmala	7 MW
3	Western Kallar	5 MW
4	Maripuzha	5 MW
5	Valamthodu	4.5 MW
6	Thommankuthu	2.5 MW
7	Averkutty-Chitoor	7 MW

C. NUMBER OF COMPLETED SMALL HYDRO PROJECTS

1	Kallada	15
2	Peppara	3
3	Madupetty	2
4	Poringalkuthu Left Bank	16
5	Malampuzha	2.50
6	Chembukadavu stage I	2.70
7	Chembukadavu stage II	3.75
8	Urumi Stage I	3.75
9	Urumi Stage II	2.40
10	Malankara	10.50
11	Lower Meenmutty	3.50
12	Neriyamangalam Extension	25
13	Kuttiyadi Tail Race	3.75
14	Poozhithode SHEP	4.8
	Total	98.65

Energy Management Centre

Small Hydro Promotion Cell at EMC—Implementation, Monitoring & Promotional Activities on SHP.

Till the end of January 2011, 20 Small Hydro Projects with an installed capacity of 136.85 MW have been commissioned in the State.

Government of Kerala has formed a technical cell viz. Small Hydro Promotion Cell (SHP Cell) [Ref. G.O. (Ms.) 29/2002/PD dated 21-1-2002] under the direct control of former Principal Secretary, Power, Government of Kerala for assisting the High Power Committee constituted by Government [Ref. G.O. (Rt.) 167/2003/PD 29-4-2003] and obtains approval of Government for projects open up for private participation under the captive and independent power producer categories.

The SHP Cell offers SHP projects for implementation through competitive bidding route to investors on behalf of the Government, co-ordinates the project implementation schedules and monitors the various agreements of the investors with the Government. Prior to the Government guidelines on SHP issued vide G.O. (Ms.) No. 2/2003/PD dated 16-1-2003, the allotment of SHP schemes to private investors were on MOU basis only. The SHP Cell is located at the Office of the Energy Management Centre and the Director, Energy Management Centre is the head of this special cell.

As per section 8 of Electricity Act, 2003, any developer who intends to set-up a hydro generating station shall obtain clearance of the authority after consultation with State Government for optimum development of hydro potential.

The High Power Committee has been enlarged with the introduction of new members to speed up the whole process especially in the areas of forest and land acquisition vide Government order G.O. (Rt.) No. 203/2010/PD dated 20-8-2010.

The SHP Committee Members are (i) Principal Secretary (Power), (ii) Secretary (Finance & Expenditure), (iii) Chairman KSEB, (iv) Additional Secretary (Law) and (v) Director, Energy Management Centre. The newly introduced Committee members are (i) Principal Chief Conservator of Forest or his nominee, (ii) Principal Secretary-Water resources Department or nominee and (iii) Principal Secretary-Revenue or nominee.

The Committee also monitors the SHP activities undertaken by Local Bodies, private builders who undertake such schemes in their own land and other Government enterprises. The Committee meets almost every month, invites the promoters and other stake holders to these meetings for monitoring and for solving the issues of the investors on a war footing basis.

With the formation of this cell, Government has attracted and investment of ₹ 215 crore in private sector in generation sector by giving allotment of 11 projects totalling to 43.75 MW through competitive bidding process. In addition to the above another two projects totalling 22 MW (7MW Ullungal SHP & 15 MW Karikkayam SHP) which were lying idle for quite long-time and was re-allotted by Government to two developers. The Cell was instrumental in this. These projects bring additional investment of ₹ 110 crore to the State.

Gist of the important assignment undertaken by SHP Cell:

- Formulation of SHP policy for the state in 2003 and revised policy incorporating the provisions of EA 2003, in 2006.
- Formulation of Wind Power Policy for the State in 2004.
- Administration of implementation agreement, monitoring of progress etc. of small hydro power projects already allotted to IPPs and CPPs.
- Preparation of TOR, RFQ & RFP for the assignment for short listing consultants in connection with restructuring of KSEB.
- Consultancy assignment for ANERT for the development of wind energy farm at Ramakkalmedu & Pushpakandam including the preparation of RFQ & RFP.
- The proposal mooted by SHPC for the joint development of wind farm by KSEB & ANERT was approved & the same may lead to an investment of ₹ 25 crore for a wind farm of capacity in the range of 5 MW.
- The draft documents for the preparation of the tender documents by KSEB for the development of the above wind farm were prepared by SHPC.
- Malankara Plantations Limited was allotted the 400 KW Parappanthodu mini hydro scheme by the Government under the captive category. SHPC conducted the site inspection and gave report to the Government for the same.

- Technical auditing of implementation of SHP projects enabling to frame policies for cost effective implementation.
- Draft guidelines for (i) the development of small hydro power (>100 KW to 25 MW) and (ii) micro hydro schemes (<100 KW) were prepared and
- Preparation of an investor friendly and revised small.
- Hydro Power Policy based on the experiences gathered and to suit the new scenario and the same is under the consideration of the Government.

STATUS OF SHP PROJECTS ALLOTTED TO DEVELOPERS AS ON 31-5-2011

Sl. No.	Name of the Company	Name of Project	Installed Capacity MW	Status of Project	Remarks/Time Schedule as per Implementation Agreement
1	2	3	4	5	6
1	M/s Energy development Company Limited (EDCL) (IPP)	Ullunkal Small Hydro Project	7	Commissioned	Commissioned & running since Nov. 2008
2	M/s Viyyat Power (P) Ltd. (IPP)	Iruttukanam Small Hydro Project	3	Commissioned	The developer successfully commissioned with two identical 1.5 MW machines. Generator and auxiliaries and started Commercial operation on 4-11-2010
			1.5	One more additional unit allotted during May 2011	Work in progress. Expected commissioning by November 2011

1	2	3	4	5	6
3	M/s Ayyappa Power Projects (IPP)	Karrik-kayam 15 MW	15	Government has given approval for stage wise construction due to issues of acquiring land. Stage I-10.5 MW & Stage II-4.5 MW	Work is in progress and expected commissioning of I stage by December 2011
4	M/s Jalashaayi Alamparathodu Hydro Power Limited (IPP)	Alamparathodu 3MW	3	TEFR approved on 4-7-2008	Due to delay in commissioning of the project actions are being taken & served show cause notice for not cancelling the allotment
5	M/s Sree Kailas Palchuram Hydro Power Ltd. (IPP)	Palchuram	3.5	Modified TEFR submitted on 18-6-2010	Due to delay in commissioning of the project, actions are being taken & served show cause notice for not cancelling the allotment
6	M/s Sree Adisakthi Mukkuttuthodu Hydro Power Ltd. (IPP)	Mukkuttuthodu	3	TEFR approved on 4-7-2008	Due to delay in commissioning of the project, actions are being taken & served show cause notice for not cancelling the allotment

1	2	3	4	5	6
7	M/s Vattappara Hydro Projects (P) Ltd. (IPP)	Upper Vattappara	3.5	TEFR approved on 8-7-2010	Expected date of COD 31-3-2014
8	M/s Palakkayam Hydro Projects (P) Ltd. (IPP)	Lower Vattappara	7	Modified TEFR submitted on 16-9-2010	Expected date of COD 31-3-2014
9	M/s Upper Poringal Hydro Projects (P) Ltd. (IPP)	Upper poringal 7MW	7	TEFR to be submitted	Expected date of COD 31-3-2014
10	M/s Kurumpetty Hydro Projects (P) Ltd. (IPP)	Kurumpetty 305 MW	3.5	TEFR to be submitted	Expected date of COD 31-3-2014
11	M/s Binani Zic Ltd. (CPP)	Thuvallar 4MW	4	TEFR approved on 8-6-2007 and the company has acquired land for the project	No further progress is reported and hence, show cause notice for delay was served to the allottee from Power Department
12	M/S Binani Zinc (CPP)	Attle 6MW	12	TEFR submitted and under review	Due to delay in commissioning of the project, actions are being taken/served show cause notice for not cancelling the allotment
13	Palakkad Small Hydro Power Company Ltd. under Palakkad District Panchayath (IPP)	Meenvallom	3	Work is in progress	Expected to be commissioned by end of 2011

1	2	3	4	5	6
14	Palakkad Small Hydro Power Company Ltd. under Palakkad District Panchayath (IPP)	Palakkuzhi	1	TEFR approved	Expected to be completed by 2014
15	Malankara Plantation Ltd. (CPP) own land	Parappanthodu Mini SHP	400 KW	TEFR prepared	Expected to be completed by 2013
16	Tropical Botanical Gardens & Research Institute (IPP)	Chittar Mini Hydro project	250 KW	TEFR prepared	Awaiting Forest clearance/to be completed by 31-3-2014

DETAILS OF SHP PROJECTS TAKEN UP BY ANERT

PROJECTS APPROVED FOR IMPLEMENTATION

Sl. No.	Name of the Project	Capacity (in KW)	Estimate (in ₹ lakh)
1	Chappamala SHP Kottiyoor Grama Panchayath, Peravoor, Kannur	60	86.98
2	Narantha SHP, Kottiyoor Grama Panchayath, Peravoor, Kannur	40	59.77
3	Panniamala SHP, Kottiyoor Grama Panchayath, Peravoor, Kannur	40	74.06
4	Mundakkal Thodu SHP, Kottiyoor Grama Panchayath, Peravoor, Kannur	160	110.46
5	Palachuram SHP, Kottiyoor Grama Panchayath, Peravoor, Kannur	60	81.21

Financial sanction for ₹ 374.21 lakh is obtained under NABARD for the implementation of the above projects and the implementation is envisaged with organisational and financial participation of Local Self Government Institutions.

PROJECTS IN DPR STAGE

Sl. No.	Name of Project	Location	Capacity (in KW)	Estimate (in ₹ lakh)
1	Odapuzha	Kanichar Grama Panchayat, Peravoor, Kannur	60	80.29
2	Nagini	Kottiyoor Grama Panchayat, Peravoor, Kannur	80	87.62
3	Kollakombil	Kottiyoor Grama Panchayat, Peravoor, Kannur	60	71.76
4	Pottanthode	Kottiyoor Grama Panchayat, Peravoor, Kannur	120	90.93
5	Thazhe Palchuram	Kottiyoor Grama Panchayat, Peravoor, Kannur	20	67.47
6	Kolappa Areekayam	Kolayad Grama Panchayat, Peravoor, Kannur	60	73.51
7	Tharappil Kandam	Kolayad Grama Panchayat, Peravoor, Kannur	80	97.78
8	Punchkandam Chembukadavu	Kolayad Grama Panchayat, Peravoor, Kannur	60	75.64
9	Ramachi Major	Kelakam Grama Panchayat, Peravoor, Kannur	320	252.48

Further Recommendation

2.17 The Committee expressed its discontent on the replies put forth by the Power Department and asked to call for the Secretaries to take evidence on the subject.

The Committee took evidence from the departmental offices and approved Para No. 30.

Thiruvananthapuram,
15th December, 2015.

DR. T. M. THOMAS ISAAC,
Chairman,
Committee on Public Accounts.

APPENDIX I

SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

Sl. No.	Para No.	Department concerned	Conclusions/Recommendations
1	1.6	Power	The Committee directed to intimate the present position of the criminal cases charged against Prof. P. B. Sugatha Kumar and Shri K. S. Vijayan, the former Directors in ANERT.
2	1.24	Power	The Committee noted ^{it} with displeasure ^{over} the fall functioning of ANERT and is of the view that the non-conventional energy resources were not being tapped effectively. It also expressed its concern in refunding the Central Fund in this regard without proper utilisation.

ANNEXURE I

NBSS&L - Detailed Statement of Expenditure										
Sl. No.	Year	No. of plants	Subsidy	Turnkey job fee		Training		Salary	Total	Budget provision
				No.	Amount	No.	Amount			
1	03-04	2357	5420650	2270	1589000	50 users trg. @ 1000 and 5 construction trg. @ 19000	145000	1267701	8672301	10800000
2	04-05	2318	7887600	2021	1414700	50 users trg. & 1 construction trg.	69000	1050128	10591428	10000000
3	05-06	1381	4705200	1193	835900	20 users trg. & 1 construction trg.	39000	3548247	9778347	10080000
4	06-07	2082	7187565	1755	1227800	39 users trg. & 1 construction trg.	38000	1851768	10575133	10080000
5	07-08	2414	8377280	1959	1371200	No trg.	0	1756246	31764643	10000000
		10552	53493625	9198	2438600		0	249957	60951862	50000000

Note:- Subsidy - for biogas plant for 2003-04 @Rs.2300 and Rs.2800 and Rs.3500 depending on the size of the plant from 2004-05 to 2007-08
 Training - Rs. 1000 for users training and Rs. 19000 for construction training

(Handwritten signature)
 14/11/11



GOVERNMENT OF KERALA
Finance (Secret Section) Department

CIRCULAR

No. 84/2008/Fm.

Dated, Thiruvananthapuram, 9th December 2008.

Sub:—Release of Funds—Guidelines—Issued reg.

The Public Accounts Committee (2001-2004) in its Fourteenth Report has observed that the funds released for a specific scheme or plan are kept unutilised and irregularly deposited with Banks and Treasuries without specific sanction from the Government. These irregular deposits worsen the liquidity position of the State and is against codal provisions. Therefore all the Departments sanctioning release of funds are directed to adhere to the following instructions scrupulously:

1. Release of funds should be made only after scrutinizing the expenditure statement of the previous year to ensure that the funds released in the previous occasion were spent for the purpose for which it was sanctioned and no funds remain unspent and after assessing the fund requirement for the current year.
2. Unspent balances of previous release, if any, will be adjusted against the future releases.
3. Utmost care should be taken in the release of funds to ensure that the funds released are utilized for the purpose it is sanctioned.
4. If the release is for centrally sponsored Schemes, it should be ensured that necessary administrative approval by Government of India has been received before the release of the budget provision.
5. Financial principles and rules relating to drawal and utilization of grants should be observed scrupulously by the grantee institutions.

L. C. GOYAL,
Principal Secretary (Finance).

To

- The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
- The Accountant General (Accounts & Entitlements), Kerala,
Thiruvananthapuram.
- All Heads of Departments and Offices.
- All Departments (Sections of Secretariat).
- All Secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries
and Under Secretaries to Government.
- The Additional Secretary to Chief Secretary.
- The Director of Treasuries, Thiruvananthapuram.
- The Director of Public Relations, Thiruvananthapuram.
- The Stock File/Office Copy.
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