

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

SIXTY FIRST REPORT

(Presented on 9th July, 2014)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2014

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

SIXTY FIRST REPORT

on

**Action Taken by Government on the Recommendations contained in the
Fifty third Report of the Committee on
Public Accounts (1991-93)**

1070/2014.

CONTENTS

	<i>Page</i>
Composition of the Committee ..	v
Introduction ..	vii
Report ..	1-15
Appendix : Summary of main Conclusion/Recommendation ..	16

COMMITTEE ON PUBLIC ACCOUNTS (2014-2016)

Chairman :

DR. T. M. Thomas Isaac

Members :

Shri T. A. Ahammed Kabeer

” Kodiyeri Balakrishnan

” Benny Behanan

” C. Divakaran

” C. Mammotty

” Mathew T. Thomas

” C. P. Mohammed

” K. Radhakrishnan

” Roshy Augustine

” M. V. Sreyams Kumar.

Legislature Secretariat :

Shri P. D. Sarangadharan, Secretary

„ K. Mohandas, Special Secretary

Smt. A. K. Shaila, Deputy Secretary

Shri G. P. Unnikrishnan, Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Sixty First Report on Action Taken by Government on the Recommendations contained in the Fifty Third Report of the Committee on Public Accounts (1991-93).

The Committee considered and finalised this Report at the meeting held on 30th June, 2014.

Thiruvananthapuram,
9th July, 2014.

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 53rd Report of the Committee on Public Accounts (1991-93).

The 53rd Report of the Committee on Public Accounts (1991-93) was presented to the House on 24th June, 1993. The Report contained 22 recommendations relating to Water Resources Department. The Report was forwarded to the Government on 5th August, 1993, to furnish the statements of action taken on the recommendations contained in the Report and the final reply received on 29th April, 2011.

The Committee examined the statements of action taken received from the Government at its meeting held on 20-4-1999, 18-8-2009, 15-5-2012 and on 17-10-2012.

The Committee was not satisfied with the reply received from Government on Para Nos. 6 & 17, and 33 and decided to pursue it further. The recommendations, Government reply and the further recommendations of the Committee are incorporated in Chapter I of this Report.

The Committee decided not to pursue further action on the remaining recommendations in the light of the replies furnished by Government. Such recommendations and the SOAT furnished by Government are incorporated in Chapter II of this Report.

CHAPTER I

RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN BY GOVERNMENT ARE NOT SATISFACTORY AND WHICH REQUIRE REITERATION

WATER RESOURCES DEPARTMENT

Recommendation

(Sl. No. 1, Para No. 6)

1.1 There are lot of error in various stages of processing the tenders. The careless handling of the tender involving more than Rupees two crore has resulted in unnecessary loss of ₹ 25 lakh to Government (The lowest tender was for ₹ 2,87,53,319 and total expenditure on completion of the work assume to ₹ 312 lakh). There is reason to believe that the error in the G.O. (Rt.) No. 166/86/Irrn. dated 21-4-1986 and the delay in communicating the corrected G.O.(Rt.) No. 169/86/Irrn. dated 2-5-1986 were committed deliberately. The second G.O. was

1070/2014.

received in the Chief Engineer's Office on 6-5-1986 but it was communicated to the Superintending Engineer only on 15-5-1986 the day on which the firm period of the tender expired. It is alarming to note that the Government have not taken serious note of the issue. The Report of the Chief Technical Examiner received on 13-6-1987 recommending action against the delinquent Officers was simply forwarded to the Chief Engineer calling for explanation. No follow-up action was seen to have been made. The Committee recommend that disciplinary action taken against those responsible for committing mistakes in the first G.O. and those responsible for delayed communication of the second G.O. be completed soon and result intimated to the committee.

Action Taken

1.2 Disciplinary action against the officers responsible for the delayed communication of the G.O. (Rt.) No. 169/86/Irrn. dated 2-5-1986 was initiated by the Chief Engineer, Irrigation and Administration (Irr. Vig2-1246/97). But as per G.O.(Rt.) No. 1377/98/IRD dated 21-10-1998 Government have ordered departmental enquiry instead of Judicial Enquiry appointing the Chief Engineer, Irrigation Special Enquiry Cell as the enquiry officer and the enquiry officer conducted a detailed enquiry into the issues and submitted the enquiry report to Government.

In the enquiry report it is concluded that the error in the first G.O. occurred while drafting the G.O. It may be a mistake and not deliberate (para 47 of the enquiry report).

Further Recommendation

1.3 The Committee accepted the reply furnished by the Government and remarked that the delay in finalising tenders within the firm period is still persisting and hence there should be a provision to fix the liability against those officers who were responsible for the delay. The Committee then decided to recommend that the liability should be fixed against those officers who fail to finalise the tenders within the firm period and the loss should be strictly recovered from them.

Recommendation

(Sl. No. 5, Para No.17)

1.4 The Committee is of the view that the road is well within the land transferred to Irrigation Department as the road is carved out along the periphery of the reservoir. In fact the road would be helpful to check poaching and encroachment by way of providing facilities for effective patrolling of the

area. The road would also be helpful in promoting tourism and protection of forests in future. The Committee deprecate the action of Government in ordering the stoppage of the work after spending about Rupees twenty five lakh. Before taking such a hasty decision when only 10% of the work was remaining to be done, the Government could have sorted out the difference of opinion between the sister Departments so as to derive the benefit on the expenditure incurred on the work. It is seen that the Forest Department had objected to the work at the very beginning. The concerned officers of the Irrigation Department should have taken immediate steps to sort out the difference of opinion. If the matter was settled then and there, the infructuous spending of such a large amount could have been avoided. The fact that the contractor was allowed to proceed with the work without settling the dispute smacks of some foul play.

The Committee recommends that an enquiry should be made to pinpoint those responsible for proceeding with the work despite the objection from the Forest Department without taking simultaneous steps to settle the dispute. Disciplinary action should be taken against those found guilty. The Committee is of the opinion that construction of the road should be completed immediately so as to avoid the wastage of the expenditure already incurred.

Action Taken

1.5 A vigilance case was registered as No. CC38/99 of Vigilance Court, Thiruvananthapuram in connection with the irregularities committed with the work. 3 persons were convicted. Out of them, one person died and another person was exonerated. The third person, Shri K. K. Philip, Superintending Engineer was punished for 4 years imprisonment plus a penalty of ₹ 4 lakh. Shri K. K. Philip filed a criminal appeal before the Hon'ble High Court of Kerala, Ernakulam against this verdict. The case (C.A. 219/2008) is pending before the Hon'ble High Court.

Further Recommendation

1.6 The Committee directs the department to intimate the latest position of the Criminal Appeal (C.A. 219/2008) filed before the Hon'ble High Court of Kerala.

Recommendation

(Sl. No. 13, Para No. 33)

1.7 The Committee also recommends that a comprehensive study into the various reasons leading to the conveyance losses in the canal network, which presently is very high by any standards, be conducted without any delay.

Action Taken

1.8 Comprehensive study into the various reasons leading to the conveyance losses in the canal network has been conducted. The study report is as follows:

NEYYAR IRRIGATION PROJECT

The conveyance loss in main channel is 33% whereas the conveyance loss in the branch channel is 37%. This conveyance loss is due to (1) Seepage, (2) dilapidated condition of canals, sluices and structures, (3) enormous sitting and unauthorised occupation of canal bunds.

MANGALAM PROJECT

From the study in five main canals of the Mangalam Project, it is seen that the conveyance loss is as follows:

<i>Sl. No.</i>	<i>Name of Canal</i>	<i>Conveyance loss</i>
1	Between canal sluice end first flumes in the L.B.C. and R.B.C.	47.13%
2	Between chainage/550 km. and 4/037 of R.B.M.C.	32.78%
3	Between chainage 4/850 km. and 9/150 km. of R.B.M.C.	34.39%
4	Between chainage 0/00 km. and 0/250 km. of Elavampadam distributory (fully lined canal)	11.54%
5	Between 0/00 km. and tail end of Punnappadam distributory	47.29%

The Project has been operating for more than 35 years and the whole system is in a dilapidated condition. The loss discharge in the very initial reaches of main canal itself is more than 47%. This is because of a major leak in the main canal at the starting. The loss of discharge in the other parts of main canal is more than 32%. The important point noticed during the study is the loss of discharge for the Elavampadam distributory which is fully lined canal, the conveyance loss is only 11.54%. Therefore, to minimize the conveyance loss and to increase the efficiency of the conveyance system of the project, a major portion of the canal network which are not lined are to be lined.

MALAMPUZHA IRRIGATION PROJECT

This project has been in operation for the last 43 years. Though full utilisation was achieved initially, lack of maintenance and repair due to paucity of funds resulted in flow deterioration of the system especially during the period from 1980 onwards. Though some improvement works were resorted to in stray portions, desired results were not achieved.

Detailed studies were conducted in different portions of the canal system, to ascertain the losses and the conveyance efficiency, from which, it is inferred that a major portion of water released for irrigating the fields is lost through seepage, leakage as well as loss due to inefficiency of the conveyance system and controls. In the lined portion of the canal system which are in stray reaches, the conveyance loss is less i.e., between 5 to 10.32% whereas in the unlined portions it is in the range of 20 to 40%. This indicates that the seepage and transmission loss can be reduced effectively by providing proper lining to the canal systems and thereby a huge quantity of water can be saved which is now wasted. In addition, the water-logging can also be reduced considerably by preventing of seepage and leakage of the canal systems. As such a systematic programme for revamping and consolidation of the entire system from the reservoir down to spout is to be chalked out and implemented to make the scheme more efficient and sustainable.

POTHUNDY IRRIGATION PROJECT

This project which has been in operation for the past 30 years was giving satisfactory performance initially. But due to lack of proper maintenance and repair the canal system and controls have become dilapidated. From the studies conducted, it is revealed that the conveyance loss in the L.B. Canal is 30% and in R.B. Canal is 39% which indicates the gravity of the problem. Hence the entire system is to be revamped from the reservoir down to spout, doing essential works like prevention of leakage, seepage, repair of structures, controls etc.

During the 9th Five Year Plan it is proposed to modernise all the Irrigation/ projects which were completed in 1960s & 70s (1st generation) under the scheme captioned "revamping and consolidation programme". An amount of ₹ 50 crore has been earmarked as a token provision during the 9th Plan period for the scheme under the head of account 4701-80-800-92. As an initial step Mangalam Project is taken for pilot study and implementation and the Chief Engineer (Investigation) is entrusted with the formulation of the project reports of the 1st generation projects and this work is underway. A pilot study report on Mangalam Irrigation Project has been prepared and the reports on the projects

viz. Malampuzha, Pothundy, Cheerakuzhy, Vazhani, Peechi, Gayathri, Walayar, Neyyar, Periyar Valley and Chalakkudy are under preparation. The actual requirements of funds for the scheme can be worked out after formation of scheme reports of all these projects. As the scheme proposed envisages detailed data collection of the present status of each project as well as to improve the functioning of the same in a better standard with proper utilisation of resources created by investment made in this sector will be fully justifiable.

Further Recommendation

1.9 Seepage and transmission loss in irrigation canal system is a serious problem in all irrigation projects including Kallada, Pazhassi and Pothundy. The percentage of leakage which was 30-40% in 1986-87, rose up to 60-70%. Therefore the Committee recommends that the Irrigation Department should look into the problem and should prepare and submit a suitable plan to the Government for providing proper lining to all the canals of the irrigation projects in the state to arrest the leakage.

The Committee also recommends that steps should be taken to provide proper lining, to the entire canal system of all the ongoing schemes to prevent seepage.

CHAPTER II

RECOMMENDATIONS WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE FURTHER IN THE LIGHT OF THE REPLIES FURNISHED BY GOVERNMENT

Recommendation

(Sl. No. 2, Para No. 7)

2.1 The Committee feels that this is not an error but a case of intentional and calculated offence to blackmail the Government for huge profit and there is presumptive evidence of conspiracy among the first contractor, the second contractor and the departmental engineers. It is quite unnatural that the first contractor hadn't ever raised any complaints against the department for not issuing the selection notice within the firm period.

Action Taken

2.2 In the Enquiry Report submitted to Government, it is concluded that the error in the G.O. (Rt.) No. 166/86/Irrn. dated 21-4-1986 was not committed in the department level. The error was occurred while drafting the G.O. It may be a mistake and not deliberate (para 47 of the enquiry report).

Regarding the second recommendation, it is concluded in the enquiry report that 7 days delay had been occurred in the office of the Chief Engineer. But the loss of ₹ 25 lakh pointed out by the PAC was actually occurred due to the awarding of the work to the second lowest tenderer at his quoted rate for the completion of the work (para 48 of the enquiry report).

Recommendation

(Sl. No. 3, Para No. 8)

2.3 The Committee also notes that the department had initiated a civil case against the first contractor when they were fully aware that no suit will stand against the contractor without execution of any agreement. This can only be seen as an empty gesture to deceive audit and deter legal action.

Action Taken

2.4 WA No. 455/91/HC was filed against the order in OP No. 7561/86 filed Shri K. N. Sathyapalan—SLP (C)-99 against Judgment in WA 455/91 was dismissed by Hon'ble Supreme Court.

Recommendation

(Sl. No. 4, Para No. 9)

2.5 The Committee feels that the grave irregularities exposed warrant a judicial enquiry and recommend for it.

Action Taken

2.6 In a similar case where Lonappan Nambadan, former MLA had raised certain irregularities in the construction of Chimony Dam Project and requested to conduct a judicial enquiry. Government ordered a Departmental enquiry by the Chief Engineer, CADA as per G.O. (Rt.) No. 123/97/Ir.D. dated 30-1-1997. The same procedure was adopted in this case also as judicial enquiries are time consuming and highly expensive. Hence Government had ordered a departmental enquiry instead of judicial Enquiry.

Recommendation

(Sl. No. 6, Para No. 18)

2.7 The Committee recommended that a high level conference of the Irrigation Department and Forest Department should be convened and urgent steps taken to complete the road.

Action Taken

2.8 The High Level Meeting suggested by the PAC has not been convened. The High Level Meeting is not possible as the files related to the work were transferred to Vigilance and Anti-corruption Bureau Unit, Kollam on 31-5-1996 in connection with an investigation in Crime No. 3/94. The case was disposed on 28-1-2008, convicting the Superintending Engineer, Shri K. K. Philip. The accused has filed an appeal before the Hon'ble High Court and the same is pending. The accused contractor for the work Shri K. N. Sathyapalan expired when the case was under trial and as such he was exempted.

Action can be taken to complete the road after the disposal of the case pending before the Hon'ble High Court.

Recommendation

(Sl. No. 7, Para No. 21)

2.9 The reply from Government indicates that no reason was recorded by the Assistant Executive Engineer who suggested (11-12-1981) the use of plum concreting overlooking the design and drawing approved by the Chief Engineer (4-9-1980).

The Government also pointed out that the scrutinising authority viz. the Executive Engineer and Superintending Engineer had failed in scrutinising this aspect. The deviation from the design approved by the Chief Engineer is the root cause for subsequent development which ultimately resulted in unwanted extra expenditure of ₹ 14.18 lakh.

Action Taken

2.10 In the approved drawing no mention was made about the aggregates to be used for M100 concrete and hence the engineers prepared the estimate provided M100 concrete using 40 mm broken stone, along with 20% plums of size 150 mm.

The estimate was approved by Chief Engineer after detailed scrutiny in Chief Engineer's office. During that period the Chief Engineer's office had a separate design wing which scrutinised the design part of every estimate before sanctioning the estimate.

The persons who framed the estimate had only made a suggestion to use the plum concrete as it was not specifically stated in the drawing. The Chief Engineer after detailed scrutiny accepted this suggestion. The reason for changing the concrete mix with 20% plums to that with graded metal is that the

concrete with plums cannot take any minor tensions likely to develop. This reason was seen accepted by the Chief Engineer while sanctioning the revised proposal to change the concrete mix.

Usually plain concrete structures like dams weirs and retaining walls are designed as gravity structures with only surface reinforcement. Such structures resist external forces by their own weight and designed in such a way that no tension will be developed in their body. If at all tension is developed the M100 concrete can resist a tensile force up to 3 kg./cm² safely. The officers who proposed the change of concrete mix of the structure to that with graded metal just wanted the structure to be more safe and wanted to make sure that any tension if at all developed to be resisted and their suggestion is accepted by the Chief Engineer while sanctioning the proposal. It can be seen that the Chief Engineer himself reviewed his earlier decision and hence it is not right to hold the engineers at fault for their suggestion alone.

In the revised proposal, Assistant Executive Engineer who executed the work proposed two alternatives for the concrete mix:

- (a) Concrete 1:3:6 with 60% 40 mm and 40% 20 mm metal ;
- (b) Concrete 1:3:6 with 40 mm metal.

This was also only suggestions, out of which the Chief Engineer decided to sanction the 1st alternative.

Hence, it can be seen that Chief Engineer himself sanctioned the estimate as well as taken decision to change the specification later based on practical considerations. This was made on the interest of safety of the structure. The actions taken by the officers at different stages were on good faith.

The supplemental agreement for the work was executed according to the conditions of the original agreement. Also Arbitrator awarded enhanced claims of the contractor.

The extra expenditure resulted due to the decision of the officers is well justified on consideration of safety of the structure and hence cannot be viewed as a mistake on their part.

All the officers involved in this process have retired from service years back and a good number of them have expired too (e.g. Shri N. A. Padmanabhan, Chief Engineer and Shri T. S. Moni, Superintending Engineer). The names and present whereabouts of the surviving officers are yet to be traced out.

Many of the connected files have been taken over by Vigilance Department and are still under their custody.

Recommendation

(Sl. No. 8, Para No. 22)

2.11 The Committee recommended that Government should institute an enquiry into this matter and the officer who prepared the estimate in violation of the approved design and the superior officer who failed in properly scrutinising the estimate should be penalised.

Action Taken

2.12 In the case No. CC-23/2000 of Vigilance Court, Thiruvananthapuram, 2 persons were convicted, Shri K. K. Philip, Superintending Engineer was punished for 2 years imprisonment plus a penalty of ₹ 75,000. The 2nd Person Shri K. Sodaran, Contractor was also punished for 2 years imprisonment plus a penalty of ₹ 75,000.

Recommendation

(Sl. No. 9, Para No. 26)

2.13 The Committee observes that it was highly irregular on the part of the Department in not realising the mobilisation advance paid to the contractor within the validity period of the Bank guarantee furnished by the contractor. The Committee desire to be informed whether the mobilisation advance and other advances paid to the contractor had since been recovered.

Action Taken

2.14 The mobilisation advance and other advances have been settled through arbitration award of the work.

Recommendation

(Sl. No. 10, Para No. 27)

2.15 The fact that the contractor did not resume the work even after extension of time proves that no undertaking was obtained from him before taking decision to rescind the termination order. The Committee deprecates the action of Government in taking such decision without obtaining legal opinion.

Action Taken

2.16 The work was referred to the sole arbitrator Shri Joseph Francis and he published an award on 20-7-1990. Under claim A of the award, 2-11-1989 issued by the Department was set aside by the arbitrator and claimant had seen relieved off from contractual obligation and exonerated from the responsibility of executing the balance work. The Case is now pending before the Hon'ble High Court in MFA 68/1998. Action against the contractor can be taken on the basis of the judgment of the case.

Recommendation

(Sl. No. 11, Para No. 28)

2.17 The Committee should be informed whether the two works were terminated at the risk and cost of the contractor and if so the details of cost realised. The information whether the departmental equipments and materials issued to the contractor have been taken back on termination of contract may also be furnished to the Committee.

Action Taken

2.18 The contract was terminated at the risk and cost of the contractor. Then the contractor went for arbitration. The arbitrator passed an award of ` 6,68,917 allowing a counter claim of ` 6,41,981. Though this award was challenged in the Sub Court. The Sub Court, Thiruvananthapuram has passed a decree and judgment in terms of the award.

The Balance amount of ` 26,936 was paid to the contractor on 18-7-1994 towards the final settlement of the award. Hence the cost of unreturned materials and T&P advance were settled by the arbitration award.

Recommendation

(Sl. No. 12, Para No. 32)

2.19 The Committee notes that the major and medium Irrigation projects commissioned at a total investment of ` 791.67 crore provides irrigation facility to 1.86 lakhs hectares, whereas minor irrigation projects completed at a cost of ` 172.90 crore and at relatively shorter periods are able to benefit 1.39 lakhs hectares. The Committee recommended that a comparative study of the benefits and returns of the various aspects of the major and minor irrigation systems be conducted.

Action Taken

2.20 The CWRDM has made studies on Pazhassi, Malampuzha and Neyyar regarding the benefits of major and medium projects. The study in Pazhassi was conducted for Government of India and draft report was submitted to Government. The study in Malampuzha and Neyyar has been done for CADA.

Recommendation

(Sl. No. 14, Para No. 41)

2.21 The Committee understands that the earlier decision and contract were for transportation of the billets from Madras to Kottarakkara and to stock them there for release to re-rolling mills. But when the billets arrived at Madras Port, the department, due to some after thought, decided to stock them at Madras itself. The reason attributed by Government for this sudden change is the prohibitive charges of conveyance if the billets were to be transported to Kottarakkara.

Recommendation

(Sl. No. 15, Para No. 42)

2.22 The Committee observes that the decision to stock the billets, at Madras, after the ship carrying the billets had already called at the Port, was taken with the full knowledge that a stocking yard at Madras would be difficult to be arranged within two or three days and that too by a junior officer (Assistant Engineer) deputed to oversee the unloading of the billets.

Recommendation

(Sl. No. 16, Para No. 43)

2.23 When the Assistant Engineer had conveyed the non-availability of a stocking yard at Madras, the department asked him to arrange for the transport of the billets to premises of a private firm Kraft Investments Private Ltd., Bangalore, and the billets were readily transported from Madras to Bangalore. It seems that the department was not much concerned about the cost of transportation at this time.

Recommendation

(Sl. No. 17, Para No. 44)

2.24 The Committee observes that the letter of authorisation issued to the Private firm for stocking the billets at their premise included the term "for stocking and re-rolling". It was based on this ambiguous authorisation letter

that billets for re-rolling were lifted by the firm. And the Department is not in a position to take any penal or legal action, or most probably they were not interested in initiating any action.

Recommendation

(Sl. No. 18, Para No. 45)

2.25 The explanations submitted by Government for the sudden change in the decision to change the stocking place from Kottarakkara to Madras and subsequent decision to transport the billets from Madras to the premises of a private firm at Bangalore are quite unconvincing. It is crystal clear that the earlier decision to stock the billets at Kottarakkara was with the intention of release of the billets to re-rolling mills in Kerala itself, where better supervision could be exercised.

Recommendation

(Sl. No. 19, Para No. 46)

2.26 The Committee cannot but point out the mala fide in the sudden change in stocking yard from Kottarakkara to Madras after the ship carrying the billets had already anchored at Madras Port, the deputation of Junior Officer to locate a stocking yard at Madras within two or three days, the decision to transport and stock the billets at the premises of a private firm at Bangalore, the ambiguous authorisation letter issued to the Bangalore firm, all fits into clever play to benefit some contractors at expenses of the exchequer.

Recommendation

(Sl. No. 20, Para No. 47)

2.27 The witness admitted that the department was eager to obtain imported billets allotted by Central Water Commission and due to lack of experiences some defects cropped up. The Committee are not convinced at the stand taken by the Government that it all happened due to lack of experience.

The department could have planned the proceedings in consultation with the Central Water and Power Commission in advance. Hasty decisions one after another taken without proper assessment have landed the department in trouble. At one stage the department was entirely at the mercy of the Bangalore firm who violated the conditions, and the department could not even move the court against the firm. The Committee hope that the Government will instruct the concerned officers to be more careful in future.

Action Taken

(Paras 41-47)

2.28 In Para 47, the Committee hoped that the Government will instruct the concerned officers to be more careful in future dealings. As such Government vide letter No. 32542/IR3/99/IRD. dated 29-4-2000 directed the Chief Engineer, Project II (Kallada), Kottarakkara to instruct the concerned to be more careful in future dealings and to avoid taking hasty decisions. Copy of Government letter has been forwarded to all the Superintending Engineers and Executive Engineers. The Chief Engineer, who had taken the decision to transport the billets to Bangalore, has already retired.

Recommendation

(Sl. No. 21, Para No. 48)

2.29 The results of correspondence with Customs Authority in Madras and details of refund of Customs duty should be intimated to the Committee.

Action Taken

2.30 Since Kallada Irrigation Project is a Major Project approved by the Government of India and is also a World Bank Aided Project, the M.S. Billets imported for the project is eligible for concession of Customs duty admissible to other Government of India Project vide letter No. D1-8286/81 dated 11-5-1987 and Collector of Customs, Madras has been informed that, due to the heavy levying of Customs duty, the cost of MS bars obtained from the billets has proved to be prohibitively high when compared with the Joint Plant Committee (J.P.C.) rates and hence it has been requested to allow all admissible concessions of customs duty and refund the amount due to Government. It is understood that Customs authorities have not responded to the letters from the Chief Engineer, Kallada Irrigation Project requesting to allow concession in customs duty for Kallada Irrigation Project. Government correspondence in the matter has also not been responded by the Customs Authorities.

Recommendation

(Sl. No. 22, Para No. 51)

2.31 The Committee is at a loss on the diverging views expressed on the use of hume pipes instead of primo pipes, first at evidence and subsequently in written reply. Hence they recommend that a careful study of the whole issue by experts be made before venturing another experiment. The steps taken for early commissioning of the projects should be intimated to them.

Action Taken

2.32 In the sanctioned estimates of the work in question viz. providing irrigation facilities to the Rice Research Station, Pattambi, there was a provision for pipeline using primo pipes. Primo pipes are usually used when it is necessary to contain high pressure in the lines. But in this particular work, the pipeline system was intended to convey water from the storage tank in the Rice Research Station on mere gravity flow for which comparatively low pressure conveyance system would suffice. This might be the reason for changing primo pipe to R.C.C. Hume pipes. Apart from the above R.C.C. Hume pipe is of low cost and economical. The leakage caused to the conveyance system may be due to improper joining of the pipes. To complete the system an estimate to the tune of ₹ 27.80 lakh for providing irrigation facilities to Rice Research Centre, Pattambi had been furnished to Government by the Chief Engineer (I) for which Government have accorded Administrative Sanction vide G.O. (Rt.) No. 776/96/IRD. dated 22-6-1996. The scheme was inspected by Higher officers such as Superintending Engineer, MI Circle, Calicut, Joint Director and Deputy Director, K.E.R.I., Peechi and the revised estimate was prepared based on the suggestions made by the above higher officers who inspected the site. The Superintending Engineer has further inspected the site with Associated Director, KAU. The latest proposal in this regard is to pump water from the main pump house to the tank at A.R.S. Compound directly through G.I. Pipeline and R.C.C. pipeline the Executive Engineer, MI Division, Palakkad is preparing a revised estimate for this, based on the current schedule of rates. There is no water distribution at present through the distributory system due to the failure of gravity system in the second stage of the scheme. Even though the recommendations of the PAC was referred to the Chief Engineer (I&A) on 7-9-1994, his final report was received in Government only on 20-1-2002. The further clarification called for by the Accountant General was also obtained from the Chief Engineer (I&A) only on 20-2-2005. Hence the delay in furnishing the ATN may be excused.

Thiruvananthapuram,
9th July, 2014.

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

APPENDIX

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

<i>Sl.No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusion/Recommendation</i>
1	1.3	Water Resources	The Committee accepted the reply furnished by the Government and remarked that the delay in finalising tenders within the firm period is still persisting and hence there should be a provision to fix the liability against those officers who were responsible for the delay. The Committee then decided to recommend that the liability should be fixed against those officers who fail to finalise the tenders within the firm period and the loss should be strictly recovered from them.
2	1.6	„	The Committee directs the department to intimate the latest position of the Criminal Appeal (C.A. 219/2008) filed before the Hon'ble High Court of Kerala.
3	1.9	„	<p>Seepage and transmission loss in irrigation canal system is a serious problem in all irrigation projects including Kallada, Pazhassi and Pothundy. The percentage of leakage which was 30-40% in 1986-87, rose up to 60-70%. Therefore the Committee recommends that the Irrigation Department should look into the problem and should prepare and submit a suitable plan to the Government for providing proper lining to all the canals of the irrigation projects in the state to arrest the leakage.</p> <p>The Committee also recommends that steps should be taken to provide proper lining, to the entire canal system of all the ongoing schemes to prevent seepage.</p>