

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

SEVENTIETH REPORT

(Presented on 9th July, 2014)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2014

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On

**Action Taken by Government on the Recommendations
contained in the 25th Report of the
Committee on Public Accounts
(2006-08)**

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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 Seventieth Report on Action Taken by Government on the Recommendations contained in the 25th Report of the Committee on Public Accounts (2006-08).

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 25th Report of Committee on Public Accounts (2006-2008).

The 25th Report of the Committee on Public Accounts (2006-08) was presented to the House on 10th July, 2007. It contained three recommendations relating to Information Technology Department and LSGD. Government was addressed to furnish the Statement of Action Taken on the recommendations contained in the Report on 6th August, 2007 and the final replies were received on 3rd May, 2010.

The Committee examined the Statement of Action Taken at its meeting held on 18-11-2008 and 13-10-2010.

The Committee was not satisfied with replies furnished on recommendation Nos. 2 & 3 (Para Nos. 7 & 9) and decided to pursue them further. These recommendations, Government replies and further recommendations of the Committee are incorporated in Chapter I of this Report.

The Committee decided not to pursue further action on Para No. 6 in the light of the reply furnished by Government. The recommendation and the Government reply are included in Chapter II of this Report.

CHAPTER I

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

LOCAL SELF GOVERNMENT (URBAN) DEPARTMENT

Recommendation

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

1.1 The Committee observes that there is serious irregularities in the purchase of land to set-up a multi purpose sports complex by the Changanassery Municipality. Since the matter is under vigilance enquiry as mentioned in the Government reply, the Committee urges the Government to take the matter seriously and to expedite action to complete the enquiry. The Committee also directs the department to inform the present position of the vigilance enquiry.

1118/2014.

Action Taken

1.2 Regarding the observations of Public Accounts Committee (2006-08) relating to the irregularities in the purchase of land by Changanassery Municipality, Vigilance and Anti-Corruption Bureau conducted a vigilance enquiry as VE 10/2003/ERK and the report was forwarded to Government recommending no further action, vide letter No. E5 (VE10/03/ERK) 8957/03 dated 14-12-2006. The Government have accepted the recommendation.

Further Recommendation

1.3 The Committee opined that in the case of purchase of land by the Changanassery Municipality to set-up multi purpose sports complex, serious corruption was clear as day light. The Committee criticized that even the Vigilance enquiry in this case turned out to be phoney to save the delinquents. The Committee strongly recommended the Government to take up the matter seriously and to reconsider the case by conducting special enquiry. The Committee also recommended to initiate action to recover the amount misappropriated.

Recommendation

(Sl. No. 3, Para No. 9)

1.4 The Committee notices that the Corporation of Kochi filled the wet land owned by a private party and constructed an approach road to the property which enhanced the price of the land. Then it was purchased by the Corporation at the enhanced price. The contention of the Department that the Corporation was dumping the waste is not tenable. The Committee desires the department to take steps to complete the vigilance enquiry immediately and to inform its present position. Steps should also be taken to review the existing practice and frame norms to avoid irregularities.

Action Taken

1.5 On the basis of Government letter No. 5411/D1/2000/Vig. dated 14-9-2001 Central Range, Ernakulam unit of the Bureau had conducted a vigilance enquiry into the allegation relating to the irregularities in the purchase of land by Cochin Corporation. The enquiry revealed that the Corporation officials conspired with the land owners to cheat the Corporation and in pursuance of the conspiracy fixed the landvalue at Edappally at an exorbitant rate and purchased land causing a loss of ₹ 231.47 lakh to the Government.

Hence on the basis of the Vigilance Enquiry report a vigilance case VC2/05/CRE has been registered at Central Range, Ernakulam against the following persons under Section 13(1) (d) r/w 13(2) of PC Act 1988 and 120-B IPC.

1. K. K. Somasundara Panicker, Mayor, Corporation of Cochin
2. A. K. Sasikala, Secretary, Corporation of Cochin
3. Bhupesh Babu, Nelliparambil, 25, Sarani Sector, 16/17 Vashi, New Mumbai.
4. Babu Thomas, S-18 Bombay Annex, Sector 17, Vashi, New Mumbai
5. P. K. Sukumaran, Former Thahasildar, Kanayanoor Taluk

Investigation of the above case is in progress.

Further Recommendation

1.6 The Committee recommend to initiate Departmental action against the Officers concerned.

CHAPTER II

THE RECOMMENDATION WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLY FURNISHED BY GOVERNMENT

INFORMATION TECHNOLOGY DEPARTMENT

Recommendation

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

2.1 The Committee finds that the 22.72 hectares of land taken over by the Technopark in 1998 at a cost of ₹ 6.90 crore for developing it into educational and residential areas for the employees working in various companies in Technopark was lying idle due to the disinterest on the part of the companies in establishing such complexes. The Committee feels that the Governing Body of the Technopark had taken the decision to purchase water logged/reclaimed/filled up land at such exorbitant price without ascertaining the requirement of the companies for residential and educational complex for their employees. The Committee understands that a decision had been taken to lease out 15 acres of land including 10 acres of dry land to National Institute of Speech and Hearing for a period of 99 years and that the Technopark is left with only a small portion of dry land i.e.,

29% of usable land after this. This land is also going to be transferred to the Tourism Department for setting up International Call Centres. The Committee would like to point out that as per clause 4 of the Memorandum of Association and Rule 23(c) of the Rules and Regulation of Technopark, Kerala, the Executive Body of the park has no authority to transfer the land purchased for its own use to other agencies. The Committee therefore recommends that Government should examine and conduct a detailed enquiry and take appropriate action in the matter.

Action Taken Report

2.2 As part of the Information Technology Policy of the State, Government of Kerala set-up Technopark as a location of international standards for Electronics and Information Technology Companies. Technopark is one of the prime IT destinations in South India and with ample scope for development. At present the Technopark campus is the most advanced IT location in the country and is a model for many other States to emulate. The IT policy of the Government has emphasized the need to continue building of additional infrastructure to meet the needs of the new enterprises being set-up. It is submitted that Technopark, Thiruvananthapuram is one of the most attractive facilities of its kind in the country. The CEO, Technopark had sought for Government sanction for the acquisition of 29 hectares of land in Cheruvackal, Attipra Kazhakootam & Menamkulam Villages as part of the phase I expansion of Technopark. The land was intended for creating support infrastructure of the main campus and to provide residential accommodation and other support services like international school, etc., Technopark at that point of time had 5000 IT/ITES professionals working in the campus and there was a requirement for good quality residential accommodation and not many private investors were coming forward to provide this basic requirement. The State Government (Industries Department) accorded administrative sanction in 1993 invoking urgency clause under Land Acquisition Act. The 4(1) Notification under the LA Act was published in July 1995 and the draft declaration was published in July 1996 Technopark deposited a sum of ₹ 2.75 crore between March 1996 (₹ 50 lakh) and December 1997 (₹ 525 lakh) with the Deputy Collector (Land Acquisition), Collectorate, Thiruvananthapuram. The valuation of the property was done as per the LA Act. The LA Authorities, according to the potentiality and importance of the area classified the properties into 14 categories as 'A to N' and the value of each category was fixed after ascertaining the market value of the similarly placed land in the locality. The compensation fixed was reasonable and fair. The land was taken possession in January 1998 and the Work of formation of road and construction of compound wall was completed. By then there were changes in the management of Technopark. The policy decision of the Government also

underwent major changes and thereby the priorities also changed. One of the primary reasons for not undertaking any other construction activity had been the paucity of funds. There was a significant drop in the allocation for Technopark and so it was decided to lease the land to leading Companies on long term lease for construction of support facilities. Henceforth the focus shifted to building new office spaces in the existing campus. This strategic decision has yielded good results for Technopark. The built up space was leased to IT companies and Technopark. By the year 2002, Technopark became one of the three largest IT Parks in India along with ITPL, Bangalore and TIDEL Park, "Chennai and had 1.2 million sq.ft of office space and was considered as one of the finest IT/ITES investment destination. Meanwhile Government of Kerala transferred 15 acres of land in Akkulam to National Institute of Speech & Hearing (NISH) for a period of 99 years lease as per G.O.(Ms.) No. 73/2001/ID dated 28-3-2001. Subsequently the Government as per G.O.(Ms.) No. 23/2002/ITD dated 29-11-2002 limited the land to 9.9 acres to be transferred to National Institute of Speech & Hearing (NISH) for a period of 99 years lease. There was a proposal from Tourism Department for the setting up of an International Convention Centre cum Exhibition Centre with all support facilities at Akkulam. This was in the background of the announcement of Government of India that it would fund 4 or more state of the art Convention Centre in prominent locations in India. The idea was that while the land would be the equity contribution of Technopark, the funds for development and construction would be contributed by the Tourism Department/Government of India. As per G.O.(Ms.) No. 330/2006/GAD dated 18-11-2006 the state Government decided to implement the project and 46 acres of land was proposed to be transferred to Tourism Department at a total consideration of 5.55 crore.

Hence it may be seen that orders leasing the land to NISH and transferring land to Tourism Department were issued by Government and not by the Executive body of the Technopark.

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	LSGD	The Committee opined that in the case of purchase of land by the Changanassery Municipality to set-up multi purpose sports complex, serious corruption was clear as day light. The Committee criticized that even the Vigilance enquiry in this case turned out to be phoney to save the delinquents. The Committee strongly recommended the Government to take up the matter seriously and to reconsider the case by conducting special enquiry. The Committee also recommended to initiate action to recover the amount misappropriated.
2	1.6	„	The Committee recommend to initiate Departmental action against the Officers concerned.
