



THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2011-2014)**

TWENTY SEVENTH REPORT

(Presented on 28th January, 2014)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2014

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On

**The Action Taken by Government on the Recommendations contained
in the Ninth Report of the Committee on Public Undertakings
(2006-08) relating to Kerala Water Authority based on
the Report of the Comptroller and Auditor
General of India for the year ended
31st March, 2001 (Civil)**

341/2014.

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COMMITTEE ON PUBLIC UNDERTAKINGS (2011-2014)

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„ M. K. Surendralal, Deputy Secretary

Smt. Lima Francis, Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to present the Report on their behalf, present this Twenty Seventh Report on the Action Taken by Government on the recommendations contained in the Ninth Report of the Committee on Public Undertakings (2006-08) on the working of the Kerala Water Authority based on the Reports of the Comptroller and Auditor General of India for the year ended 31-3-2001 (Civil).

The Statements of Action Taken by the Government included in this Report were considered by the Committee constituted for the year (2008-11) and (2011-14).

This Report was considered and approved by the Committee at the meeting held on 5-6-2013.

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

Thiruvananthapuram,
28th January, 2014.

K. N. A. KHADER,
Chairman,
Committee on Public Undertakings.

REPORT

The Report deals with the Action Taken by Government on the recommendations contained in the Ninth Report of the Committee on Public Undertakings (2006-08) relating to Kerala Water Authority based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2001 (Civil) which was presented to the House on 17th October, 2006.

The Report contained 11 recommendations and the Government furnished replies to all the recommendations. The Committees (2008-11) and (2011-14) considered the replies received from the Government at their meetings held on 3-11-2010 and 11-1-2012. The Committee accepted the replies to the recommendation Nos. 1(33), 3(35), 4(36), 5(37), 6(38), 10(47) and 11(48) without remarks. These recommendations and their replies furnished by Government form Chapter I of the Report.

The Committee accepted the replies to the recommendation Nos. 2(34), 7(39), 8(40), and 9(46) with remarks. These recommendations, their replies furnished by Government and the remarks of the Committee form Chapter II of the Report.

CHAPTER I

REPLIES FURNISHED BY GOVERNMENT WHICH HAVE BEEN
ACCEPTED BY THE COMMITTEE WITHOUT REMARKS

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusions/Recommendations</i>	<i>Action Taken by Government</i>
(1)	(2)	(3)	(4)	(5)
1	33	Water Resources	<p>The Committee is aggrieved to find that during 1998-2001, out of the Central Assistance of ₹ 132.64 crore, an amount of ₹ 14.63 crore was lost due to non-utilization of funds by the Kerala Water Authority. The last 4 years, Committee opines that since ARWSP there is no lapse is a cent per cent Centrally Sponsored Scheme and allocation is strictly as far as Kerala restricted to expenditure incurred by the State, the Authority should have chalked out a well knit plan to utilize the entire allotment within the stipulated period. The Committee is also at pains to not that the amount allotted for providing drinking water to rural masses was lapsed due to unpardonable lethargic attitude of the Authority and opines critically that the reasons for the incident depicts lack of proper scientific planning and co-ordination among various departments by the Authority. The Committee therefore recommends that the Kerala Water Authority should be more conscious and vigilant while implementing Centrally Sponsored Schemes in future so as to avoid the under utilization of funds which are meant for the needy masses.</p>	<p>Action had been taken to avoid under utilization of fund and for the last 4 years, there is no lapse of ARWSP fund Water Authority is concerned. In 2006-07 the allocation was ₹ 62.16 crore and the expenditure was ₹ 63.1281 Cr.</p>

(1)	(2)	(3)	(4)	(5)
3	35	Water Resources	<p>The Committee understands that delay in obtaining power connection is one of the major hurdles faced by the Kerala Water Authority in commissioning many projects. The Committee could understand that KSEB would receive application only after the completion of schemes and the submission of completion documents. The Committee observes that if an industry has to be started, necessary procedures for obtaining electric connection should be made entirely no project report. The Committee therefore recommends that the Kerala Water Authority should submit the application for electric connection based on the project report in the beginning itself and KSEB should accept the application and prepare a full fledged estimate so that electric connection can be given without any delay.</p>	<p>KEA cannot apply for power connection based on the Detailed Engineering Report alone. The technical feasibility and commercial viability of the project has to be analyzed and final selection of the project site is a managerial decision. Since there may be changes in project site during the actual execution due to non-availability of the originally envisaged site etc. However KWA can submit application during the initial stages of execution of work itself after ensuring the availability of all sites. Directions have been given to all the concerned officers to make application for</p>

(1)	(2)	(3)	(4)	(5)
				power connection soon after the commencement of all components of the project. Usually when KWA applies for power supply KSEB accepts the application and process accordingly.
4	36	Water Resources	The Committee also note that at present prior approval of the State Government is required for tenders whose cost exceeds ₹ 1 crore. Much delay is experienced in obtaining clearance for such projects. The Committee therefore, recommends that present ceiling of ₹ 1 crore may be raised to ₹ 5 crore.	Now the power for issuing Administrative Sanction has been increased to ₹ 5 crore.
5	37	,,	The Committee is displeased to note that against the guidelines issued by GOI domestic and non-domestic connections were given by the Water Authority without any criteria. Even though ARWSP Scheme envisages supply of water only through public stand post and prohibited domestic/non-domestic connections, the Water Authority gave 2274 domestic and 104 non-domestic connections in full spirit and violating GOI guidelines. The Committee opines that by taking account of the particular situation prevailing in the State, there was nothing improper in allowing approved project	R e v i s e d guidelines permit connections other than public taps for which sanction is not required. However, the recommendations of the Committee has been taken in full spirit and the Authority has been warned against any deviation from guidelines approved project

(1)	(2)	(3)	(4)	(5)
			<p>domestic connection provided a of the scheme decision to this effect is taken by the sanction and in Authority with the approval of the the case of a Government so as to ensure the particular elimination of malpractices. The situation, if Committee therefore recommends deviation is that, in future, the Water Authority required that should obtain proper sanction from should be done Government when there is a deviation only with the from the prescribed guidelines so as approval of to ensure transparency in the sanctioning/ implementation of schemes and to competent avoid misuse. authority.</p>	
6	38	Water Resources	<p>The Committee is perturbed to learn Action had already that many schemes of the Authority been taken for drag on for years due to several regular reasons. The schemes started at monitoring of Kothakulangara South and implementation Manikkamangalam in 1993 was of schemes for expected to be completed by timely completion September 1996. But the Authority of the projects. could not finalize the tender even in The delay in August 2000. The Committee getting land is observes that inordinate delay in the the major hindrance finalization and completion of in the progress projects would lead to huge cost of schemes. overrun besides defeating the very Following objectives of the schemes. The schemes started Committee therefore recommends that in 1993 were Water Authority should chalk out a commissioned detailed plan before starting every during 2004-05. project and the same should be 1.ARWSS to monitored periodically so as to ensure Kothakulangara timely completion of the projects. South</p>	<p>2.ARWSS to Manikkamangalam</p>

(1)	(2)	(3)	(4)	(5)
10	47	Water Resources	The Committee is not all satisfied with the action of State Government in releasing the central grant of ₹ 25 lakh as loan to KWA carrying 17 per cent interest. The Committee recommends that the above action should be rectified and the fact intimated to the Committee.	Government have accorded sanction for conversion of Government of India grant for ARWSP given as loan to grant and a token provision is included in the Supplementary Demand for Grants (SDG 2008-2009) July 2008 to make necessary arrangements in the accounts. In addition to the above Government have decided to write off the interest up to 31-3-2007 and convert the loan into interest free fund which includes the grant as remarked by the Committee.
11	48	„	The Committee is shocked to learn that the scheme is not reviewed by KWA and Government except on two occasions and has not conducted an evaluation even after a lapse of seven years. It is even more surprising that GOI adversely commented on the	Action has been taken to review all the schemes periodically. The MD, KWA will conduct review of all

(1)	(2)	(3)	(4)	(5)
			<p>tardy implementation of scheme and the Water Authority did not initiate any arrangements for the periodical review and evaluation. The Committee believes that had the review been conducted periodically central assistance amounting to crores of rupees could not have been lapsed and programme could have been implemented in a better way. The Committee therefore recommends that KWA should evolve a suitable mechanism for proper monitoring and time evaluation of projects. Working of Kerala Water Authority should be restructured for the effective functioning of it.</p>	<p>schemes under all category and all regional level, Chief Engineers will conduct periodical review. All the Superintending Engineers and Executive Engineers are directed to conduct review at their level. Recently Kerala Water Authority Board has taken a decision to review the progress of all the schemes monthly at the Board meeting for which the status of all ongoing schemes (physical and financial) are updated and placed before the Board. Based on these review meeting, all the officers concerned are directed to take necessary steps to implement the scheme timely.</p>

CHAPTER II

REPLIES FURNISHED BY GOVERNMENT WHICH HAVE BEEN
ACCEPTED BY THE COMMITTEE WITH REMARKS

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusions/Recommendations</i>	<i>Action Taken by Government</i>
(1)	(2)	(3)	(4)	(5)
2	34	Water Resources	The Committee is astonished to find that there is heavy shortfall in providing pure drinking water to the rural habitations against the target already fixed by the Authority itself. Kerala Waster Authority could convert only 310 habitations out of 1148 non covered into partially covered/fully covered ones and 1202 out of that 7141 partially covered into fully covered ones. The main reason attributed for this is the delayed administrative clearance by various departments like PWD, Forest Department and Electricity Board. The Committee observes that top priority should be given for providing safe drinking water and projects should not be allowed to drag on for years for want of departmental clearances. The Committee recommends that meeting of departmental heads should be convened at regular intervals in order to sort out problems and directions may be given to the District Collectors so that the subject may be discussed at the bottom level in the Collectors meeting. The Committee further recommends that Water	Various such issues had been brought to the notice of Collectors in the Collector's meeting. Also Executive Engineers of Kerala Water Authority are taking initiative for getting various departmental clearances. As on 1-4-2007, based on 2001 census, the coverage status of rural habitations are: Fully covered—5203, Partially covered—6817 and Non-covered—145.

(1)	(2)	(3)	(4)	(5)
			Authority officials should take initiative for necessary clearance at the district level also.	
		<i>Remarks:—</i> The Committee desire to be furnished with the progress made in providing safe drinking water to rural areas after the Collectors' Meeting held in this regard.		
7	39	Water Resources	The Committee understands that under ARWS Scheme, land has to be contributed by respective Local Bodies. The Committee further learns that many schemes are delayed due to delay in acquisition of land and many Local Bodies found it really difficult to provide land for schemes because of severe financial constraints. The Committee therefore recommends that Government should take it as their responsibility to provide sufficient funds to those Local Bodies which cannot provide sufficient land for the scheme so that it can be implemented without delay.	LSGD provides and allocate funds to Local Self Government Institutions. So the matter has been taken up with Government in LSGD to provide more funds to Local Self Government Institutions concerned for acquiring and providing sufficient land to implement ARWS Schemes. As per recommendations of 3 rd Finance Commission every year Government provides 10% more funds to Local Self Government

(1)	(2)	(3)	(4)	(5)
				<p>Institutions to meet such demands for land acquisition etc.</p> <p>The local bodies have autonomy to fund Rural Water Supply Schemes for acquiring land for the construction of treatment plant, tank etc. Many LSGIS pooled their fund for the purpose. Every year sufficient fund is provided in the budget and released to the LSGIS.</p>
<p><i>Remarks:</i>—The Committee recommends that Planning Board should provide sufficient fund allocation to Panchayats for implementing ARWS Scheme.</p>				
8	40	Water Resources	<p>The Committee is shocked to find that the Water Authority has foregone an amount of ₹ 6.57 crore as Central Assistance by way of not implementing the central scheme in time. Government of India sanctioned two Submission projects during 1997-1998 for controlling excess</p>	<p>Out of ₹ 6.21 crore released for the two Submission projects sanctioned by Government of India during</p>

(1)	(2)	(3)	(4)	(5)
			<p>salinity/fluoride problems which were to be completed in three years. Even though Government of India had released ₹ 6.21 crore, the Water Authority could spend ₹ 3.52 crore only leading to the lapse of balance amount. The Committee is not at all convinced by the arguments of the witness that the amount had not lapsed and requested the Central Government for extension of time. The Committee observes that the Water Authority should have shown more responsibility in implementing the scheme as the amount is sponsored by Central Government and it deals with the health and welfare of the rural population. The Committee expresses displeasure over the lethargic attitude of the Water Authority in implementing the scheme and recommends that adequate steps should be take for the timely implementation of Central schemes in future. The Committee wants to know whether the lapsed amount has been released by Central Government as requested by the Water Authority.</p>	<p>1997-1998 for controlling excess salinity fluoride problems, ₹ 3.50 crore was for CWSS to Kozhinjampara and adjoining Panchayats in Palakkad District and ₹ 2.71 crore was for the implementation of CWSS to Alappad and Clappana in Kollam District. This amount was fully utilized for the above\ schemes and hence no lapse of fund occurred. In addition to the above, KWA have spent ₹ 1.09 crore for CWSS to Kozhinjampara and adjoining Panchayats and ₹ 2.89 crore for CWSS to Alappad and</p>

(1)	(2)	(3)	(4)	(5)
				<p data-bbox="1059 524 1246 1263">Clappana . CWSS to Kozhinjampara and adjoining Panchayats have been fully completed and commissioned in 11/2004. CWSS to Alappad and Clappana is nearing completion. The Utilization Certificate for the total expenditure has been forwarded to Government of India for the reimbursement of balance fund of ₹ 3.98 crore.</p> <p data-bbox="1059 1285 1246 1653">The balance amount is included in the release of grant of Government of India for the year 2008-09. Hence no amount is to be refunded to Government of India.</p> <p data-bbox="1059 1675 1246 1733">Part of CWSS to Alappad and</p>

(1)	(2)	(3)	(4)	(5)
				Clappana is being done under ADB assisted Tsunami Rehabilitation Projects. Two gap connection works are remaining in this part and the works are in progress.
				All components of other part which are under technology mission have been completed. The scheme is expected to be commissioned by March 2010.

Remarks:—The Committee desires to be intimated about the details of the amount sanctioned as Tsunami fund for Alappad and Clappana Panchayats and the amount utilized from that fund. The Committee also wants to know whether the additional amount of ₹ 3.98 crore spent by KWA for CWSS has been reimbursed and whether the Central Government had extended the period of that project.

9	46	Water Resources	The Committee learns with displeasure that the Water Authority taken to solve has foregone crores of rupees as the problems associated with Central Assistance under AUWSP due to underutilization of funds. Though the implementation of schemes Government of India had identified 40 towns, KWA could prepare project including land.
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(1)	(2)	(3)	(4)	(5)
			<p>report just for nine towns only and out of this, schemes, were started only in three towns; which were yet to be completed. The Committee also notes that out of ₹ 11.99 crore received during 1993-2001, the Water Authority could spend ₹ 3.26 crore only. At the time of evidence it was informed that non-availability of land is one of the most important hurdle in the implementation of schemes undertaken by the Water Authority. But it is surprising to note that the problem has not been seriously taken by the Water Authority nor taken to Government for a speedy solution. The Committee expresses its anguish over such a state of affair and recommends that KWA should try to solve all problems associated with the implementation of schemes including land with necessary help from Government.</p>	<p>The present stage of the project under AUWSP is as follows:</p> <ol style="list-style-type: none"> 1. AUWSS to K o r a t t y - Commissioned on 7-4-2008. 2. AUWSS to Panniyannoor- Commissioned in 2003. 3. AUWSS to Pudukkad— The scheme was combined with ARWSS to Parappukara and adjoining villages 2 components- completed and remaining work is in progress. 4. Chevur and Marthankara- Work in progress. 5. K o l o z h i , Kuttoor and Potture—Work

(1)	(2)	(3)	(4)	(5)
				completed and a w a i t i n g clearance from E l e c t r i c a l Inspectorate for charging and commissioning.
				6. Chelakkara- Commissioned.
				7. Manjeswaram— Trial run started.
				8. P a t t i a m - Kottayam— Scheme combined with UWSS Koothuparambu and the work is in progress.
				9. Vadakkara- completed.

Remarks:— The Committee wants to know the progress made in the implementation of the remaining projects which are not mentioned in the Action Taken Statement.

Thiruvananthapuram,
28th January, 2014.

K. N. A. KHADER,
Chairman,
Committee on Public Undertakings.