



THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

SEVENTY SEVENTH REPORT
(Presented on 23rd March, 2015)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM

2015

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

SEVENTY SEVENTH REPORT

On

**The Action Taken by Government on the Recommendations contained in
the Ninety Fourth Report of the Committee on Public Undertakings
(2008-11) relating to Roads and Bridges Development Corporation
of Kerala Limited based on the Report of the Comptroller
and Auditor General of India for the year
ended 31st March, 2007 (Commercial)**

341/2015.

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COMMITTEE ON PUBLIC UNDERTAKINGS (2014-2016)

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Shri P. S. Selvarajan, 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 Seventy Seventh Report on the action taken by Government on the recommendations contained in the Ninety Fourth Report of the Committee on Public Undertakings (2008-11) on the working of the Roads and Bridges Development Corporation of Kerala Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2007 (Commercial).

The Statement of action taken by the Government included in this Report was considered by the Committee constituted for the year (2014-16).

This Report was considered and approved by the Committee at the meeting held on 11-2-2015.

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

Thiruvananthapuram,
23rd March, 2015.

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 Ninety Fourth Report of the Committee on Public Undertakings (2008-11) relating to Roads and Bridges Development Corporation of Kerala Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2007 (Commercial).

The Ninety Fourth Report of Committee on Public Undertakings (2008-11) was presented to the House on 28th December, 2010.

The Report contained seven recommendations. Government furnished replies to all the recommendations. The Committee (2014-16) considered the replies received from the Government at its meeting held on 12-1-2014.

The Committee accepted the replies to the recommendations without any remark. These recommendations and their replies are included in the Report.

REPLY FURNISHED BY GOVERNMENT WHICH HAS 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 the Government</i>
(1)	(2)	(3)	(4)	(5)
1	7	Public Works	<p>In spite of the explanation from the witness that an earlier rescheduling would have attracted higher rescheduling charges due to higher loan amount, the Committee strongly condemns the fact that the Company did not seriously consider the need for timely rescheduling of drawal of loan which could have avoided the payment of the commitment charges. The Committee recommends that such lapses should not be repeated and that quick decisions and timely action should be effected in such circumstances in future.</p>	<p>The schedule for drawal and utilization of loan funds were prepared on the basis of some projections and expectations. In actual practice, sometimes, we might not be able to keep up this schedule, owing to different reasons beyond out control, such as delay in constructions, uncertainty in reimbursements from Railways etc. On many occasions, we are not in a position to exactly ascertain such deviations and take corrective actions at appropriate time. In such circumstances, the only possible remedy is to take optimum decisions consisting the situation existed at that time, so as to minimize the risk and loss. In this case also, according to the circumstances existed at that time, the then management took the decision regarding reschedulement of drawal of loan.</p> <p>Learning lessons from the past, we will try to take most suited decisions in future in situations similar to this. Now we are</p>

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(1)	(2)	(3)	(4)	(5)
				aware about the probable difficulties and deviations, and expect to take more timely and suitable decisions in future.
2	8	Public Works	<p>The Committee finds that non-availability of land and consequent delay in execution of work necessitated delayed drawal of loan installments or excess interest payment on money drawn in advance. This could have been avoided had the Company done proper planning to make land available much ahead of initiating tender work. The Committee instructs that in future projects the company should take care to ensure availability of land well before the commencement of work so as to avoid any excess payment on account of delay in commencement of work for want of land.</p>	<p>Non-availability of land is the most important hurdle for construction of Railway Overbridges. Railway Overbridges are mostly needed for the free flow of traffic, saving fuel consumption and thereby generating income for the country. The land acquisition is a very time consuming process due to many reasons such as paucity of funds and delay on the part of Revenue Department. Usually the work is taken up on the anticipation that LA could be completed by the time the bridge work is progressing. But in certain cases this does not materialize and the delay happens.</p> <p>Now, 13 numbers of Railway Overbridges are in good progress and in almost all the cases the land acquisition process are over. In future also care will be taken to make land availability before the work is started.</p>

(1)	(2)	(3)	(4)	(5)
3	9	Public Works	<p>The Committee also urges the Company to take necessary steps to liaison with Railways sufficiently earlier to avoid delay in approval and get rid of delay in completion of rail overbridges.</p>	<p>Liaison works are continuously made with Railways at all levels to remove the bottlenecks. Now Railways have appointed a CAO at Ernakulam which may make the liaison works faster, effective and may fetch good results.</p>
4	19	,,	<p>The Committee finds no valid reason for delay in collecting tolls on Railway Overbridges at Tirur and Meenchanda for more than two years. The Committee does not understand the logic behind such a long delay and suspects some laxity on the part of the Company in this regard. The Company should have decided to impose toll as and when decision was taken for the construction of overbridges. The Committee directs that in future toll</p>	<p>The collections of user fee was not proposed when works of Railway Overbridges were initially taken up by the Roads and Bridges Development Corporation of Kerala. The proposal of collection of user fee was initiated only after completion of several Railway Overbridges. Roads and Bridges Development Corporation of Kerala tries to implement toll at the already opened Railway Overbridges, but there was strong public protest against implementing toll at the later stage. So Roads and Bridges Development Corporation of Kerala postponed the toll collections with the concurrence of Government. Tirur and Meenchanda are two among such bridges.</p>

(1)	(2)	(3)	(4)	(5)
			<p>collection should be initiated along with opening of bridges in order to avoid protest from people for collecting toll on a bridge that they were already using without any payment.</p>	
5	20	Public Works	<p>The Committee recommends that with regard to Railway Overbridges which are now being constructed, the objections from the public on tolling should be minimized by educating them about the necessity of toll collection and by convening meetings with local political parties and social service organizations.</p>	<p>Roads and Bridges Development Corporation of Kerala now conducts meeting of local political parties and local organization before the inauguration of the Railways Overbridges and necessity of toll collection is explained at such meetings. Roads and Bridges Development Corporation of Kerala starts the toll collection immediately after opening of the bridge.</p>
6	21	..	<p>The Committee also suggests that the company should think about the option of entrusting toll collection to local bodies so that protest from public could be minimized.</p>	<p>Now Roads and Bridges Development Corporation of Kerala entrusts toll collection to contractors through competitive tender procedure. This helps the company to fetch maximum revenue. The suggestion of the Committee for entrusting toll collection to local bodies is being considered.</p>

(1)	(2)	(3)	(4)	(5)
7	22	Public Works	The Committee wants to know the present status of appeal filed by the Company against the stay on user fee collection in the case filed by Tellicherry Private Bus Operators' Association.	W.P.(C) No. 9350/2007 was filed by Tellicherry Private Bus Operators' Association against collection of user fee by RBDCK. There was a stay order and got it vacated subsequently. The case is still pending before the Court.

Thiruvananthapuram,
23rd March, 2015.

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

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