

**FOURTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2016-2019)**

**THIRTY SEVENTH REPORT**  
(Presented on 5th December, 2018)



**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2018**

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**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2016-2019)**

**THIRTY SEVENTH REPORT**

On

**Action Taken by Government on the Recommendations  
contained in the 75th Report of the Committee on  
Public Accounts (2014-2016)**

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## COMMITTEE ON PUBLIC ACCOUNTS (2016-2019)

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Smt. S. Shahina, Joint Secretary

Shri P. P. Shahnawas, Deputy Secretary.

Shri A. Jafar Khan, 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 37th Report on Action Taken by Government on the Recommendations contained in the 75th Report of the Committee on Public Accounts (2014-2016).

The Committee considered and finalised this Report at the meeting held on 3rd December, 2018.

Thiruvananthapuram,  
3rd December, 2018.

V. D. SATHEESAN,  
*Chairman,*  
*Committee on Public Accounts.*

## **REPORT**

This report deals with the Action Taken by Government on the recommendations contained in the 75th Report of the Committee on Public Accounts (2014-2016).

The 75th Report of the Committee on Public Accounts (2014-2016) was presented to the House on 16th December 2014. This Report contained twelve recommendations relating to Fisheries and Ports, Public Works, Forest and Wild Life, Information Technology and Agriculture Departments. The Report was forwarded to the Government on 24-12-2014 to furnish the Statement of Action Taken on the recommendations contained in the Report and final reply from the Government was received on 24-11-2016.

The Committee examined the statements of Action Taken received from Government at its meeting held on 25-1-2017 and decided not to pursue further action on the recommendations in the light of the replies furnished by Government, but commented on certain paras. The recommendations and Government replies are incorporated in this Report.

### **FISHERIES AND PORTS DEPARTMENT**

#### **Recommendation**

*(Sl.No.1, Para No. 8)*

The Committee observes that the former contractor abandoned the work in the middle and the balance work had to be re-arranged at higher rates resulting an additional expenditure of ₹ 50.97 lakh. It remarks that had the provision for risk and cost was included in the contract work, the additional expenditure could have been realised from the contractor. It view it as a serious lapse on the part of the department and directs that the Fisheries and Ports Department should be vigilant in avoiding such lapses in future.

#### **Action Taken**

The work 'Construction of Breakwaters at Ponnani' was awarded to M/s Kaikkara Construction Company in April 2002 by the Superintending Engineer, Harbour Engineering North Circle, Kozhikode, fixing the schedule of date of

completion as 18 December 2003. But the contractor did not complete the work within the stipulated time. Hence extension was granted upto 18-10-2004 with fine of ₹ 45,000. The contractor did not complete the work within this extended period also. As the progress was very slow during this period the work was terminated but later it was revoked by the Chief Engineer considering the request of the contractor. Meanwhile the contractor requested for rate revision and further extension of time. Government sanctioned rate revision with 10% excess over 2004 schedule of rates with a condition to complete the work within 9 months. But the contractor could not complete the work within this period also and requested for further extension. Government sanctioned time extension upto 31 October 2007 with a fine of ₹ 36.44 Lakh for the period from 1-4-2007 to 31-10-2007 and a fine of ₹ 21,956 per day after 31-10-2007. But the contractor did not execute the work after this. Hence the work was terminated by the Superintending Engineer, Harbour Engineering North Circle, Kozhikode on 29-4-2008 at full risk and cost of the contractor as per tender condition and the work is rearranged. The extra liability due to rearrangement of the work is ₹ 4,34,12,105. This amount has to be remitted by the contractor. As he did not remit the amount revenue recovery action was initiated against the contractor. This is as per the existing tender conditions and rules.

This amount is inclusive ₹ 50,96,921 the amount to be recovered as per in CCX<sup>th</sup> and final which was the amount already paid to the contractor in the previous bill on account of rate revision sanctioned by the Government. The contractor was directed to remit this amount to Government within 15 days of receipt of notice. But the notice came back unclaimed. A second notice was issued on 28-5-2009 and the contractor received the same on 8-6-2009. But he did not remit and settle the dues. The proposal for revenue recovery action was submitted to the District Collector, Kollam against the contractor.

Then the contractor filed a writ petition WP (C) No.31363/2009 before the Hon'ble High Court Challenging the issuance of demand notice issued by the Executive Engineer, Harbour Engineering Division, Malappuram for remitting an amount of ₹ 4,34,12,105 with interest consequent to termination of work contract awarded for re-arrangement at his risk and cost.

It is still pending with Hon'ble High Court with stay order on implementation of revenue recovery proceedings of the Executive Engineer. Hence action in the revenue recovery proceedings against the contractor by Tahsildar (RR) Kollam could not be proceeded further. The Revenue Recovery action can be continued only after the disposal of the writ petition.

The Public Accounts Committee remarks that, had the provision for risk and cost was included in the contract of work, the additional expenditure could have been realised from the contractor. The provision for risk and cost was included in the contract agreement of the work as per clause 12 of general specification and additional conditions of contract. Accordingly revenue recovery actions were initiated by the Harbour Engineering Department. But the same was challenged by the contractor in Hon'ble High Court by filing a W.P(C) No.31369/2009. The revenue recovery action can be continued only after the disposal of the writ petition and the department has made all effort to recover the amount from the contractor.

### **Conclusion**

Committee observes that the lapses from the part of the Government pleaders made the Government defeated in many cases and it was a loss of time and money of the public and comments that the Government pleaders must effectively convey the Government arguments to the courts.

### **Recommendation**

*(Sl.No. 3, Para No. 16)*

The Committee observes that the hard and fast criteria for availing diesel subsidy is not in favour of the prevailing conditions of the fisher folk. To ensure the fruitful utilization of central assistance the Committee directs the Fisheries & Ports Department to take necessary steps to take up the matter with Government of India so that necessary changes could be brought to the guidelines in accordance with the prevailing condition of each state.

### **Action Taken**

This is a centrally sponsored scheme for providing rebate for HSD oil @ ₹ 1.50 per litre to boat owners. As per the guidelines, boat owners belonging to



BPL category alone are eligible for the rebate. But almost all boat owners of Kerala are under APL category and hence a majority of the boat owners do not enjoy the benefit of the scheme. As such Government of India had been addressed in this matter highlighting the peculiar situation of this State and for bringing necessary modification to the guidelines to suit the needs of this State. But since the guidelines are prepared by the Central Government on uniform basis and not on the prevailing condition of each State, the guidelines have not yet been revised by the Government of India.

### **Conclusion**

The Committee suggests that it is better to allow diesel subsidy on the basis of the BPL status of the working fishermen of the respective boats rather than that of the Boat owners.

### **Recommendation**

*(SI.No. 4, Para No. 17)*

The Committee recommends that the Fisheries and Ports Department should make necessary arrangements to purchase sufficient quantity of Kerosene from IOC and to distribute the same to Fishermen at State Government Subsidy rates.

### **Action Taken**

The scheme for supply of white kerosene to fishermen is being implemented through Matsyafed. Under the scheme Government subsidy @ Rs.25 per litre of kerosene is given to fishermen. For the scheme of distribution of white kerosene, Government ordered the establishment of 13 kerosene bunks in 9 Marine Districts. Out of this, 10 bunks have already started functioning, construction of 2 bunks have completed and will start functioning soon. The Construction of one bunk is under way. The benefit of the scheme is being distributed to the beneficiaries directly to their bank accounts. The quantity of kerosene being supplied is as below.

Upto 10 HP-137 litre per month

Between 10-15 HP-144 litre per month

Above 15 Hp-188 litre per month

### **Recommendation**

*(Sl.No. 5, Para No. 21)*

The Committee views that the Matsyafed had neither conducted a feasibility study nor had a proper planning and monitoring before submitting the proposal for the subject to the Government of India. The Committee laments the negligence on the part of the Department in implementing the centrally sponsored project without taking into account of the prevailing condition of the state and warns that necessary steps should be taken to avoid such lapses in future.

### **Action Taken**

The recommendations of the PAC regarding the essential feasibility study to be done before submission of proposal for the projects to Government of India is now being carefully followed. Necessary direction has already been issued to Matsyafed to observe the recommendation of the Committee strictly in future.

### **Public Works Department**

#### **Recommendation**

*(Sl.No. 2, Para No. 9)*

The Committee analyses that the amount collected as guarantee for the works is meagre when compared to the cost of works and hence it recommends that the Public Works Department should make necessary amendments in the PWD Manual to enhance the amount of guarantee enough to cover the risk and cost.

#### **Action Taken**

If the guarantee amount is made proportional to the contract amount, the contractors will not take up the work. The works are entrusted to contractors only after executing proper agreements. According to the KPWA Code, bills will be released only after the completion of the work. If the projects are terminated, the risk and cost should be realised through civil suits. It is also informed that, as per G.O.(P) No.3/15/Fin dated 5-1-2015, the guarantee amount of PWD works has been revised. (Annexure.)

### **Conclusion**

The Committee observes that a guarantee period should be fixed by the Government for the completion of the allotted work and if it is prolonged by reasons other than contractors flaws, bank loan should be arranged with guarantee of the Government and the interest also to be paid by the Government. In such cases an Engineering wing should be formed jointly by the bank and the Government in order to monitor the progress of the work.

### **Forest & Wild Life Department**

#### **Recommendation**

*(Sl.No. 6, Para No. 25)*

The Committee finds that Pythalmala Eco. Tourism Project was not implemented as envisaged as the road leading to the worksite could not be constructed. The project had been wound up due to the lack of feasibility study and proper planning. This resulted in blocking up of ₹ 8.81 crore. It recommends that before implementing a Centrally Sponsored Scheme feasibility study should be conducted and directs the Forest and Wildlife Department to avoid such lapses in future.

#### **Action Taken**

Pythalmala Eco Tourism Project was not implemented by FDA, Kannur due to the non-completion of road leading to the worksite by PWD authorities. Out of ₹ 14.99 lakh received by the FDA, an amount of ₹ 3,96,819/- was spent for the construction of a trek path and an amount of ₹ 11,02,181/- was surrendered to Eco-tourism Department. However, it may be seen that a new Eco-tourism project was prepared after proper study for implementation by Kannur Forest Development Agency at a cost of ₹ 24 lakh. This project was cleared by the Committee of Chief Conservators of Forests for Eco-tourism Projects on 8-7-2015. This project is being implemented under the Budget "Ecotourism (Plan)".

#### **Recommendation**

*(Sl.No. 7, Para No. 28)*

The Committee lashes on the inertia and lack of conspicuous vision on the part of the Department in implementing projects and non utilisation of ₹ 3 crore.

for environmental protection. The Committee was at a loss to note that even the advisory committee to verify whether a land is ecologically fragile had not reconstituted as per the rules. So the Committee recommends to initiate the steps on war footing to reconstitute the Advisory Committee and urges to furnish a report on the steps taken in this regard.

### **Action Taken**

An amount of ₹ 3 crore was meant for acquisition of mangroves in Kollam, Thrissur and Kannur Districts. Initially these lands were proposed to be acquired through land acquisition through District Collectors of those Districts, and funds were placed at their disposal. But later on it was decided to vest these mangroves under section 4 of EFL Act. Now the Custodian of EFL and the Principal Chief Conservator of Forests (WP&R) has informed that the Advisory committee has been reconstituted and as per decision of the Committee dated 3-2-2015, a sub committee was formed for prioritizing areas to be vested under section 4 of EFL Act. The report was submitted by the subcommittee after site verification on 19-2-2015 and 20-2-2015. Further, in the meeting of Advisory committee held on 15-6-2015, it was decided to vest selected Mangroves in Kollam and Thrissur Districts under Section 4 of the EFL Act.

Further it is informed that the District Collector, Kannur has reported that as part of a comprehensive survey, 758.322 Hectares of mangroves has been identified and has forwarded a proposal to undertake negotiated purchase of mangroves.

District Collector, Kannur has further requested to accord sanction for transferring the amount of ₹ 1 crore from District Collector, Thrissur to his account for undertaking negotiated purchase of mangroves, and the proposal is under the consideration of Government.

### **Information Technology Department**

#### **Recommendation**

*(Sl.No. 8, Para No. 30)*

The Committee admonishes the officials of INFOPARK for their languid attitude in complying the provision of Store Purchase Manual resulted in short

collection of cost of tender forms to the tune of ₹52 lakh and observes that, the responsibility for the loss has not been fixed. The Committee remarks that ignorance is not an excuse for erring. It directs the Information Technology Department to impart training to the concerned officials regarding the changes in the rules and acts periodically to avoid such lapses in future.

### **Action Taken**

Noted for future guidance. Government have already instructed the Chief Executive Officer, Infopark, Kochi as per letter No.2253/A1/2011/ITD dated 20.10.2011(Annexure) that as per para 2A of Store Purchase Manual read with G.O.(P) No.14/2004/SPD dated 22.11.2004; the purchase/supplies to all autonomous bodies comes under the purview of Store Purchase Manual and hence directed to effect all purchases/Supplies strictly adhering Store Purchase Manual. The Chief Executive Officer, Infopark has also reported that all tenders now invited by Infopark are as per SPM and subsequent government orders.

### **Recommendation**

*(Sl.No. 9, Para No. 34)*

The Committee strongly recommends that the contractors who fail to execute the work in time and submit fake bank guarantees should be blacklisted. It also urges the IT Department to furnish the details of the present status of the case against M/s Farooq Agencies.

### **Action Taken**

Action for blacklisting the contractor who fails to execute the work in time and submitted fake bank guarantee will be initiated after the disposal of the case by the Hon'ble High Court.

Infopark has filed a civil case against M/s Farooq Constructions in Sub Court at Ernakulam (O.S. No.854/2009) for recovering the additional expenditure incurred by Infopark in re-tendering the work and other losses suffered by Infopark due to the termination of contract. Total loss suffered by Infopark as claimed in the said suit is ₹ 7.91 Crores.

The Consultant KITCO is also made co-respondent in the said suit along with M/s Farooq Constructions. The Hon'ble Court has given notice to M/s Farooq Constructions, KITCO and Indian Overseas Bank, Komalapuram Branch, Alappuzha for producing the original of the documents attached as exhibits along with the suit. Trial for this case is expected to start after the summer vacation 2015.

Infopark also filed criminal case against M/s Farooq constructions, for submitting forged Bank Guarantee at Hon'ble Judicial First Class Magistrate Court at Aluva. Court directed Thrikkakara Police Station to investigate the case and proceedings are under progress.

### **Recommendation**

*(Sl.No. 10, Para No. 37)*

The Committee expresses its displeasure over the lackadaisical approach of the IT Department which incurred an infructuous expenditure of ₹ 2.61 crore by acquiring land for a particular project and then abandon the same in the middle. It evaluates that implementing a project without proper study is the reason for the failure and directs IT Department that before implementing a project, feasibility study should be conducted.

### **Action Taken**

Noted for future guidance. The Managing Director, KSITIL has also reported that the new rules and guidelines under the LA Act 2013 will be followed for future projects including the consideration of the environmental impact and feasibility studies etc.

### **Agriculture Department**

#### **Recommendation**

*(Sl.No. 11 Para No. 43)*

The Committee accuses the Agriculture Department for not monitoring the improper management of funds by University authorities especially amount deducted towards General Provident Fund from the salary of the employees of Kerala Agricultural University which resulted in an extra burden of ₹ 15.93 crore towards the payment interest. It directs that the practice of diverting the amount deducted towards the P.F contribution for meeting administrative expenditure should be curtailed and statutes of all universities should be amended accordingly.

### **Action Taken**

The Registrar, Kerala Agricultural University has reported that from the Financial Year 2011-12 onwards full amount deducted from the employees towards GPF have been credited to GPF account and no diversions are made to any other sources from GPF. The University have solemnly affirmed that hereafter the University will not divert any funds form GPF/WPF of employees to meet the other expenditure. (Annexure).

These being the fact, the Kerala Agricultural University may be exempted from amending statutes regarding the PF rules as recommended by the PAC as the University has informed that they are acting as per the standing instructions in this regard.

### **Recommendation**

*(Sl.No. 12, Para No. 44)*

It also recommends that Agriculture Department should check the feasibility for extending an aid to the Agriculture University as one-time settlement to resolve the issue.

### **Action Taken**

Government have examined the proposal of Kerala Agricultural University for a one time assistance of ₹ 100 crore to settle the liability of Kerala Agricultural University on account of PF diversion, in detail. The Government is releasing huge amounts every year under plan and non-plan for the various activities of the University. Even after the trifurcation of the University the monthly establishment expenditure is on the rise. Government cannot bear the huge financial commitment of 100 crore at present and Government is not at all responsible for the PF diversion of the University. Hence Kerala Agricultural University should meet the expenditure from their internal revenue by reducing the establishment expenditure. University should also wind up unproductive research/projects and extra staff, consequent on trifurcation, if any, should be deployed.

The above decision has been communicated to the Registrar, Kerala Agricultural University for compliance, as per Government letter No.118437/AF2/2015/AD dated 16-11-2015. (Annexure).

Thiruvananthapuram,  
3rd December, 2018.

V. D. SATHEESAN,  
*chairman,*  
*committee on public accounts.*



GOVERNMENT OF KERALA

Abstract

Finance Department – Revision of Cost of tender form, Earnest Money Deposit, Performance Security Deposit etc - orders issued-reg-

**FINANCE (INDUSTRIES & PUBLIC WORKS - B) DEPARTMENT**

G.O.(P) No. 03/15/Fin. Dated, Thiruvananthapuram, 05/01/2015

- Read
- 1) U.O(f) No. 19274/H3/14/PWD and No. 20455/H3/14/PWD
  - 2) Minutes of the meeting held by Additional Chief Secretary (Finance) on 25.11.2014
  - 3) G.O(P) No. 540/2008/Fin dated 01.12.2008
  - 4) G.O(Ms) No. 60/12/PWD dated 20.09.2012

**ORDER**

Government has been apprised of certain issues arising on implementation of the revised PWD Manual . Deliberations for sorting out these issues have been held with various stakeholders, such as, Public Works Department, Contractors' Associations, Chief Technical Examiner etc. Based on the above, Public Works Department has submitted detailed proposal relating to the revision of cost of tender forms, Earnest Money Deposit, Performance Security Deposit etc.

2. Government have examined these proposals in detail and are pleased to order the revision of rates as follows;

**1. Cost of Tender form :-**

Since e-tendering became mandatory for all tenders exceeding ₹ 25 lakhs, demand to do away with the cost of tender form has been received from various quarters. Taking into consideration the efforts



involved in preparation of tender documents, Government decided to maintain the status quo. However, in order to enhance competition in bidding process it was decided to rationalise the cost of tender forms as follows. The order issued vide reference 3<sup>rd</sup> cited stands modified to the following extent.

Cost of Work	Cost of Tender form
i) Upto ₹ 50,000	i) ₹ 300
ii) Above ₹ 50,000 - upto ₹ 10 Lakhs	ii) 0.2% of cost of work subject to a minimum of ₹ 500 and maximum of ₹ 2000
iii) Above ₹ 10 Lakhs - upto 2 crores	iii) ₹ 5000
iv) Above ₹ 2 crores - upto 5 crores	iv) ₹ 7500
v) Above ₹ 5 crores - upto 10 crores	v) ₹ 10,000.
vi) Above ₹ 10 cores	vi) ₹ 15000

## 2. Earnest Money Deposit (EMD)

As per the reference 4<sup>th</sup> cited, 2.5% of the project cost, subject to a maximum of ₹ 50,000/-, is to be collected as Earnest Money Deposit for projects costing upto ₹ 50 lakh and 2.5% of the project cost, without monetary limit, for all projects exceeding ₹ 50 lakh is to be collected as Earnest Money Deposit (EMD). It was pointed out that the higher amount now fixed reduces competition and this amount has to be returned to the bidders once bid is finalised. Government, therefore, decided to rationalise the rates of EMD with the rates followed by CPWD as follows:

Cost of Work	Amount of EMD
i) up to ₹ 2 crore	i) 2.5% of the project cost, subject to a maximum of ₹ 50,000
ii) Above ₹ 2 Crore up to 5 Crore	ii) ₹ 1 lakh
iii) Above ₹ 5 Crore upto 10 Crore	iii) ₹ 2 lakhs
iv) Above ₹ 10 Crore	iv) ₹ 5 lakhs

### 3. Performance Security Deposit

Government have gone through the CPWD system where Performance Guarantee and Security Deposits are collected in different modes and at different time intervals. After reviewing the pros and cons of the system it was decided to modify the Government Order read 4<sup>th</sup> cited to the following extent.

- i. Performance Guarantee will be 5% of the contract value.
- ii. At least fifty percent of the Performance Guarantee will be in the form of Treasury Fixed Deposit and the rest in the form of bank guarantee or any other forms prescribed in the revised PWD Manual.
- iii. In addition to Performance Guarantee, Security Deposit for a work shall be collected by deduction from the running/final bill of the contractors @2.5% of the gross amount of each running and/or final claims till expiry of defect liability period.
- iv. Security Deposit can be released against bank guarantee on its accumulation to minimum amount of ₹ 5 lakh. The minimum amount of Bank Guarantee shall not be less than ₹ 5 lakhs at a time.

### 4. Issue of Departmental supply of Bitumen

It was observed that bitumen issued by department for execution of low value works are often misused. It is, therefore, ordered that hereafter

departmental Bitumen supply will be restricted for emergency works only. However Bitumen for works costing less than ₹ 5 lakhs will be allowed till 31.03.2015 as an interim measure. Thereafter, no bitumen will be issued for departmental works except for emergency works.

5. The revised rates will be applicable to all tenders floated after the date of issue of this order.

By Order of the Governor

Dr.K.M.ABRAHAM

Additional Chief Secretary (Finance)

To

The Accountant General (A&E) Kerala, Thiruvananthapuram  
 The Accountant General (G&SSA) Kerala, Thiruvananthapuram  
 The Accountant General (E&RSA) Kerala, Thiruvananthapuram  
 All Heads of Departments and Offices  
 All Departments of Secretariat  
 All Private Secretaries to Ministers  
 Private Secretary to Chief Minister  
 Private Secretary to the Leader of Opposition  
 All Secretaries to Government  
 The Secretary, Kerala Public Service Commission,  
 Thiruvananthapuram (with C/L)  
 The Registrar, University of Kerala/Cochin/Kozhikode/Kottayam  
 (with C/L)  
 The Registrar, High Court of Kerala  
 The Secretary, Kerala Human Rights Commission,  
 Thiruvananthapuram  
 The Managing Director, Kerala State Transport Corporation,  
 Thiruvananthapuram (with C/L)  
 The Secretary, Kerala State Electricity Board,  
 Thiruvananthapuram (with C/L)  
 The Secretary to Governor  
 ✓ The Nodal Officer, [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in)  
 Stock file/Office Copy

Forwarded/By Order

  
 Section Officer



GOVERNMENT OF KERALA  
INFORMATION TECHNOLOGY (A) DEPARTMENT

No 2253/A1/2011/ITD

Thiruvananthapuram,  
Dated 20.10.2011.

From

The Special Secretary to Government

To

Chief Executive Officer,  
Infopark, Kochi

Sir,


Sub:- Information Technology Department - Draft Para - Short collection of cost of Tender Forms Reg.

Rel:- Your Letter No. Infopark/ITD-A1/1076/2011 dated, 9/8/2011 and 24/9/2011

I invite your attention to the correspondence resting with letter cited. Government have revised cost of tender forms as per GO(P) No. 1/2009/SPD dated, 8/1/2009 read with GO(P) No. 1/2010/SPD dated, 17/2/2010. But M/s Infopark failed to levy revised cost of tender forms in respect of works/supplies availed by them which resulted in loss of revenue to the tune of Rs. 51.90 lakhs. Averment put forward by Infopark that they being a Society registered under Charitable Societies Act does not attract provisions of Store purchase Manual is not tenable. As per para 2 A of Stores Purchase Manual read with GO(P) No. 14/2004/SPD dated, 22/11/2004, it is evident that the purchase/supplies to all autonomous bodies comes under the preview of Store Purchase Manual. So you are directed to effect all purchases/Supplies strictly adhering to Store Purchase Manual.

Yours faithfully  
K.S. SRINIVAS  
SPECIAL SECRETARY

Approved for issue

  
Section Officer

Para No : 43**KERALA AGRICULTURAL UNIVERSITY**  
Main Campus, Vellanikkara, Thrissur-680656

No.GA/E3/8420/15

Dated, 28/07/2015

From

The Registrar

To

The Secretary to Government,  
Agri (Farms) Department,  
Government Secretariat,  
Thiruvananthapuram.

Sir,

Sub: KAU --PAC report on Kerala Agricultural University for the year  
(2014-2016) 75<sup>th</sup> report – Report on the action taken – Reg.

Ref: Government Letter No. 118/37/AF2/2015/AD dated 13/03/2015

\* \* \*

Kind attention is invited to the reference cited. In this connection the following facts are brought to the notice of Government for consideration.

From the Financial Year 2011 - 2012 onwards full amount deducted from the employees towards GPF have been credited to GPF account and no diversions are made to any other sources from GPF. It is also stated that the additional requirements on PF withdrawals for the last two years were met from the withdrawal from TPA account of GPF as evidenced from the illustrations as detailed below.

**I. Financial Year 2013 - 2014**

1	Release of fund to GPF	Rs. 14.84.86.913/-
2	Disbursement of TA/HRA/GPF closure	Rs. 18.88.51.270/-

**II. Financial Year 2014-2015**

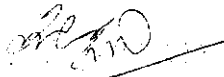
- |                                       |                    |
|---------------------------------------|--------------------|
| 1. Release of fund to GPF             | Rs. 13.44.40,000/- |
| 2. Disbursement of TA/HRA/GPF closure | Rs. 14.92.24,019/- |

It is pertinent to add that the withdrawal from TPA account to meet the additional requirements has been considerably decreased and no amount from PF is now diverted to meet administrative expenditure.

These being the facts, the Kerala Agricultural University may be exempted from amending statutes regarding the PF rules as recommended by the PAC as the University has now totally complied with the standing instructions in this regard. It is solemnly affirmed that hereafter the University will not divert any funds from GPF/WPF of employees to meet the other expenditure.

I may also request that the Kerala Agricultural University may be provided with a financial aid of Rs. 265/- crores to solve the vexed problems of financial crisis now being faced in tune with the recommendation of subject committee of Kerala Legislative Assembly for the year 2014-2015. Without such sound financial package the University would not be able to tide over the vulnerable fiscal crisis that endangers the very existence of this institution.

Yours faithfully,



REGISTER



GOVERNMENT OF KERALA

No. 118437/AF2/2015/AD

Agriculture (Farms) Department  
Thiruvananthapuram  
Dated : 16/11/2015

From  
The Secretary to Government

To  
The Registrar,  
Kerala Agricultural University,  
Thrissur.

Sr.  
Sub : Agriculture Department – Kerala Agricultural University – Public  
Accounts committee (2014-16) 75<sup>th</sup> Report – Action Taken Report - Reg

Ref : 1) Letter No. BG/A3/7893/15 dated 21/05/2015 from the Comptroller,  
Kerala Agricultural University, Thrissur.

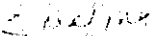
2) Your letter No. GA/E3/8420/2015 dated 28/07/2015.

I am to invite your attention to the references cited and to inform you that Government is releasing huge amounts every year under plan and non-plan for the various activities of the university. Even after the trifurcation of the University the monthly establishment expenditure is on the rise. Hence Government cannot bear the huge financial commitment of ₹ 100 crore at present and Government is not at all responsible for the PF diversion of the University.

Therefore Kerala Agricultural University is directed to meet the expenditure from their internal revenue by reducing the establishment expenditure. University should also wind up unproductive research project and extra staff, consequent on trifurcation, if any, should be deployed.

Yours faithfully,  
**M. AYYAPPAN KURUKKAI.**  
Additional Secretary,  
For Secretary to Government

Approved for issue.

  
Section Officer.

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