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FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2021-2023)**

TWENTY FIFTH REPORT
(Presented on 8th Dcember, 2022)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2022**

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On

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

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COMMITTEE ON PUBLIC ACCOUNTS
(2021-2023)

Composition

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Shri P. S. Selvarajan, *Deputy Secretary*

Smt. Shamy J., *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 Twenty Fifth Report on Action Taken by Government on the Recommendations contained in the Ninety Third Report of the Committee on Public Accounts (2014-2016).

The Committee considered and finalised this Report at the meeting held on 21st November, 2022.

Thiruvananthapuram,
8th December, 2022.

SUNNY JOSEPH,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the Action Taken by the Government on the recommendations contained in the 93rd Report of the Committee on Public Accounts (2014-16).

The 93rd Report of the Committee on Public Accounts (2014-16) was presented to the House on 30th June 2015. This Report contained 6 recommendations relating to Taxes, Excise, Finance, Forest & Wildlife and Power Departments. Government was addressed on 14-7-2015 to furnish the Statements of Action Taken on the recommendations contained in the report and the final reply was received on 7-2-2020.

The Committee examined the Statements of Action Taken in its meetings held on 17-10-2017 and 28-10-2020 and decided not to pursue further action on the recommendations in the light of the replies furnished by the Government. The recommendations and Government replies are incorporated in this report.

TAXES DEPARTMENT

Recommendation

(Sl.No : 1, Para No. 5)

The Committee strongly recommends that Internal Audit Wing (IAW) of the State Excise Department should be strengthened by creating requisite number of posts. It also recommends that the Finance Department should make necessary amendments in the relevant rules to lift the ceiling on Travelling Allowance of persons engaged with Audit.

Action Taken

The recommendation for creating additional posts in order to strengthen Internal Audit Wing in Excise Department could not be considered at this juncture.

Action Taken from Finance Department

The stand taken by Finance Department is not to grant a blanket exemption from monthly/quarterly TA ceiling to any category of officers, in view of the fact that such exemption would create a bad precedent and would attract similar requests from other departments & organizations which will lead to unprecedented additional burden to the State exchequer. But, Government are willing to take every possible steps to address the concerns raised by the genuine claimants and have always considered individual cases of TA ceiling exemption based on their merits. Also, upward revision of the existing monthly/quarterly ceiling of TA is under the consideration of Finance Department.

FOREST & WILDLIFE DEPARTMENT

Recommendation

(Sl.No : 2, Para No. 14)

The Committee reiterates the recommendation of the Audit that the Internal Audit Wing should be strengthened so as to achieve the planned audit target. It exhorts the Forest & Wildlife Department to take steps to settle the audit observations raised by the Internal Audit Wing in a time bound manner.

Action Taken

It is submitted that all necessary action will be taken to strengthen the Internal Audit Wing. There are two teams consisting of seven members for internal audit. Due to prevailing ceiling in the travelling allowance inspection could be conducted on an average of eight offices per month only. Further, shortage of adequate staff is also a reason for shortfall in achievement. The settlement of objections of the Internal Audit Wing is given utmost priority. Last year, three circle level meetings were conducted by the Additional Principal Chief Conservator of Forest (D) to review the progress of settlement of observations raised by the Internal Audit Wing, as a result of which 365 paras could be settled. Such circle level meetings will also be held this year.

Recommendation

(Sl.No : 3, Para No. 15)

The Committee firmly recommends that the lease agreement should be raised in tune with the market rate of land at the earliest and directs the Government to extend financial assistance to the Plantation Corporation for remitting the lease rent if they are in financial crunch. The Committee also recommends that the lease rent payable for forest land leased out to Public Sector Undertakings/private parties should be enhanced to Rs. 10,000 per ha from the existing rate of Rs. 1300 per ha urgently.

Action taken

As per the records of Forest Department, the total lease rent arrears payable by the Plantation Corporation of Kerala is Rs. 45,54,50,296. In the High Level Committee Meeting held on 28-1-2014, it was decided that issues like penal interest, refixing the date of effect of enhancement of revision of lease rent as 25-11-2009 will be decided in consultation with Law Department and Finance Department and in the mean time PCK will make a lump sum payment of Rs. 20 crore within one month towards pending arrears. But, PCK has remitted only Rs. 7.60 crore being the lease rent for the period from 2009-10 to 2014-15. The request of PCK Ltd. for refixing the rate of lease rent @1300/ha/annum from 2009 onwards ie date of revision of lease rent in respect of forest land leased out to private parties as per G.O(P) 50/2009/F&WLD dated 25-11-2009 and waiving off lease rent during the period of moratorium is under the consideration of Government. Finance Department has to be consulted on the matter.

Regarding revision of lease rent in respect of land leased out of Public Sector Undertakings, a proposal for revision of lease rent @ Rs.5000 per ha was placed before the Council of Ministers on 27-8-2014, but the Council withdrew the proposal. Hence the existing rate of lease rent cannot be enhanced.

Recommendation

(Sl. No. 4 Para No. 16)

The Committee directs that the enhancement of lease rent payable for forest land leased out to private parties should be at par with that of Public Sector Undertakings.

Action taken

A proposal for revision of lease rent @ ₹5000 per ha for the land leased out to private parties was placed before the Council of Ministers on 27-8-2014, but the Council withdrew the proposal. Hence the existing rate of lease rent cannot be enhanced.

Recommendation

(Sl.No. 5 Para No. 17)

The Committee remarks that the Kerala State Electricity Board should necessarily be remitted the lease rent amount, which is due to Government since they are being a profit making company. The Committee also suggests that the High Level Committee should take a strong position that the Government should take further action and Kerala State Electricity Board should execute an agreement regarding lease rent at an early time.

Action taken

Kerala State Electricity Board is in possession of an area of 13841.7985 ha of leased out forest land since 1961. Out of this, Kerala State Electricity Board has executed lease agreement/deed only for an area of 42.2629 ha. They have not executed any lease deed for the remaining area.

In order to settle this issue, High Level Committee Meetings were held on 17-10-2014, 15-12-2014 and on 5-10-2015. As per the arrears of Revenue Statement, amount pending due from KSEB as on 31-3-2013 was

Rs. 56,41,56,187. Based on the decision taken in the HPC meeting held on 17-10-2014, the arrears of lease rent was re-calculated as ₹27,33,56,121.34 (principal lease amount Rs. 7,83,88,849.06 and compound interest of Rs. 19,49,67,272.28) After adjusting the amount of Rs. 2,37,67,902 already remitted by KSEB, the re-calculated arrears was Rs. 24,95,88,219.34. However, in the HPC meeting held on 13-4-2015, it was decided that KSEB shall remit Rs.7,83,88,849.06 (principal lease rent amount), to Kerala Forest Department. But KSEB has not remitted the amount till date. As per G.O. (Rt) No.141/2016/F&WLD dated 1-4-2016, strict direction has been issued for the remittance of the said amount.

Action Taken From Power Department

The subject matter was referred by Government for consideration of the High Power Committee (HPC) chaired by the Additional Chief Secretary (Finance). The High Power Committee in its meeting dated 5-1-2015 had decided that KSEB Limited shall remit ₹ 7,83,88,849.06 (base rate) due to Forest Department as Principal Lease Rent after waiver of compound interest and penal interest in lieu of forest land diverted. KSEB Limited had remitted only an amount ₹ 2,37,67,902.00 (base rate) towards Principal Lease Rent. Action has been initiated for remittance of balance amount after setting aside the lease rent for 283.6565 ha of Forest Land under Kuttiady Hydro Electric Project which is calculated as ₹ 13,09,322 as the ownership of the land is now disputed before the Hon'ble High Court and the same is not disposed of. The net balance amount to be remitted by KSEB comes to ₹5,33,11,625.06.

After reconciliation of the amount remitted by KSEB Limited as "Seignorage Value" in lieu of tree growth to be removed, steps will be initiated for executing lease agreement. The agreement period will be based on the date of Government Order leasing out forest land for each project.

Recommendation

(Sl.No. 6 Para No. 18)

The Committee urges the Forest & Wildlife Department to furnish the latest position of the cases of non- realisation of tree value and forest development tax in which Revenue Recovery proceedings had been initiated.

Action taken

Out of the 10 cases observed, in 9 cases, full amount has been realised and further action is not needed. In one case, permission for cutting trees was cancelled vide proceedings No. A-1959/2007 dated 14-10-2014 of the Assistant Conservator of Forests, Social Forestry Division, Malappuram, since the project had been abandoned.

Thiruvananthapuram,
8th December, 2022.

SUNNY JOSEPH,
Chairman,
Committee on Public Accounts.