



FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2023-2026)**

FORTY FIFTH REPORT
(Presented on 11th February, 2025)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM

2025

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2023-2026)**

FORTY FIFTH REPORT

On

**(The action taken by Government on the Recommendations contained in the
Eighty Seventh Report of the Committee on Public Undertakings
(2019-2021) relating to Kerala State Mineral Development Corporation
Limited, based on the Report of the Comptroller and Auditor General of
India for the year ended on 31st March 2014 and 2015)**

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COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2026)

COMPOSITION

Chairperson:

Shri E. Chandrasekharan.

Members:

Shri A. P. Anil Kumar

Shri Anwar Sadath

Shri Ahammad Devarkovil*

Shri T. V. Ibrahim

Shri P. Mammikutty

Shri K. P. Mohanan

Shri D. K. Murali

Shri P. Nandakumar

Shri Kadakampally Surendran

Shri P. Ubaidulla.

Legislature Secretariat:

DR. N. Krishna Kumar, Secretary

Shri Venugopal R., Joint Secretary

Shri Anil Kumar B., Deputy Secretary

Shri Mohanan O., Under Secretary.

* In the vacancy of Shri K. B. Ganesh Kumar sworn in as Transport Minister w.e.f. 16-1-2024

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2023-2026) having been authorised by the Committee to present the Report on their behalf, present this Forty fifth Report on the Action Taken by the Government on the Recommendations contained in the Eighty Seventh Report of the Committee on Public Undertakings (2019-2021) relating to Kerala State Mineral Development Corporation Limited, based on the Report of the Comptroller and Auditor General of India for the year ended on 31st March 2014 and 2015.

The Statement of Action Taken by the Government included in this Report was considered by the Committee in its meeting held on 7-5-2024.

This Report was considered and approved by the Committee in the meeting held on 4-12-2024.

The Committee place on record their appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala, officials of Industries Department and Kerala State Mineral Development Corporation Limited who were present during the examination of the Action Taken Statements included in this Report.

Thiruvananthapuram,
11th February, 2025.

E. CHANDRASEKHARAN,
*Chairperson,
Committee on Public Undertakings.*

REPORT

This Report deals with the Action Taken by Government on the recommendations contained in the 87th Report of the Committee on Public Undertakings (2019-2021) relating to Kerala State Mineral Development Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2014 and 2015.

The Eighty Seventh Report of the Committee on Public Undertakings (2019-2021) was presented in the House on 18th June 2019. The Report contain six recommendations and the statement of action taken furnished by Government on all these recommendations.

The Committee examined the Statement of Action Taken on the Recommendations contained in the 87th Report of the Committee in the meeting held on 7-5-2024 and decided not to pursue further action on the replies furnished by the Government. These Recommendations, Statement of Action Taken furnished by the Government form this Report.

**REPLIES FURNISHED BY THE GOVERNMENT ON THE RECOMMENDATIONS OF THE
COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE COMMITTEE WITHOUT REMARKS**

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations	Action Taken by the Government
(1)	(2)	(3)	(4)	(5)
1.	1	Industries Department	The Committee severely criticizes the Company for the illegal payment of ₹ 1.09 Crore to head load workers in the name of 'Nokkukooli'. The Committee strongly recommends to take stringent action against the officials responsible for the payment of ₹ 1.09 Crore and to take remedial action to rectify the irregularities pointed out in the vigilance report regarding this. The Committee also recommends to recover the amount paid as Nokkukooli	<p>As per G.O. (Ms.) No. 163/2010/ID dated 30-7-2010, Government have accorded sanction to spend ₹ 3 Crore per year towards wages to 316 Registered Union labourers of Malampuzha, Chuliyar and Walayar @ ₹ 300 per day and 3 Security personal @ ₹ 9000 pm and 3 Assistants @ Rs. 7000 pm. Accordingly, Company paid Rs. 1.09 Crore for the actual work done by the 316 labourers who were engaged at the site by the company up to October 2010. Kerala State Mineral Development Corporation Limited (KEMDEL), has not paid "Nokkukooli" to the head load workers.</p> <p>VETTING REMARKS OF THE PRINCIPAL ACCOUNTANT GENERAL</p> <p>"The Administrative Department has not complied with the Committee's recommendation to take stringent action against officials responsible for the payment of ₹ 1.09 Crore and to take remedial action to rectify the irregularities pointed out in the Vigilance report regarding this and recover the amount paid as Nokkukooli."</p>

Discussion of the Committee

The Committee considered the Statement of Action Taken on the recommendations in its meeting held on 7-5-2024 and enquired about the payment of ₹ 1.09 Crore to the Head Load Workers as Nokkukooli. The witness replied that during the mechanized desilting activity of Malampuzha, Chuliyar and Walayar Dams, the work was interrupted due to local issues and the Cabinet Sub-Committee intervened and the related works were done by local workers. The Government had accorded sanction to spend ₹ 3 crore per year towards wages to 316 registered union labourers of Malampuzha, Chuliyar and Walayar, accordingly Company paid ₹ 1.09 crore for actual work done by 316 labourers who were engaged in the work up to October 2010 and further informed that KEMDEL has not paid Nokkukooli to the Head Load Workers. Based on the explanation given by the concerned officials, the Committee accepted the Statement of Action Taken on the Recommendation and decided that the word 'Nokkukooli' mentioned in the Original Report ceases to exist.

2.	2	Industries Department	<p>The Committee observes that due to the scarcity of staff, the Company is unable to prevent the theft of sand from Dam sites. The Committee recommends to take urgent measures to appoint sufficient staff and adequate vehicle support be made available for the proper and efficient functioning of the company.</p>	<p>Government have created one permanent post of General Manager and 10 other posts on contract basis as per G.O.(Rt.) No. 11/2019/ID dated 30-1-2019. Temporary staff has been assigned for proper checking of the filtered sand at dam site.</p>
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(1)	(2)	(3)	(4)	(5)
3	3	Industries Department	The Committee recommends to ensure adequate security and storage facility in order to avoid loss of excavated sand.	The Company have taken steps to preserve the excavated sand. The inspection of the dams are done as per the instructions of the Core Committee. Desiltation work of Walayar Dam is entrusted to KEMDEL from 2021 onwards. Supervisors were appointed for the security of sand stacked and supervision of sale proceedings. In the case of Malampuzha Dam, the sand extracted is stored in SIDCO Estate, Olavakode and Gramalakshmi Mudralaya, Kanjikode where there is having sufficient security. E-pass system has been introduced to prevent theft of sand.
4.	4	Industries Department	Considering the deplorable condition of the Company, the Committee recommends to prepare a suitable project report and submit the same to Government to revive the Company again.	Company have submitted a masterplan to Government, which includes projects like Desiltation of dams, developing of quarries and carrying the exploration of other valuable minerals in the State of Kerala. As per G.O.(Rt.)No. 22/2021/WRD dated 7-1-2021, desiltation of Walayar & Meenkara dam was entrusted to KEMDEL on turn key basis. The desiltation work in these dams is ongoing.

(1)	(2)	(3)	(4)	(5)
5.	5	Industries Department	The Committee expresses displeasure over the vigilance enquiry report on the allegation of discrepancies in the quantity of excavated sand submitted in December 2012. The Committee recommends to conduct vigilance enquiry afresh on the alleged theft of sand at the three dam sites and to furnish the report before the Committee.	The Director, Vigilance & Anti Corruption Bureau has submitted fresh enquiry report based on the recommendation of the Committee. As per the enquiry report, Government have directed the company to comply with the directions of the Director, VACB, TVPM. As per the decision of the crore committee meeting held on 12-10-2023, action have been taken to sell the unfiltered slit collected from Malampuzha which is stored in estate of SIDCO at Kanjikkode and at Gramalakshmi Mudralayam. Based on the request from KEMDEL, Water Resources Department approved the sale of this unfiltered sand and necessary action is being taken to issue formal orders.
6.	6	Industries Department	Expressing its dissatisfaction on the continuous loss incurred by the company, the Committee recommends to enter into a long term agreement with Public Works Department in order to supply sufficient quantity	KEMDEL requested Public Works Department to enter into a long- term agreement with Public Works Department for supply of sand. But that Department informed that PWD works are executed by inviting tenders and all the materials required for construction are procured by the contractors themselves after the award of work and execution of agreement. As Per Clause 2104 of the PWD

(1)	(2)	(3)	(4)	(5)
			of sand for its construction works, so that the excavated sand can be utilized in an effective manner.	Manual, “No departmental materials shall be issued to the contractor from the department.” The Public Works Department cannot compel the contractor to purchase construction material from any particular vendor or agency. Hence that Department has informed that they could not enter into an agreement with Kerala State Mineral Development Corporation Limited for the Supply of sand for the PWD's work.

Thiruvananthapuram
11th February 2025.

E. CHANDRASEKHARAN
Chairperson
Committee on Public Undertakings

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