

KIIFB NEWSLETTER

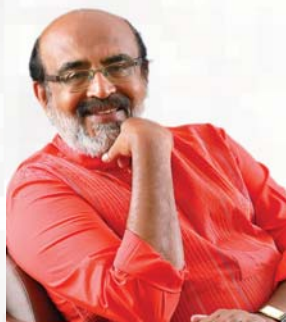
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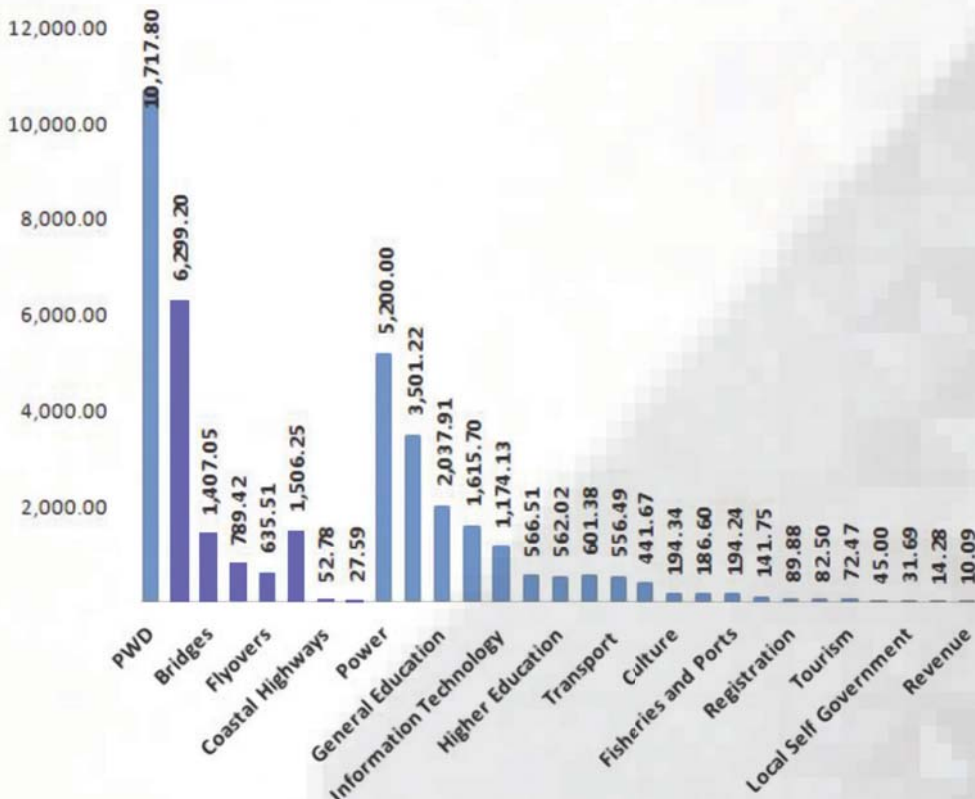
Defining the Future



Our Chairman
Shri. Pinarayi Vijayan
Hon. Chief Minister



Our Vice Chairman
Dr. T M Thomas Isaac
Hon. Minister for Finance



35th General Body Meeting in progress

From the CEO's desk.....

This fortnight was indeed one of the busiest in KIIFB in recent times. On the 26th February, we had the 11th Executive Committee Meeting of KIIFB chaired by the Hon. Minister for Finance. This was followed by the 35th Governing Body of KIIFB chaired by the Hon. Chief Minister on the 27th of February. In view of the impending Lok Sabha Elections and the Notification of the same by the Election Commission of India, these two meetings assume special importance.

The Executive Committee approved 19 projects worth 538.85 cr. These projects include Construction of District Court Complex, Thalassery; Upgradation of eight ITIs at Dhanuvachapuram in Thiruvananthapuram, Chandanathope in Kollam, Chengannur in Alappuzha, Ettumannur in Kottayam, Kattappana in Idukki and Chalakkudy in Thrissur, Koyilandy in Kannur, Kayyur in Kannur, Malampuzha in Palakkad; Construction of Kidaanji Thuruthumukku bridge Across Mayyazhi river connecting Panoor Municipality in Kannur District and Edacheri Panchayat in Kozhikode; Construction of Kidaanji Thuruthumukku bridge across Mayyazhi river connecting Panoor Municipality in Kannur District and Edacheri Panchayat in Kozhikode; Construction of Kakkathuruthu Bridge in Alappuzha; Construction of Kallumthazham Junction ROB; Construction of Sports Facility Centre at G.V. Raja Centre of Excellence, Meenamkulam; Construction of Vadakara Indoor stadium & Sreenarayana Nagaram Indoor stadium and the Chathannoor Drinking Water Extension Project in Kollam.

The Governing Board approved four major projects for a total of Rs.429.79 cr. that include Improvements to Adoor Thumpamon Kozhencherry Road in Pathanamthitta District at an outlay of Rs.103.30 cr.; Up-gradation of Ayoor - Anchal - Punalur Road in Kollam District (Rs.123.37 cr.) and Water Supply Scheme to Ala, Puliyoor, Budhanoor, Pandanad, Mulakkuzha, Venmony Panchayaths & Chengannur

Municipality in Alappuzha District (Rs.188.68 cr.

We had also extensive discussions with a major international pension fund as a potential investor in KIIFB Masala Bonds. We are awaiting the outcome of these discussions. Simply put, Pension Funds are investment pools that pay for employee retirement commitments. Funds are paid for by employees, employers or both. These funds are created to manage the payment of pensions in Corporations and Governments. There are two types of pension funds. The first is the Defined Benefit fund. In a Defined Benefit Fund, the beneficiary gets a fixed income, regardless of how good or bad the returns of the funds are. The second type is a Defined Contribution fund where the employee's benefits depend on how well the fund does. In this type of pension fund, all the risk is transferred to the employee and this is the most important difference between the defined benefit and the defined contribution plan. The ten largest Pension funds in the world in terms of Assets under Management (AUM) are 1. Government Pension Investment Japan (\$1,444 b) 2. Government Pension Fund Norway (\$1,063 b) 3. National Pension South Korea (\$583 b) 4. Federal Retirement Thrift U.S. (\$531 b) 5. ABP Netherlands (\$494 b) 6. National Social Security China (\$457 b) 7. California Public Employees U.S. (\$337 b) 8. Canada Pension Canada (\$283 b) 9. Central Provident Fund Singapore (\$269 b) 10. PFZW Netherlands (\$236 b).

For the focus project, we have selected the ten ITIs selected as Centres of Excellence. These will become very high-quality skill training centres and promises to be standard setting institutions in vocational education in the State. For the technology piece from Technical Inspection Wing, the theme is the approach and principles behind sustainable infrastructure. The AIW has been focusing on their inspections and has highlighted their inspections on building constructions for the Registration Department.

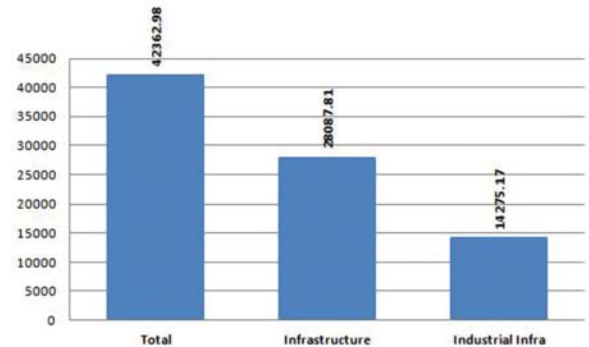
More in our next edition. Happy Reading

Chief Executive Officer, KIIFB

Projects Approved by KIIFB

Infrastructure projects totalling about Rs.28000 Cr have been approved by the Board in various sectors. Besides which Industrial Infrastructure projects (including land acquisition for industrial parks) totalling about 14000 Cr were approved by KIIFB. KIIFB's portfolio of Infrastructure project includes large State Highways, major roads, Bridges, Rail Over Bridges, Flyovers, Education Infrastructure, Health Infrastructure, Water Transport, Urban Infrastructure, IT Infrastructure, Transmission Lines, Cultural Centres, Zoos, Animal Rehabilitation Centres etc. KIIFB portfolio of Projects can be broadly classified into the following:

Type of Project	Nos.	Approved Amount (Rs. in Crores)
Infrastructure	509	28087.81
Industrial Infra	3	14275.17
Total	512	42362.98



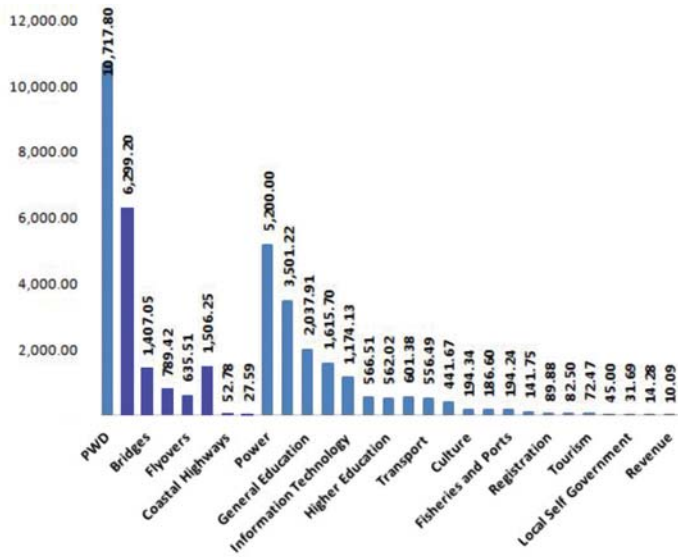
Infrastructure

Sector wise number of Infrastructure projects approved, and their cumulative approved cost are tabulated below:

Department	Nos.	Amount (Rs. in cr.)	Department	Nos.	Amount (Rs. in cr.)
PWD - Roads	147	6299.20	Transport	3	556.49
PWD - Bridges	52	1407.05	Forest	4	441.67
PWD - ROB's	24	789.42	Culture	8	194.34
PWD - Flyovers	9	635.51	SC / ST Development	9	186.60
PWD - Hill Highways	17	1506.25	Fisherier & Ports	3	194.24
PWD - Coastal Highways	1	52.78	Devaswom	1	141.75

PWD - Underpass	1	27.59
Power	13	5200.00
Water Resources	68	3501.22
General Education	76	2037.91
Health & Family Welfare	16	1615.70
Information Technology	3	1174.13
Coastal Shipping & Inland Navigation	1	566.51
Higher Education	26	562.02
Sports & Youth Affairs	29	601.38

Registration	6	89.88
Labour & Skills	5	82.50
Tourism	3	73.47
Housing	1	45.00
Local Self Government	3	31.69
Agriculture	1	14.28
Revenue	1	10.99
Total	532	28087.81



Of the above Infrastructure projects, power projects totalling Rs. 5200 Crore, IT projects totalling Rs. 1174.13 Crore and 5 Cultural Projects totalling 57.25 Crore (21 projects totalling

Rs.6431.38 crore) are conceived as projects with revenue generating potential and revenue from the project will be utilised to repay the finance provided by KIIFB.

Industrial Infra

Beside the Infrastructure Projects, KIIFB has also approved the following Projects related to Industrial Infra. The Projects are conceived as revenue generating and revenue generated will be utilised to repay the finance provided by KIIFB

Type of Project	Nos.	Approved Amount (Rs. in Crores)
Industrial Park	2	1565.17
Land for Industrial Infra	1	12710.00
Total	3	14275.17

Sector Wise Project Status of Idukki District

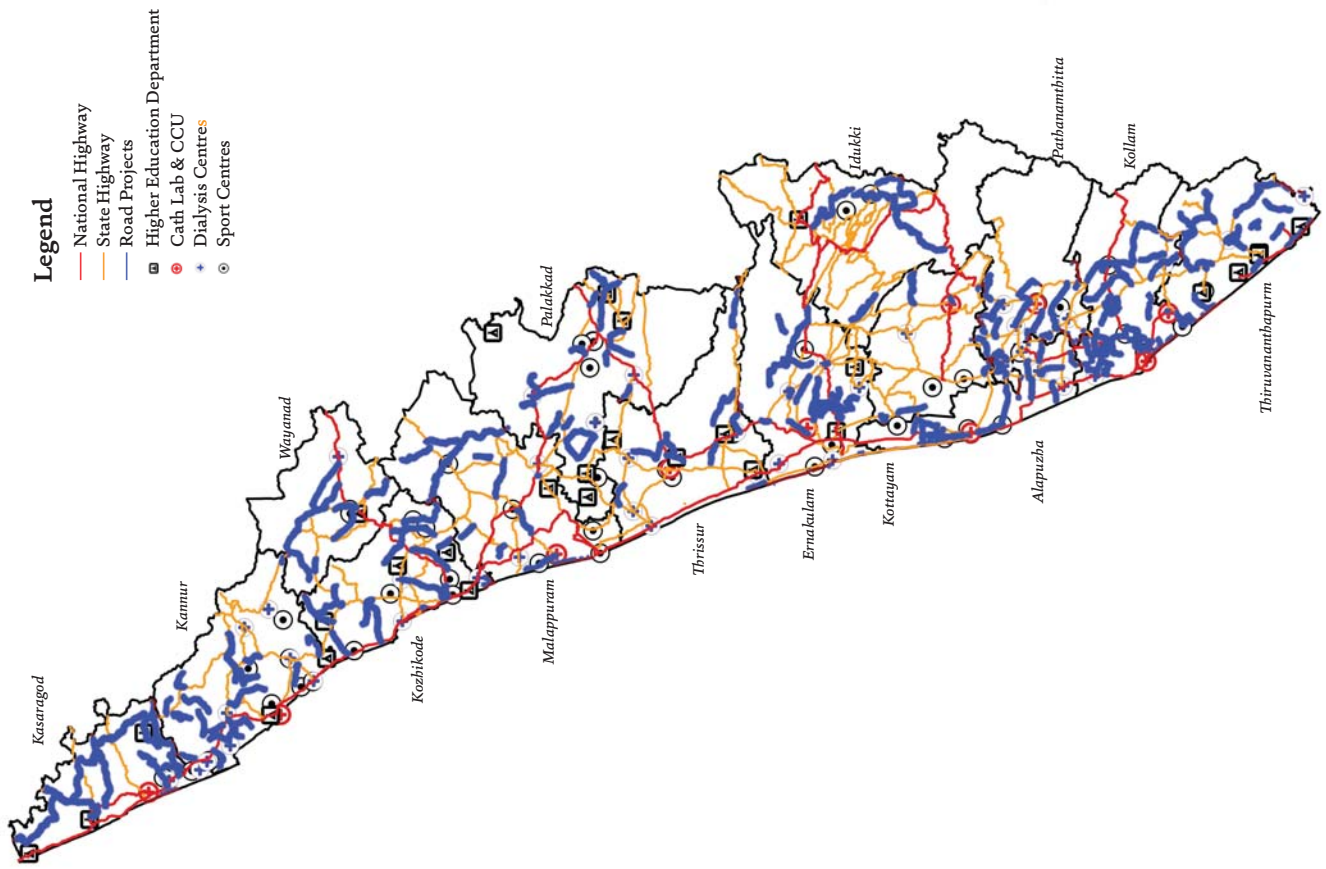
Department	Approved		Work tendered (including work started)		Work Started / Work Awarded		Under Appraisal	
	No. of Projects	Amount in Rs. cr.	No. of Projects	Amount in Rs. cr.	No. of Projects	Amount in Rs. cr.	No. of Projects	Amount in Rs. cr.
General Education	4	52.00	3	32.00	3	32.00		
Health	1	70.03						
Higher Education	2	28.94					1	20.98
Labour & Skills							1	22.27
Power	2	511.17	2	400.28	2	489.23		
PWD - Roads	2	156.11					3	314.08
PWD - Hill Highways	2	158.44					1	93.14
Registration	1	18.68	1	8.88	1	8.00		
SC / ST	1	14.49	3	10.92	3	9.34		
Sports & Youth Affairs	1	9.40						
Water Resources	3	98.13	1	27.95	1	27.34		
Total	50	1895.31	18	575.68	17	545.40	12	450.60

Sector Wise Project Status of Palakkad District

Department	Approved		Work tendered (including work started)		Work Started / Work Awarded		Under Appraisal	
	No. of Projects	Amount in Rs. cr.	No. of Projects	Amount in Rs. cr.	No. of Projects	Amount in Rs. cr.	No. of Projects	Amount in Rs. cr.
Culture	1	56.48						
General Education	7	125.43	5	89.89	55	89.59		
Higher Education	3	37.33					2	29.81
Industries	1	12710.00						
Labour & Skill	1	12.79						
LSGD							1	20.80
PWD - Roads	15	456.12	4	85.10	4	71.37	7	259.64
PWD - ROBs	2	66.07					1	27.09
PWD - Flyovers	1	31.31						
PWD - Bridges	2	20.51					2	36.43
Registration	1	17.39	1	15.47	1	13.15		
SC / ST	1	5.30	1	4.54	1	3.85		
Sports & Youth Affairs	3	40.25	1	15.32	1	8.96	2	18.90
Water Resources Department	13	389.91	4	86.22	4	75.36		
Total	51	13968.89	16	296.54	16	262.28	15	392.67

Depiction of Coastal & Hill Highway





Projects	SPVs executing Projects	
Roads	KRFB, RBDCK, RICK	KRFB - Kerala Road Fund Board RBDCK - Roads and Bridges Development Corporation Kerala
Bridges	KRFB, RBDCK	RICK - Road Infrastructure Company Kerala
ROBs	RBDCK	KSEBL - Kerala State Electricity Board Limited
Flyovers	KRFB, RBDCK	KWA - Kerala Water Authority KIIDC - Kerala Irrigation Infrastructure Development Corporation
Hill Highways	KRFB	KITE - Kerala Infrastructure and Technology for Education Limited
Coastal Highways	KRFB, RBDCK	KSHB - Kerala State Housing Board HITES - HLL Infotech Services Limited KSITIL - Kerala State IT Infrastructure Limited
Under Pass	KRFB	KFON - Kerala Fibre Optic Network Limited
Power	KSEBL	KMRL - Kochi Metro Rail Limited FDA - Forest Development Agency KITCO - Kerala Industrial and Technical Consultancy Organisation Limited
Water Resources	KWA, KIIDC	SITF - Subnational Masterplan Infrastructure Trust Fund KSCC - Kerala State Construction Corporation Limited
General Education	KITE	INDEL - Infrastructure Kerala Limited IMPACT - Investment in Municipal and Panchayath Asset creation for Transformation Kerala Ltd
Health & Family Welfare	INKEL, BSNL, HITES, KSHB, KSEB, KMSCL	KSFDC - Kerala State Film Development Corporation SITF - Kerala State Road Transport Corporation
Information Technology	KSITIL, KFON	KRASE - Kerala Academy for Skill Education Limited KTDC - Kerala Tourism Development Corporation
Coastal Shipping & Inland Navigation	KMRL	KSCADC - Kerala State Coastal Area Development Corporation Limited
Higher Education	KITE, RBDCK, CUSAT	CUSAT - Cochin University of Science and Technology
Sports & YA	KITCO	
Transport	INKEL, KSRTC	
Forest	FDA, SFDA	
Culture	KSFDC	
SC/ST Development	KSCC	
Fisheries and Ports	KSCADC	
Devaswom	SITF	
Registration	KSCC	
Labour & Skills	KASE	
Tourism	INKEL, KTDC	
Housing	KSHB	
Local Self Government	IMPACT	
Agriculture	KAICO	
Revenue	KSCC	

Bill Tracking Facility for Contractors

As part of improving the services to its stakeholders, KIIFB introduced a new facility called BILL TRACK by which Contractors engaged in KIIFB projects can verify the real-time status of their bills. Contractors can avail this facility by visiting the subdomain <http://status.kiifb.org/>.

Contractors with their mobile number, which is registered by the SPV/s in PFMS of KIIFB, can search the status of their bills. On entering the registered mobile number in login page <http://status.kiifb.org/> an OTP will be sent to the registered mobile number. After entering this OTP the status of their bills will be displayed. Information available in this system is from the date of submission of Bills to the SPV till the payment made by KIIFB. The details consist of date and time of

- 1) submission of Bills by Contractor to SPV
- 2) submission of Bills to KIIFB by SPV
- 3) bill processes in KIIFB
- 4) payment transactions with UTR number.

This is in line with the principle of zero contractor visit in KIIFB's office adopted by KIIFB. If the Contractor has taken works of more than one SPV, then also he can see the status of all their pending bills of such SPVs.

Focus Project : Upgradation of 10 ITIs on par with international standards

The existing infrastructure in Industrial Training Institutes (ITIs) comprising classrooms, workshops, computer labs, etc. was constructed long ago. These facilities are to be renovated or extended to match the requirements of an international ITI. Also, new buildings are to be constructed if necessary and additional furniture is to be procured. All classrooms are to be upgraded as full-fledged smart classrooms with internet connectivity and audio system.

Through the revised Budget Speech 2016-17, the Government has announced the project 'Upgradation of 10 ITIs on par with international standards', earmarking Rs.50 crore from KIIFB Funding.

The project is to be implemented by the SPV, M/s KASE which has submitted a DPR for the 10 ITIs as part of Phase I. The proposal mainly focuses on the construction of energy efficient modern buildings as per international standards, with integrated provisions for learning including modernized IT ready class rooms, multinational factory standard workshops, etc. The project is expected to be completed in 24 months. The meeting of Executive Committee held on 26th February 2019 approved the project.

When executed in its entirety, the project will serve to widen the skill talent base in Kerala, thereby increasing the employability of youths.

1. ITI Dhanuvachapuram, Thiruvananthapuram

The upgradation involves construction of a main building with a plinth area of 3796 SqM in two floors (G+1). The ground floor of the main building will be provided with Principal room, Vice principal room, Record room, Workshops, office room, superintendent room etc. The first floor of the main building is provided with ten class rooms, workshop, library, central waiting area etc. Amount approved for the upgradation is Rs. 11.36 Cr.

2. ITI Chanthanathope, Kollam

The upgradation plan involves construction of a main building with a plinth area of 739.92

SqM. The main building will have waiting lounge, toilets, electrical room, electronic mechanical lab, draughtsman mechanical lab, surveyor lab, lift and escalator workshop etc. Amount approved for the upgradation is Rs. 3.98 Cr.

3. ITI, Chengannur

The upgradation plan involves i) construction of a Main building with a total area of 5937.14 SqM and ii) Hostel building 1198.39 of area SqM.

The proposed main building has LG+G+2 floor. In the first phase construction is done up to 2nd floor. Proposed hostel building has G+3 floors. The lower ground floor of main building is provided with parking. The ground floor of the main building 2 is provided with one class room, three workshops, conference room, startup cell, store etc. The first floor of the Main building is provided with ten class rooms, workshop, library, waiting area etc. The second floor comprises of eleven class room, wireman workshop, seating area, store etc. Amount approved for the project is Rs. 19.758 Cr.

4. ITI Ettumanoor, Kottayam

The upgradation plan involves construction of a main building with a plinth area of 2207.32 SqM. The lower ground floor is provided with workshop, two smart class rooms, canteen etc. The ground floor is provided with staff room, classroom (2 nos.), principal room, vice principal room etc. The first floor comprises of classroom (2 nos.), seminar hall, drawing hall etc. The proposed building includes LG+G+1 floor in which the Lower ground floor includes Classrooms (2 nos.), Workshops, Canteen. The Ground floor consists of Staff rooms, Classrooms (2 nos.), Principals' room etc. Seminar hall, Classrooms (2 nos.), toilets etc., are included in the First floor. Amount approved for the upgradation is Rs. 7.768 Cr.

5. ITI Chalakkudy, Thrissur

The upgradation is planned to be executed in 2 phases. The building components of Phase 1 proposed as a part of upgradation is having a total plinth area of 2515.27 M2. The ground floor of the

Main building is provided with workshops, staff rooms, store etc. The first floor of the Main building is provided with three class rooms, workshops, library, office, placement cell. The Project Outlay approved for the upgradation is Rs. 8.92 Cr.

6. ITI Kattappana, Idukki

The upgradation plan consists of construction of a main building with a plinth area of 1300 SqM. The academic building consists of staff dining, vice principal room, principal room, staffroom, Wireman, Plumber, MMV workshop, etc. Amount sanctioned for the upgradation is Rs. 5.58 Cr.

7. ITI Koyilandi, Kozhikkode

The upgradation plan consists of i) a New Main building with an area of 1157.554 SqM and ii) Front gate with security cabin.

The ground floor of the main building will be provided with placement cell, office, principals room, vice principals room, superintendent room etc. The first floor of the main building will be provided with three class rooms, start up cell, record room etc. The second floor will have a seminar hall, drawing hall and store room. The project outlay approved for the upgradation is Rs. 4.006 Cr.

8. ITI Kannur

The upgradation plan involves construction of a main building with the plinth area of 789.5 M2 and

Entrance Gate with Security Cabin and Compound wall. The proposed floor includes Classrooms (2 nos.), Office, Principal's Room, Vice Principal's Room, Conference room, Startup cell, Placement cell etc. Amount approved for the upgradation is Rs. 4.107 Cr.

9. ITI Kayyur, Kasaragod

The upgradation plan involves construction of i) Courts cum auditorium – 832.32 SqM, ii) MRAC Workshop – 165.12 sq. m. and iii. Front gate and small gate with security cabin

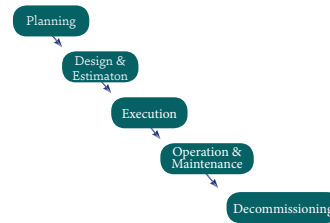
Formation / Levelling of Play ground is considered in also Phase 1. The project outlay approved for the upgradation is Rs. 4.23 Cr.

10. ITI Malampuzha, Palakkad

The upgradation plan involves i) the Main Building in three floors (LG+G+1) with an area of 4288.64 Sq.M, ii) levelling and resurfacing of the playground and iii) Bituminous surfacing of road and ancillary works. The Main Building will have parking facility, thirteen class rooms, three workshops, seminar hall, stores, staff rooms, principal room, vice principal room, superintendent room, waiting rooms, record room, store and library. The Project Outlay approved for the upgradation is Rs. 12.79 Cr.

facilities, Administrative facilities, Environmental Protection Facilities, Waste Management Facilities, Agricultural Facilities, there is a huge potential for integrated sustainable development initiatives. However, Infrastructure development organisations like KIIFB must know how their actions, interventions and decisions will contribute to sustainability or not. The challenges include bringing to the attention of all stakeholders the need for more sustainable infrastructure and communicating the shared understanding of what sustainability means. Rating systems proposed by various agencies provide a consistent, consensus-based framework for assessing sustainability and resilience in infrastructure and set the standard for what constitutes sustainable

infrastructure. This helps to incentivize higher performance goals beyond minimum requirements and gives recognition to projects that make significant contributions to sustainability; and provide a common language for collaboration and clear communication both internally and externally. The infrastructure development lifecycle includes mainly 5 stages such as planning, design &



estimation, execution, operation and maintenance and decommissioning.

Demand assessment, Stakeholder Consultation, Preliminary Estimate, Inclusion in the Budget and Administrative Approvals comes under Planning Stage. The Functional Design, Engineering Design, Detailed Estimation, Technical Sanction comes under Design & Estimation. The Procurement Process, Contract Management, Quality Management comes under the Execution Stage. Routine Operations, Routine Maintenance, Periodic Maintenance & Upkeep come under Operation and Maintenance. Dismantling & Safe Disposal and exploiting reuse and alternate use potential are issues in the decommissioning phase.

The conflicts are identified at different stages and the conflict management at various stages are to be adopted as stakeholders consultation at various stages, proactive approach to potential issues, planning and design to suit the local needs, concern about environment at all stages, value for money approach in project management, strict adherence to regulatory norms, understand and act positively on the issues of project affected people, methods like social audit, sustainability based infrastructure design and management.

Sustainability has 3 dimensions defined as Triple Bottom Principle comprises of social, economic & environmental aspects. Sustainable Engineering philosophies to be followed in the above phases including the processes of designing or operating systems such that they use energy and other resources sustainably.

Major principles of Sustainable Infrastructure Management (SIM) upon which any sustainability vision and action plan is to be developed can be briefly listed below.

1) Quality of Life

Improve community quality of life, stimulate sustainable growth and development, develop local skills and capabilities, enhance public health and safety, minimize noise and vibration, minimize light pollution, improve community mobility and access, encourage alternative modes of Transportation, improve accessibility, safety & way finding, preserve historic and cultural resources, preserve views and local character, Enhance public space.

2) Leadership

Provide effective leadership & commitment, establish a sustainability management system, foster collaboration and teamwork, provide for stakeholder involvement, pursue by-product synergy opportunities, improve infrastructure integration, plan long-term maintenance and monitoring, address conflicting regulations and policies, extend useful life, innovate or exceed credit requirements.

3) Resource Allocation

Support sustainable procurement practices, use recycled materials, use regional materials, divert waste from landfills, reduce excavated materials taken off site, provide for deconstruction and recycling

4) Natural World

Preserve prime habitat, preserve wetlands and surface water, preserve prime farmland, avoid adverse geology, preserve floodplain functions, avoid unsuitable development on steep slopes, preserve greenfields, manage storm water, reduce pesticides and fertilizer impacts,

Sustainable Infrastructure Management (SIM)

Sustainable infrastructure development enables sound economic development, job creation and the utilisation of local goods and services and impacts the economic viability and competitiveness of our communities. The facilities built based on the principles of sustainability enhances quality of life for citizens, increases positive impacts (benefits), helps protect our vital natural resources and environment, along with the promotion of a more effective and efficient use of financial resources.

As KIIFB has key role in development of infrastructure in sectors such as Transportation, Water Supply & Sewerage, Inland Navigation, Energy, Communication, Recreational, Sports & Hospitality, Health Services Facilities, Academic and Educational

prevent surface and groundwater contamination, preserve species biodiversity, control invasive species, restore disturbed soils, maintain wetland and surface water functions, innovate or exceed credit requirements.

5) Climate & Resilience

Reduce greenhouse gas emissions, Reduce air pollutant emissions, assess climate threat, avoid traps and vulnerabilities, prepare for long-term adaptability, prepare for short-term hazards, manage heat island effects, innovate or exceed credit requirements of rating agencies.

Policy framework

Thrust on public procurement of infrastructure with focus on value for money through the entire lifecycle and following the low carbon inclusive growth models advocated by national level organizations like Planning Commission / Niti ayog and adopting provisions in ECBC, NBC guidelines shall be considered as basic guidelines in KIIFB approach to sustainability.

KIIFB vision shall be to promote and facilitate sustainability-based planning and design of infrastructure systems in all sectors through a route with least stress on diminishing natural resources, without compromising the social needs, maximised use of renewable and natural resources and minimized use of energy and water, improved pollution prevention by reduced carbon emissions and better labour and community relations. The other important aspects shall include selection of materials and products that minimise environmental impacts by reuse of the existing infrastructure, identification of facilities near public transport systems and consideration of redevelopment of contaminated properties and increase the use of recycled content and other environmentally preferred products. Developing transportation criteria that prioritize low-impact transportation models are also important along with above considerations.

Based on the current level of activities KIIFB shall after the project selection phase, which takes place at Govt. level, KIIFB evaluates the projects from sustainability and environmental aspects and revert to govt. if the objectives and design are not acceptable as per the accepted principles. Provide assistance to SPV's and Government to rework the plan so that

the projects are acceptable to KIIFB standards from sustainability perspective. No funding for projects which are having components violating principles of environmental sustainability.

In project planning phase KIIFB supports SPV's to develop the infrastructure facilities in a social, environmental and economical sustainability framework. Ensure project specific funding support to SPV's for conducting studies and capacity development for developing sustainable infrastructure plans. Support for approaching rating agencies to associate with the project development process from the initial stage itself. Training to the key personnel in SPV's for carrying out the planning and design process conforming to the sustainability philosophies.

Developing the framework for evaluation of carbon-foot print (keymeasure of sustainability) during execution and operation of the facility and provide advisory support for appropriate and sustainable technologies applicable for each sector are also to be considered as prime tasks in KIIFB's context.

During the implementation phase KIIFB shall evaluate the adequacy of SIA, EIA and other commitments made during the planning stage. Evaluate the implementation process to confirm the commitment given by SPV's in each area.

KIIFB shall associate with the rating agencies for accommodating design improvements in the execution process. Analyses of the output given by execution and rating agencies for developing sector specific intervention methodologies and monitor the compliance of EMP, HSE, etc. will ensure that the SPV's are in the right track of sustainability. KIIFB shall also help SPV's to develop sustainable O&M plan and auditing process as post project completion support activities.

The Way forward

To achieve the objective of bringing all infrastructural developmental activities in the ambit of KIIFB's investment plan, the following actions shall be initiated.

- Develop organizational level sustainable vision and action plan with strategies aligned with national and international level policy guidelines.

- Support the organizational level initiatives of SPV's to adopt sustainable infrastructure management practices.
- Formulate guidelines for availing the services of rating agencies, experts and resource persons required by the SPV's for their project specific requirements.
- Act as a technology support provider with respect to new and sustainable technologies in key sectors.

- Initiate and co-ordinate capability building activities to manage the issue of huge resource shortage in the project organisations and sector.
- Develop frame work for carbon management in infrastructure projects with the objective of attracting finance and investment in the sector.
- Promote low carbon procurement policies and facilitate the green supply chain initiatives in the construction sector.

RECENT RBI LENDING POLICY DECISION - IMPACT ON KIIFB

The Reserve Bank of India recently reduced the repo rate by a marginal 25 basis points following a decision by the RBI Monetary Policy Committee. The new repo rate now stands at 6.25 from the earlier 6.50.

Repo rate, also known as the benchmark interest rate, is the rate at which the RBI lends money to the banks for a short term. When the repo rate increases, borrowing from RBI becomes more expensive. RBI increases the repo rate when it wants to limit the borrowing by the banks. Similarly, if it wants to pump money into circulation, it reduces the repo rate and makes it cheaper for banks to borrow money. Also, the reverse repo rate (the interest rate at which banks lend money to the RBI) has been lowered to 6.0%, forcing banks to lend more to the market.

The main impact of the RBI action of reducing the repo rate is that bank loan interests are likely to become cheaper.

The recent changes made in the Repo rates is likely to favour KIIFB in its financial obligations. The decrease in Repo rate would enable KIIFB to borrow at a lower cost. Since a fair share of the state's Motor Vehicle Tax revenue is now flowing to KIIFB, with the lowering of repo rates, KIIFB can expect

more funds to flow in via this route as lower repo rates would lower interest rates of MV loans as well, which would ideally push up the motor vehicle sales. The resultant increased inflow, besides lowering the need for borrowed funds, can also enhance the creditworthiness of KIIFB.

The lowering borrowing costs reduces inflation and cost of production. This will also be beneficial to KIIFB as lower input cost of materials would lead to lower quotes for implementing KIIFB projects. A high repo rate would have the opposite impact.

The announcement by the RBI Monetary Policy Committee regarding the shift in its policy stance from calibrated tightening to neutral is welcoming for KIIFB. This would mean that the repo rate is likely to remain steady for a longer period of time. Steady repo rates would enable KIIFB to fine tune a strong Asset Liability Management (ALM) which plays a vital role in anticipating the liquidity risks.

To sum up, the recent monetary policies adopted by the RBI are giving positive vibes for KIIFB as we look forward to evolve and grow as an efficient and effective institution to roll out the State's prestigious projects on time.



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Administrative Inspection Wing notes...

During the last fortnight the Administrative Inspection Wing (AIW) inspected the progress of implementation of the Project "Construction of 52 Office Buildings for Registration Department" by the Kerala State Construction Corporation Ltd (KSCC Ltd) at an estimated cost of Rs. 89.88 Cr. Out of the 52 sub-projects approved by KIIFB, 15 are under Thiruvananthapuram Circle and the remaining 37 are under Eranakulam Circle. The status of work progress in each Region under the above Circles are given below:

Southern Circle at Thiruvananthapuram					
Sl No	Regional Offices	Total Works	Work Tendered	Agreement Executed	Work Started
1	Thiruvananthapuram	9	6	2	1
2	Alappuzha	2	1	1	1
3	Kottayam	4	3	2	2

The Technical Sanction amount for 3 works viz. Kanjiramkulam, Chirayinkeeze and Navayikkulam exceeds KIIFB sanction and the same was intimated to KIIFB for approval. The works started in 4 sites viz.

Northern Circle at Thiruvananthapuram					
Sl No	Regional Offices	Total Works	Work Tendered	Agreement Executed	Work Started
1	Eranakulam	3	3	2	2
2	Thrissur	16	16	10	7
3	Kozhikode	13	11	4	1
4	Kannur	5	2	1	1

Kanjiramkulam, Mararikulam, Thopramkudi and Udumbanchola and the AIW visited the site of SRO

Mararikulam where the work started on 21.11.2018 and is progressing well.

Of the 37 works approved under Ernakulam Circle, the project files of the works tendered at Ernakulam Circle Office (25) and Trissur Regional Office (7) were verified. The works tendered at Kozhikode and Kannur Regions (2+3) are to be verified. Out of the 32 tendered works, agreement executed for 17, work order issued for 13, re-tender initiated for West Hill, Kozhikode and tender not floated for the other Manamchira, Kozhikode due to delay in getting building permit.

The works that have started in 11 sites are Kuzhippilly (Ernakulam), Thodupuzha (Idukki), Akkikavu (Thrissur), Kunnankulam (Thrissur), Pazhayannur (Thrissur), Thrithala (Palakkad), Kuttipuram (Malappuram), Thanoor (Malappuram), Kalpakancherry (Malappuram), Permbra (Kozhikode) and Thalipramba (Kannur).

The Regional Manager, Ernakulam reported mudslide at the construction site of Kuzhippilly (near Vypin) during foundation works for Columns posing threat to the nearby structures but there is no provision in the estimate for preventing mudslide. There is reported presence of Clay in a depth of 1.5 mtrs which could not be identified at the time of soil investigation. The request for changes in design and estimate has been submitted to the General Manager for further processing.

The Inspection also observed the following drawbacks in the tender process:

- Several works were retendered due to insufficient participation of bidders. It was observed that wide publicity of tender was not given which could be the reason for the poor participation of bidders.
- Agreements were not executed in some cases though the work orders were issued in time as the Contractors failed to submit the required Performance Guarantee within the prescribed time limit.
- The WBS (Base line-1) is not prepared in many cases.