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FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2019-2021)**

HUNDRED AND SEVENTEENTH REPORT

(Presented on 18th January, 2021)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2021

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2019-2021)**

HUNDRED AND SEVENTEENTH REPORT

On

The Action taken by Government on the Recommendations contained in the Thirty Fifth Report of the Committee on Public Undertakings (2016-2019) relating to Kerala State Industrial Development Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2008

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COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2021)

COMPOSITION

Chairman :

Shri C. Divakaran.

Members :

Shri K. B. Ganesh Kumar

Shri C. Krishnan

Shri Thiruvanchoor Radhakrishnan

Shri P. T. A. Rahim

Shri S. Rajendran

Shri Raju Abraham

Shri Sunny Joseph

Shri P. Unni

Legislature Secretariat :

Shri S. V. Unnikrishnan Nair, Secretary.

Shri B. Reji, Joint Secretary.

Shri A. Jafarkhan, Deputy Secretary.

Smt. Reji D. O., Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings (2019-2021) having been authorised by the Committee to present the Report on their behalf, present this Hundred and Seventeenth Report on The Action taken by Government on the Recommendations contained in the Thirty Fifth Report of the Committee on Public Undertakings (2016-2019) relating to Kerala State Industrial Development Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2008.

The Statement of Action Taken by the Government included in this Report were considered by the Committee constituted for the year (2019-2021). This report was considered and approved by the Committee at the meeting held on 11-1-2021

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit) Kerala and officials of the Industries Department in the examination of the Statements included in this report.

Thiruvananthapuram,
11th January, 2021.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

REPORT

This report deals with the Action Taken by Government on the recommendation contained in the Thirty Fifth Report of the Committee on Public Undertakings (2016-2019) relating to Kerala State Industrial Development Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2008.

The Report contained only one recommendation. The Government furnished reply to the recommendation. The Committee (2019-2021) considered the reply received from Government at its meeting held on 15-10-2020.

The Committee accepted the reply to the recommendation without any remark. The recommendation and the reply furnished by Government form Chapter I of the report.

CHAPTER I

REPLY FURNISHED BY THE GOVERNMENT ON THE
RECOMMENDATION OF THE COMMITTEE WHICH HAS BEEN
ACCEPTED BY THE COMMITTEE WITHOUT REMARK.

Sl. No.	Para No.	Department concerned	Conclusion/recommendations	Action Taken by Government
1	2	Industries	The Committee observes that the company waived the payment of upfront fee of ₹ 25 lakh by Infopark, Kochi ignoring the offer of the Infopark to pay the upfront fee by a separate cheque if insisted by the company. The Committee feels that the company did not look out for alternate options that would have benefited the company. Weighing all these factors, the Committee suspects that the company deliberately extended an undue favour to Infopark.	KSIDC & Infopark Kochi are Government controlled entities. The loan was granted for acquiring 136 Acres of land for handing over to the SPV according to the terms of agreement between Government of Kerala and Dubai Internet city for the prestigious 'Smart City Project'. The Board of KSIDC decided, when the matter was placed before them, to waive the upfront fee to Infopark on the short term loan to Infopark. There is no undue favour extended to Infopark on account of the waiver of upfront fee.

Thiruvananthapuram,
11th January, 2021.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.