



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

PUBLIC UNDERTAKINGS
(2016-19)

SIXTY THIRD REPORT

(Presented on 24-01-2018)

SECRETARIAT OF THE KERALA LEGISLATURE

THIRUVANANTHAPURAM

2018

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY**COMMITTEE****ON****PUBLIC UNDERTAKINGS
(2016-19)****...SIXTY THIRD... REPORT****On**

The action taken by Government on the Recommendations contained in the Ninety Sixth Report of the Committee on Public Undertakings (2014-16) relating to Kerala Industrial Infrastructure Development Corporation based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2011 (Commercial)

CONTENTS

| | <i>Page</i> |
|---|-------------|
| Composition of the Committee .. | v |
| Introduction .. | vii |
| Report .. | 1 |
| Replies furnished by Government on the recommendations of the Committee which have been accepted by the Committee without remarks .. | 2 |

COMMITTEE ON PUBLIC UNDERTAKINGS(2016-19)**COMPOSITION****Chairman:**

Shri. C. Divakaran

Members:

Shri. T.A. Ahammed Kabeer

Shri. K.B. Ganesh Kumar

Shri. C. Krishnan

Shri. S. Rajendran

Shri. Thiruvanchoor Radhakrishnan

Shri. P.T.A. Rahim

Shri. Raju Abraham

Shri. Sunny Joseph

Shri. C.F. Thomas

Shri. P. Unni.

Legislature Secretariat :

Shri.V. K. Babu Prakash, Secretary.

Shri. Mathewkutty G., Joint Secretary.

Sri. P. B. Suresh Kumar, Deputy Secretary.

Smt. Deepa.V., Under Secretary.

INTRODUCTION

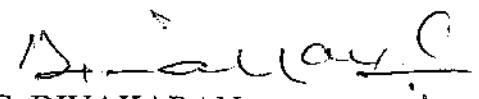
I, the Chairman, Committee On Public Undertakings (2016 - 19) having been authorised by the Committee to present the Report on their behalf, present this^{63rd} Report on the action taken by Government on the recommendations contained in the Ninety Sixth Report of the Committee on Public Undertakings (2014-16) on the working of Kerala Industrial Infrastructure Development Corporation based on the Report of the Comptroller and Auditor General of India for the Year ended 31st March, 2011 (Commercial).

The Statements of action taken by the Government included in this Report were considered by the Committee constituted for the year 2016-19 at its meetings held on 31.05.2017.

This report was considered and approved by the Committee at its meeting held on 17-01-2018.

The committee place on record their appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala during the examination of the Action Taken Statements included in this report.

Thiruvananthapuram,
17.01.2018.


C. DIVAKARAN,
Chairman,

Committee on Public undertakings.

REPORT

This Report deals with the action taken by Government on the recommendations contained in the Ninety Sixth Report of the Committee on Public Undertakings (2014-16) relating to Kerala Industrial Infrastructure Development Corporation based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2011 (Commercial).

The Ninety Sixth Report of the Committee on Public Undertakings (2014-16) was presented to the house on 27th July 2015.

The Report contained Two recommendations in Paragraph numbers 5 and 6 and the Government furnished Action Taken Statements to both of them on 03.04.2017. The Committee at its meeting held on 31.05.2017 accepted these Action Taken Statements without any remarks. These recommendations and their replies furnished by the government are included in this Report.

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

| Sl. No. | Para No. | Department Concerned | Conclusions/Recommendations | Action Taken by Government |
|---------|----------|-----------------------|---|--|
| 1 | 2 | 3 | 4 | 5 |
| 1 | 5 | Industries Department | The Committee is dissatisfied to note that the process followed by Corporation to call-out tender is not as per the procedure prescribed in the Stores Purchase Manual. Hence, the Committee recommends that in future, the Corporation should follow the tendering process only according to the procedures mentioned in the Stores Purchase Manual. | <p>In compliance with audit observation, KINFRA has since been following the provisions in the Store Purchase Manual since 01.04.2012.</p> <p>Necessary changes and updates are also incorporated in the tender notices and the collections of tender fees in accordance with orders issued by the Government from time to time.</p> |

| | | | | |
|---|---|--------------------------|--|--|
| 2 | 6 | Industries Department | <p>The Committee commented the decision of the Corporation to invest the amount in Commercial Banks instead of investing in the Government Treasury as indefensible and criticises the officials of the Corporation who wilfully violated the Government Order. The Committee is not convinced with the arguments of the witness with respect to investment of funds in Commercial Banks. The Committee believes that if the Corporation had invested the funds in Government Treasury, additional revenue to the tune of ₹ 2.72 crore could have been earned by the Corporation. Hence, the Committee instructs that such investments are against the interest of Government, going forward such unrealistic decision should not be repeated.</p> | <p>In strict compliance with the Government instructions, from 2014-15 onwards funds released to KINFRA are deposited in the non-interest bearing treasury account only. Necessary directions were also given to MD, KINFRA to avoid any violations in future and in case of any violation, disciplinary proceedings shall be initiated against the responsible personnel.</p> <p>In view of the above further action in these objections may kindly be dropped.</p> |
|---|---|--------------------------|--|--|

THIRUVANANTHAPURAM,
17-01-2018.

D. Divakaran
C. DIVAKARAN,
CHAIRMAN,
COMMITTEE ON PUBLIC UNDERTAKINGS.