



**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

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

**THIRTY EIGHTH REPORT**  
(Presented on 11<sup>th</sup> February, 2025)

**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM**

**2025**

**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

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

**THIRTY EIGHTH REPORT**

**On**

**Corporate Social Responsibility of Three PSUs  
(The Kerala Feeds Limited, Oil Palm India Limited and  
The Plantation Corporation of Kerala Limited)**

**(Based on the Report of the Comptroller and Auditor General of  
India for the year ended 31<sup>st</sup> March, 2016)**

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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 Deverkovil

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.

## INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2023-2026) having been authorised by the Committee to present the Report on its behalf, present this 38<sup>th</sup> Report on Corporate Social Responsibility of Three PSUs (The Kerala Feeds Limited, Oil Palm India Limited and The Plantation Corporation of Kerala Limited) based on the report of the Comptroller and Auditor General of India for the year ended 31<sup>st</sup> March, 2016 relating to the Public Sector Undertakings of the State of Kerala.

The aforesaid Report of the Comptroller and Auditor General of India was laid on the Table of the House on 23-5-2017. The consideration of the audit paragraphs included in this report and examination of the departmental witness in connection thereto were made by the Committee on Public Undertakings (2021-2023) at its meetings held on 26-7-2022 and 8-11-2022.

This Report was considered and approved by the Committee (2023-2026) at its meeting held on 29-1-2025.

The Committee place on record its appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala in the examination of the Audit paragraphs included in this Report.

The Committee wishes to express thanks to the officials of the Animal Husbandry Department and Agriculture Department of the Secretariat and the Kerala Feeds Limited, Oil Palm India Limited and the Plantation Corporation of Kerala Limited for placing the materials and information solicited in connection with the examination of the subject. The Committee also wishes to thank in particular the Secretaries to Government, Animal Husbandry Department, Agriculture Department and Finance Department and the officials of the Kerala Feeds Limited, Oil Palm India Limited and the Plantation Corporation of Kerala Limited who appeared for evidence and assisted the Committee by placing their views before the Committee.

**E. CHANDRASEKHARAN**

Thiruvananthapuram,  
11<sup>th</sup> February, 2025.

*Chairperson,  
Committee on Public Undertakings.*

**REPORT NO. 1**  
**ON**  
**CORPORATE SOCIAL RESPONSIBILITY OF THREE PSUs**  
**(The Kerala Feeds Limited, Oil Palm India Limited and**  
**The Plantation Corporation of Kerala Limited)**

**Audit Para 3.3 (2015-16)**

**Corporate Social Responsibility of PSUs**

**Introduction**

**3.3.1** Corporate Social Responsibility (CSR) refers to operating business in a manner that accounts for the social and environmental impact created by the business. Through CSR, companies give something back to society. CSR means and includes projects or programmes on eradication of hunger, poverty and malnutrition, promoting gender equality, promoting education, empowerment of women, ensuring environmental sustainability, protection of national heritage, etc. CSR is governed by provisions of the Companies Act, 2013 (Act) and Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules).

According to section 135 of the Act, companies with annual turnover of ₹1,000 crore or more or net worth of ₹500 crore or more or profit (before tax) of ₹5 crore or more in any of the three preceding financial years<sup>1</sup> have to spend at least two per cent of average profit<sup>2</sup> of such preceding financial years on CSR activities from 2014-15 onwards, giving preference to areas around their operation.

As of June 2016, 23 Public Sector Undertakings (PSUs) in Kerala came under the purview of CSR during 2014-15 to 2015-16. We assessed compliance of these PSUs with the provisions of the Act/CSR Rules/ orders and notifications issued by Ministry of Corporate Affairs (MCA), Government of India (GoI), on CSR. Audit findings are discussed in the succeeding paragraphs.

---

1 Vide Circular No: 21/2014 dated 18/06/2014 of Ministry of Corporate Affairs, Government of India.

2 Average of profit made by them during the three immediately preceding financial years.

## Audit Findings

### Formulation of CSR Policy and CSR Spending

#### Non-Constitution of CSR Committee and non-spending on CSR

3.3.2 As per Section 135(1) of the Act, each of the 23 PSUs was to constitute a CSR Committee consisting of three or more directors, out of which at least one director shall be an independent director. The CSR Committee was to formulate and recommend a CSR Policy and the amount of CSR expenditure to Board of Directors (BoD) and monitor the CSR Policy of the Company.

We noticed that out of the 23 PSUs, 13 PSUs (*Appendix 13*) did not constitute the CSR Committee or formulate the CSR Policy (as of June 2016). Among these 13 PSUs, three PSUs had negative average net profit during the three preceding financial years and hence, were not required to spend on CSR while balance 10 PSUs were required to spend on CSR.

Oil Palm India Limited and Kerala Agro Machinery Corporation Limited, though coming under the purview of CSR law, spend ₹0.33 crore (against the minimum requirement of ₹0.50 crore) for CSR activities without constituting a CSR Committee or formulating a CSR Policy. As the amount was spent without constituting CSR Committee or formulating a CSR Policy, the CSR spending of these two PSUs was irregular.

#### Non/incorrect reporting on CSR activities

3.3.3 According to Section 135(5) of the Act, in case of failure of a company to spend minimum 2 per cent of average profit on CSR, the BoD shall in its report<sup>3</sup> include the reasons for non-spending.

Out of the ten PSUs which did not spend the required minimum amount on CSR, three PSUs<sup>4</sup> did not report the reason for non-spending and three PSUs<sup>5</sup> wrongly reported that CSR Rules were not applicable to them. The remaining four PSUs were yet to publish their Annual Report as of June 2016.

3 Report attached to the financial statements laid before a company in general meeting as per Section 134(O) (3) of the Act.

4 Kerala State Power and Infrastructure Finance Corporation Limited, Transformers and Electricals Kerala Limited and Oil Palm India Limited.

5 The State Farming Corporation of Kerala Limited, Kerala Forest Development Corporation Limited and Kerala Agro Machinery Corporation Limited.

### **Deficiencies in spending on CSR**

3.3.4 Ten out of the 23 PSUs covered in audit had constituted CSR committee as well as formulated a CSR policy and spent ₹10.74 crore (*Appendix 15*) on CSR activities during 2014-15 and 2015-16.

### **Conclusion**

Adherence of companies to the provisions of CSR was not satisfactory as 13 out of 23 companies did not constitute CSR Committee/Policy. There were instances of non-spending and spending on inadmissible activities. GoK may, therefore, formulate appropriate monitoring mechanism for strict adherence to CSR laws.

[The Audit paragraph 3.3 contained in the report of the C & AG for the year ended 31 March 2016.]

The notes furnished by the Government on the audit paragraph are given in Appendix II

### **Discussion and findings of the Committee**

#### **1. The Kerala Feeds Limited**

##### **Para 3.3.2 Non-constitution of CSR Committee and non-spending on CSR.**

To a query regarding Corporate Social Responsibility Committee and CSR Policy, the Managing Director informed that the Company at its 127<sup>th</sup> Board Meeting held on 30-8-2016 constituted a CSR committee and also approved CSR Policy.

The Committee inquired about the details of the amount spent for CSR activities from 2017-18 to 2021-22. The Managing Director informed that the Company needs to spend CSR fund only if it is profitable in the preceding three consecutive years as per CSR provisions and the Company did not attain profit in 2016. He added that the Company gained profit in the years 2020, 2021 and 2022 and during the period 2020-21 and 2021-22 about ₹20 lakh had been spent as CSR fund for purchasing health equipments for Health Department.

The Committee accepted the reply.

**Hence, no remarks.**

## **2. Oil Palm India Limited.**

### **Para 3.3.2- Non-Constitution of CSR (Corporate Social Responsibility) Committee and non-spending on CSR.**

The Committee asked the reason for not constituting the CSR Committee and formulating CSR Policy. The Managing Director, Oil Palm India Ltd. responded that GoI issued a Circular No.21/2014 dated 18-6-2014 in accordance with the provisions of the section 135(1) of the Companies Act-2013. The Company did not notice the above circular and hence the Company neither constituted the CSR Committee nor formulated the CSR Policy at that time. However, approximately ₹11 lakh had been spent towards social responsibility during 2014-2015 and 2015-16. He added that since the Company was at a loss in the succeeding years, it could not qualify for spending on CSR activities. Then he made apology for the lapse in constituting CSR Committee and assured that the Company will comply with the CSR provisions as and when the company becomes profitable.

### **Para 3.3.3 - Non/Incorrect reporting on CSR activities.**

The Committee enquired whether the annual report of the Company provided details of funds remained unspent at the end of each financial year along with reasons thereof. The witness informed that the expenditure on CSR fund was not included in the annual report as the new provisions had not come to the notice of the Company. He assured the Committee that the Company will be careful in avoiding such lapses in future.

The Committee accepted the reply.

### **Conclusion and Recommendation**

**1. The Committee expresses its displeasure with the witness's reply that the Company did not notice the Circular No. 21/2014 dtd. 18-6-2014 issued by GoI in accordance with the provisions of the section 135(1) of the Companies Act 2013, hence the Company neither constituted the CSR Committee nor formulated the CSR Policy at that time. The Committee is of the view that whenever changes are incorporated in the Companies Act, the management must be aware of that and wants to be more diligent in future and the Committee directs that when the Company becomes profitable, the Company should utilize the CSR funds in accordance with the CSR provisions.**

**3. The Plantation Corporation of Kerala Limited.****Para 3.3.4 Deficiencies in spending on CSR**

In response to the above audit observation, the witness admitted the fact that the Company had not fully utilized the amount required to spend on CSR activities during 2014-15 and 2015-16. He informed that though the Company had spent more than that for schools running under the Plantation Corporation of Kerala Ltd, it was not accounted under CSR activities as decided by the Board of Directors. He also added that since the Company had been in loss in the succeeding years no amount was set aside for spending on CSR activities. He assured that the Company will utilize the entire amount required to spend on CSR activities once it turns profitable.

The Committee accepted the reply.

*Hence, no remarks.*

Thiruvananthapuram,  
11<sup>th</sup> February, 2025.

**E. CHANDRASEKHARAN**

*Chairperson,  
Committee on Public Undertakings.*

APPENDIX-I

**SUMMARY OF MAIN CONCLUSION/RECOMMENDATION**

Sl No.	Para No.	Department Concerned	Conclusion/Recommendation
(1)	(2)	(3)	(4)
1	1	Agriculture Department	The Committee expresses its displeasure with the witness's reply that the Company did not notice the Circular No.21/2014 dtd 18-6-2014 issued by GoI in accordance with the provisions of the section 135(1) of the Companies Act 2013, hence the Company neither constituted the CSR Committee nor formulated the CSR Policy at that time. The Committee is of the view that whenever changes are incorporated in the Companies Act, the management must be aware of that and wants to be more diligent in future and the Committee directs that when the Company becomes profitable, the Company should utilize the CSR funds in accordance with the CSR provisions.

**APPENDIX II**  
**NOTES FURNISHED BY THE GOVERNMENT ON THE AUDIT PARAGRAPH**  
**Remedial Measures Taken (RMT) Statement**

Audit observations regarding Kerala Feeds Limited in the report of the  
Comptroller and Auditor General of India for the year ended 31/03/2016  
(Audit Report No. 4-PSUs)

Sl.No	Para No.	Department	Audit Observations	Remarks & Action taken by the Company
1	Para No 3.3.2 Appendix No.13	Animal Husbandry	<p>13 PSUs did not constitute CSR Committee or formulate the CSR Policy (as on June 2016). Three PSUs had negative net profit during the preceding 3 Financial Years and hence were not required to spend on CSR.</p> <p>Appendix shows the Type of Non Compliance for Kerala Feeds Limited as "Non Constitution of CSR Committee and non formulation of CSR policy"</p>	<p>Further to the Audit observations, the Company at its 127<sup>th</sup> Board Meeting held on 30/08/2016 constituted a Corporate Social Responsibility (CSR) Committee consisting of Managing Director, Director of Animal Husbandry Department. At the said meeting, the Board also approved a CSR Policy, which was displayed in the Website of the Company as required by law.</p> <p>Since the Company had not made profits in the 3 years immediately preceding to the year in which the new provisions regarding CSR became applicable, the Company was not required to spend on CSR activities.</p> <p>In view of the prompt action taken by the Company, it is requested that the Audit observation may be dropped.</p>

*Sd/-*  
**SHEELA P**  
Additional Secretary to Government  
Appt (Animal Husbandry) Dept.  
Govt. Secretariat  
Thiruvananthapuram

GOVERNMENT OF KERALA

AGRICULTURE (PU) DEPARTMENT

Statement of action taken on the recommendations contained in the report of the C&AG of India on PSUs for the year ended 31<sup>st</sup> March 2016 based on the report of Managing Director, Oil Palm India Ltd.

Non constitution of CSR Committee and Non spending on CSR

Sl. No.	Audit Para	Action Taken on the Audit Para in the report of C&AG of India
	<p><u>Para 3.3.2</u></p> <p><u>Non constitution of CSR Committee &amp; Non-spending on CSR</u></p> <p>Oil Palm India Limited did not constitute CSR Committee though coming under the purview of CSR law, spent Rs.0.33 crore (against the minimum requirement of Rs.0.50 crore) for CSR activities without constituting a CSR Committee or formulating a CSR Policy. As the amount was spent without constituting CSR Committee or formulating a CSR Policy, the CSR spending of these two PSUs was irregular.</p>	<p>As per GOI circular No 21/14 dated 18.6.14, any financial year reckoned for the threshold limit for constituting CSR Committee means any of the three preceding financial year. Hence the provisions of the Section 135(1) of the Company's Act 2013 was applicable to the Company during the financial year 2014-15 as Company had a net profit of Rs.5 crore and above in 2011-12 and 2012-13. Due to oversight company haven't took notice of GOI circular and hence CSR Committee was not constituted during 2014-2015, taken for granted that the provisions of CSR will not be applicable for the company since the Company had profit of only 1.56 Crores for the year 2014-2015.</p> <p>Although CSR committee was not formed, taking into account of the social element involved in the larger public interest during the financial year 2014-2015 the company had spent an amount of Rs.1043589/- towards social responsibility and Rs 11.15 Lakhs has been spent during 2015-2016 and most of the activities are govt sponsored programmes, the details of which may be seen as Appendix-I.</p>

**Para 3.3.3**

**Non/incorrect reporting on CSR activities**

According to the section 135 (5) of the Act, in the case of failure of a Company to spend minimum 2% of average profit on CSR, the Board of Directors shall in its report include reasons for non-spending. The OPIL has not included the same in the report.

Company was under the bonafide belief that CSR provisions were not applicable to the Company during the financial year 2014-15 as the profit for the financial year 2014-15 were below Rs.5 crore.

Company did not take notice of the GOI circular dated 18/06/2014. As per GOI circular No.21/2014 dated 18/06/2014, any financial year reckoned for the threshold limit for constituting CSR Committee means "any of the three preceding financial years". Hence the provisions of the section 135(1) of Companies Act 2013 was applicable to the Company during the financial year 2014-15, as Company had a net profit of Rs.5 crore and above in 2011-12 and 2012-13.

As the Company did not take notice of the GOI circular dated 18/06/2014, it was reported to AG that provisions of the section 135(1) of Companies Act 2013 was not applicable to the Company during the financial year 2014-15, it is a mistake by over sight.

Company will comply with the CSR provisions of the Companies Act, if the net profit of the Company exceeds Rs.5 crores in any financial year hence forth.

DETAILS OF CORPORATE SOCIAL RESPONSIBILITY - 2015-16

HEAD OF ACCOUNT		CORPORATE SOCIAL RESPONSIBILITY		
DATE	AMOUNT	PARTY	PURPOSE	REMARKS, IF ANY
04-04-15	3000.00	NATIONAL DARSAN STUDY CENTRE	CSR	CASH
07-04-15	5000.00	STAMP FIRE AND RESCUE - PUNALUR	CSR	CASH
15-05-15	5000.00	CASH PRIZE - SSLC PASS STUDENTS - VECHOOR	CSR	CASH
04-06-15	10000.00	PUNALUR URBAN CO-OPERATIVE SOCIETY LIMITED, PUNALUR	CSR	A/s Payee Cheque
25-06-15	10000.00	VECHOOR GRAMA PANCHAYATH OFFICE	CSR	A/s Payee Cheque
31-07-15	29000.00	RICE PROVIDED - CM's ANASAMBARKA PROGRAMME-ALPY	CSR	IN KIND
26-08-15	50000.00	SOUTH INDIAN AGRI FEST	CSR	RTGS
30-09-15	1450.00	SWANTHANAM CHARITABLE SOCIETY, HARIPPAD	CSR	IN KIND
07-10-15	4000.00	GOVT. H.S.S. ANCHAL	CSR	A/s Payee Cheque
07-10-15	5000.00	AGRICULTURE OFFICE, VECHOOR - FARMER'S DAY	CSR	CASH
20-12-15	15000.00	THE DISTRICT COLLECTOR JAWAHAR BALABHAVAN, KTM	CSR	A/s Payee Cheque
31-12-15	5100.00	RICE PROVIDED - ST.MICHAELS AND DEVIVILASAM SCHOOL	CSR	IN KIND
07-01-16	50000.00	DIRECTOR OF AGRICULTURE, SAMATHI SUMIT, ANKAMALI	CSR	DD-A/c PAYEE
24-01-16	20000.00	TAXI DRIVERS CO-ORDINATION COMMITTEE	CSR	A/s Payee Cheque
11-03-16	4000.00	PALIATIVE CARE PROGRAMME, VECHOOR	CSR	CASH
TOTAL	1115850.00			

  
Section Officer

**STATEMENT OF ACTION TAKEN ON THE REMARKS CONTAINED IN THE REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA ON PUBLIC UNDERTAKINGS FOR THE YEAR ENDED 31ST MARCH 2016**

**THE PLANTATION CORPORATION OF KERALA LIMITED**

SL. NO.	PARAS	RECOMMENDATIONS	ACTION												
1	3.3.4.7	Ten out of the 23 PSUs covered in audit had constituted CSR committee as well as formulated a CSR policy and spent 10.74 crore on CSR activities during 2014-15 and 2015-16. The list of companies constituted CSR Committee, formulated a CSR policy and spent a total amount of Rs 10.74 Crore is mentioned in Appendix -15 of the report.	<p>The Plantation Corporation of Kerala Limited has constituted a CSR Committee for the first time in its 405<sup>th</sup> Board Meeting dated 06.11.2014 and the CSR Committee of the Plantation Corporation of Kerala Limited assures that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the company.</p> <p>Details regarding funds earmarked for CSR activities and amount spent for CSR Activities is mentioned in the Annual Report of Plantation Corporation Kerala Limited for the Financial Year(s) 2014-15 and 2015-16 and 15 as follows:-</p> <table border="1"> <thead> <tr> <th>Year</th><th>Prescribed CSR Expenditure</th><th>CSR amount spent for financial year</th><th>CSR amount spent during the financial year</th></tr> </thead> <tbody> <tr> <td>2014-15</td><td>38,29,780</td><td>8,75,589</td><td>29,54,191</td></tr> <tr> <td>2015-16</td><td>17,99,197</td><td>15,21,122</td><td>2,78,075</td></tr> </tbody> </table>	Year	Prescribed CSR Expenditure	CSR amount spent for financial year	CSR amount spent during the financial year	2014-15	38,29,780	8,75,589	29,54,191	2015-16	17,99,197	15,21,122	2,78,075
Year	Prescribed CSR Expenditure	CSR amount spent for financial year	CSR amount spent during the financial year												
2014-15	38,29,780	8,75,589	29,54,191												
2015-16	17,99,197	15,21,122	2,78,075												



DIRECTOR  
 ADDITIONAL SECRETARY  
 GEN. SECY.  
 PLANTATION CORPORATION OF KERALA  
 CHENNAI

**Appendix 13**  
**Statement showing non-constitution of CSR Committee and non-formulation of CSR Policy**  
**(Referred to in Paragraph 3.3.2)**

Sl. No.	Name of Company	Basis for applicability of CSR law.	Type of non compliance	Reply of company	Further remarks
1	Kerala Foods Limited	Net profit	Non-constitution of CSR committee and non-formulation of CSR policy	The Company accepted the audit observation and constituted committee and formulated CSR policy.	
2	Kerala State Industrial Enterprises Limited	Net profit	Non-constitution of CSR committee and non-formulation of CSR policy	The Company accepted (June 2016) the audit observation and stated that steps would be taken to comply with the requirement of CSR under Section 135 of the Act.	The Company stated (February 2017) that they could not constitute CSR Committee, as full BoD is yet to be constituted by Govt. They further clarified that agenda for constitution of CSR Committee would be placed in the next BoD meeting.
3	Kerala Urban and Rural Development Finance Corporation Limited	Net profit	Non-constitution of CSR committee and non-formulation of CSR policy	The Company accepted (June 2016) the audit observation.	The Company stated (February 2017) that BoD decided (06/09/2016) to constitute a CSR Committee as part of the Act. They further clarified that after framing the policy and approval by BoD, the amount earmarked would be spent by the Company.
4	Kerala State Civil Supplies Corporation Limited	Turnover	Non-formulation of CSR policy	The Company stated (July 2016) that they were in the process of taking approval for draft CSR policy from the CSR Committee and further from BoD.	The Company stated (February 2017) that the BoD had approved (January 2017) CSR policy.
5	Kerala State Power and Infrastructure Finance Corporation Limited	Net profit	Non-constitution of CSR committee and non-formulation of CSR policy	At the instance of Audit (24/05/2016), the Company constituted (30/05/2016) CSR committee and CSR policy.	

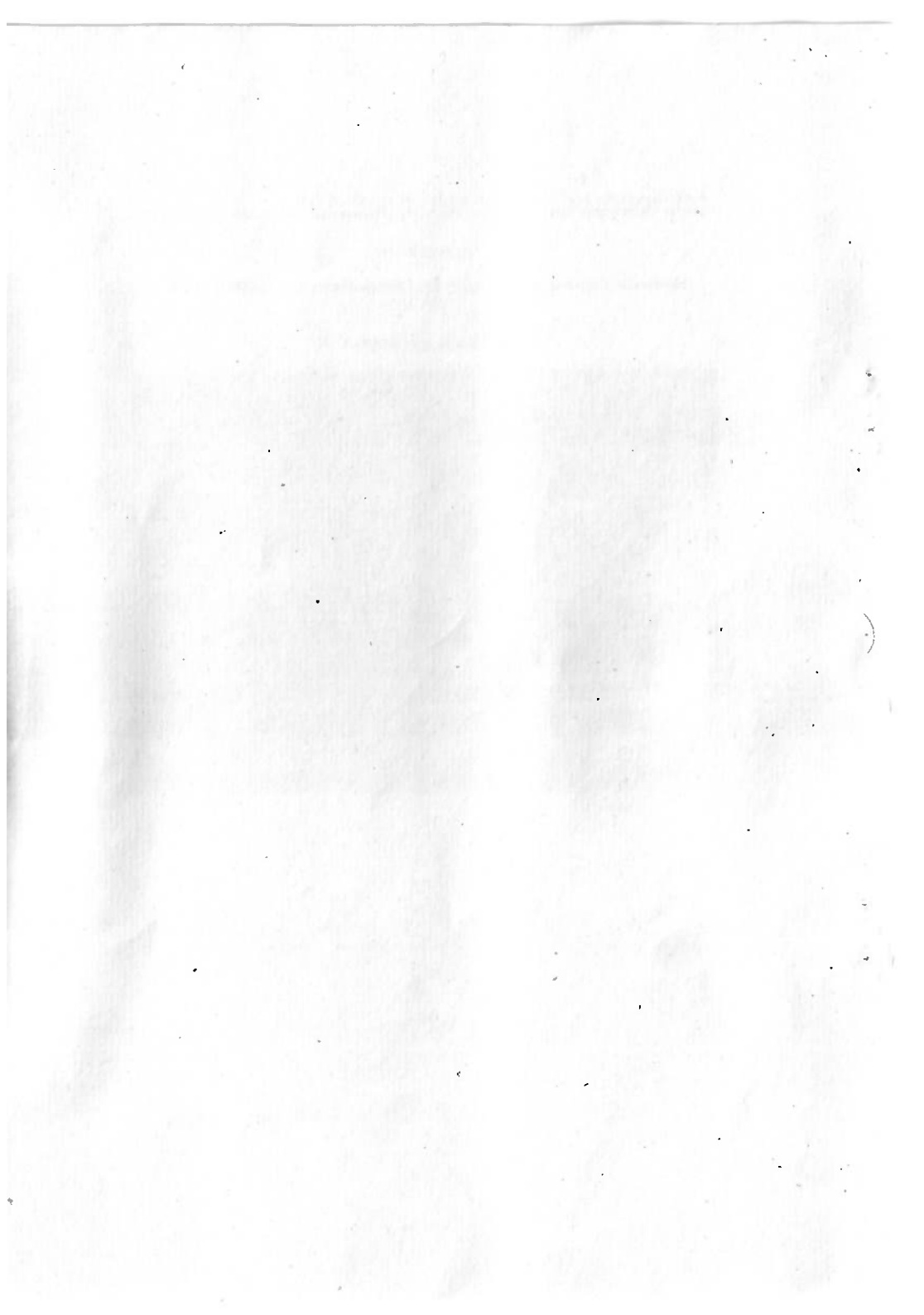
Sl. No.	Name of Company	Basic for applicability of CSR law	Type of non compliance	Reply of company	Further remarks
6	State Farming Corporation of Kerala Limited	Net profit	Non-formulation of CSR policy	The Company stated (June 2016) that since the BoD decided not to spend on CSR activities for the year 2014-15, the CSR policy of the Corporation was not framed.	The reply is not tenable since this is in violation of Section 135(1) of the Act as the Company comes under the purview of CSR Laws.
7	Oil palm India Limited	Net profit	Non-constitution of CSR committee and non-formulation of CSR policy	The Company stated (May 2016) that profit before tax for the year 2014-15 was only ₹1.56 crore and therefore, it would not come under the purview of Section 135 of the Act.	The reply is not tenable as the profit before tax of the Company for the period 2011-12 and 2012-13 was ₹14.55 crore and ₹1.08 crore respectively. Since the profit before tax in at least one out of the three preceding financial years was above ₹5 crore, the Company came under the purview of CSR Laws.
8	Kerala Development Corporation Limited	Net profit	Non-constitution of CSR committee and non-formulation of CSR policy	The Company replied (July 2016) that they were not aware of the circular dated 18/05/2014 and hence <del>was</del> of view that any financial year means prospective financial year applicable with regard to the enactment of provisions of the Act. They further clarified that audit observation would be brought to the notice of the BoD.	The Company replied (February 2017) that since BoD was not constituted, the Company could not bring the audit observation to the notice of the BoD yet (February 2017).
9	Kerala Construction Corporation Limited	Net profit	Non-constitution of CSR committee and non-formulation of CSR policy	The Company accepted (August 2016) the audit observation and replied that steps will be taken to constitute CSR committee.	The Company stated (February 2017) that the position remained the same as replied in August 2016.
10	Kerala Machinery Corporation Limited	Net profit	Non-constitution of CSR committee and non-formulation of CSR policy	The Company accepted (August 2016) audit observation and stated that action was being taken to form the CSR Committee/formulate CSR policy immediately on reconstitution of the BoD.	The Company replied (February 2017) that decision regarding constitution of BoD was pending with CoK and hence, CSR Committee could not be constituted.

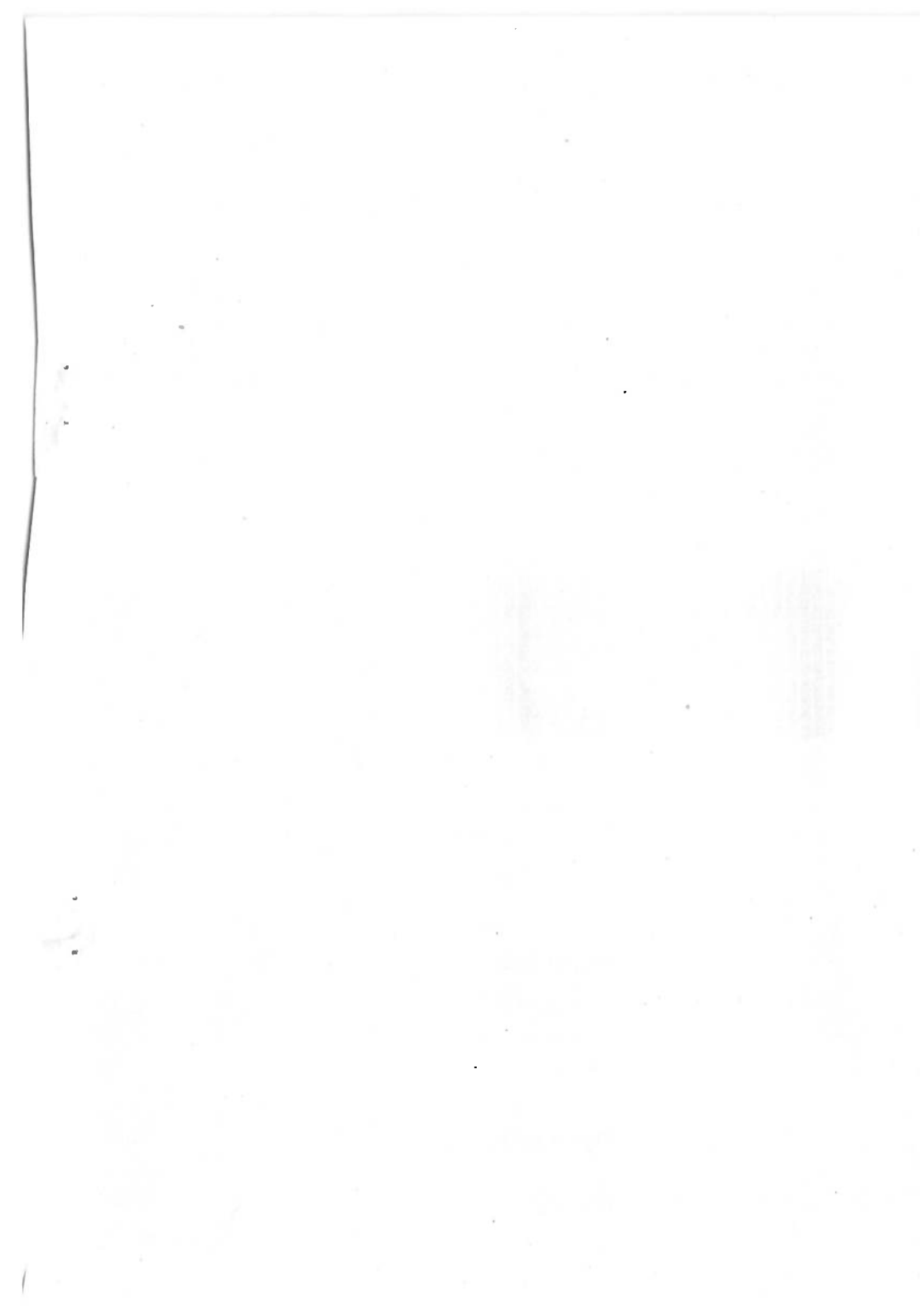
**Audit Report No.4 (PStUs) for the year ended 31 March 2016**

Sl. No.	Name of Company	Business of Company	Type of audit	Reply of company	Further remarks
11	Kerala State Electricity Board Limited	State Turnover	Non-formulation of CSR policy	The Company formulated (September 2016) CSR policy.	
12	Kerala State Helicopters (PILS) Corporation Limited	Turnover/Net profit	Non-formulation of CSR policy	The Company replied (May 2016) that all the funds earmarked for CSR activities were utilised after obtaining Government sanction.	The reply is not tenable as CSR Laws require the Company to formulate CSR policy. CSR policy was, however, approved by the BoD in July 2016 after being pointed out by Audit.
13	Transconairs and Electricals Limited	Net profit	Non-constitution of CSR committee and non-formulation of CSR policy	The Company accepted (July 2016) the audit observation and stated that the BoD decided to constitute CSR committee and formulate CSR policy.	The Company further replied (February 2017) that CSR Committee was constituted (July 2016). Draft CSR policy was approved (October 2016) by CSR Committee and was pending adoption by the BoD.

**Audit Report No.4 (PSUs) for the year ended 31 March 2016****Appendix 15****Statement showing amount spent for CSR activities during 2014-15 and 2015-16****(Referred to in paragraph 3.3.4)**

Sl. No.	Name of the Company	Amount Spent (in Lakhs)
1	Kerala State Electronics Development Corporation Limited	0.11
2	Kerala Transport Development Finance Corporation Limited	1.00
3	The Kerala Minerals and Metals Limited	1.09
4	The Kerala State Industrial Enterprises Limited	3.50
5	Kerala State Backward Classes Industrial Corporation Limited	1.90
6	The Pharmaceutical Corporation (M) Kerala Limited	0.38
7	Malabar Cements Limited	1.33
8	The Plantation Corporation of Kerala Limited	0.24
9	The Kerala State Industrial Development Corporation Limited	0.86
10	Rehabilitation Plantations Limited	0.33
	<b>Total</b>	<b>10.74</b>





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