



THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2014-2016)**

SEVENTY FOURTH REPORT
(Presented on 23rd March, 2015)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2015

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**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2014-2016)**

SEVENTY FOURTH REPORT

On

**The Action Taken by Government on the Recommendations contained in the
Eighty Fourth Report of the Committee on Public Undertakings
(2008-11) relating to Steel Industrials Kerala Limited based on the
Report of the Comptroller and Auditor General of India for
the year ended 31st March, 2007 (Commercial).**

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COMMITTEE ON PUBLIC UNDERTAKINGS (2014-2016)

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Shri M. K. Surendra Lal, Joint Secretary

Smt. M. R. Maheswary, Deputy Secretary

Shri P. S. Selvarajan, Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings (2014-2016) having been authorised by the Committee to present the Report on their behalf, present this Seventy Fourth Report on the action taken by Government on the recommendations contained in the Eighty Fourth Report of the Committee on Public Undertakings (2008-11) on the working of the Steel Industrials Kerala Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2007 (Commercial).

The Statement of action taken by the Government included in this Report was considered by the Committee constituted for the year (2014-16).

This Report was considered and approved by the Committee at the meeting held on 11-2-2015.

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

Thiruvananthapuram,
23rd March, 2015.

K. N. A. KHADER,
Chairman,
Committee on Public Undertakings.

REPORT

This Report deals with the Action Taken by Government on the recommendations contained in the Eighty Fourth Report of the Committee on Public Undertakings (2008-11) relating to Steel Industrials Kerala Limited, based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2007.

The Eighty Fourth Report of the Committee on Public Undertakings (2008-11) was presented to the House on 16th March, 2010. The Report contained two recommendations. Government furnished reply to all the recommendations. The Committee (2014-16) considered the reply received from the Government at its meeting held on 12-11-2014.

The Committee accepted the reply to the recommendations without any remark. These recommendations and its reply received from Government are included in this Report.

REPLY FURNISHED BY GOVERNMENT 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)
1	5 Industries	<p>The Committee finds that the failure of the Company to execute formal agreement with the subcontractor and furnishing performance Bank Guarantee by it to BESCO without obtaining counter BG from the subcontractor for the execution of the work of erection and commissioning of equipments in the Harijan Basthies Electrification Scheme, led to a loss of ₹ 29.75 lakh. The Committee is shocked to find that the Company had entered into a Memorandum of Understanding for a work at 97.5% of ₹ 2.99 crore without identifying the worksite.</p>	<p>The SILK has received back ₹ 29,74,770 from BESCO which had been given by the Company as Bank guarantee. The Company has not sustained any loss in terms of Bank charges or other expenses related to the project. Since the amount has been received back and the Company has not suffered any loss in terms of Bank charges or other expenses related to the project, further action may be dropped.</p>

(1) (2) (3)
2 6 Industries

(4)

(5)

The Committee viewed seriously the irresponsible attitude of the officials of the Company towards the work awarded after it had been subcontracted. The Committee recommends that the officials who were responsible for the lapse which led to the loss of ₹ 29.75 lakh should be booked and penalised. The Committee wanted to have report of the Government regarding the matter within 3 months. The Committee also recommends to fix responsibility for the lapse and inform the action taken to this effect. Since it was informed that the person responsible for the loss had retired from service, the Committee recommends to send notice to the officials responsible for the loss even

(1) (2) (3)

(4)

(5)

though they have retired from service taking into account their irresponsible action and desires to be informed of the reply to the notice.

Thiruvananthapuram,
23rd March, 2015.

K. N. A. KHADER,
Chairman,
Committee on Public Undertakings.



**Kerala Legislature Secretariat
2015**

KERALA NIYAMASABHA PRINTING PRESS.