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FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

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

HUNDRED AND ELEVENTH 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 ELEVENTH REPORT

On

**The Action Taken by Government on the recommendations
contained in the Thirteenth Report of the Committee on
Public Undertakings (2016-2019) relating to The State
Farming Corporation of Kerala Limited, based
on the Report of the Comptroller and Auditor
General of India for the year ended
31st March 2012 (Commercial)**

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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 S. Rajendran

Shri Thiruvanchoor Radhakrishnan

Shri P. T. A. Rahim

Shri Raju Abraham

Shri Sunny Joseph

Shri M. Ummer

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 Eleventh Report on the Action Taken by Government on the Recommendations contained in the Thirteenth Report of the Committee on Public Undertakings (2016-2019) relating to The State Farming Corporation of Kerala Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2012 (Commercial).

The Statement of Action Taken by the Government included in this Report was considered by the Committee constituted for the year (2016-2019) in its meeting held on 7-11-2018.

This report was considered and approved by the Committee at its meeting held on 23-12-2020.

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 Statement included in this Report.

Thiruvananthapuram,
23rd December, 2020.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

REPORT

This report deals with the action taken by Government on the recommendations contained in the Thirteenth report of the Committee on Public Undertakings (2016-2019) relating to The State Farming Corporation of Kerala Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2012 (Commercial).

The Thirteenth Report of the Committee on Public Undertakings(2016-2019) was presented to the House on 9th March 2017. The Report contained one recommendation in Para number 4 of which the Government have furnished the Action Taken Statement. The Committee(2016-2019) considered the Action Taken Statement furnished by the Government at its meeting held on 7-11-2018. The Committee accepted the reply to the recommendation with remark.

Recommendation of the Committee, the reply furnished by the Government upon the recommendation and the Remark of the Committee made on it form this report.

REPLY FURNISHED BY THE GOVERNMENT ON THE RECOMMENDATION OF THE COMMITTEE
WHICH HAS BEEN ACCEPTED BY THE COMMITTEE WITH REMARKS

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations	Action Taken by the Government
(1)	(2)	(3)	(4)	(5)
1	4	Agriculture	The Committee is distressed to note the failure of the Corporation to adhere to the provisions of Agricultural Income Tax Act resulting in the payment of a penal interest of ₹ 2.64 crore. The Committee recommends that the Government should take decisions for the final disposal of the AIT appeal filed by the Corporation requesting waiver of the penal interest and urges the Government to pursue the matter urgently and make its benefit available to the Corporation.	Regarding the waiver of penal interest and exemption from payment of interest due to delayed payment of Agricultural Income Tax, Government have issued direction to the Managing Director, State Farming Corporation of Kerala Ltd. to approach the Commercial Taxes Department and register an application in the Amnesty Scheme introduced in the Finance Act 2017. Accordingly the State Farming Corporation have taken up the matter with Inspecting Assistant Commissioner, Commercial Taxes, Kottarakkara for getting waiver of interest paid 'under protest'.

Remarks:—*The Committee expresses its severe displeasure over the matter that the Corporation had, through this action of remitting under the label 'Under Protest' let go the opportunity to include the penal interest amounting to ₹ 2.64 crore, which is liable to the Corporation, in the 'Amnesty Scheme'.*

The Committee also finds that, after 1998, the fund had been transferred to the Employees of Trivandrum Rubber Works to provide salaries and other benefits up to 2007-08 in the absence of a proper Government Order. The Committee declares along with that the matter has to be viewed very seriously and directs to furnish the details regarding this, with all documents.

Thiruvananthapuram,
23rd December 2018.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.