



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

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

NINETY FOURTH REPORT
(Presented on 18th June, 2019)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2019**

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ON
PUBLIC UNDERTAKINGS
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On

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

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COMMITTEE ON PUBLIC UNDERTAKINGS (2019-2021)

COMPOSITION

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Shri C. Divakaran.

Members:

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Shri C. Krishnan

Shri Thiruvanchoor Radhakrishnan

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Shri Raju Abraham

Shri Sunny Joseph

Shri C. F. Thomas

Shri M. Ummer

Shri P. Unni.

Legislature Secretariat :

Shri V. K. Babu Prakash, Secretary

Shri P. B. Suresh Kumar, Joint Secretary

Shri G. Harish, Deputy Secretary

Smt. Reji D. O., Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings (2019-2021) having been authorized by the Committee to present the Report on their behalf, present this Ninety Fourth Report on the Action Taken by the Government on the recommendations contained in the Eighteenth Report of the Committee on Public Undertakings (2016-2019) relating to Kerala State Warehousing Corporation based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2012.

The statements of Action Taken by the Government included in this Report was considered by the Committee constituted for the year 2016-19 at its meeting held on 7-11-2018.

This Report was considered and approved by the Committee at its meeting held on 15-5-2019.

The Committee place on record their appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala and express gratitude to officials of Agriculture Department and Kerala State Warehousing Corporation who were present during the examination of the Action Taken Statements included in this Report.

Thiruvananthapuram,

15th May 2019.

C. DIVAKARAN,

Chairman,

Committee on Public Undertakings.

REPORT

This Report deals with the Action Taken by the Government on the recommendations contained in the Eighteenth Report of the Committee on Public Undertakings (2016-2019) relating to Kerala State Warehousing Corporation based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2012.

The Eighteenth Report of the Committee on Public Undertakings (2016-2019) was presented to the House on 9th March 2017.

The Report contained two recommendations. Government furnished Action Taken Statements to all of them. The Committee at its meeting held on 7-11-2018 considered these Action Taken Statements.

The Committee accepted the reply to the recommendation in para No. 7 without remarks. This recommendation and its reply furnished by the Government from Chapter I of the Report.

The Committee accepted the reply to the recommendation in para No. 6 with remark. This recommendation, its reply furnished by the Government and the remark of the Committee form Chapter II of the Report.

CHAPTER I

REPLY 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	Recommendation/Conclusion	Action Taken by the Government
1	2	3	4	5
1	7	Agriculture	The Committee expressed its concern over the escalating loss even when the Corporation is having its own land and buildings. The Committee, while appreciating the Corporation for having taken some diversifying activities, demands further that the Corporation should show some prudence in making innovative marketing strategies. Unoccupied warehouses may be rented out to other	Since 2002-2003 the Kerala State Warehousing Corporation was running on loss and the accumulated loss for these period is about 25 Crore. Presently the Corporation is moving on working profit. As part of diversification activities; the Corporation is conducting pest control works in State, Central and Public Sector Undertakings to augment income level. The Corporation has also formulated a rodenticide under the brand name of RODOFOE for the rodent control campaigns conducted by the Agricultural Department, LSGD etc. The proposal for marketing this product

		<p>establishments including private business houses so that rental income can be earned on par with the prevailing market rates. The Committee further recommends that the Corporation should explore the possibility of rating of warehouses based on various parameters such as infrastructure facilities, storage capacity and proximity etc. that in turn will bring better prospects to the Corporation. The Committee also finds an opportunity for the Corporation having trained manpower, equipment etc. to shore up its revenue by extending their service to small institutions like agricultural co-operatives who are in need of such hand holding support.</p>	<p>through Marketfed is also under progress. The Corporation has started deposit of food grain under NFSA on behalf of Civil Supplies Corporation in their own godowns as well as rendered godowns. This will definitely increase the income level of the Corporation by Rs. 5 crore than the present.</p> <p>Construction works of additional godowns are in progress at various places under NABARD RIDF XVII Scheme. This will automatically increase storage capacity as well as revenue of the Corporation. Presently, Government agencies such as KSBC, KSCSC, KMSCL, KSCCF etc. are utilizing the godowns of Kerala State Warehousing Corporation at subsidized rates. The proposal for getting enhanced rates from these PSUs has already been taken up. They have agreed with the rate revision proposal. The revised rate will be at par with the storage rates prevailing at Central Warehousing Corporation. This will also fetch an additional income of Rs. 4 crore in the year 2017-18.</p>
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1	2	3	4	5
				<p>The Warehouses in the Corporation are classified into high rated and normal rated warehouses. There are 7 Warehouses under the head of high rated and the storage charges of these warehouses are higher as compared to the normal warehouses. Recently the Corporation enhanced storage charges @ 6% on the existing rate. That alone will bring an additional income of Rs. 2 crore per year.</p> <p>The Corporation has also initiated the procedures for the installation of mobile towers in vacant land available in the warehouses in which no further scope of constructing godowns or any other activities subject to the approval of Government as well as with the consent of Central Warehousing Corporation. The Central Warehousing Corporation has also recommended the proposal. The Officers and Staff of the Corporation are also being sent to Central Warehousing Corporation/IGMRI to make them proficient in the subject of scientific storage, inspection, quality control etc. of food grains.</p>

CHAPTER II

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

Sl. No	Para. No.	Department Concerned	Recommendation/Conclusion	Action Taken by the Government
1	2	3	4	5
1	6	Agriculture	The Committee observes that the frequent change of Managing Directors was one of the reasons that adversely affected the smooth functioning of the Corporation. Moreover the Corporation is burdened with an excess staff strength comprising of a three tier administrative set-up that results in a higher Operating Cost. The size of the warehouses, compared to the CWHs is rather small and the number of staff deployed there in is unreasonably large. The Committee therefore suggests that	The Managing Directors in Kerala State Warehousing Corporation are appointed by the Government from time to time. Kerala State Warehousing Corporation is functioning as per the staff pattern approved by the Government of Kerala and there is no excess staff as per the staff pattern. During the tenure of previous Management appointments were made in the category of Assistants, Marketing Assistants and Class IV Grade II. The Corporation has now terminated 95 number of employees in the categories listed above. The Corporation has

1	2	3	4	5
			a reassessment of staff requirements and a judicious deployment of existing staff would go a long way towards reducing the losses of the Corporation.	not engaged additional manpower/Staff in excess. The reassessment of the staff strength has been made to reduce the operational cost.

Remarks : The Committee wants to be submitted with a detailed report regarding the reason behind the termination of 95 employees and under which order these employees were terminated; and also whether this order has got the Government approval. The Committee also wants a detailed report regarding the procedures followed in connection with the termination, and benefits given to the terminated employees.

Thiruvananthapuram,

15th May, 2019.

C. DIVAKARAN,

Chairman,

Committee on Public Undertakings.

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