



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2016-2019)**

FORTY THIRD REPORT
(Presented on ^{23rd}~~22nd~~ May, 2017)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2017

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2016-2019)**

FORTY THIRD REPORT

On

**The action taken by Government on the Recommendations
contained in the Sixty Eighth Report of the Committee
on Public Undertakings (2008-2011) relating to Kerala
Minerals and Metals Limited, based on the Report
of the Comptroller and Auditor General of India
for the year ended 31 March, 2006
(Commercial)**

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COMMITTEE ON PUBLIC UNDERTAKINGS (2016-2019)

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

Smt. P. K. Girija, Additional Secretary

Shri P. B. Suresh Kumar, Deputy Secretary

Smt. Deepa.V., Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to present the Report on their behalf, present this Forty Third Report on the Action taken by Government on the Recommendation contained in the 68th Report, of the committee on Public Undertakings (2008-2011) relating to the Kerala Minerals and Metals Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2006 (Commercial) under Industries Department.

This Report was considered and approved by the Committee at its meeting held on 2-5-2017.

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,
2nd May, 2017.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

REPORT

This Report deals with the action taken by Government on the recommendation contained in the Sixty Eighth report of the Committee on Public Undertakings (2008-2011) relating to Kerala Minerals and Metals Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2006 (Commercial).

The Sixty eighth Report of the Committee on Public Undertakings (2008-2011) was presented to the House on 25th February, 2009. The report contained one recommendation in Para No. 4 relating to Kerala Minerals and Metals Limited and the Government furnished Action Taken Statement on 8-4-2016. The Committee (2016-2019) considered the Action Taken Statements at its meeting held on 30-11-2016 and accepted it without remarks. The recommendation of the Committee and the Action Taken Statement furnished by the Government are included in this Report.

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

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department Concerned</i>	<i>Conclusions/Recommendations</i>	<i>Action Taken by Government</i>
1	2	3	4	5
1	4	Industries	The Committee finds that the Company had purchased sealing rings from Geekay Pneumatics Ltd. (GP) at exorbitant rates in December 2003 and September 2004 even though the cheaper ones offered by Oriental Enterprises was being used since 1999. The price of each sealing ring offered by Geekay Pneumatics Private Limited was 22 times higher than that offered by Oriental Enterprises and resulted in extra expenditure of Rs. 27.74 lakh. The Committee finds no justification for this blind purchase. Moreover no valid reason was recorded by the purchase committee as to why the product of Oriental Enterprises was declared not suitable. The Committee therefore recommends that an enquiry should be made into the deal by the State Vigilance Department and that the issue	As per the recommendations made by the Committee, Government have ordered a Vigilance Enquiry in the matter as per letter No. 6/95/B1/09/Vig. Dated 17-7-2009. A vigilance enquiry was conducted into the allegation of corruption in the purchase of sealing rings in KMML and based on the findings a vigilance case has been registered and investigated by the Bureau. After completion of investigation of the case it was decided to prosecute the accused since the investigation disclosed commission of criminal offenses. Since A3, Sri T. C. George who is now working as Assistant General Manager in the Company, prosecution sanction is

			<p>should be closed only after intimating the Committee of the findings of the enquiry.</p>	<p>necessary for filing chargesheet. The MD, KMML is the authority competent to issue prosecution sanction order in respect of Sri T. C. George. But the Managing Director, KMML has issued a proceedings order No. 01-08/2015 dated 31-8-2015, in which he has declined to accord sanction required for the prosecution of Sri T. C. George on the ground that (i) the accused officers have acted in good faith for the better performance of the company. (ii) The proposal was approved by Senior Officers including Managing Director (iii) There is no negative observations by internal audit wing (iv) Purchase procedure was in order (v) The purchase is a collective decision Government have decided to accept the above decision of MD, KMML.</p>
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Thiruvananthapuram,
2nd May, 2017

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

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2017

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