



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

**PUBLIC UNDERTAKINGS
(2016-2019)**

SIXTH REPORT

(Presented on 27.10.2016)

SECRETARIAT OF THE KERALA LEGISLATURE

THIRUVANANTHAPURAM

2016

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**PUBLIC UNDERTAKINGS
(2016-2019)**

SIXTH REPORT

On

The action taken by Government on the recommendations contained in the Sixty Fifth Report of the Committee on Public Undertakings (2014-16) relating to Kerala Police Housing and Construction Corporation Ltd., based on the Report of the Comptroller and Auditor General of India for the years ended 31.03.2006, 31.03.2007 and 31.03.2009 (Commercial)

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COMMITTEE ON PUBLIC UNDERTAKINGS(2016-2019)

COMPOSITION

Chairman:

Shri. C. Divakaran

Members:

1. Shri. T. A. Ahammed Kabeer
2. Shri. K.B.Ganesh Kumar
3. Shri. C.Krishnan
4. Shri. M.M. Mani
5. Shri. Thiruvanchoor Radhakrishnan
6. Shri. P.T.A. Rahim
7. Shri. Raju Abraham
8. Shri. Sunny Joseph
9. Shri. C. F. Thomas
10. Shri. P. Unni

Legislature Secretariat :

Shri.V.K.Babu Prakash, Secretary.

Smt. P.K. Girija, Additional Secretary.

Smt. Manju Varghese, Deputy Secretary.

Smt. Deepa.V., Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings(2016-2019) having been authorised by the Committee to present the Report on their behalf, present this Sixth Report on the action taken by Government on the recommendations contained in the sixty fifth Report of the Committee on Public Undertakings(2014-16) relating to the working of the Kerala Police Housing and Construction Corporation Limited under Home Department.

The Statement of action taken by the Government included in this Report was considered by the Committee constituted for the year 2014-2016 in its meeting held on 24.11.2015.

This Report was considered and approved by the Committee(2016-19) at its meeting held on 17.10.2016.

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,
27.10.2016.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

REPORT

This Report deals with the action taken by Government on the recommendations contained in the sixty fifth report of the Committee on Public Undertakings(2014-16) relating to Kerala Police Housing and Construction Corporation Limited based on the Report of the Comptroller and Auditor General of India for the years ended 31.03.2006, 31.03.2007 and 31.03.2009(Commercial) which was presented to the House on 11th December, 2014.

The Sixty Fifth Report consists of three recommendations in para Nos. 4,8 and 15 and the government furnished Statements of Action Taken to all of them in 15.07.2015. The Committee considered the statements received from Government at its meeting held on 24.11.2015 and accepted them without remarks. These recommendations and their replies are included in this Report.

REPLIES FURNISHED BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE COMMITTEE WITHOUT REMARKS

| Sl. No. | Para No. | Department Concerned | Conclusions/Recommendations | Action Taken by Government |
|---------|----------|----------------------|--|---|
| 1 | 2 | 3 | 4 | 5 |
| 1 | 4 | Home | <p>The Committee finds that contrary to the audit objection, prompt actions were taken by KPHCC to avail the benefit of reduced interest rate offered by HUDCO. The Committee is of the view that had LIC, the primary lender, issued the No Objection Certificate in time, the Corporation would have availed the lower interest benefit offered by HUDCO. Moreover the implementation of Ceiling Act and subsequent increase in interest rate by HUDCO hindered the Corporation to avail the said benefit. The Committee remarks that the Corporation should be vigilant to foresee similar situations in its activities and should formulate steps to overcome such situations in future.</p> | <p>Kerala Police Housing and Construction Corporation Ltd. had already repaid the Principal and interest to HUDCO and LIC Housing Finance Ltd by 2009-10 and paid Guarantee Commission to Government upto 2009-10. The Corporation will be more vigilant in future to avoid similar situations.</p> |
| 2 | 8 | " | <p>The Committee observes that the delay in handing over the site, non-inclusion of earth filling in the tender conditions, scarcity of resources and absence of co-ordination of various activities of the project etc. have led to the non-completion of the work of construction of nine District Police Lines within the stipulated time. The Committee observes that the Corporation was well aware of the fact that the proposed site for construction was a waterlogged area which necessitated earth filling but the Corporation willfully ignored this vital pre-requisite before handing over the site for construction which has resulted in undue delay in the completion of work and an avoidable financial burden. The</p> | <p>The work had already been completed. The Corporation is very conscious and vigilant in all projects and very particular in preparation of detailed plan and schemes of work well in advance before the commencement of work.</p> |

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|---|----|------|---|--|
| | | | <p>Committee recommends that before the commencement of a project a detailed plan and schedule of works should be prepared and adhered to, so that such incidents will not recur in future. The Committee also remarks that the Corporation should be more conscious and vigilant while implementing Centrally sponsored schemes in future so as to avoid under utilisation of funds.</p> | |
| 3 | 15 | Home | <p>The Committee finds that the Corporation could not be held responsible for not depositing the surplus funds in banks as the Government policy is not allowing deposits of surplus funds in banks. As the Government Order No. 442/08/Fin. Dated 08/08/2012 directs that the deposits of Public Sector Undertakings should be with treasury savings bank only, the Committee urges the Government to reconsider this aspect seriously and take a constructive decision in this regard for favouring the deposits in banks. The Committee also remarks that the Corporation should take steps in the effective utilization of the funds allotted to it annually.</p> | <p>At present Kerala Police Housing and Construction Corporation Ltd. is not allowed to deposit money as Fixed Deposits in banks as per Government norms. KPHCC shall take necessary care to utilize the funds allotted effectively.</p> |

Thiruvananthapuram,
27.10.2016.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.