



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

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

SIXTY THIRD REPORT

(Presented on 24 th January, 2018)

SECRETARIAT OF THE KERALA LEGISLATURE

THIRUVANANTHAPURAM

2018

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

SIXTY THIRD REPORT

On

**The action taken by Government on the Recommendations
contained in the Ninety Sixth Report of the Committee on
Public Undertakings (2014-2016) relating to
Kerala Industrial Infrastructure
Development Corporation based
on the Report of the Comptroller
and Auditor General of
India for the year ended
31 March 2011
(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

Shri Mathewkutty G., Joint Secretary

Shri P. B. Suresh Kumar, 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 sixty third Report on the action taken by Government on the recommendations contained in the Ninety Sixth Report of the Committee on Public Undertakings (2014-2016) on the working of Kerala Industrial Infrastructure Development Corporation based on the Report of the Comptroller and Auditor General of India for the Year ended 31 March 2011 (Commercial).

The Statements of action taken by the Government included in this Report were considered by the Committee constituted for the year 2016-2019 at its meeting held on 31-5-2017.

This report was considered and approved by the Committee at its meeting held on 17-1-2018.

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,
17 th January, 2018.

C. DIVAKARAN,
Chairman,
Committee on Public undertakings.

REPORT

This Report deals with the action taken by Government on the recommendations contained in the Ninety Sixth Report of the Committee on Public Undertakings (2014-2016) relating to Kerala Industrial Infrastructure Development Corporation based on the Report of the Comptroller and Auditor General of India for the year ended 31 March 2011 (Commercial).

The Ninety Sixth Report of the Committee on Public Undertakings (2014-2016) was presented to the house on 27 th July 2015.

The Report contained Two recommendations in Paragraph numbers 5 and 6 and the Government furnished Action Taken Statements to both of them on 3-4-2017. The Committee at its meeting held on 31-5-2017 accepted these Action Taken Statements without any remarks. These recommendations and their replies furnished by the government are included in this Report.

**REPLIES 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	Conclusions/Recommendations	Action Taken by Government
1	2	3	4	5
1	5	Industries Department	The Committee is dissatisfied to note that the process followed by Corporation to call-out tender is not as per the procedure prescribed in the Stores Purchase Manual. Hence, the Committee recommends that in future, the Corporation should follow the tendering process only according to the procedures mentioned in the Stores Purchase Manual.	In compliance with audit observation, KINFRA has since been following the provisions in the Store Purchase Manual since 1-4-2012. Necessary changes and updates are also incorporated in the tender notices and the collections of tender fees in accordance with orders issued by the Government from time to time.
2	6	Industries Department	The Committee commented the decision of the Corporation to invest the amount in Commercial Banks instead of investing in the Government Treasury as indefensible and criticises the officials of the Corporation	In strict compliance with the Government instructions, from 2014-2015 onwards funds released to KINFRA are deposited in the non-interest

			<p>who wilfully violated the Government Order. The Committee is not convinced with the arguments of the witness with respect to investment of funds in Commercial Banks. The Committee believes that if the Corporation had invested the funds in Government Treasury, additional revenue to the tune of ₹ 2.72 crore could have been earned by the Corporation. Hence, the Committee instructs that such investments are against the interest of Government, going forward such unrealistic decision should not be repeated.</p>	<p>bearing treasury account only. Necessary directions were also given to MD KINFRA to avoid any violations in future and in case of any violation, disciplinary proceedings shall be initiated against the responsible personnel.</p> <p>In view of the above further action in these objections may kindly be dropped.</p>
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Thiruvananthapuram,
17 th January, 2018.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

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