



THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2011-2014)**

TWENTY FOURTH REPORT

(Presented on 28th January, 2014)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2014

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ON
PUBLIC UNDERTAKINGS
(2011-2014)**

TWENTY FOURTH REPORT

On

**The Action Taken by Government on the Recommendations contained
in the Seventy Third Report of the Committee on Public Undertakings
(2004-06) relating to Kerala Small Industries Development Corporation
Ltd. based on the Report of the Comptroller and Auditor
General of India for the year ended
31st March, 1998 (Commercial)**

348/2014.

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COMMITTEE ON PUBLIC UNDERTAKINGS (2011-2014)

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Legislature Secretariat:

Shri P. D. Sarangadharan, Secretary

„ M. K. Surendralal, Deputy Secretary

Smt. Lima Francis, 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 Twenty Fourth Report on the Action Taken by Government on the recommendations contained in the Seventy Third Report of the Committee on Public Undertakings (2004-06) on the working of the Kerala Small Industries Development Corporation Limited based on the Reports of the Comptroller and Auditor General of India for the year ended 31st March, 1998 (Commercial).

The Statement of Action Taken by the Government included in this Report were considered by the Committee constituted for the year (2011-14).

This Report was considered and approved by the Committee at the meeting held on 5th June, 2013.

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit), Kerala in the examination of the statements included in this Report.

Thiruvananthapuram,
28th January, 2014.

K. N. A. KHADER,
Chairman,
Committee on Public Undertakings.

REPORT

This Report deals with the Action Taken by the Government on the recommendations contained in the Seventy Third Report of the Committee on Public Undertakings (2004-06) relating to Kerala Small Industries Development Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 1998 (Commercial) which was presented to the House on 24th March, 1999.

The Report contained only one recommendation; Government have furnished reply to that recommendation. The Committee on Public Undertakings (2011-14) considered the reply received from Government at its meeting held on 5th December, 2012.

The Committee accepted the reply to the recommendation 1(2) with remark. This recommendation, its reply and the remark form Chapter I of the Report.

CHAPTER I

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

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusion/ Recommendation</i>	<i>Action Taken by Government</i>
(1)	(2)	(3)	(4)	(5)
1	2	Industries	The Committee concludes that the Board had specifically violated the rules while taking up the project of the construction of a commercial complex at Kochi on an estimated cost of ₹ 20.37 crore, without obtaining proper sanction from Government. The Committee cannot understand the rationale behind this hasty action as the aim of Kerala Small Industries Development Corporation Ltd., is solely to encourage the setting up of Small Industries in the State, and not building commercial complexes. Moreover, the accumulated loss of the company up to 1993-94 was ₹ 9.09 crore and the Company would have to depend on borrowed funds to meet the expenses of the project. There was really no need to take up such a huge project and that too before obtaining Government sanction. The Committee expresses displeasure over	The matter was examined by Government in detail and direction was given to the Managing Director, SIDCO to take Revenue Recovery steps through the Revenue Authorities for recovery of the loss sustained to SIDCO amounting ₹ 7.49 lakh from the then Managing Director, Shri R. Harikumar and M. Damodaran as per Government Letter No. 24681/F2/2004/Ind. dated 3-12-2011.

(1)	(2)	(3)	(4)	(5)
			the irresponsible and hasty decision of the Board Members and recommends that the loss incurred by the company on this account be made good from the persons concerned.	
		Remarks of the Committee :	The Committee wants to know the present position of the Revenue Recovery steps to recover the amount from the delinquent officers.	

Thiruvananthapuram ,
28th January, 2014.

K. N. A. KHADER,
Chairman,
Committee on Public Undertakings.