



THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

TWENTY FIFTH REPORT

(Presented on 28th January, 2014)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2014

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PUBLIC UNDERTAKINGS
(2011-2014)**

TWENTY FIFTH REPORT

On

**The Action Taken by Government on the Recommendations contained
in the Hundred and Tenth Report of the Committee on
Public Undertakings (2004-06) relating to
Kerala State Detergents and Chemicals Ltd.
based on the Report of the Comptroller and
Auditor General of India for the
years ended 31st March, 2000 &
31st March, 2001 (Commercial)**

349/2014.

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COMMITTEE ON PUBLIC UNDERTAKINGS (2011-2014)

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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 Fifth Report on the Action Taken by Government on the recommendations contained in the Hundred and Tenth Report of the Committee on Public Undertakings (2004-06) on the working of the Kerala State Detergents and Chemicals Ltd. based on the Reports of the Comptroller and Auditor General of India for the years ended 31st March, 2000 and 31st March, 2001 (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 5-6-2013.

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 Government on the recommendations contained in the Hundred and Tenth Report of the Committee on Public Undertakings (2004-06) relating to Kerala State Detergents and Chemicals Limited based on the Report of the Comptroller and Auditor General of India for the years ended 31st March, 2000 and 31st March, 2001 (Commercial) which was presented to the House on 2nd July, 2001 and 15th March, 2002.

The Report contained three recommendations. Government have furnished replies to all recommendations. The Committee (2011-14) considered the replies received from Government at its meeting held on 5th December, 2012.

The replies to the recommendations 1(2) and 2(4 & 5) were accepted by the Committee with remarks. These recommendations and its replies and the remarks form Chapter I of the Report.

CHAPTER I

REPLIES FURNISHED BY GOVERNMENT WHICH HAVE 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 wants to know whether sanction has been given by the Government to dispose of the machinery. The present position in this regard may be intimated to the Committee.	<p>Due to various operational issues, the Kerala State Detergents and Chemicals Ltd. declared as a Sick Industrial Company under BIFR in 1993. Even though Government have considered several proposals to revive this unit since then unfortunately no proposal was materialised. Subsequently the BIFR in their orders dated 18-11-2003 have recommended the High Court of Kerala to initiate steps to wind up the Company. During 2004 to 2008 period, the recommendation for winding up was pending in the High Court. The Government have decided in 2008 to close down the unit as it was not viable, and to lease out the entire land and building and plant and machinery to KINFRA for developing an Industrial park.</p> <p>Government had ordered to transfer the entire assets and liabilities of the defunct Kerala State Detergents and Chemicals Ltd. (KSDC) to Kerala Industrial Infrastructure Development Corporation (KINFRA) for developing an Industrial Park</p>

(1)	(2)	(3)	(4)	(5)
				<p>subject to the condition that KINFRA would settle all the liabilities of the Kerala State Detergents and Chemicals Limited.</p> <p>The petition of KINFRA to implead in the case is pending before the Hon'ble Court. KINFRA has submitted a detailed scheme for revival of Kerala State Detergents and Chemicals Limited, based on the outcome of the verdict from Hon'ble Court, final decision will be taken. No previous file is available to furnish a reply in respect of the event from 1977 to 1988.</p>
2	4 & 5	Industries	<p>The Committee finds that the Company had not taken any action to reduce the contract demand till September 1999, even though the actual recorded demand from July 1995 to August 1999 arranged between 36 and 120 KVA only which caused an additional burden of ₹ 17.20 lakh to the Company.</p>	<p>HT connection of the company had been terminated on June 2002. Government have now decided to set-up an Industrial Park utilizing the land available with Kerala State Detergents and Chemicals Ltd.</p>

(1)	(2)	(3)	(4)	(5)
				<p>The Committee expresses its deep displeasure for not taking timely action to reduce contract demand according to requirement and consider that it was a serious lapse on the part of the Company and recommends that proper and timely measures should be taken to avoid such instances in future.</p>

Remarks of the Committee: The Committee desires to know the present position of the progress of taking over of Kerala State Detergents and Chemicals Limited by Kerala Industrial Infrastructure Development Corporation (KINFRA).

Thiruvananthapuram,
28th January, 2014.

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