



**THIRTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC UNDERTAKINGS  
(2014-2016)**

**SIXTY NINTH REPORT**  
(Presented on 23rd March, 2015)

SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2015

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**COMMITTEE  
ON  
PUBLIC UNDERTAKINGS  
(2014-2016)**

**SIXTY NINTH REPORT**

**On**

**The Action Taken by Government on the Recommendations contained in the  
Eighth Report of the Committee on Public Undertakings (2006-08)  
relating to Kerala State Civil Supplies Corporation Limited  
based on the Report of the Comptroller and Auditor  
General of India for the year ended  
31st March, 2003 (Commercial)**

## CONTENTS

	<i>Page</i>
Composition of the Committee	.. v
Introduction	.. vii
Report	.. 1

## COMMITTEE ON PUBLIC UNDERTAKINGS (2014-2016)

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Shri M. K. Surendra Lal, Joint Secretary

Smt. M. R. Maheswary, Deputy Secretary

Shri P. S. Selvarajan, 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 Sixty Ninth Report on the Action Taken by Government on the recommendations contained in the Eighth Report of the Committee on Public Undertakings (2006-08) on the working of the Kerala State Civil Supplies Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2003 (Commercial).

The Statement of Action Taken by the Government included in this Report was considered by the Committee constituted for the year (2014-16).

This Report was considered and approved by the Committee at the meeting held on 11-2-2015.

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,  
23rd March, 2015.

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

## **REPORT**

The Report deals with the Action Taken by Government on the recommendation contained in the Eighth Report of the Committee on Public Undertakings (2006-08) relating to Kerala State Civil Supplies Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2003 (Commercial).

The Eighth Report of the Committee on Public Undertakings (2006-2008) was presented to the House on 17th October, 2006. The Report contained one recommendation and the Government furnished reply to this recommendation. The Committee (2014-16) considered the reply received from the Government at the meeting held on 6-8-2014. The Committee accepted the reply with remarks. The recommendation, its reply furnished by Government and the remarks of the Committee are included in the Report.

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>Conclusions/Recommendations</i>	<i>Action Taken by Government</i>
(1)	(2)	(3)	(4)	(5)
1	6	Food and Civil Supplies	<p>The Committee is shocked to learn that the company incurred a heavy loss amounting to ₹ 19.16 lakh in the purchase of cumin seed due to financial mismanagement of the officials. It is amazing to note that the company placed orders for 484 quintals of cumin seed @ ₹ 17,350 and ₹ 17,000 per quintal in October when the prevailing market price was just ₹ 10,200 putting a difference of ₹ 6,800 to 7,150 per quintal. The entire episode assuming another dimension as the company possessed sufficient stock for the next two months at the time of placing orders. The Committee is of the view that if the company deferred the procurement for sometime, such a heavy loss could have been avoided as the price came down to ₹ 13,200 in the month of December. The Committee reminds vehemently that it is their prime duty to purchase and supply commodities at a reasonably low price than</p>	<p>Supplyco used to maintain stock equivalent to three months average sales to meet its requirement. The average monthly sales of cumin seed during the years 1999-2000 and 2000-2001 was 29 MT and 25 MT respectively. While there was a stock of 58 MT and 44 MT of cumin seed as on 30th September and 31st October, 2000 respectively, the company purchased 19.76 MT and 28.85 MT during October and November 2000 @ ₹ 1,73,500 and ₹ 1,70,000 per MT respectively. However, it was noticed that the highest price paid for cumin seed during 1998-99 and 1999-2000 was ₹ 68,710 and ₹ 1,03,650 respectively. The highest market price during September and November 2000 did not go beyond ₹ 1,02,000 per MT. As per the recommendation of the Committee on Public Undertakings Vigilance Enquiry</p>

the market rate and not vice versa. The Committee opines that there is culpable negligence and slackness on the part of the responsible officials incurring heavy loss to the company and recommends that the above purchase may be brought under vigilance enquiry and responsible officials should be brought to book and facts intimated to the committee at the earliest.

has been ordered and the same is in progress vide VE.23/09/SIU in Vigilance Department.

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*Remarks:* The Committee wants to know the progress in the Vigilance Enquiry and to be furnished with the details of the enquiry report.

Thiruvananthapuram,  
23rd March, 2015.

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



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