



THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

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

TWELFTH REPORT

(Presented on 21st June, 2012)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2012

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PUBLIC UNDERTAKINGS
(2011-2014)**

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On

**The action taken by Government on the Recommendations contained in
the Eighty Third Report of the Committee on Public Undertakings
2008-11 relating to Kerala Electrical and Allied Engineering
Company Limited based on the Report of the Comptroller
and Auditor General of India for the year
ended 31st March 2007**

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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 Twelfth Report on the action taken by Government on the recommendations contained in the Eighty Third Report of the Committee on Public Undertakings 2008-11 on the working of the Kerala Electrical and Allied Engineering Company Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2007.

The Statement of action taken by the Government included in this Report were considered by the Committee constituted for the year 2008-11.

This Report was considered and approved by the Committee at the meeting held on 15-12-2010.

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,
21st June, 2012.

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 Eighty Third Report of the Committee on Public Undertakings (2008-2011) relating to Kerala Electrical and Allied Engineering Company Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31-3-2007 which was presented to the House on 16th March, 2010.

The Report contained only one recommendation to which the Government has furnished reply. The Committee (2008-11) considered the reply at its meeting held on 15-12-2010.

The Committee accepted the reply to the recommendation in para No.1 (4) without any remarks. This recommendation and its reply furnished by the Government form Chapter I of the Report.

CHAPTER I

Reply furnished by Government on the recommendation of the Committee which has been accepted by the Committee without remarks

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department</i>	<i>Conclusions/Recommendations</i>	<i>Reply furnished by Government</i>
1	4	Industries	The Committee finds that the Company's underestimation of raw material prices without taking into account of the bullish trend in the prices of commodities pertaining to the tender for the supply of 590 distribution transformers and the delay in its delivery caused a loss of Rs. 1.12 crore. The Committee recommends that the company should be vigilant to assess the commodity market trend before purchasing bulk quantities and to avoid such delay in delivery of transformers, which leads to heavy loss to the company.	Copy of report has been forwarded to the Unit Head for adhering to the recommendations of the Committee. As per recommendations of the Committee, directions have also been issued to be vigilant, to assess the commodity market trend before purchasing bulk quantities and to avoid delay in delivery of transformers which leads to heavy loss to the company. At present there is no delay in delivery of transformers and the company is making deliveries ahead of schedule.

Thiruvananthapuram,
21st June, 2012.

K. N. A. KHADER,

Chairman,

Committee on Public Undertakings.