



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

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

FORTY SEVENTH REPORT

(Presented on 23rd May, 2017)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2017**

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

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

FORTYSEVENTH REPORT

On

**The Action Taken by Government on the Recommendations contained in the
Ninety Third Report of the Committee on Public Undertakings (2014-2016)
relating to Kerala State Financial Enterprises Limited, based
on the Report of the Comptroller and Auditor General of
India for the years ended 31 March, 2011 (Commercial)**

CONTENTS

	<i>Page</i>
Composition of the Committee ..	v
Introduction ..	vii
Report ..	1
Replies furnished by Government on the recommendations of the committee which have been accepted by the committee ..	2

COMMITTEE ON PUBLIC UNDERTAKINGS (2016-2019)

Composition

Chairman :

Shri C. Divakaran.

Members :

Shri T. A. Ahammed Kabeer

„ K. B. Ganesh Kumar

„ C. Krishnan

„ S. Rajendran

„ Thiruvanchoor Radhakrishnan

„ P. T. A. Rahim

„ Raju Abraham

„ Sunny Joseph

„ C. F. Thomas

„ P. Unni.

Legislature Secretariat :

Shri V. K. Babu Prakash, Secretary

Smt. P. K. Girija, Additional Secretary

Shri P. B. Suresh Kumar, Deputy Secretary

Smt. Deepa. V., 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 Forty Seventh Report on the Action Taken by Government on the recommendations contained in the Ninety Third Report of the Committee on Public Undertakings (2014-2016) relating to Kerala State Financial Enterprises Limited based on the Report of the Comptroller and Auditor General of India for the years ended 31 March, 2011 (Commercial).

Thiruvananthapuram,
2nd May, 2017.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

REPORT

This Report deals with the Action Taken by Government on the recommendations contained in the Ninety Third Report of the Committee on Public Undertakings (2014-2016) relating to Kerala State Financial Enterprises Limited based on the Report of the Comptroller and Auditor General of India for the year ended on 31 March, 2011 (Commercial).

The Ninety Third Report of the Committee on Public Undertakings (2014-2016) was presented to the House on 27th July, 2015. The Report contained five recommendations in para numbers 3, 4, 5, 7 and 8 and the Government furnished action taken statements to all of them on 20-5-2016. The Committee (2016-2019) considered and approved these statements received from Government at it's meeting held on 30-11-2016.

REPLIES FURNISHED BY GOVERNMENT ON THE RECOMMENDATIONS
OF THE COMMITTEE WHICH HAVE BEEN
ACCEPTED BY THE COMMITTEE

<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	3	Taxes	The Committee is of the opinion that the failure of the Management in taking appropriate decisions on time and lack of planning has led to the delay in the renewal of term deposits and thereby loss of potential earnings. The Committee is not convinced with the explanation of the witness that there isn't any financial loss in the matter. The Committee further elucidates that the Company could have gained more profit if there was a system which would enable to take immediate decisions accurately without waiting for the decision of the Board.	As and when there is an upward revision in the interest rate for Treasury Deposits, Company will take utmost care and take immediate steps to renew the deposits in time, without sustaining any loss to the company, in future.
2	4	Taxes	The Committee therefore recommends that the Company should evolve a suitable mechanism for	In future, Company will take quick decision in all major cases that may cause financial loss to the

(1)	(2)	(3)	(4)	(5)
			taking quick decisions in time in order to avoid loss incurred due to the delay in getting approval from the Board of Directors.	Company with prior approval of the Board or take immediate decision and obtain ratification from the Board thereafter, without sustaining financial loss to the Company.
3	5	Taxes	The Committee directs to examine whether the approval of the Board of Directors of the Company is necessary for deposits, preclosures and renewal of funds.	As per the organizational structure, all major decisions of the Company is taken by the Board of Directors.
4	7	Taxes	The Committee observes that the excess contributions made to the Provident Fund account resulted in an unbalanced payment of Rs.1.5 crore and the reason for such a huge gap was the inefficient administration of the responsible officers. Therefore the Committee suggests that all EPF contributions should only be in consonance with the existing statutory rules and orders.	As per the Provident Fund Act, 1952 the pensionable monthly salary is limited to Rs. 6500 per month for remitting the EPF contribution. There is provision for remitting higher amount as EPF contribution on deducting the same amount from the monthly salary. Accordingly, the Board of Directors of the Company in their meeting held on 13-10-1988 (Board Resolution No. 2241) resolved that the Company as an Employer shall remit 8.33% of the salary or the percentage fixed by the notification issued by the Government from time to

(1)	(2)	(3)	(4)	(5)
5	8	Taxes	The Committee recommends that Taxes Department should strictly adhere to the instructions as regard to the time limit in delivering responses on audit paragraphs.	time (if the employees remit same or more amount as PF contribution). Taxes Department will adhere to the instructions on time limit in future.

Thiruvananthapuram,
2nd May, 2017.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

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