



**TWELFTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC UNDERTAKINGS  
(2006-2008)**

**FOURTEENTH REPORT**

**(Presented on 17th October, 2006)**

**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2006**

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**COMMITTEE  
ON  
PUBLIC UNDERTAKINGS  
(2006-2008)**

**FOURTEENTH REPORT**

**On**

**The action taken by Government on the Recommendations contained  
in the Seventy Second Report of the Committee on Public  
Undertakings (2004-2006) relating to Autokast Limited  
based on the Report of the Comptroller and Auditor  
General of India for the year ended 31st March,  
1998, 1999 and 2001 (Commercial)**

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## COMMITTEE ON PUBLIC UNDERTAKINGS (2006-2008)

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## INTRODUCTION

I, Chairman, Committee on Public Undertakings having been authorised by the Committee to present the Report on their behalf, present this Fourteenth Report on the action taken by Government on the recommendations contained in the Seventy Second Report of the Committee on Public Undertakings (2004-2006) on the working of the Autokast Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 1998, 1999 and 2001 (Commercial).

The Statement of action taken by the Government included in this Report were considered by the Committee constituted for the year 2006-2008.

This Report was considered and approved by the Committee at the meeting held on 9-10-2006.

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,  
17-10-2006.

MANKOOD RADHAKRISHNAN,  
*Chairman,  
Committee on Public Undertakings.*

## **REPORT**

This Report deals with the action taken by Government on the recommendations contained in the Seventy Second Report of Committee on Public Undertakings (2004-2006). The Seventy Second Report relating to Autokast Limited based on the Report of the Comptroller and Auditor General of India for the years ended 31-3-1998, 31-3-1999 and 31-3-2001 (Commercial) was presented to the House on 22nd July, 2004.

The Report contained 3 recommendations and the Government have furnished replies to all these recommendations. The Committee considered the replies at its meeting held on 9th November, 2005 and approved the same without any remarks. The recommendations and its replies furnished by Government form Chapter I of this Report.

## CHAPTER I

Replies furnished by the Government on the recommendations of the committee which have been accepted without any remarks.

<i>Serial 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 is not at all satisfied with the irresponsible and careless attitude of the management, which resulted in an avoidable loss of Rs. 2.91 lakh to the company. The Committee cannot accept the lame excuse that the management was unaware of the availability of MODVAT credit on capital goods, as it was newly introduced and that the consultants had failed to inform the company of it in time. The Committee recommends that the Management should be more vigilant to avoid such lapses in future.	The remarks of the Committee are noted for future guidance. Strict action is being taken to ensure that loss of revenue do not occur due to such delays in future.
2	4		The Committee finds that the company is losing lakhs of rupees by means of credit simply due to delay in preferring claims in time. This is totally unjustifiable and an example of sheer	The remarks of the Committee are noted for future guidance. Strict action is being taken to ensure that loss of revenue do not occur due to such delays in future.

(1)	(2)	(3)	(4)	(5)
			<p>negligence on the part of the concerned officials. The Committee therefore, recommends that such intolerable lapses should be avoided in future. If such instances recur, the loss to the company should be made good from the officials concerned without fail.</p>	
3	8	Industries	<p>The Committee opines that the Company had incurred a wasteful expenditure of Rs. 9.41 lakh and its interest for 6 years by purchasing a pendulum conveyor without purchasing the shot blasting machine and the mechanized handling system, which was strictly needed to make the pendulum conveyor, functional instead of citing paucity of funds as the reasons for not purchasing the accessories, the management should have looked into the matter, before placing orders for a pendulum conveyor.</p>	<p>The remarks of the Committee are noted for future guidance. In future thorough technical studies shall be conducted before making investment in capital assets.</p>



(1)	(2)	(3)	(4)	(5)
				<p>The system worth over Rs. 9 lakh has been lying idle for the past 6 years, which the Committee feels is beyond justification. The Committee therefore, recommends that in future while making purchase of this kind a thorough technical study should be carried out.</p>

MANKODE RADHAKRISHNAN,

Thiruvananthapuram,  
17th October, 2006.

*Chairman,  
Committee on Public Undertakings.*