TWELFTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2006-2008)

TWENTY SIXTH REPORT

(Presented on 21st March, 2007)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2007

TWELFTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2006-2008)

TWENTY SIXTH REPORT

On

The action taken by Government on the Recommendations contained in the Eighty Sixth Report of the Committee on Public Undertakings (2004-2006) relating to Trivandrum Spinning Mills Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 1998 (Commercial)

457/2007.

CONTENTS

COMMITTEE ON PUBLIC UNDERTAKINGS (2006-2008)

Chairman :

Shri Mankode Radhakrishnan

Members :

Shri P. K. Abdu Rabb
,, A. A. Azeez
,, M. Chandran
,, C. M. Dinesh Mani
,, K. T. Jaleel
,, K. K. Jayachandran
,, P. J. Joseph
,, K. Kunhiraman
,, K. Sudhakaran
,, K. C. Venugopal

Legislature Secretariat :

Dr. N. K. Jayakumar, Secretary
Shri R. Vijayakumar, Joint Secretary
,, K. Mohanakumar, Deputy Secretary
,, C. R. Reghunathan Pillai, Under Secretary.

INTRODUCTION

I, Chairman, Committee on Public Undertakings (2006-2008) having been authorised by the Committee to present the Report on their behalf, present this Twenty Sixth Report on the action taken by Government on the recommendations contained in the Eighty Sixth Report of the Committee on Public Undertakings (2004-2006) on the working of the Trivandrum Spinning Mills Limited based on the Report of the Comptroller and Auditor General of India for the year 31st March, 1998 [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 15-3-2007.

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.

Mankode Radhakrishnan,
Chairman,
Committee on Public Undertakings.

Thiruvananthapuram,
21st March, 2007.

REPORT

The Eighty Sixth Report of the Committee on Public Undertakings (2004-2006) on Trivandrum Spinning Mills Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 1998 (Commercial), was presented to the House on 10th March, 2005.

The Report contained only one recommendation. Government have furnished reply to this recommendation. The Committee considered the reply received from Government at its meeting held on 6th November, 2006.

The Committee accepted the reply to the recommendation No.1 (6) without any remarks. The recommendation of the Committee and its reply furnished by Government is given in succeeding pages.

457/2007.

CHAPTER I

The Recommendation of the Committee and its reply furnished by Government which have been accepted by the Committee

Sl. No.	*Para No.*	*Department Concerned*	*Recommendation/Conclusion*	*Action Taken by Government*
(1)	(2)	(3)	(4)	(5)
1	6	Industries Department	The Committee is of the view that the concerned officials of the company had not taken any concrete measure to protect the interest of the company while purchasing the cone winding machine. The company had unscrupulously spent Rs. 1.65 lakh for the purchase. Rs. 0.26 lakh for errection and Rs. 0.53 lakh for the spare parts of an old cone winding machine which was not in working condition. The Committee therefore, opines that if a technical study on the condition of the machine had been conducted honestly before making the purchase, the company could have avoided a loss of Rs. 2.44 lakh. The Committee expresses grave concern over the reply furnished by Government to the audit	The company is under liquidation and all the relevant book of accounts are under the custody of the Official Liquidator.

(1)	(2)	(3)	(4)	(5)
			paragraph stating that as the transaction was between two Government concerns no loss can be attributed. The Committee therefore recommends that a technical study on all related aspects should be conducted promptly before purchasing new machinery or implementing modernisation projects in the company in future.	

MANKODE RADHAKRISHNAN,

Thiruvananthapuram,
21st March, 2007.

Chairman,
Committee on Public Undertakings.

KERALA NIYAMASABHA PRINTING PRESS