



TWELFTH KERALA LEGISLATIVE ASSEMBLY

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

THIRTY SECOND REPORT

(Presented on 24th July, 2007)

SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2007

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ON
PUBLIC UNDERTAKINGS
(2006-2008)**

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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 (2004-2006)
relating to Kerala State Financial Enterprises Limited based on
the Report of the Comptroller and Auditor General of India
for the year ended 31st March 2001 (Commercial)**

CONTENTS

	<i>Page</i>
Composition of the Committee	.. v
Introduction	.. vii
Report	.. 1
Chapter I Replies furnished by Government on the recommendations of the Committee which have been accepted by the Committee	.. 2
Chapter II Replies furnished by Government on the recommendations of the Committee which have been accepted by the Committee with remarks.	.. 3

COMMITTEE ON PUBLIC UNDERTAKINGS (2006-2008)

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Smt. L. Sailaja, Under Secretary.

INTRODUCTION

I, Chairman, Committee on Public Undertakings having been authorised by the Committee to present the Report on their behalf, present this Thirty Second Report on the action taken by Government on the recommendations contained in the Eighty Third Report of the Committee on Public Undertakings (2004-2006) on the working of the Kerala State Financial Enterprises Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 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 18-7-2007.

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.

Thiruvananthapuram,
24th July, 2007.

MANKODE RADHAKRISHNAN,
Chairman,
Committee on Public Undertakings.

REPORT

The Eighty Third Report of the Committee on Public Undertakings (2004-2006) on Kerala State Financial Enterprises Ltd. based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2001 (Commercial) was presented to the House on 10-3-2005.

The Report contains two recommendations, Government have furnished replies to all the recommendations. The Committee (2006-2008) considered the replies received from Government at its meeting held on November 6, 2006.

The Committee accepted the reply to the recommendation No. 1(4) without any remarks. The recommendation and its reply from Government form Chapter I of this Report.

The Reply to the recommendation No. 2(5) was accepted by the Committee with remarks. This recommendation, its reply from Government and the remarks of the Committee form Chapter II of the Report.

CHAPTER I

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

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department Concerned</i>	<i>Conclusion/Recommendation</i>	<i>Action Taken by Government</i>
1	4	Taxes	The Committee understands that due to the defective calculation and obsolete accounting system, the Company had to remit Rs. 59 lakhs towards penal interest on income tax on the amount by which the advance tax paid fell short of the assessed tax from 1996-97 to 1997-98. The Committee further finds that non-computerization of the accounting system led to delay in consolidating accounts from various branches which in turn accounts for defective assessment of income.	Kerala State Financial Enterprises Ltd. is in the process of computerization. The pilot study and implementation of computerization in two branches of the company were completed by May 2005. Tenders were invited for supply of single PC to all branches of the company.

CHAPTER II

**Reply furnished by Government on the recommendations of the
Committee which has been accepted by the Committee with remarks**

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Recommendation</i>	<i>Action Taken by Government</i>
2	5	Taxes	The Committee therefore recommends that fullfledged computerization should be implemented in all the branches for the smooth and accurate functioning of the company.	Computerization will be completed in 66 branches during 2005-2006 and in all branches within another two years.

Remarks of the Committee :

The Committee desires to know the present stage of computerization in Kerala State Financial Enterprises Ltd.

MANKODE RADHAKRISHNAN,

Thiruvananthapuram,
24th July, 2007.

*Chairman,
Committee on Public Undertakings.*