



**TWELFTH KERALA LEGISLATIVE ASSEMBLY**

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

**FORTY FIFTH REPORT**

(Presented on 10th March, 2008)

SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2008

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

**FORTY FIFTH REPORT**

**On**

**The action taken by Government on the Recommendations contained in the  
Fourth Report of the Committee on Public Undertakings (2006-2008)  
relating to Kerala Electrical and Allied Engineering Company Ltd.  
based on the Report of the Comptroller and Auditor  
General of India for the year ended  
31st March 2003 (Commercial)**

283/2008.

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COMMITTEE ON PUBLIC UNDERTAKINGS (2006-2008)

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Smt. P. J. Philomina, Joint Secretary

„ K. Laila Beevi, Deputy Secretary

„ 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 Forty Fifth Report on the action taken by Government on the recommendations contained in the Fourth Report of the Committee on Public Undertakings (2006-2008) on the working of the Kerala Electrical and Allied Engineering Company Ltd. based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2003 (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 9-1-2008.

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,  
10-3-2008.

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

## **REPORT**

The Fourth Report of the Committee on Public Undertakings (2006-2008) on Kerala Electrical and Allied Engineering Company Ltd.—(Industries Department) based on the Report of the Comptroller and Auditor General of India for the year ended 31-3-2003 (Commercial ) was presented to the House on 17th October, 2006.

The Report contained two recommendations. Government have furnished replies to the recommendations.

The Committee considered the replies from Government at its meeting held on 25-9-2007 and approved the same without any remarks. The recommendations and their replies are included in this Report.

REPLIES FURNISHED BY GOVERNMENT ON THE RECOMMENDATIONS  
OF THE COMMITTEE WHICH HAVE BEEN ACCEPTED BY THE  
COMMITTEE WITHOUT REMARKS

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department</i>	<i>Recommendations</i>	<i>Action taken by Government</i>
(1)	(2)	(3)	(4)	(5)
1	10	Industries	<p>The Committee finds that the Instruction has already company had ventured into a been issued to KEL project without ensuring the to comply with the marketability of the product recommendation of the and availability of the funds Committee. The Company and also noted that inordinate has assured that feasibility delay had occurred in the of the project and implementation of the project availability of funds will due to lack of planning and be ensured before fore sight. The Committee is commencing any new shocked to find that though project in future.</p> <p>the study conducted by Kerala Industrial Technical Consultancy Organization confirmed that the project was not viable and the uncertainty of the availability of finance was known, the company proceeded with the project. The Committee therefore recommends that the vailability of the project and availability of finance should be ensured before commencing new project at least in future.</p>	

(1)	(2)	(3)	(4)	(5)
2	11	Industries	The Committee observes that high cost of transportation was incurred for carrying all the defaulted transformers from Malabar area to Ernakulam for repairs. So the Committee recommends that a separate repairing unit should set up at Malabar area in order to avoid inconvenience and the huge transportation charges.	The Company has started repairing of transformers failed in Malabar area at Edarikkode unit on trial after procuring winding Machine, Transformer, Oil Recycling Machine, Drying oven, High Voltage Testing equipment etc. Hence the huge cost of transportation for carrying all the defaulted transformers from Malabar area to Ernakulam can be avoided. This process will be expanded more in future.

Thiruvananthapuram,  
10-3-2008.

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