

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2019-2021)**

**EIGHTY FOURTH REPORT
(Presented on 21st January, 2021)**



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2021

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on

**Action Taken by Government on the Recommendations
contained in the Hundred and Forty second Report of
the Committee on Public Accounts**

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COMMITTEE ON PUBLIC ACCOUNTS
(2019-2021)

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Smt. Manju Varghese, Joint Secretary

Shri R. Venugopal, Deputy Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Eighty fourth Report on Action Taken by Government on the Recommendations contained in the Hundred and Forty second Report of the Committee on Public Accounts (2008-2011).

The Committee considered and finalised this Report at the meeting held on 20th January, 2021.

Thiruvananthapuram,
20th January, 2021.

V. D. SATHEESAN,
Chairman,
Committee on Public Accounts.

REPORT

This Report deals with the Action Taken by the Government on the recommendations contained in the 142nd Report of the Committee on Public Accounts (2008-2011).

The 142nd Report of the Committee on Public Accounts (2008-2011) was presented to the House on 23rd February, 2011. The Report contains eighteen recommendations relating to Taxes Department. Government was addressed to furnish the Statements of Action Taken on the recommendations contained in the report on 1-3-2011 and the final reply was received on 26th July, 2019.

The Committee examined the statements of Action Taken at its meetings held on 17-7-2013, 11-4-2018 and 18-9-2019. The Committee approved the statements of Action Taken on the recommendations and decided not to pursue further in the light of the replies furnished by the Government. These recommendations and Government replies are included in this report.

Taxes Department

Recommendation

(Sl. No. 1, Para No. 31)

The Committee understands that consequent on the introduction of VAT Act in the State, the internal audit wing in the department was abolished and the powers were assigned with assessing officers by issuing a circular. The Committee opines that as per section 24 of VAT Act, internal control is vested with internal audit wing and the department has no power to issue such circular without amending the Act. The Committee directs that desk verification as assigned by section 25 of the Act should be conducted and desires to be informed a detailed report regarding additional assessment of each year from 2005-06 to 2008-09.

Action Taken

Before the introduction of VAT, work of Internal Audit was under the control of two Deputy Commissioners (A&I) i.e., Deputy Commissioner (A&I) Ernakulam and Kozhikode monitored by Deputy Commissioner (A&I), Office of the Commissioner of Commercial Taxes, Thiruvananthapuram. The Government of Kerala implemented VAT system w.e.f. 1-4-2005 as per G. O. (Ms.) No. 56/05/TD dated 31-3-2005 and separate Internal Audit wing of the Department stands abolished. Later six Deputy Commissioners (AA) were looking after the Audit assessment work throughout the station positioned at Thiruvananthapuram, Kottayam, Ernakulam, Palakkad, Kozhikode and Kannur.

As per G. O.(Ms.) No. 75/09/TD dated 14-5-2009, the officers from Audit Assessment Wing has been deployed to various VAT circles for the smooth functioning of the Commercial Taxes Department. Simultaneously, an Internal Audit and inspection team have been constituted in the Department w.e.f. 1-7-2009 in order to closely monitor the functions of the sub offices as per order dated 16-5-2009.

At present, the Audit wing is functioning with 4 Assistant Commissioners and 5 Commercial Tax Officers under the supervision of Deputy Commissioner (IA) positioned at the office of Commissioner of Commercial Taxes. From time to time, the Commercial Taxes Officer in different districts are selected for Audit work constituting teams headed by an Assistant Commissioner assisted by one or two Commercial Tax Officers. The details regarding additional assessment of each year from 2005-06 to 2008-09 is also enclosed. (Appendix I)

Recommendation

(Sl. No. 2, Para No. 32)

The Committee understands that Manjeswaram check post is equally important as Walayar check post and recommends that steps should be taken for an effective functioning integrated check post there to prevent tax evasion. The Committee vehemently criticises the action of certain departments to start independent check posts there and strongly recommends that such department should abstain from starting independent check posts.

Action Taken

An extent of 4.56 acres and another extent of 4.77 acres of land have already been acquired for the modernization of Commercial Tax Check Post and

Construction of Check Post Complex, respectively at Bengra Manjeswaram Government, vide G. O. (Rt.) No. 652/11/TD dated 13-9-2011 have accorded sanction to entrust the works relating to the modernization of Check Post at Bengra Manjeswaram with BSNL. The prime object envisaged by Government through the development of infrastructural facilities in major check posts is the establishment of integrated check posts. Taking positive stand towards the establishment of integrated check post at Bengra Manjeswaram, the Deputy Commissioner, Kasargode has been requested to forward definite proposal for the establishment of integrated check posts in the acquired land at Bengra Manjeswaram in consultation with the BSNL Authorities.

Recommendation

(Sl. No. 3, Para No. 33)

Regarding one used receipt book in Karukutty check post which was not made available to audit and later informed it as missing the Committee views it as very serious and strongly recommends that the department should conduct proper enquiry in this matter and stringent action should be taken against those responsible for the missing of the receipt book.

Action Taken

The Commercial Tax Check Post Karukutty was abolished with effect from 16-5-2009. The registers and records were transferred to the office of the Deputy Commissioner, Mattanchery.

Deputy Commissioner, Mattanchery verified the Receipt No. 14101 to 14200 along with the cash book and Chalan receipts. On verification it was found that the daily collections as per the receipt book were remitted to the Government exchequer and the chalan receipts are attached in the receipt book itself. It was also found that the transactions were entered from page No. 46 to 62 of the Cash Book maintained for the period from 8-8-2005 to 24-10-2005. The detailed list regarding the receipts and remittance is enclosed (Appendix II)

Recommendation

(Sl. No. 4, Para No. 34)

The Committee views with utmost seriousness that in 33 unsettled cases, bank guarantees of ₹ 42.60 lakh which were due for renewal during the months

between March 1996 and November 2004 were neither renewed nor any action was initiated for obtaining Security Deposits. The Committee urges the department to furnish the details of the Action Taken against the officers responsible for the same.

Action Taken

The cases relates to CTCP, Karukutty and CTCP, Feroke.

The CTCP, Karukutty has been abolished w.e.f. 16-5-2009. Details of Action Taken for renewal of bank guarantee in 8 cases is furnished as under.

OR No.	Name of dealer	Amount (Rs.)	Date of disposal	Remarks
1088/02-03	Kallanur Drawing Thrissur	18,769	2-5-2005	Refund as per order No. ER. 1145/02-03 dated 2-5-2005
318/01-02	Nadukkara Agro Processing Co. Ltd.	1,22,500	29-3-2008	Refund as per order No. ER. 159 dated 29-3-2008
OR No.	Name	Amount details of Bank Guarantee		Remarks
1296/01	Modi Xerox, Pallimukku	Rs. 29,752 Canara Bank, Ernakulam		Refunded as per order No. OR. 1296/00-01 dated 25-3-2003
91/02	GTN Textiles, Aluva	Rs. 47,416 Central Bank of India, Aluva		Refunded as per order No. OR. 91/1-02 dated 16-11-2001 file forwarded to AC Special, Cle., matty.
226/02	Jagajit India Ltd.	Rs. 3,43,942 Canara Bank, New Delhi		Refunded and the file forwarded to AC Special, Cle., Ernakulam on 8-7-2002
420/03	G. K. Enterprises	Rs. 1,47,274 Union Bank of India, Ekm		Refunded as per order No. OR. 420/02-03 dated 15-11-2010 file forwarded to STO, 2nd Cle., Ernakulam
63/02	Ranbaxi Lab Ltd. Ernakulam	Rs. 2,18,000 PN Bank		Penalty – Security released on 20-12-2001
384/02	Hindustan Lever Ltd.	Rs. 1,37,432 UTI, Thrissur		Penalty as per order No. 364/02 dated 16-2-2005 Bank Guarantee renewed up to 16-6-2005

In this regard it is reported that the OR files are sent to CTO (Enquiry) concerned and the CTO passes orders either imposing the penalty or releasing the security deposit in case of no evasion of tax proved. Hence in the case of ordering of release of security deposit the expiry of bank guarantee has no relevance. In the other case the security deposit will be converted as penalty and if penalty not paid, department will take action to realize the amount.

Recommendation

(Sl. No. 5, Para No. 35)

In the case of robbery of ₹ 3.58 lakh in Naduppunni Check Post, the Committee expresses its displeasure in not intimating the fact to the Accountant General as per Kerala Financial Code Vol. I and no action was taken to write off the case as per the code.

Action Taken

As per G. O. (Rt.) No. 61/2011/TD dated 28-1-2011, Government have written off the robbed amount of ₹ 3,52,515.00 A copy of the G. O. is enclosed herewith (Appendix III).

Recommendation

(Sl. No. 6, Para No. 36)

The Committee finds that mainly chicken are transported through Naduppunni Check Post where there are several by-roads through which illegal transportation of goods is very easy. The Committee directed the department to take urgent action to stop the passage of vehicles through by-roads for evading tax.

Action Taken

Section 47 of the KVAT Act 2003 introduced by the Finance Act, 2006 w.e.f. 1-7-2006 provides that it shall be lawful for an elected member or an office authorized by resolution by a Grama Panchayat touching border of the State to stop the vehicle for ascertaining whether the vehicle has passed through the check post and on so doing, he can inform the Commercial Tax Authorities having jurisdiction over the area to peruse the case for further action under the Act.

In the case of Nadupunni Check Post direction were issued to the officials thereon for monitoring of tax collection from chicken, vide D. O. Letter No. C2-15221/09/CT of the CCT dated 30-12-2011(Appendix IV). Further, as per Letter No. C2- 9026/12/CT dated 17-4-2012 (Appendix V), the Commissioner of Commercial Taxes had given direction to conduct special surveillance drives in Palakkad district especially in Nadupunni to arrest smuggling of live-chicken. Accordingly 6 Special Squads have been additionally deputed to palakkad for conducting the over checking effectively. Moreover the Deputy Commissioner, Palakkad has also chalked out Special Drive Programme to prevent smuggling of live-chicken in the border areas and constituted 3 Special Squads by deploying officers of the Assessment Wing.

As a result of the above actions, the number of live-chicken loads as well as the collection from live-chicken at Commercial Tax Check Post Nadupunni has increased during the period as below.

Year	No. of Loads	Collection (Rs. in Lakh)
2011-12	28071	7049.58
2012-13	29691	8279.71
2013-14	28452	12042.63

Recommendation

(Sl. No. 7, Para No. 37)

As per Kerala Financial Code every controlling Officer should submit the reconciliation statements of each month to the Chief Controlling Officer. The Committee notices that in check posts reconciliation had not been done for the period from 1999-2000 to 2003-04. During witness examination it was informed that lack of man power was the main hindrance in this regard. Considering this fact, the Committee recommends to provide adequate staff in Check Posts in order to increase income from these Check Posts. The Committee desires to be informed the details of reconciliation in which ₹ 2.35 crore was wrongly remitted in the head of account of income tax instead of entry tax.

Action Taken

In the case of payment of Entry Tax by Kerala Police Department miscredited to the Head of Account of Income Tax Department, the Deputy Inspector General of Police has reported to the Office of the Commissioner of Commercial Taxes that on the basis of alteration memorandum prepared by the District Treasury Officer, Trivandrum, necessary transfer entry has been booked by the Accountant General on 07/2007 to transfer the amount of Rs.2,34,69,806 from the Head of Account “8658-00-112” to “0040-00-8-99”.

Copies of Letters of Accountant General (A&E) to District Treasury Officer, Trivandrum dated 26-9-2007; District Treasury Officer, Trivandrum to Sub Treasury Officer, Vellayambalam dated 4-10-2007; Sub-Treasury Officer, Vellayambalam to Accounts Officer, Police Head Quarters, Thiruvananthapuram dated 22-4-2008 and the Director General of Police, Thiruvananthapuram to the Commissioner, Commercial Taxes dated 26-4-2008 are enclosed as Appendix VI, VII, VIII & IX.

The Commercial Taxes Department has taken action for providing staff in the check posts as well as for reducing the scarcity of staff required at the check posts during the period 2008-2011. As per G. O. (Ms.) No. 128/2008/TD dated 28-6-2008 (Appendix-X), for the smooth functioning of Walayar Check Posts, 36 posts of Commercial Tax Inspectors, 6 posts of clerks and 46 posts of peon were created. On the upgradation of U.D Clerks to the cadre of Commercial Tax Inspectors vide G. O. (Ms.) No. 59/10/TD dated 11-3-2010 (Appendix X), 52 posts out of 100 numbers of Commercial Tax Inspectors were allotted to the Deputy Commissioner of Trivandrum, Idukki, Palakkad, Wayanad, Kannur and Kasargode Districts for deploying and utilizing at various Commercial Tax Check posts of the concerned districts.

Recommendation

(Sl. No. 8, Para No. 38)

The Committee is unsatisfied with the non-maintenance of details of security deposit and release of vehicles and fretfully observes that no disciplinary action had been taken against any officer in this case. The Committee strongly recommends to bring to book the erring officials in this regard.

Action Taken

The audit observation is that in 7 check posts in 39 cases the goods were released during the period from 1999-2000 to 2003-04 without recording the details of S.D. or advance tax collected, if any, or reasons for release.

On this, the PAC has recommended for taking disciplinary action against erring officers.

On verifying some of the major cases listed out in the Annexure II appended to the C & AG Report ended for the period 31-3-2005, it is noticed that goods were released either by collecting S. D. or without collecting S. D. on production of valid evidences. But the officers concerned at the check post failed to make entries in the respective columns at the time of release of goods.

All the check posts except the CTCP, Kambommettu are experiencing heavy traffic during the night hours and the average number of goods vehicles pass through the check post would be more than 60/hr. Non- entry of releasing details in the columns specified for in the No.II register maintained at the check post is not willful but due to busy nature of work. Further, in the case of check posts except those at Walayar & Amaravila, there is only one Inspector for attending the duty of verification of documents, inspection of goods, detention & release of goods issuing transit passes etc.

The CCT vide Circular No. 13/2005 dated 23-6-2005 has issued strict directions for the proper maintenance of registers post including the Security register/Offence Register in check posts. The Inspecting Officials are normally verifying these registers and recording irregularity if any detected in the inspection register during cursory inspection.

Facts and circumstances being such, no disciplinary action was initiated against any officials in the check post merely on the grounds of non furnishing of complete details in the Offence Register.

Recommendation

(Sl. No. 9, Para No. 39)

The Committee recommends that strict direction should be issued to the Officers in charge of Check Posts and circle offices to maintain the prescribed registers as per the Agricultural Income Tax and Sale Tax Manual Vol. III, properly and completely.

Action Taken

Recommendation of the Committee is noted for future guidance. Direction has already been given to all district Deputy Commissioners for strict compliance. A copy of the letter is enclosed (Appendix XII)

Recommendation

(Sl. No. 10, Para No. 40)

The Committee expresses its dissatisfaction towards the fact that only 16 declarations out of 347 were sorted out within a period of 4 years in Check Posts audited by the Accountant General and that the officers responsible had not taken any action against this. The Committee stresses the need for deploying sufficient staff in the Check posts, as it was the main source of revenue of the State.

Action Taken

As per Circular No. 15/04 dated 16-4-2004, some modifications were ordered in the forwarding of check post declarations & utilization of the same for the purpose of assessment. As per the modified instruction, the check post Inspectors are directed to forward the declarations to the district Deputy Commissioners indicating Serial No., declaration No., etc., in the covering letter. The DC's, on receipt of declaration from check post have to sort them office-wise and distribute to the concerned assessing officer on proper acknowledgement.

The assessing authority shall make arrangements on receipt of the declaration to sort out dealer-wise and enter in the register prescribed and hand over to the

Section Clerk on proper acknowledgement. The Section Clerk shall file the declarations in the concerned assessment file and the files shall be page numbered and the details of page No. shall be inserted in the register maintained in the office.

The pendency in filing check post declarations in the concerned file was huge with respect to circle offices of Ernakulam district especially with respect to Special Circles I, II & III. In order to reduce the pendency, a special drive of sorting declarations office-wise was conducted during the period from 10/2007 to 6/2008 as per direction from Govt., by deploying Trainee CTOs and members of some Kudumbashree units in Ernakulam district. As a result tremendous progress was achieved in this endeavour and now the pendency has been reduced drastically.

For inter-state movement of goods, e-consignment declaration was made mandatory vide Circular No. 16/2011, dated 26-8-2011 with effect from 1st October 2011. As per circular No. 12/2013, dated 25-7-2013 department has decided to dispense with the production of hard copy of e-consignment token and further directed that hard copy of transporting document received in the check post need not be forwarded to the assessment Circles since the transaction details can be accessed by the assessing authority online. The duty inspector shall keep the transporting documents in the check post. Consequent to this modification, the issue relating to non filing of check post declaration in the assessment file is solved as far as the online check posts are concerned.

Recommendation

(Sl. No. 11, Para No. 41)

The Committee finds that in the Sales Tax Offices of Kasargode and Chittur in 170 cases goods valued at Rs. 10.35 crore having tax effect of 4.33 crore were entered in the registers on transit pass and sent by entry Check Posts, but no passes were received in the exit Check Posts.

Recommendation

(Sl. No. 12, Para No. 42)

Regarding this the Committee urges the department that action should be taken against the responsible officers and furnish a report in this regard urgently.

Action Taken

(Para 41 & 42)

The recommendation is based on Para 2.2.7 contained in the C & AG Report for the year ended 31-3-2005. While discussing the para the Committee on Public Accounts urged the department that action should be taken against the responsible officers who were still in service and to furnish a report in this regard. The above para 2.2.7 was pointed out by AG in their review report for the year 2004 'Working of sales tax check posts in Kerala', The Committee on Public Accounts considered and finalised presented the report on 23rd February 2011.

The Transit Passes in question are related to years 2000-01, 2001-02 and 2002-03. Due to a series of renovation and other development work in Commercial Tax Check Post Bengra, Manjeswar, Velamthavalam & Walayar in connection with declaration of the check post as 'Corruption Free'. Some of the earlier records were either mutilated or spoiled for want of adequate facilities for proper keeping of old records.

As per list attached in the C & AG report 77 cases of Transit Passes related to Commercial Tax Office, Chittur for the period 2000-01 to 2002-03. The documents related to entry passes of 11 cases were traced out and disposed the same, as 'nil' demand.

Since the transit passes were related to the years from 2000-2001 to 2002-03. It is not possible to trace out the old records and registers at this distance of time. Further the officials responsible for the above lapse had retired from service.

Recommendation

(Sl. No. 13, Para No. 43)

The Committee also urges the department to take steps to prescribe a time limit for surrendering the TPs at the exit Check Post.

Action Taken

As per Circular No. 13/05, guidelines has been issued with regard to surrender of TPs (Appendix XIII).

Recommendation

(Sl. No. 14, Para No. 44)

The Committee expresses its displeasure over the fact that Weigh Bridge at Feroke Check Post was not functioning for the previous 20 years and one at Amaravila was remaining idle for 15 years. The Committee directs the department to take steps to repair these Weigh Bridges immediately. The Committee urges the department to provide Weigh Bridges to all Check Posts for their effective functioning.

Action Taken

In the case of weigh bridge at CTCP Amaravila the BOO contractor M/s. Southern Weighing Instruments Pvt. Ltd. has informed, on expiry of the agreement (19-10-2011) that they could not operate the weigh bridge, since enough vehicles are not passing through the check post. In the meantime new tender notice was published but nobody responded to the tender. Besides, the contractor, viz., M/s. Southern Weighing Instruments (P) Ltd. has filed an arbitration case before the Hon'ble High Court against the Department in which the court has passed an award of Rs. 1.01 crore in favour of the contractor. The department filed appeal against the award before the District Court, Thiruvananthapuram. The appeal is still pending for disposal. The contractor has sought permission to dismantle the weigh bridge. But the department proposed to purchase the same from the contractor at an estimate value of Rs. 30,500 as fixed by the Assistant Executive Engineer PWD. The Assistant Executive Engineer opined that the operation and maintenance of weigh bridge after out right purchase by the Department may not be feasible in the long run. The proposal is under consideration of Government.

With respect of installation of new weigh bridge at CTCP Feroke in Kozhikode district, PAC recommendation is examined and report of DC Kozhikode has been obtained. The report of DC reveals that installing of Weigh Bridge is not feasible for the following reasons:

(a) At present there is no sufficient area for providing Weigh bridge having capacity of above 10 MT. Now-a-days, a good number of vehicles carrying goods are of large vehicles and trailers having capacity of above 20 MT. Therefore the weigh bridge to be installed shall have the capacity of minimum 60 MT.

(b) With the widening of the Main road that pass along between Feroke & Kozhikode, some area of the check post premises has already lost and presently there is no sufficient space for installing weigh bridge.

(c) With the opening of Kozhikode, by-pass road, goods vehicles are plying through this and the importance of CTCP Feroke has come down CTCP Feroke being an internal check post, installation of weigh bridge is not feasible in the long run.

Recommendation

(Sl. No. 15, Para No. 45)

The Committee observes that due to the application of incorrect rate of entry tax to the goods imported to the State during the period from January 2002 to November 2003 short levy of entry tax of ₹ 5.10 lakh occurred. The Committee desires to be informed a detailed report in this regard.

Action Taken

Entry tax cases pointed out cannot be pursued in the light of decision in the case of Thressiamma L. Chirayil Vs State of Kerala (Reported in KTR 2007). The Hon'ble High Court held that demand and collection of Entry Tax under the Kerala Tax on entry of goods into Local Areas Act 1994, is illegal, unauthorized and violative of Article 301 of the Constitution of India.

Recommendation

(Sl. No. 16, Para No. 56)

Regarding the audit objection on the loss of ₹ 45.32 lakh due to separate assessment of sale of standard gold and precious stone it was informed by the witness that department had revised the assessment order. Subsequently the dealer approached the Hon'ble High Court and got stay order in collection of arrears. The Committee opines that the department had not convinced the facts properly. Otherwise the verdict would have been in favour of the department.

Action Taken

M/s Bhima Jewels, Ernakulam was assessed to tax for the year 2000-01 as per Order No. 23040586/2000-01 dated 3-3-2003 of Assistant Commissioner, Special Circle-II, Ernakulam. Since the assessee had opted to pay the tax under section 7(a)(1), the compounded tax payable by them was fixed at Rs. 1,66,06,845. This amount is 120% of the total tax due for 1999-2000 amounting to Rs. 1,38,39,037. The tax due for the previous year is inclusive of the tax due on the turnover of sale of bullion and precious stone.

In audit, the Accountant General has pointed out that there is loss of revenue due to non levy of tax on the turnover of sale of bullion and precious stone separately. In the light of audit objection, the assessment was revised on 31-12-2005 and the tax was additionally levied u/s 5(1) of KGST Act on the turnover of sale of bullion and precious stone.

Subsequently, the assessee approached the Hon'ble High Court of Kerala by filing WP(C) No. 4797/06. The Hon'ble High Court upheld the additional levy of tax on the turnover of bullion and precious stone as per judgement dated 5-6-2006. The Hon'ble High Court also directed to exclude the tax element on bullion and precious stone for the purpose of computation of tax due at compounded rate.

Regarding the interest, the Hon'ble High Court has ordered that the assessee has paid all the monthly instalment of tax due at compounded rate in time. So no interest is payable by the assessee for default in payment of tax at compounded rate. As per the above, judgement, the assessment for the year 2000-01 was revised on 28-2-2007 levying tax on the sales turnover of bullion and precious stone sales separately and created demand including interest on the demand created

as per order dated 28-2-2007. The assessee remitted Rs. 41,75,608 towards balance tax and interest as per order dated 28-2-2007. The collection particulars are noted below:

Sl. No.	Tax (in Rs.)	Interest (in Rs.)	Chalan No. and Date
1	-----	17,92,283	2008 - 26-3-2007
2	17,92,283	5,73,140	2036 - 18-6-2007
3	-----	17,902	34 - 30-7-2007
Total	17,92,283	23,83,325	

Grand Total – Rs. 41,75,608

Hence there is no loss of revenue in this case.

Recommendation

(Sl. No. 17, Para No. 57)

In the case of loss of ₹ 15.03 lakh towards tax and surcharge due to exclusion of turnover of ₹ 1.49 crore in 3 cases, it was informed by the witness that the department had dropped action against the assessing officer, since the whole amount had been recovered. The Committee views it as very unfair attitude of the department in not taking disciplinary action against the officers involved in the cases.

Action Taken

The audit objection in the first case was that while finalizing the assessment for the year 2001-02 in respect of M/s. Pack Work Udyog Ltd., there is an omission to assess the sale proceeds of DEPB license amounting to Rs. 56,01,000 received during the year. This resulted short levy of tax of Rs. 5,15,292 including AST.

The original assessment was completed on 30-7-2003 by the CTO, 2nd Circle, Palakkad. In the light of Audit Observation, the assessment was revised u/s 19 of the Act as per order dated 22-7-2006. Aggrieved by the order, assessee filed appeal before the Appellate Assistant commissioner and this was dismissed. Against this, the assessee preferred 2nd appeal before Sales tax Appellate Tribunal, Additional Bench, Palakkad.

The Tribunal vide order No. TA. 101/09 dated 16-9-2001 remanded the matter granting an opportunity to the assessee to produce evidence in support of the stock transfer of DEPB License. The assessment files was subsequently transferred to AC (Assessment), Special Circle, Palakkad. The AC (Assessment), Palakkad has completed the assessment as per order No. 31123405/01-02 dated 29-3-2010 treating the DEPB transaction as stock transfer. It is evident that stock transfer of DEPB is duly proved and as such there is no turnover liable to be taxed and hence no liability to pay tax.

Since there is no short levy in this respect, department has not initiated disciplinary action against the concerned assessing authority.

In the second case, the audit objection was that an escapement of tax and surcharge amounting to Rs. 8.80 lakh on the DEPB with respect to M/s. Tata Telecom Ltd. for the year 1998-99. The audit observation was sustainable Assessment was revised on 2-1-2004 and this was confirmed in first appeal. Additional Demand created was collected under RRC No.52/05 vide Treasury seq. No.182/5-5-2007 DD No. 4100 72 of SBT, Palakkad dated 4-5-2007 amounting to Rs. 9,13,938.

The 3rd case is that, in the office of the Assistant Commissioner, Special Circle, Palakkad, the Assistant Commissioner while finalizing the assessment of an assessee engaged in the manufacture, export and local sale of cashew kernal, for the assessment year 2000-01 did not levy tax u/s 5A on turnover of raw cashew nut of Rs. 13.50 lakh purchased within the state. This resulted non levy of tax of Rs. 1.08 lakh. Based on the audit, the assessment was revised, which was partly allowed by STAT, Additional Bench, Palakkad in decision No. TA. 623/04 dated 17-1-2005 directing the assessing authority to verify the purchase bills and allowed claim of the appellant, if found admissible. The assessee failed to comply with directions of the Tribunal order the original assessment 2000-01 is restored and created additional demand of tax Rs. 1.08 lakh in interest of Rs. 1.64 lakh and served demand notice to the assessee on 3-4-2010. The amount is under RR now.

Every officer dealing with the assessment work has to achieve the quota of assessment fixed by the department besides achieving the target of collection each year. Most of the defects being pointed out by the Audit is not due to the result of any willful action as the part of the assessing authority but due to ignorance and carelessness. Before computerisation, there was no organized set up prevailed to communicate the notifications, circular instructions & clarifications issued from the Government/ Department from time to time. In the instant case, disciplinary action was initiated against the officer based on the audit observation. But subsequently, the action was dropped on the ground that the short levy was made good and no malafide intention could be proved against the officer.

On the presentation of the KGOA, dated, 27-1-2010, the Government of Kerala vide letter No. 19789/D1/2011/TD, dated, 4-10-2011 had informed CCT that action based on audit observation may be recommended where malafide intention is suspected.

Recommendation

(Sl. No. 18, Para No. 66)

Regarding incorrect exemption granted as 'sale on transit' resulted in short levy of tax of ₹ 7.66 lakh in the case of despatch of goods from outside the State directly to the ultimate purchaser which actually is not a 'sale in transit', the witness, during witness examination reported that exemption was granted on the basis of order of Hon'ble High Court. The Committee pointed out that the dealer in Kochi could not claim exemption because supply orders had been given directly to Thiruvananthapuram and there was no second interstate sale as per the Circular issued by the department on 23-2-2004. The Committee opines that on the basis of the circular issued by the department the contention of the Accountant General is correct and blames that it is the duty of the department to check any court orders that exist before issuing such a circular. The Committee also stresses the need for a Law Section in the Taxes Department to examine such matters, in detail.

Action Taken

At present there is a section, Legal Wing headed by Joint Commissioner (Law) functioning at Office of the Commissioner of Commercial Taxes to examine such legal issues.

Thiruvananthapuram,
20th January, 2021.

V. D. SATHEESAN
Chairman,
Committee on Public Accounts.

District	Total No. of assessments completed under				Addl. Demand created and collection thereon				
	2005-06	2006-07	2007-08	2008-09		2005-06	2006-07	2007-08	2008-09
Aruvanthipuram	35	1167	773	81	Addl Demand	7.45	3018.34	494.99	616.64
					collection	13.47	544.15	56.77	20.5
Kollam	4	783	596	163	Addl Demand	0.93	1344.09	355.59	593.82
					collection		210.93	12.47	24.19
Pattanamthitta	1	113	181	118	Addl Demand		127.51	242.07	228.27
					collection		34.71	52.13	59.49
Alappuzha	1	1182	334	162	Addl Demand	0.37	201.4	901	101
					collection		65.77	100.1	67.22
Kottayam	102	160	542	596	Addl Demand	48.59	321.44	773.78	868.66
					collection	37.21	40.51	439.74	377.64
Idukki	1	883	665	159	Addl Demand		20.59	60.57	55.64
					collection		13.88	62.58	10.8
Ernakulam	12	459	783	202	Addl Demand	842	3527.03	5088	13963.06
					collection		458.95	1020	212.3
Maittancherry	1	82	463	140	Addl Demand		101.1	1127.51	295.93
					collection		17.24	256.46	129.25
Thirissur	1	1487	736	159	Addl Demand	79.23	516.96	2135.24	2362.67
					collection		251.08	251.11	266.04
Palakkad	1	700	577	358	Addl Demand		453.81	2127.35	1982.7
					collection		69.7	960.34	100.33
Kozhikode	1	55	280	92	Addl Demand	10.43	183.95	111.26	243.16
					collection		45.57	124.16	46
Wayanad	1	183	106	11	Addl Demand		53.73	67.09	66.66
					collection		1.31	7.79	1.95
Malappuram	1	194	316	184	Addl Demand		122.34	988.45	113.79
					collection				
Kannur	1	231	1301	559	Addl Demand		32.24	911.01	60.49
					collection		15.02	45.48	30.02
Kasaragod	1	81	236	118	Addl Demand		175.93	2609.14	36.68
					collection		34.98	27.59	13.59
Total	155	7780	7876	3102	Addl Demand				
					Total	983.97	9402.48	7783.13	21591.13
					collection				
					Total	50.68	1927.8	4026.7	1360.72

Collection & Remittance particulars as per the Receipt No. 14101 to 14201

S.No.	Receipt No.	Date of Receipt	Amount	Chalan No.	Disc
1	14101	27/08/05	2000	1596	27/08/05
2	14102	27/08/05	2025	1597	27/08/05
3	14103	27/08/05	3190	1598	27/08/05
4	14104	27/08/05	640	1599	27/08/05
5	14105	27/08/05	1120	1600	27/08/05
6	14106	27/08/05	1120	1601	27/08/05
7	14107	27/08/05	2875	1602	27/08/05
8	14108	27/08/05	1805	1603	27/08/05
9	14109	27/08/05	1261	1749	29/08/05
10	14110	27/08/05	1200	1750	29/08/05
11	14111	27/08/05	2074	1751	29/08/05
12	14112	27/08/05	4714	1752	29/08/05
13	14113	27/08/05	1040	1753	29/08/05
14	14114	27/08/05	2556	1754	29/08/05
15	14115	27/08/05	2233	1755	29/08/05
16	14116	27/08/05	1784	1756	29/08/05
17	14117	28/08/05	1120	1757	29/08/05
18	14118	28/08/05	2332	1758	29/08/05
19	14119	28/08/05	400	1759	29/08/05
20	14120	28/08/05	3504	1741	29/08/05
21	14121	28/08/05	5670	1742	29/08/05
22	14122	28/08/05	1886	1743	29/08/05
23	14123	28/08/05	2514	1744	29/08/05
24	14124	28/08/05	1972	1745	29/08/05
25	14125	28/08/05	2250	1746	29/08/05
26	14126	28/08/05	3330	1747	29/08/05
27	14127	28/08/05	1580	1748	29/08/05
28	14128	28/08/05	1700	1750	29/08/05
29	14129	28/08/05	185	1751	29/08/05
30	14130	29/08/05	1660	1759	30/08/05
31	14131	29/08/05	3880	1760	30/08/05
32	14132	29/08/05	1120	1760	30/08/05
33	14133	29/08/05	1490	1762	30/08/05
34	14134	29/08/05	1660	1763	30/08/05
35	14135	30/08/05	640	1764	30/08/05
36	14136	30/08/05	1680	1765	30/08/05
37	14137	30/08/05	4000	1766	30/08/05
38	14138	30/08/05	1800	1767	30/08/05
39	14139	30/08/05	1850	1768	30/08/05
40	14140	30/08/05	1800	1830	31/08/05
41	14141	30/08/05			

Sheet1

42	14142	30/08/05	560	1931	31/08/05
43	14143	30/08/05	3260	1932	31/08/05
44	14143 A	30/08/05	2080	1933	31/08/05
45	14144	30/08/05	2000	1934	31/08/05
46	14145	30/08/05	1200	1935	31/08/05
47	14146	30/08/05	2755	1936	31/08/05
48	14147	30/08/05	3520	1937	31/08/05
49	14148	30/08/05	1635	1938	31/08/05
50	14149	31/08/05	720	1939	31/08/05
51	14150	31/08/05	1595	1940	31/08/05
52	14151	31/08/05	1695	1941	31/08/05
53	14152	31/08/05	320	1942	31/08/05
54	14152 A	31/08/05	2422	1943	31/08/05
55	14153	31/08/05	2045	1944	31/08/05
56	14154	31/08/05	2110	1945	31/08/05
57	14155	31/08/05	3430	1946	31/08/05
58	14156	31/08/05	1999	16	01/09/05
59	14157	31/08/05	3899	17	01/09/05
60	14158	31/08/05	1201	18	01/09/05
			1000	19	01/09/05
62	14160	31/08/05	1800	20	01/09/05
63	14161	31/08/05	1800		
64	14162	31/08/05	1800		
65	14163	31/08/05	1800		
66	14164	01/09/05	1582	21	01/09/05
67	14165	01/09/05	2654	22	01/09/05
68	14166	01/09/05	2502	23	01/09/05
69	14167	01/09/05	1739	24	01/09/05
70	14168	01/09/05	2413	25	01/09/05
71	14169	01/09/05	1958	26	01/09/05
72	14170	01/09/05	2377	64	02/09/05
73	14171	01/09/05	1750	65	02/09/05
74	14172	01/09/05	2900	66	02/09/05
75	14173	01/09/05	1200	67	02/09/05
76	14174	01/09/05	1600	68	02/09/05
77	14175	02/09/05	640	69	02/09/05
78	14176	02/09/05	1680	70	02/09/05
79	14177	02/09/05	3875	71	02/09/05
80	14178	02/09/05	300	72	02/09/05
81	14179	02/09/05	2260	73	02/09/05
82	14180	02/09/05	3283	74	02/09/05
83	14181	02/09/05	44625	106	03/09/05
84	14182	02/09/05	17920	107	03/09/05

85	14183	02/09/05	1150	108	03/09/05
86	14184	02/09/05	1720	109	03/09/05
87	14185	02/09/05	1090	110	03/09/05
88	14186	02/09/05	1580	111	03/09/05
89	14187	02/09/05	1000	112	03/09/05
90	14188	03/09/05	6205	113	03/09/05
91	14189	03/09/05	1990	114	03/09/05
92	14190	03/09/05	700	115	03/09/05
93	14191	03/09/05	2580	116	03/09/05
94	14192	03/09/05	3980	117	03/09/05
95	14193	03/09/05	1585	105	03/09/05
96	14194	03/09/05	2000	118	03/09/05
97	14195	03/09/05	5330	145	05/09/05
98	14196	03/09/05	1725	146	05/09/05
99	14197	03/09/05	355	147	05/09/05
100	14198	03/09/05	2385	148	05/09/05
101	14199	03/09/05	2900	149	05/09/05
102	14200	03/09/05	1710	150	05/09/05

GOVERNMENT OF KERALA

Abstract

Taxes Department - Robbery occurred at Commercial Tax Check Post, Naduppuanni - Write off of an amount of ₹3,52,515/- - Orders issued

Taxes (D) Department

G.O(Rt) No. 61/2011/TD. Dated, Thiruvananthapuram, 28/01/2011.

- Read:-
1. Letter No. OA (HQ)III/STCP/03:04/572 dated 16.09.2006 of Principal Accountant General (Audit), Kerala, Thrissur.
 2. Letters No. EI-19407/05/CT dated 22.02.2010 and 17.05.2010 of Commissioner of Commercial Taxes, Thiruvananthapuram.

ORDER

The Principal Accountant General (Audit), Kerala, Thrissur as per his letter read above informed that an amount of ₹ 3,58,255/- had been robbed on 17.05.2002 from the Sales Tax Checkpost, Naduppuanni and a police case registered as Crime No. 82/2002 under Section 397 IPC at Kozhinjampara Police Station. The Circle Inspector of Police, Chittur on 08.01.2004 informed that the police case registered against the robbery was closed on 28.10.2003 as 'undetected'. Since the Commissioner of Commercial Taxes had not regularized the loss amount sustained, the Principal Account General requested Government intervention in the matter.

The Commissioner of Commercial Taxes in his letter dated 22.02.2010 submitted a proposal to Government for regularizing an amount of ₹3,58,255/-. Later the Commissioner of Commercial Taxes clarified as per letter dated 17.05.2010 that the actual money robbed was ₹3,52,515 as per the complaint lodged with Police instead of ₹3,58,255/- reported by the Principal Accountant General.

08.30/12/2011

D.O. Letter No.C2-15221/09/CT

Dear *Smt Vijayalekshmi,*

Sub - Collection from chicken - Necessity for monitoring - reg.

Analysis shows that the collection growth from 'Chicken' is showing an alarmingly decreasing trend. Hence, you should divert your specific attention to this issue with respect to your district. Due analysis of past trends with reference to the present scenario should be made. A timeline should be prepared on the extraneous circumstances which have affected the collection from chicken like specific issues regarding chicken consumption, changes in statutory instructions and orders and the same should be analyzed with the collection trends.

Procedural safe guards should be tightened. Due focus should be made to review registration, assessment and advance tax remittance in all chicken files. Refunds, if any granted should be scrutinized thoroughly. Necessary instructions should be issued to assessing authorities to rectify the irregularities if any noticed. Transportation of chicken through check posts should be strictly monitored.

Intelligence activities should be strengthened particularly in border areas. There should be no laxity in conducting farm visits. Thorough verification of documents should be made with respect to in chicken transit farms in border areas should be specifically monitored. The illicit transit through bye-routs should be controlled through effective checking by the Intelligence Wing.

Fortnight report on the progress should be submitted by all the Deputy Commissioners. Any lapse will be viewed seriously and stringent action will be taken on the concerned officers.

My best,

Yours sincerely,

D. Srinivasan

To
Smt. Vijayalekshmi P.K
Deputy Commissioner
Commercial Taxes
Wayanad.

Office of the Commissioner
Commercial Taxes
Thiruvananthapuram
Dated. 17.04.2012

C-9026/12/CT

From

To The Commissioner

The Deputy Commissioner (Int)
Thiruvananthapuram

Sir,

Sub: - KVAT Act 2003- Special Drive programme to prevent clandestine movements of live chicken in Palakkad district- instruction issued -reg.

Ref: - DO. Lr. No DC(T)B/3576/11 dated 29.03.12 of DC(Int), Tvpm

Please refer to the above. The result of the special drive is appreciated. As requested, the special drive programme of surveillance in Palakkad district to arrest smuggling of live chicken has been extended for a further period of one month by the Commissioner

Yours faithfully,
Sd/
Joint Commissioner (General)
for Commissioner

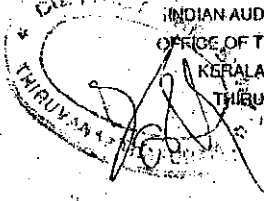
/Approved for issue//


Superintendent.



भारतीय लेखा तथा लेखापरीक्षा विभाग
महालेखाकार (लेखा एवं इकायरी) का कार्यालय,
केरल, एम. जी. रोड, डाक थैला सं. 5607,
तिरुवनंतपुरम - 695 039

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE ACCOUNTANT GENERAL (A&E),
KERALA, M. G. ROAD, P. B. No. 5607,
THIRUVANANTHAPURAM - 695 039



दिनांक/Date: 26.9.2007

DAE VIII/GL/ 07-08/93
सं. NO.

To

The District Treasury Officer,
Trivandrum.

Sir,

Completed
26/9/07
Sub/Entry Tax for Rs. 2,34,69,806/- misclassified under Income Tax in 3/04
accounts-reg.

Ref: Your letter No. RC 3/221/05 dt. 24.1.2007

Kind attention is invited to the reference cited regarding the Entry Tax for Rs.2,34,69,806/- misclassified under Income Tax by the Sub Treasury Officer, Vellayambalam in 3/04 accounts. Necessary Transfer Entry has been booked in 7/07 accounts to transfer the credit of Rs. 2,34,69,806/- to the Head of account 0040-00-800-99-00-00-00 by deducting the amount from Income Tax (8658-00-112-99-076-00-00).

Please intimate this fact of transaction to the concerned department also.

Yours faithfully,

[Signature]
ACCOUNTS OFFICER

No.RC3 221.2007.

District Treasury,
Thiruvananthapuram.
Date: 4.10.2007.

From

THE DISTRICT TREASURY OFFICER

To

The Sub Treasury Officer,
Vellayambalam.

Su.

Sub:- Remittance of entry tax - misclassification - Rs.23469800 by IC to income tax - instead of sales tax - regarding.

- Ref:- 1. That office letter No.46(a)43743-05 dated 16.12.2006, 9.8.2006 and 5.1.2007.
2. DAE 1/111 GL/07-08 93 dated 26.9.2007 from the Accountant General.

Kind attention is invited to the reference cited. In reference 1st The Director General of Police, Thiruvananthapuram intimate this office that an amount of Rs.23469800/- was wrongly booked under 8658-00-112. An alteration memorandum has been proposed to Accountant General by this Treasury on the basis of reference 1. On 26.9.2007 the Accountant General intimated this office as reference 2nd that necessary transfer entry has been booked in 7-2007 accounts from the head of account 8658-00-112 to 0040-00-890-99.

Yours faithfully,

DISTRICT TREASURY OFFICER

Copy To:- The Director General of Police, Thiruvananthapuram.

AC2/186/08

Sub Treasury,
Vellayambalam
22/04/08.From
The Sub Treasury OfficerTo
The Accounts Officer,
Police Head Quarters,
Thiruvananthapuram.Sub :- Correction of IT to ST in 03/2004 reg:-
Ref :-DAE/III/GL/07-08/93 dated 26/09/07

As directed in the reference the misclassification of Rs 23469806/- in the Daybook for 31.03/2004 miscredited in the IT has been rectified and has been booked under 0040-00-800-99.

The inconvenience in this regard is highly regretted.

Yours Faithfully,



[Handwritten Signature]
SUB TREASURY OFFICER.

RECEIVED
22/04/08

18101

Appendix X

H6(a)/43738/2005Police Headquarters
Kerala, Thiruvananthapuram
Dated: 26/04/08

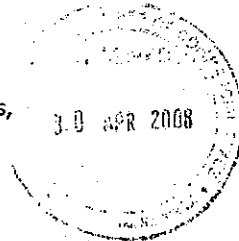
From

The Director General of Police
Kerala, Thiruvananthapuram

To

The Commissioner of Commercial Taxes,
Govt. of Kerala,
Thiruvananthapuram

Sir,



Sub : Entry Tax for Rs.2,34,69,806/- misclassified under Income Tax instead of Sales Tax. Reg:-

- Ref :** 1) D.C. No.E1-19407/05/TX Dated 4.04.08 of Commissioner of Commercial Taxes
2) Letter No. DAE I/III/GL/07-08/93 dated 26.09.07 of Accounts officer, AG(A&E) to the District Treasury Officer, TVPM
3) Letter No. RC 3/221/07 dated 4.10.07 of District Treasury Officer to STO, Vellayambalam.
4) Letter No. AC 2/186/02 dated 22.04.08 of STO, Vellayambalam.

Kind attention is invited the subject and references cited regarding the Entry Tax for Rs. 2,34,69,806/- is misclassified under Income Tax by the Sub. Treasury Officer under "8658-00-112" . The Accountant General vide his letter cited 2nd has intimated to the District Treasury Officer that necessary transfer entry has been booked in 7/07 accounts to transfer the amount of Rs.2,34,69,806/- from the Head of Account "8658-00-112" to "0040-00-800-99" .Copy of the reports cited are enclosed for reference.

Yours faithfully,



For Director General of Police



GOVERNMENT OF KERALA

Abstract

Taxes Department - Setting up of Integrated Check Post at Walayar - Creation of additional post to Commercial Taxes Department, Excise Department, Police Department & Motor Vehicle department and additional infrastructure development - Sanctioned - Orders issued.

TAXES (C) DEPARTMENT

G.O. (Ms) No. 123 /08/TD.

Dated, Thiruvananthapuram 28.06.2008

Read: 1. G.O (MS) No. 46/08/TD dated 15.03.2008

2. Letter No. B3/35858/06/CT dated 22.01.2008 & 02.05.2008 from the Commissioner of Commercial Taxes, Thiruvananthapuram

ORDER

In the G.O. read as 1st paper above, Government have approved the project report submitted by M/s. KITCO Ltd. for setting up an Integrated Check Post at Walayar to co-ordinate the activities of check posts of the Commercial Taxes Department, Excise Department and Transport Department. The project cost involved is Rs. 2634.60 lakhs to be funded by the state Government as one time grant.

2. In the letter read as 2nd paper above, the Commissioner of Commercial Taxes, Thiruvananthapuram has furnished proposals for additional post creation to Commercial Taxes Department, Excise Department, Police Department, & Motor Vehicle Department and additional infrastructure development for setting up of an Integrated Check Post at Walayar.

3. Government have examined the matter in detail and are pleased to accord sanction for the creation of additional posts for setting up of an Integrated Check Post at Walayar to the following departments as

Police Department:

Sl. No	Name of Post	No. of Post	Scale of Pay
1	Reserve Sub Inspector	3	9190 - 15510
2	Head Constable	9	7480 - 11910
3	Police Constable	40	5930 - 9590
4	Camp Follower	5	4300 - 6930

Approximate expenditure is Rs.65,17,500 (Rupees Sixty five lakhs Seventeen thousand and five hundred only)

Motor Vehicles Department:

Sl.No	Name of Post	No. of Post	Scale of Pay
1	Motor Vehicles Inspector	2	10790 - 15000
2	Assistant Motor Vehicle Inspector	10	7900 - 12530
3	Peon		

Approximate expenditure is Rs.31,10,348/- (Rupees Thirty one lakhs ten thousand eight hundred and forty eight only)

Excise Department

Sl.No	Name of Post	No. of Post	Scale of Pay
1	Preventive Officer	3	10790 - 15000
2	Excise Guard	10	7900 - 12530

Approximate expenditure is Rs.28,16,044/- (Rupees Twenty eight lakhs sixteen thousand and forty four only)

Commercial Taxes Department

Sl.No	Name of Post	No. of Post	Scale of Pay
1	Commercial Tax Inspector	3	10790 - 15000
2	Clerk	6	7480 - 11910
3	Peon	45	5930 - 9590

Approximate expenditure is Rs. 24,24,000/- (Rupees Twenty four lakhs and twenty four thousand only)

4. Sanction is also accorded for the following additional infrastructure facilities amounting approximately to Rs. 100 lakhs. The estimated cost is noted against each.

Sl.No.	Item description	Amount (Rs. in lakhs)
1.	Raised Platforms for Excise (4 Nos.)	2.41
2.	Concreting the Parking Area for Detailed Inspection/ Detained vehicles	39.41
3.	Inspection Cabins (Porta Cabins/ Containers) for RT Department - 1 No. (40 feet long)	3.35
4.	Inspection Cabins for Excise Department on the Raised Platforms (4 Nos.)	1.20
5.	Office (Porta cabins/containers) for Excise Department (1 No.)	3.35
6.	Accommodation (Porta Cabins/Containers) for RT Department-2 Nos.	6.70
7.	Accommodation (Porta Cabins/Containers) for Excise Department (2 Nos.)	6.70
8.	Data Entry Cabins for ST Department (2 Nos.)	6.70
9.	Drain Cover Slab and other Miscellaneous works	
TOTAL AMOUNT (Rs.)		
10.	ST for Cabins @ 12.5%	
11.	Consultancy Charges for works on the raised container cabins @ 2%	
12.	Service Charges for Consultancy @ 10%	
Grand Total amount (Rs.)		

Sl.No.	Item description	
1.	Quoted Cost of Devices	
2.	Installation Cost @ 10%	
3.	VAT/ESI	
4.	Contingency @ 5%	
5.	Scientific Installation Charge (1%)	
6.	Miscellaneous	
Total for 10 Hand-Held Devices (Hardware, Software & Accessories)		
	80 PCs	16
	Computer Furniture	
	Cables, Electromagnets	
	100% GST	
Total		

5. The expenditure for the creation of posts will be met under the following Heads of Account:-

1. Police Department - "2055-00-001-99-01 -Salaries"
2. Motor Vehicles Department - "2041-00-001-99-01- Salaries"
3. Excise Department - "2039-00-001-99-01-Salaries"
4. Commercial Taxes Department - "2040-00-101-97-01 - Salaries"

By Order of the Governor
P. MARAPANDIYAN
Secretary to Government

To

The Commissioner of Commercial Taxes, Thiruvananthapuram.
The Commissioner of Excise, Thiruvananthapuram.
The Transport Commissioner, Thiruvananthapuram.
The Director General of Police, Thiruvananthapuram.
The Principal Accountant General (Audit), Kerala.
The Accountant General (A.C.T.), Kerala (that it accords with the concurrence of Finance Department).
The Director, Public Relations Department.
The General Administration (S.G. Dept (Mtd. No. No. 2703 and 25.6.2008))
The Finance Dept (vide U. O. No. 5003/Fin. 27/03 dated 26.4.2008.)
The Home Department.
The Transport Department.

Copy to: PS to Minister (Finance)
PS to Minister (Transport)
PS to Minister (Home)
PS to Minister (Police)
PA to Secretary (Police/Transport/Home)
The Transport Department
SF/CG

Forwarded by order

[Signature]
Secretary



GOVERNMENT OF KERALA

Abstract

Taxes Department - Measures to improve the functions of the Commercial Taxes Department - Orders issued.

Taxes (D) Department

G.O(MS) No.59/2010/TD. Dated, Thiruvananthapuram, 11/03/2010.

Read.- Letter No. A1/10751/09/CT dated 08.06.2009 and 12.06.2009 of Commissioner of Commercial Taxes, Thiruvananthapuram.

ORDER

In the Budget speech for the year 2009-2010 it had been announced certain measures for the reorganization of Commercial Taxes Department. As a part of that the Commissioner of Commercial Taxes has furnished proposals for the upgradation of existing posts and creation of new posts for improving the functions of the Commercial Taxes Department.

Government have examined the proposal in detail and are pleased to issue the following orders.

1. Two posts of Deputy Commissioners (Rs.20700 - 26600) in the Commissionerate of Commercial Tax are upgraded to that of Joint Commissioner (Rs. 25400 -33100).
2. 100 posts of Upper Division Clerks (Rs.6680 -10790) are upgraded to that of Commercial Tax Inspectors (Rs. 9190-15510).
3. Four posts Judicial Members are created in the four Tribunal benches to be formed.
4. Eight posts of Peons are created to the Tribunal benches to be formed.

The Commissioner of Commercial Taxes will take necessary steps to make further arrangements on the basis of the above upgradation and creation of new posts.

By Order of the Governor,

P. MARA PANDIYAN,
Principal Secretary to Government.

To

The Commissioner of Commercial Taxes, Thiruvananthapuram.
The Chairman, Kerala Agricultural Income Tax and Sales Tax
Appellate Tribunal, Ernakulam -15.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
The Principal Accountant General (Audit), Kerala,
Thiruvananthapuram.
The General Administration (SC) Department.
The Finance Department (Vide U.O No. 14413/Exp. A3/10/Fin
dated 24.02.2010)
S/F, O/C.

Forwarded/ By Order,

Section Officer.

No.E1-12265/11.

Office of the Commissioner,
Commercial Taxes,
Thiruvananthapuram,
Dated : 09.05.2011.

From

The Joint Commissioner (A&I),
Thiruvananthapuram.

To

The Deputy Commissioner,
Thiruvananthapuram/Kollam/Pathanamthitta/
Alappuzha/Kottayam/Idukki/Ernakulam/
Mattancherry/Thrissur/Palakkad/Malappuram/
Kozhikode/Wayanad/Kannur/Ksargode.

Sir,

Sub: Committee on Public Accounts (08-11) 142nd report Para 39
Instructions issued - reg.
Ref: Govt.Lr. No.6222/C2/2011/TD dtd. 2.4.2011.


In Para 39 of the 142nd report of the Public Accounts Committee (08-11) the committee recommends that strict direction should be issued to the officers in charge of check posts and circle offices to maintain prescribed registers as per the AIT Act and Sales Tax Manual Vol. III properly and completely. You are therefore requested to give necessary directions to the officers under your control to maintain all the prescribed registers properly and completely.

Yours faithfully,

Sd/-

Joint Commissioner (A&I).

//True Copy//


Joint Commissioner (A&I)
Commercial Taxes
Thiruvananthapuram

CIRCULAR No. 13/05

Subj:- Evasion of tax using transit pass- Certain guidelines - Reg

The Commercial Investigation Wing of the Commercial Taxes Department has brought to the notice of the undersigned that the provisions relating to transit pass under section 46 of KVAT Act 2003, and under section 30B of the KGST Act, 1993 are being widely misused to evade tax. As most of the evasion prone commodities are brought under the Entry Tax Act, there are chances for misusing the transit pass for evading tax by unscrupulous dealers. In the circumstances, the following guidelines are issued for safeguarding the revenue on account of non-follow-up/collusion with the tax evaders by the check post officials.

1. The Sales Tax Inspector who issues the transit pass shall pass on such information to the Dy.Commissioner of that district through E-mail/ post within 24 hours.
2. The Sales Tax inspector of the entry check post who issued Transit pass shall report the non-receipt of the information of moving of the goods out of the state through the exit check post, to the Intelligence Officer (C.I) of the area within one week. The Sales Tax Inspector of the exit check post shall return the Transit pass immediately the next day to the entry check post either in person or by post on proper acknowledgement. He shall also send the information of moving out the goods through E-mail to the District Dy. Commissioner concerned within 24 hours after surrendering the pass. The Dy.Commissioners concerned shall send the information in turn to the entry check post through his counter part of the district concerned through E-mail/Ppst.
3. The Intelligence Officer (C.I) shall get the details of the transit pass issued and the goods moving out the state from Dy. Commissioner's office or from the check post concerned and cross checked within 7 days, and an endorsement shall be made weekly in the transit pass register of the check post to the effect that the Sales Tax Inspectors are complying with the directions properly and, in case of any non-compliance is noticed, that has been brought to the notice of the higher authorities in time.
4. The Intelligence officer (C.I) of the area shall gather the information of issuing Transit pass on random basis from the entry check post and pass it on to his counter part in the exit check post for detecting fraudulent entry if any done conniving with tax evaders. The information so received and action taken shall be recorded in the general diary to be kept which will be subject to monthly verification of the Inspg.Asst. Commissioner (CI). The Inspg. Asst.Commissioner (CI) and Inspg. Asst.Commissioner (IB) under the supervision of the Dy.Commissioner (Int) shall closely follow-up the instructions above and incorporate the details in their monthly D.O.to the undersigned. The District Dy.Commissioners shall closely watch the compliance of the above directions by the Sales Tax check post under their jurisdiction and report the progress of action taken in due course.

Commissioner