

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2016-2019)**

THIRTY SECOND REPORT
(Presented on 5th December, 2018)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2018

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On

**Paragraphs relating to Transport and Revenue Department
contained in the Report of the Comptroller and Auditor
General of India for the year ended
31st March 2012 (Revenue Receipts)**

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(2016-2019)

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Shri P. P. Shahnawas, Deputy Secretary

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INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the 32nd Report on paragraphs relating to Transport and Revenue Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2012 (Revenue Receipts).

The Report of the Comptroller and Auditor General of India for the year ended 31st March, 2012 (Revenue Receipts) was laid on the Table of the House on 19th March, 2013.

The Committee considered and finalised this Report at the meeting held on 3-12-2018.

The Committee place on records their appreciation of the assistance rendered to them by the Accountant General in the examination of the Audit Report.

Thiruvananthapuram,
3rd December, 2018.

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

REPORT

TRANSPORT AND REVENUE DEPARTMENT

AUDIT PARAGRAPH

TAXES ON VEHICLES

Tax administration

The Transport Department is under the control of Principal Secretary (Transport) at Government level and the Transport Commissioner is the head of the Department. The levy and collection of tax in the State are governed by the Motor Vehicles (MV) Act, 1988, Central Motor Vehicles (CMV) Rules, 1989 and the Kerala Motor Vehicles Taxation (KMVT) Act, 1976. The activities of the Department include registration of motor vehicles, levy and collection of motor vehicle tax, grant of driving licence and road permits.

Trend of receipts

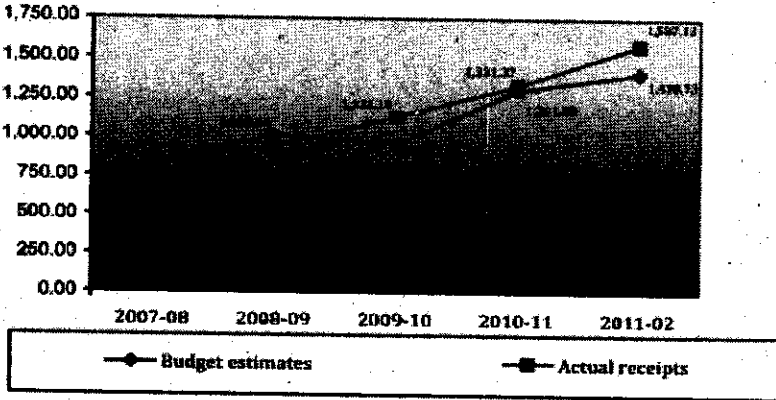
Actual receipts from taxes on motor vehicles during the years 2007-08 to 2011-12 along with the budget estimates during the same period is exhibited in the following table and graph.

(₹ in crore)

Year	Budget estimates	Actual Receipts	Variation	Percent age of variation	Total tax receipts of the State	Percentage of actual receipts vis-a-vis total tax receipts	Percentage of growth rate
2007-08	835.08	853.17	(+)18.09	(+)2.17	13,668.95	6.24	20.54
2008-09	1008.64	937.45	(-)71.19	(-)7.06	15,990.18	5.86	9.88
2009-10	958.63	1,131.10	(+)172.47	(+)18.00	17,625.02	6.42	20.65
2010-11	1,301.88	1,331.37	(+)29.49	(+)2.26	21,721.69	6.13	17.70
2011-12	1,410.73	1,587.13	(+)176.40	(+)12.50	25,718.60	6.17	19.21

Source : Finance Accounts for the relevant years

Budget estimates and actual receipts



Except for 2008-09, the actual receipts exceed the budget Estimate during 2007-08 to 2011-12.

Cost of collection

The gross collection of revenue receipts under the head Taxes on vehicles, expenditure incurred on collection and the percentage of expenditure to gross collection during 2007-08 to 2011-12 along with the All India average percentage of expenditure on collection to gross collection for relevant preceding years are mentioned below:

(₹ in crore)

Year	Collection*	Expenditure on collection of revenue*	Percentage of expenditure to gross collection	All India average percentage of the preceeding year
2007-08	853.17	26.00	3.05	2.47
2008-09	937.45	30.05	3.21	2.58
2009-10	1,131.10	33.96	3.00	2.93
2010-11	1,331.37	35.55	2.67	3.07
2011-12	1,587.13	53.26	3.36	3.71

*Source : Finance Accounts for the relevant years

From the table above it is seen that revenue collection showed an increasing trend consistently from 2007-08 onwards. Percentage of cost of collection was lower than All India average percentage during the years 2010-11 and 2011-12.

Impact of audit

Revenue impact

During the last four years, non/short levy of tax, incorrect classification, irregular exemption etc. with revenue implication of ₹ 384.51 crore were pointed out in 1,419 paragraphs. Of these, the Department/Government accepted 767 audit observations involving ₹ 15.58 crore and had since recovered ₹ 2.63 crore. The details are shown in the following table:

(₹ in lakh)

year	Paragraphs included in the LAR		Paragraphs accepted during the year		Amount recovered during the year	
	No.	Amount	No.	Amount	No.	Amount
2007-08	148	206.00	162	271.43	25	13.07
2008-09	404	398.00	138	604.64	131	77.66
2009-10	453	37,149.00	369	454.78	432	113.00
2010-11	414	698.00	98	227.20	125	59.04
Total	1,419	38,451.00	767	1,558.05	713	262.77

Though the Department accepted 767 cases involving ₹ 15.58 crore against 1,419 cases featured in the IRs it could recover only ₹ 2.63 crore which was 16.88 per cent of the accepted amount.

Working of Internal Audit Wing

Finance Officer attached to the office of the Transport Commissioner conducts annual audit of offices of the Deputy Transport Commissioners and RTOs. The Senior Superintendents attached to the Office of the Deputy TC conduct internal audit of Sub RTOs. One Accounts Officer, one Senior Superintendent and three Clerks comprise the Internal Audit team in the office of

the Transport Commissioner while a Senior Superintendent looks after the internal audit function at each of the four Deputy TC's offices. No special training has been imparted to the personnel of the Internal Audit Wing (IAW). The periodicity of audit of all offices is 'annual' but the Department could not achieve the target due to shortage of staff. Against the target of 66 units, 39 units were audited during 2011-12. The Department has not prepared a separate Internal Audit Manual. 1,299 paragraphs involving ₹ 99.38 lakh relating to 259 IRs remained outstanding at the end of the March 2012.

It is recommended that the IAW may be strengthened so that the planned audit target is achieved. Besides, a mechanism needs to be installed for timely settlement of the audit observations raised by the IAW.

Results of the audit

In 2011-12 the records of 65 units relating to Motor Vehicles Department were test checked. Non/short levy of tax and other irregularities involving ₹ 14.29 crore were detected in 409 cases which fall under the following categories:

(₹ in crore)

Sl.No.	Categories	No of cases	Amount
1	Short/non-levy of tax	164	2.50
2	Incorrect classification	3	0.03
3	Irregular exemption	11	0.18
4	Other lapses	231	11.58
Total		409	14.29

The Department accepted underassessment and other deficiencies of ₹ 6.53 crore in 267 cases, of which 110 cases involving ₹ 4.52 crore were pointed out in audit during the year 2011-12 and the rest in earlier years. An amount of ₹ 0.91 crore was realised in 118 cases during the year 2011-12.

A few illustrative observations involving ₹ 1.78 crore are mentioned in the following paragraphs.

Other audit observations

The records of various* Transport Offices were scrutinised which revealed several cases of non-compliance of the provisions of the Motor Vehicles Act, 1988 (MV Act) and the Kerala Motor Vehicles Taxation Act (KMVT Act), 1976 and Government notifications as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check. Such omissions on the part of the Regional Transport Officers (RTOs) are pointed out by audit each year but not only do the irregularities persist but also these remain undetected till an audit is conducted. There is need for the Government to improve the internal control system so that occurrence of such cases can be minimised.

[Audit paragraph 5.1-5.7 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraphs are included as Appendix II

1. Regarding the audit Paragraph towards the non/short levy of Tax on vehicles, the Committee observed that the department had collected ₹ 2.63 crore only as arrear against the collectable amount of ₹ 15 crore. The committee wanted to know the reason for short collection. The witness Transport Commissioner informed that after each finance bill, there occurs slight variations in taxation and some provisions were added to the finance bill for the enhancement of Revenue. While interpreting these provisions, there were chances to make mistakes by the joint RTOs, that resulted in the short collection. He also added that, Life time tax for vehicles had levied from 1st April 2007. The department began its computerisation during 2007-08. Data entry work was entrusted with Kudumbasree units and while entering data many errors occurred including data related to year of manufacture of vehicles. The Accountant General noticed it as short collection of Tax, he added.

2. To a query of the committee the witness, Transport Commissioner apprised that circulars were issued on the provisions related to Transport Department in each finance bill in order to minimise the problems related to its

* Regional Transport Offices, Joint Regional Transport Offices and Sub Regional Transport offices

implementation. He also supplemented that effective measures were taken to strengthen the Internal Audit wing. He assured that to overcome the huge pendency in audit observations, minimum two officials would be appointed in all offices to follow up action on them and for identifying the pending collection cases. The Committee recommends that pending taxes should be collected by giving a time limit and the Transport Commissioner replied that instructions had been given to subordinate offices to speed up Tax Collection.

3. While the committee enquired whether clarifications on finance bill were given to subordinate offices regarding Tax collection, the Additional Secretary, Finance department replied in the affirmative. The Committee expressed its anguish over the problems facing by the officials in interpreting provisions of the finance bill and directed the department to introduce an effective system in this regard. The committee also urges that special training should be given to the officers concerned for the implementation of provisions contained in each finance bill. Then the Committee suggests that the Department should take effective steps to strengthen the Internal Audit Wing.

4. The Additional Secretary, Finance Department stressed the need for expert training on Taxation laws to all departmental officials. Then the witness, Secretary Transport Department apprised that one day workshop was conducted for improving the efficiency of staff and a training would be given for officers concerned regarding the amendments in finance bill. The Secretary Transport Department added that effective steps would be taken for strengthening Internal Audit wing in future. The Secretary also informed that the working of the whole department had been shifted to 'Vahan Sarathy' Software.

Conclusion/Recommendation

5. The Committee is aggrieved to note that many problems exist in interpreting provisions of the finance bill eventhough circulars were issued subsequent to each finance bill to minimise the problems related to its implementation. Therefore, the Committee directs that an effective system should be introduced so as to make the Joint RTOs and other officers concerned to keep away from committing mistakes while implementing the taxation provisions incorporated in the finance bill.

6. The Committee is of the opinion that ignorance of the officers is the main reason for repeating the mistakes in every year. Therefore, the Committee recommends that special training should be given to the officers concerned wherever necessary before the implementation of the provisions contained in each finance bill.

7. The Committee notices with concern that special training has not been given to the personnel of Internal Audit Wing and the department could not achieve the target due to shortage of staff. Therefore, the Committee recommends that the department should take effective steps to strengthen the Internal Audit wing.

Non-compliance of provisions of Acts/Rules

The provisions of the MV Act, KMVT Act and Rules made thereunder provide for:

- (i) collection of revenue on transport vehicles/stage carriages;
- (ii) levy of tax at the prescribed rates within the due dates and
- (iii) levy of penalty for various offences.

It was noticed that the RTOs did not observe some of the above provisions which resulted in non/short levy of tax/fine of ₹ 1.78 crore as mentioned in paragraphs 5.8.1 to 5.8.5.

Non/Short levy of one time tax on value on percentage basis (11¹RTOs and 29²SRTOs)

Section 3 (1) of the Kerala Motor Vehicles Taxation Act, 1976 as amended by the Finance Act 2007 and Finance Act 2010 stipulates that

The registration table and tax table in the database were analysed (October to December 2011) and noticed that the Department at the time of reclassification

- 1 RTOs : Ernakulam, Idukki, Kannur, Kasargode, Kollam, Kottayam, Muvattupuzha, Palakkad, Pathanamthitta, Thrissur and Waynad.
- 2 SRTOs : Alathur, Aluva, Changanassery, Cherthala, Irinjalakuda, Guruvayoor, Kanhangad, Kanjirappally, Karunagappally, Kodungallur, Kottarakkara, Maliappally, Mannarkkad, Mattancherry, North Paravur, Nedumangad, Ottappalam, Pala, Pattambi, Perumbavoor, Punalur, Thalassery, Thaliparamba, Thiruvalla, Thripunithura, Tirur, Vandiperiyar, Vaikom and Wadakkancherry.

one time tax is leviable on the purchase value of certain categories of vehicles at percentage basis depending on the age of vehicle from the month of original registration. The one time tax is leviable in the case of vehicles such as motor cycles, three Wheelers, PSVs (non-transport) construction equipment vehicles and motor cars which are originally registered in other States on or after 1 April 2007 and migrated to Kerala State and Vehicles registered on or after 1 April 2007 and reclassified from the category of transport vehicles. The revised rate of one time tax leviable in respect of vehicles having engine capacity above 1,500 cc is eight per cent of the purchase value of the Vehicle and six per cent of purchase value in respect of vehicles having engine capacity below 1,500 cc.

and assigning new registration of vehicles did not levy one time tax in respect of 432 vehicles though these vehicles were liable to tax. This resulted in short levy of tax of ₹ 77.71 lakh.

After the matter was pointed out between October 2010 and December 2011, the Registering Authorities stated that action would be taken to realise the short collections. Further, developments from the Department have not been received (December 2012).

• (10 RTOs³ and 27 SRTOs⁴ ; between October 2010 and November 2011). The database was analysed and it was noticed that the registering authorities realised one time tax at less than the prescribed rate in 37 RTOs/SRTOs. The total short levy worked out to ₹ 46.73 lakh in 1,152 cases.

3 RTOs: Alappuzha, Attingal, Kollam, Kottayam, Muvattupuzha, Palakkad, Pathanamthitta, Thrissur, Thiruvananthapuram and Wayanad.

4 SRTOs: Alathur, Aluva, Chengannur, Cherthala, Guruvayoor, Irinjalakuda, Kanjirappally, Karunagappally, Kayamkulam, Kazhakkuttam, Kottarakkara, Mallappally, Mannarkkad, Mavelikkara, Nedumangad, Neyyattinkara, Ottappalam, Pala, Parassala, Pattambi, Perumbavoor, Punalur, Thalassery, Thaliparamba, Thiruvalla, Thodupuzha and Vaikom.

After the cases were pointed out between October 2010 and November 2011, the Registering authority stated that action would be taken to realise the short collection. The matter was reported to the Government (March 2012). They stated (July 2012) that ₹ 3.10 lakh was collected in 67 cases and that the remittance particulars in the remaining cases would be intimated. Further report has not been received (December 2012).

[Audit paragraph 5.8, 5.8.1 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraphs are included as Appendix II.

8. Regarding the audit observation, the committee enquired the latest position of tax collection. The Secretary Transport Department informed that the department had collected ₹ 58 lakhs in 338 cases out of ₹ 77 lakhs in 432 cases. He added that Revenue Recovery Proceedings had already been started to recover the balance amount. The Committee expressed its dissatisfaction towards the officers for their slothful attitude in observing provisions of the MV Act and KMTV Act and Rules, which resulted in non/short levying of tax.

9. The witness, transport commissioner opined that Transport Department had the largest tax target after commercial tax department. But the department faces certain constraints due to deficiency in the number of vehicles and heavy work loads. The Commissioner added that MVIs and AMVIs who conduct Driving Test, Learners Test, and C.L. Test of vehicles were also entrusted with collection of revenue arrears and thus the over burden of work would result in short levy of taxes. The Committee recommended that a separate wing to be formed for conducting driving test and related activities and adequate posts should also be created.

Conclusion/Recommendation

10. The Committee is perceived to note that workload of the personnel in the MV Department resulted in the short levy of tax since MVIs and AMVIs who

conducts Driving Test, Learner's Test and C.L Test of vehicles were entrusted with collection of revenue arrears also. Therefore, the Committee recommends that a separate wing should be formed and adequate posts should be created for conducting Driving Test and related activities.

**Non-imposition of fine
(9 RTOs⁵ and 19 SRTOs⁶)**

Under Section 113 of the MV Act 1988, no person shall drive any motor vehicle or trailer, the laden weight of which exceeds the gross weight specified in the certificate of registration. Under Section 194 of the Act, whoever drives a motor vehicle or causes or allows a motor vehicle to be driven in contravention of the above provisions shall be punishable with minimum fine of ₹ 2,000 and an additional amount of ₹ 1,000 per tonne of excess load together with liability to pay charges for off loading the excess load.

It was noticed (October 2010 to November 2011) from the check report table of database and the pending check reports⁷ relating to the period up to 2010-11 that 28 RTOs/SRTOs did not collect fine in respect of 503 over loaded vehicles. This resulted in non-imposition of ₹ 24.86 lakh.

After the cases were pointed out between October-2010 and November 2011, the Registering authority stated that action would be taken to realise the non-collection. Further developments from the Department have not been received (December 2012).

[Audit paragraph 5.8.2 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

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- 5 RTOs : Emakulam, Idukki, Kannur, Kasargode, malappuram, Muvattupuzha, Palakkad, Pathanamthitta and Thrissur.
 - 6 SRTOs : Adoor, Alathur, Changanassery, Guruvayoor, Irinjalakuda, Kodungallur, Mallappally, Mannarkkad, Ottappalam, Pattambi, Perinthalmanna, Perumbavoor, Ponnani, Thalassery, Thaliparamba, Thodupuzha, Vaikom, Vandiperiyar and Wadakkanchery.
 - 7 Check reports, not defined in Motor Vehicles Act/Rule, are prepared by enforcement officer of Motor Vehicles Department at the time of detecting the offence, recording the nature of offence and the details of fine imposed.

11. Regarding the audit para the witness, Secretary, Transport Department informed that the department had collected ₹ 12.26 lakh in 219 cases as fine out of ₹ 24 lakhs in 503 cases and added that Revenue Recovery Proceedings had been started to realise the balance amount.

Conclusion/Recommendation

No remarks

Short Collection of permit fee for educational institution buses

(2RTOs⁸ and 7 SRTOs⁹)

The Motor Vehicles Act, 1988 as amended by Motor Vehicles (Amendment) Act, 2000 prescribes contract carriage permit for educational institution buses (EIBs). Government of India, Ministry of Road Transport and Highways in their letter¹⁰ reiterated and clarified that EIBs are contract carriages. Accordingly, the State Government in August 2008 directed the Transport Commissioner to issue contract carriage permit for all newly registered educational institution buses and for all the existing EIBs on the expiry of Private Service Vehicle permits issued to them. However, the Transport Commissioner complied with the direction only in June 2009. The fee prescribed for contract carriage permits

The database was analysed (October 2010 and November 2011) and noticed that 9 RTOs/SRTOs issued/renewed private service vehicle permits to 586 EIBs@ ₹ 500 from August 2008 instead of issuing contract carriage permits. Issue (August 2008 to March 2010) of Private Service Vehicle permits instead of contract carriage permits resulted in short collection of permit fee of ₹ 13.77 lakh in 586 cases.

After the cases were pointed out between December 2010 and March 2011, the registering authorities stated that action would be taken to make good the short levy. Further developments from the Department have not been received (December 2012).

8 RTOs : Idukki and Malappuram

9 SRTO : Alathur, Perinthalmanna, Ponnani, Thalassery, Thaliparamba, Tirur and Vandiperiyar.

10 Letter No.RT-11012/32/008 MVT dt: 28 August 2006.

are ₹ 2,000, ₹ 2,500 and ₹ 3,000 for vehicles having seats below 13, 13 to 20 and above 20, respectively.

[Audit paragraph 5.8.3 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

12. Regarding the audit paragraph the witness, Secretary, Transport Department informed that the department had realised ₹ 12.80 lakhs in 536 cases out of ₹ 13.77 lakhs in 586 cases. He added that ₹ 97,000 in 50 cases was yet to be collected. The Committee remarked that eventhough the department directed the Transport Commissioner in August 2008 to issue contract carriage permit for Educational Institution Buses on the expiry of private Service Vehicles permits issued to them; the Transport commissioner complied with the direction only in June 2009. In this regard, the committee opined that had the Commissioner complied the direction in time short collection of permit fee could have been avoided.

Conclusion/Recommendation

13. The Committee is displeased to note that non compliance of the direction of the Government in time to issue contract carriage permit for all newly registered educational institution buses on the expiry of their private service vehicle permits resulted in the short collection of permit fee of ₹ 13.77 lakh in 586 cases. The Committee perceives that the short collection of permit fee could have been avoided, had the Transport Commissioner complied the direction in time. The Committee suggests that strict measures should be taken to ensure prompt compliance and timely implementation of the government directions.

Incorrect exemption of one time tax

(RTO Thiruvananthapuram and Kollam)

Section 3(1) of the Kerala Motor Vehicles Taxation Act, 1976 stipulates levy of tax on every motor vehicle used or kept for use in the State at the rate specified for such vehicle in the Schedule. The second proviso to the above Section as amended by the Kerala Finance Act 2010 envisages levy of one time tax in respect of motor cycle, three wheelers, private service vehicle for personal use, construction equipment vehicles and motor cars at the rates prescribed. Government by notification exempted certain classes of motor vehicles from the payment of tax which includes motor vehicles owned by or on behalf of Government of Kerala, Road Rollers, Fire Engines, Ambulances etc.

The database was analysed (July and October 2011) and noticed that the Department granted exemption from payment of tax to 43 vehicles belonging to Central Government/autonomous bodies treating these vehicles at par with vehicles owned by the State Government. The incorrect exemption from levy of tax resulted in non-realisation of one time tax of ₹ 9.26 lakh.

The matter was pointed out to the registering authorities concerned in July and October 2011. While the RTO, Kollam stated that action has been taken to make good the short levy, RTO, Thiruvananthapuram stated (July 2011) that exemption was granted as per order of the High Court. The reply of RTO, Thiruvananthapuram is not acceptable as the order mentioned was only an interim order staying the levy of tax. Further, the interim stay order was decided (May 2011) by which the writ appeals were dismissed in favour of revenue. Further developments from the Department have not been received (December 2012).

[Audit paragraph 5.8.4 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

14. Regarding the audit objection, the Secretary Transport Department informed that out of the total collectable amount of ₹ 9.26 lakh in 43 cases, ₹6.09 lakh was realised in 31 cases. He added that the balance amount of ₹ 3.16 lakh in 12 cases was yet to be collected.

Conclusion/Recommendation

No remarks

Short levy of tax on stage carriages with mofussil permits

(2 RTOs¹¹ and SRTO¹²)

Rule 269 of the Kerala Motor Vehicles Rules, 1989 stipulates that the minimum seating capacity of a stage carriage shall be directly proportionate to the wheel base of the vehicle. The seating capacity determines the tax due on stage carriage. The seating capacity can be reduced by two seats in respect of vehicles with separate entrance and exit and further reduced by one fifth in respect of vehicles operating as City/Town service. However, such vehicles with reduced seating capacity are eligible for mofussil permit only on enhancement of seating capacity to the minimum prescribed in the Rule.

The database relating to stage carriages was analysed (Between January and October 2011) and noticed that RTOs/SRTOs transferred vehicles to other jurisdictions by granting mofussil permits to 14 vehicles. They collected tax based on reduced seating capacity of the vehicles instead of collecting tax on the minimum seating capacity. This resulted in short collection of tax of ₹ 5.88 lakh.

After the cases were pointed out between January and October 2011, the registering authorities stated that the matter would be examined and action taken to make good the short levy. Further developments from the Department have not been received (December 2012).

[Audit paragraph 5.8.5 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II.

11 RTOs : Kottayam and Palakakd

12 SRTO : Thalassery.

15. Regarding the audit objection, the committee understood that the department had collected tax on stage carriages based on reduced seating capacity, instead of minimum seating capacity, which resulted in short collection of tax. The Secretary, Transport Department informed that the problem regarding this had solved by calculating tax on the basis of floor area of the vehicle and also added that the department had collected ₹ 58000 in 7 cases.

16. The Committee observed that the AG's audit had revealed the several cases of short collection of Taxes/fees, occurred due to noncompliance of the provisions of MV Act 1988 and Kerala Motor vehicles Taxation Act. Eventhough such lapses are pointed out in audit each year, the irregularities persists and remain undetected till an audit is conducted. The Committee expresses its anguish over the fact that the department had not initiated steps to rectify the defects pointed out in the Audit. The Committee admonished the department in not furnishing the RMT statements and directed the department to submit the same at the earliest and the Secretary, Transport Department affirmed to do so.

Conclusion/Recommendation

17. The Committee observes that eventhough lapses and irregularities pointed out by audit in each year they persist and remain with the same nature in the subsequent years also. The Committee is aggrieved to note that the department does not pay due attention to evade the lapses and irregularities that results in short collection of tax. Hence the Committee recommends to improve the system by issuing necessary clarifications on the provisions of the concerned Acts and Rules as well as by providing proper training to the concerned officials.

18. The Committee admonishes the department in not furnishing the RMT statements on the related audit paras and directs the department to take steps to submit the RMT statements in the stipulated time.

LAND REVENUE AND BUILDING TAX

Tax administration

The Revenue Department is under the control of the Additional Chief Secretary at the Government level and the Land Revenue Commissioner is the head of the Department. The revenue collection of the Department includes collection of basic tax, plantation tax, lease rent and building tax. The Department realises arrears of public revenue under the Kerala Revenue Recovery Act with interest and cost of process prescribed.

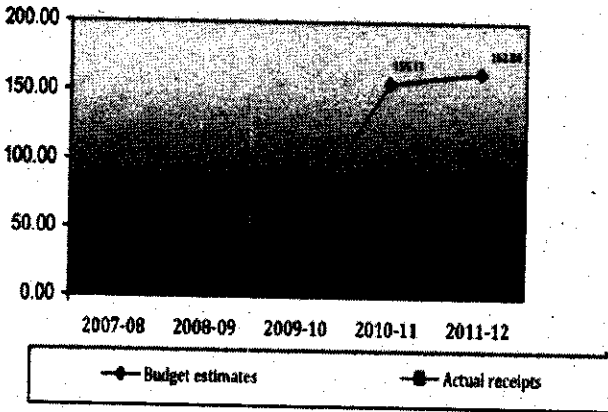
Trend of receipts

Actual receipts from land revenue during the last five years (2007-08 to 2011-12) along with the budget estimates during the same period is exhibited in the following table and graph:

Year	Budget estimates	Actual Receipts	Variation	Percentage of Variation	Total tax receipts of the State	Percentage of actual receipts vis-a-vis total tax receipts	Percentage of growth
2007-08	55.69	47.21	(-) 8.48	(-) 15.23	13,668.95	0.35	0.45
2008-09	84.13	47.56	(-) 36.57	(-) 43.47	15,990.18	0.30	0.74
2009-10	52.50	53.93	(+) 1.43	(+) 2.72	17,625.02	0.31	13.39
2010-11	155.13	55.97	(-) 99.16	(-) 63.92	21,721.69	0.26	3.78
2011-12	162.84	60.75	(-) 102.09	(-) 62.69	25,718.60	0.24	8.54

Source : Finance Account of relevant year

Budget estimates and actual receipts - MH 0029



The actual receipts were less than the budget estimates during the last five years except 2009-10.

[Audit paragraph 6.1-6.2 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

19. The committee noticed that there had been a considerable variation between budget estimates and actual receipts. The Committee enquired the reason for such variation. The witness Commissioner, Land Revenue informed that it was decided to collect an amount of ₹ 100 crore as fine for reclamation of the paddy/wet/land before 2008. He added that eventhough the amount was included in the budget estimates, the legislation, was not made in this regard. So the one time fine anticipated for reclamation of paddy field/wet land had not been realised .

Conclusion/Recommendation

No remarks

Arrears in assessment**Building tax assessment**

The Department furnished the position of arrears under building tax assessment which is as shown below:

Opening balance	8,298
Addition during 2011-2012 including remanded cases	1,04,272
Total	1,12,570
No. of assessments completed	1,04,391
Arrear - 5,737	
Current - 98,408	
Remanded cases - 246	
Closing balance	8,179

The above table shows that the Department completed 1,04,391 assessments (69 per cent of arrear cases and 94 per cent of current cases) during 2011-12 which was more than the addition during the years. Efforts taken by the Department to complete assessments in a large number of current cases was appreciable. However, efforts may be taken to complete assessment of the remaining arrears cases on priority.

Plantation tax assessment

The Department furnished the position of arrears under plantation tax assessment which is as shown below:

Opening balance	3,573
Addition during 2011-12 including remanded cases	1,355
Total	4,928
No. of assessments completed	1,592
Arrear cases - 1,097	

Current cases	- 492	
Remanded cases	- 3	
Closing balance		3,336

The Department completed 1,592 assessments during 2011-12 which was only 32.31 per cent of the assessments due for disposal. It may strive to complete assessment of the remaining cases at the earliest.

[Audit paragraph 6.3 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

20. Regarding the audit objections the witness Commissioner, Land Revenue Department informed that 99.24% arrears were collected and the remaining cases were under hearing and appeals.

21. The Principal Secretary, Revenue opined that building tax laws were very complicated and so it needed to be simplified for proper implementation. He continued that in Panchayats, building taxes were calculated on the basis of carpet area and the details regarding this could be obtained from the IKM software.

22. But in the case of Revenue Department building tax were calculated on the basis of slab rates. The committee opined that a uniform method should be followed for building tax collection.

23. The witness, Principal Secretary Revenue apprised that nowadays building tax is assessed for buildings constructed on 1990's. He added that due to the pending assessment of building tax, Govt. lost a huge amount of revenue income. He informed that Luxury tax at the rate of ₹ 4000 is leviable each year on all residential buildings having a floor area of more than 3000 sq.ft. But the residential buildings having floor area more than 4000 sq. ft. or 5000 sq.feet and above were also levying luxury tax at the same rate. Hence instructions were given for not allowing building numbers on residential buildings of plinth area exceeding 3000 sq.ft. He also opined that the assessment of luxury tax should be done by Tahasildar or village officers or the details were collected from IKM software and then to issue notices were more effective. The committee also agreed to it.

24. The Witness, Commissioner (Land Revenue) informed that 95.9% plantation tax were collected.

Conclusion/Recommendation

25. The Committee observes that building tax laws are very complicated and opines that for proper implementation it shall be simplified. Building taxes are calculated on the basis of slab rates. But luxury tax is levied at ₹ 4000 each year for all the buildings having a plinth area of 3000 sq. ft. or above. The Committee opines that by introducing slab system, a reasonably higher rate of luxury tax shall be levied for buildings having larger area. The Committee finds that Government lost a huge amount of revenue income by way of unscientific luxury tax calculation. So the Committee recommends that a uniform method should be followed for the calculation of building tax and luxury tax.

Impact of Audit

Revenue Impact

During the last four years, audit observations relating to under assessment of building tax, short levy of lease rent, short realisation of collection charges, non-levy of luxury tax etc. with revenue implication of ₹ 365.48 crore were pointed out in 346 paragraphs. Of these, the Department/Government accepted audit observations involving ₹ 16.56 crore and had since recovered ₹ 2.81 crore. The details are shown in the following table:

(₹ in lakh)

year	Paragraphs included in the LAR		Paragraphs accepted during the year		Amount recovered during the year	
	No.	Amount	No.	Amount	No.	Amount
2007-08	113	330.00	83	607.05	50	102.00
2008-09	91	32,562.00	16	222.05	16	35.04
2009-10	104	1,722.00	34	86.55	33	59.34
2010-11	38	1,934.00	112	739.90	62	84.27
Total	346	36,548.00	245	1,655.55	161	280.65

[Audit paragraph 6.4 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

26. Regarding the audit paragraph, the witness, Commissioner (Land Revenue) informed that out of 16.56 crore, ₹ 8.96 crore had been recovered, ₹4.92 crore had been exempted as the same was related to charitable organisations, ₹ 0.63 crore was pending in the court and steps had been taken to collect the remaining amount.

Conclusion/Recommendation

No remarks

Working of Internal Audit Wing

The Internal Audit Wing (IAW) of the Land Revenue Commissionerate is supervised by the Senior Finance Officer under the control of the Commissioner of Land Revenue. The audit of Taluk offices, Revenue Divisional Offices and Revenue Recovery Offices are conducted in a period of two to three years. The IAW is manned by one senior superintendent, three junior superintendents and six clerks. Every year about 23 units were taken up for audit which is not sufficient to cover 120 units even in five years. The Department stated that due to shortage of staff and ceiling on TA, the sub-units could not be audited in a year or two. During 2011-12 the Department had cleared only 438 paragraphs out of 20,882 paragraphs which is only 2.1 per cent of the outstanding objections. During the previous years also the clearance was marginal. Thus, the functioning of IAW was not effective.

It is recommended that the functioning of the IAW may be strengthened by deploying more staff if necessary so that all units could be audited over a reasonable period and targets fixed for timely clearance of outstanding paragraphs.

[Audit paragraph 6.5 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

27. Regarding the working of Internal Audit wing, the witness, Commissioner (L.R.) informed that the Internal Audit wing was not in a position to audit all sub offices once in a year or two due to the insufficient number of staff in the internal Audit wing. He also stressed the need to enhance T.A. ceiling for IAW. The Committee enquired about the proposal submitted by the Department for strengthening IAW and its present condition. The Commissioner (L.R.) informed that based on that proposal no more staff were appointed for strengthening Internal Audit wing. He supplemented that due to T.A. ceiling and insufficient number of staff, IAW could not function properly. He also requested to increase PCA to an amount equal to 10 litre petrol.

28. The Committee opines that for the proper functioning of Internal Audit Wing of all departments T.A. ceiling should be enhanced.

29. The Deputy Accountant General suggests that the department should conduct a special meeting for considering audit paragraphs and the Commissioner, Land Revenue Department agreed to do so.

Conclusion/Recommendation

30. The Committee understands that the internal audit wing of every department faces certain inadequacies and constraints that results as it could not conduct audit on all sub offices. Insufficient T.A. seems to be the main constraint of all the departments. Therefore, the Committee opines that possibility of removal of TA ceiling for the Internal Audit wing of all departments shall be explored in order to enable them to conduct auditing regularly and systematically. The Committee recommends finance department should take necessary steps for this.

Results of Audit

The records of 61 units relating to land revenue and building tax were test checked and underassessment of tax and other irregularities involving ₹ 91.34 crore were detected in 117 cases which fall under the following categories:

(₹ in crore)

Sl.No.	Categories	No. of cases	Amount
1	Underassessment and loss under building tax	74	3.61
2	Underassessment and loss under other items	43	87.73
	Total	117	91.34

The Department accepted underassessment and other deficiencies of ₹ 18.41 crore in 225 cases of which 17 cases involving ₹ 0.55 crore were pointed out in audit during the year 2011-12. The Department realised an amount of ₹ 4.49 crore in 225 cases of which 17 cases involving ₹ 0.14 crore were pointed out in audit during the year 2011-12.

A few illustrative audit observations involving ₹ 1.48 crore are mentioned in the following paragraphs:

[Audit paragraph 6.6 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

31. Related to this paragraph, the witness, Commissioner, Land Revenue department apprised that majority of the short levy /loss pointed out in audit were under Land Revenue and Building Tax sections and earnest efforts were taken to realise that amount. He supplemented that arrears increased due to the lack of proper land recording system and the department was trying to revive the system by using modern technologies and he added that a huge amount needed for it. The Principal Secretary added that for correcting revenue system all records should be changed into electronic records. The Committee observed that due to the absence of proper records, many cases were defeated in courts.

Conclusion/Recommendation

32. The Committee perceives to note that arrears in Land Revenue and Building Tax are increasing due to the lack of proper land recording system. The Committee opines that if the records were maintained properly, arrears occurred could have been avoided.

Audit Observations

The records of 61 offices relating to land revenue and building tax were scrutinised and several cases of non-compliance of the provisions of the Rules for Assignment of Land within Municipal and Corporation Areas 1995 (RALMCO) and Kerala Revenue Recovery Rules 1968, (KRR Rules) and Kerala Building Tax Rules (KBT) and other cases were found as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out in audit. Such omissions on the part of the Tahsildars are pointed out in audit each year, but not only do the irregularities persist but also these remain undetected till an audit is conducted. There is need for the Government to improve the internal control system including strengthening of internal audit so that such cases can be avoided detected and corrected.

[Audit paragraph 6.7 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

33. The witness, Commissioner (L.R.) requested to enhance T.A. ceiling for the smooth functioning of Internal Audit Wing. The Committee decided to recommend to enhance T.A. ceiling for Internal Audit wing.

Conclusion/Recommendation

No remarks

Non-Compliance of provisions of Acts/Rules

The provisions of KBT Act/Rules, RALMCO and KRR Rules require:—

- (i) levy of lease rent on land assigned to various persons at the prescribed rates;
- (ii) levy of collection charges on the amount recovered under RR Act and
- (iii) assessment of building tax and luxury tax at prescribed rates.

It was noticed that the Tahasildars did not observe some of the above provisions at the time of levying tax. This resulted in short levy of lease rent/building tax/collection charges of ₹ 1.48 crore as mentioned in the paragraphs 6.8.1 to 6.8.7

[Audit paragraph 6.8 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

34. Regarding the audit paragraph Land Revenue Commissioner informed that strict instructions were given to all Tahsildars to comply with the provisions of the KBT Act/Rule, RALMCO and KRR Rules for levying tax.

Conclusion/Recommendation

No remarks

Non/Short realisation of collection charges

[Three Taluk offices¹ and one Dy. Collector (RR) Office]

<p>Under Rule 4 of the Kerala Revenue Recovery Rules 1968, collection charges are leviable on arrears collected at the rate of five <i>per cent</i> when the arrears do not exceed ₹ 5 lakh and at the rate of 7.5 <i>per cent</i> when the arrears exceed ₹ 5 lakh. In terms of Rule 5 of the said Rules collection charges leviable in respect of arrears recoverable on behalf of any institution shall be deducted from the amount recovered and the balance alone shall be payable to the institution. Further, institutions except Government departments accepting defaulted payments directly from the</p>	<p>It was noticed between February and July 2011 that in three taluk offices and one Dy. Collector's office collection/ service charges amounting to ₹18.74 lakh were not realised/short realised from the defaulters by the RR authority or not remitted to Government</p>
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¹ Taluk Offices: Kozhikode(RR), Kunnathunadu, Thalappally and Dy. Collector (RR), KFC, Trivandrum

defaulter after initiating RR proceedings, shall be liable to pay one *per cent* of the amount so collected towards service charge for initiation of RR proceedings against the defaulter. account after collecting it from the defaulters as given below:

Description	No.of cases	Amount ₹
Non-collection/short collection	7	12,95,441
Non-collection of service charge	9	37,502
Non-remittance to Government account	1	5,40,750
Total	17	18,73,693

Though the recovery could have been monitored easily through the R.R. register, this was not done. It is essential that the RR register is reviewed periodically by higher authorities/IAW to ensure that collection/service charge is being collected in all cases of recovery.

After the matter was pointed out to the Department, the Department stated (June 2012) that an amount ₹ 0.42 lakh has been realised and earnest efforts are being taken to realise the balance amount. Further reply has not been received (December 2012).

The matter was reported to the Government in March 2012; their reply has not been received (December 2012).

[Audit paragraph 6.8.1 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

35. Regarding the audit objection the Commissioner, (Land Revenue) informed that if the defaulter directly paid the defaulted amount to court after R.R. proceedings then the collection charges were not realised. The Commissioner

supplemented that according to court judgement the amount spent by the Department for revenue recovery proceedings could only be levied as collective charges eventhough the rules prescribed a rate of 6%.

Conclusion/Recommendation

No remarks

Non-levy of lease rent

(Taluk Office, Thiruvananthapuram)

<p>Under notification² issued in May 2004 the Government fixed the lease rent of land leased out to public sector institutions for commercial purposes at five per cent of the market value of the land with effect from 1st April 2004.</p>	<p>As per order³ issued in November 2008, Government leased out 73 cents of land at Kowdiyar village, Thiruvananthapuram to Kerala Financial Corporation for 30 years, after levying 50 per cent of the outstanding lease rent arrears up to 31 March 2008. We noticed (March 2012) from the records of Taluk office, Thiruvananthapuram that while computing the arrears of lease rent for the period from 1 April 2004 to 31 March 2008, the District Collector applied the incorrect rate of two <i>per cent</i> instead of five <i>per cent</i>. This resulted in short levy of lease rent of ₹ 22.45 lakh.</p>
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When this was pointed out in audit (March 2012) the Tahsildar, Thiruvananthapuram replied (March 2012) that the amount would be collected from KFC by issuing revised demand notice. Further report has not been received (December 2012).

The matter was reported to the Government (May 2012); their reply has not been received (December 2012).

[Audit paragraph 6.8.2 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

2 G.O.(P) No.126/2004/RD dt: 14th May 2004.

3 G.O.(MS) No.401/2008/RD dt: 25-11-2008.

36. To a query of the committee, the witness commissioner, Land Revenue apprised that instructions were given to collect the lease rent arrears from Kerala Financial Corporation. The committee suggested to furnish a detailed reply for this para and the witness agreed to do so.

Conclusion/Recommendation

37. The Committee expresses its dissatisfaction over the lackadaisical attitude of the Revenue department in not furnishing the Remedial Measures Taken Statements regarding the audit paragraphs even at the time of committee meeting. The Committee directs that the department should be more vigilant in submitting the statements before the Committee so as to avoid such lapses in future. The Committee recommends the department to furnish a detailed report on the steps taken to realise the lease rent arrears from Kerala Financial Corporation at the earliest.

Non-realisation of luxury tax

(14 Taluk offices⁴)

As per Section 5 A of the Kerala Building Tax Act 1975, luxury tax at the rate of ₹ 2,000 is leviable each year on all residential buildings having a plinth area of 278.7 square meters or more and completed on or after 1 April 1999. The Act further stipulates that luxury tax is to be paid in advance on or before the 31 March every year.

It was noticed from the luxury tax assessment register that luxury tax was not demanded/realised on 974 residential buildings having plinth area exceeding 278.7 square meters which were completed after 1 April 1999. This resulted in non-realisation of luxury tax amounting to ₹ 36.24 lakh in 974 cases for the period from April 2000 to March 2011.

After the matter was pointed out to the Department between May and November 2011 it was stated (May 2012) that an amount of ₹ 20.64 lakh has been realised in 708 cases and steps have been taken to realise the balance amount. Further report has not been received (December 2012).

⁴ Taluk Offices: Kunnathunadu, Vaikom, Changanessry, North Paravur, Kochi, Peermade, Ranni, Kunnathur, Karthikappaly, Mavelikkara, Kuttanad, Mallappally, Neyyattinkara and Vadakara.

The matter was reported to the Government in February 2012; their reply has not been received (December 2012).

[Audit paragraph 6.8.3 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

38. On this audit para the Commissioner, Land Revenue informed that major portion of the amount had been recovered so far ₹3.92 lakh had been exempted and ₹1.02 lakh was yet to be collected. He supplemented that effective measures would be taken to collect the pending amount.

Conclusion/Recommendation

No remarks

Building tax escaped assessment

- (Taluk office, Hosdurg)

Under the Kerala Building Tax Act and the Kerala Building Tax (Plinth Area) Rules, 1992 made thereunder, every village officer shall transmit to the assessing authority, within 5 days of the expiry of each month, a monthly list of buildings liable to assessment, together with extracts from building application register of the local authority within whose area the buildings included in the list are situated.

The records of taluk office, Hosdurg were cross verified with the records of the Kanhangad Municipality and found that 34 buildings completed between June 2008 and December 2010 were not assessed to building tax. This resulted in non-assessment of building tax ₹ 29.51 lakh. This was due to the lapse on the part of Village Officer in transmitting the details of buildings completed with respect to the details available with the local authority to the assessing officer.

After the matter was pointed out to the Department in January 2012, the Department stated (June 2012) that 10 buildings have been assessed and an amount of ₹ 14.75 lakh has been realised and steps have been taken to assess the remaining buildings. Further report has not been received (December 2012).

The matter was reported to the Government in March 2012; their reply has not been received (December 2012).

- (Taluk offices, Pathanapuram and Peermade)

The building tax assessments of taluk offices, Pathanapuram and Peermade were cross verified with the registers containing building numbers maintained by the Village Office/Punalur Municipality for property tax and found that 92 buildings completed between May 2009 and March 2011 were not assessed to building tax. This resulted in non assessment of building tax of ₹16.35 lakh.

After the matter was pointed out to the Department between November 2011 and April 2012, the Department stated (June 2012) that out of the 92 buildings, 60 buildings have since been assessed to tax and steps have been taken to assess the remaining buildings. Further report has not been received (December 2012).

The matter was reported to the Government in May 2012; their reply has not been received (December 2012).

- (Taluk office, Hosdurg)

Records of taluk office, Hosdurg were cross verified with the records of the Hosdurg Village Office and Bella Village Office and found that 12 buildings completed between April 2008 and August 2009 were not assessed to building tax by the assessing officer though they were identified as newly constructed and reported by the Village Officer. This resulted in non assessment of building tax of ₹ 8.42 lakh.

After the matter was pointed out to the Department in January 2012 the Department stated that an amount of ₹4.35 lakh has been realised in 6 cases and action has been taken to realise the balance amount. Further reply has not been received (December 2012).

Short levy due to incorrect assessment

(Taluk offices, Kozhikode and Neyyattinkara)

The Kerala Building tax Act, 1975 provides for levy of building tax at the rate specified in the schedule to the Act on every building the construction of which is completed on or after 10 February 1992 and the plinth area of which exceeds 100 sq.m. in case of residential buildings and 50 sq.m. in case of non-residential buildings. In case of buildings situated in special grade panchayat where the plinth area exceeds 250 sq.m, the rate of building tax fixed is ₹ 18,000 plus ₹ 1,800 for every additional 10 sq.m and for buildings in corporation area, the tax fixed is ₹ 27,000 plus ₹ 2,250 for every additional 10 sq.m.

It was noticed from the assessment files in Taluk offices, Neyyattinkara and Kozhikode that while finalising (between February 2008 and May 2011) the building tax assessment of three non-residential buildings in special grade panchayat/corporation, the assessing authorities have not considered full plinth area of buildings. This resulted in short levy of building tax of ₹ 9.22 lakh.

The matter was pointed out to the Department between February and June 2011. The Department stated (June 2012) that two buildings had been reassessed and an additional demand of ₹ 8.69 lakh had been created. It also stated that an amount of ₹ 4.83 lakh has been realised and that collection process is going on for the balance amount. Further report has not been received (December 2012).

Non-levy of interest on belated payment of land assignment dues

(Revenue Divisional Office, Kochi)

Rule 9(7) of Kerala Land Assignment Rules 1964 envisages that where the assignee does not remit land value, tree value and arrears of tax due from him and other charges within three months from the date of sanctioning the registry, the registry shall be

It was noticed from the records of RDO Kochi that Tahsildar, Fort Kochi assigned 5.92 ares of land in November 2007 for an amount of ₹ 21.94 lakh. Though the assignee remitted the amount only in January 2011, the Tahsildar did not levy interest for the

cancelled, the occupants evicted, the land resumed and reassigned to other eligible families. The patta for the land shall be issued only after the entire amount is paid within three months. It further stipulates that arrears of assignment dues shall bear interest at six *per cent* per annum.

belated payment of assignment dues. This resulted in non-levy of interest of ₹ 3.95 lakh.

The case was pointed out to the Department in October 2011, the Department stated (May 2012) that an amount of ₹ 3.84 lakh has been realised. Further reply has not been received (December 2012).

The matter was reported to the Government (April 2012); their reply has not been received (December 2012).

[Audit paragraph 6.8.4, 6.8.5 and 6.8.6 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

39. To the committee's query, the witness, Commissioner, Land Revenue apprised that whole amount had been collected.

Conclusion/Recommendation

No remarks

Non collection of interest on belated payment of luxury tax

(Seven Taluk offices⁵)

The Kerala Building Tax Act, 1975 as amended by the Finance Act, 1999 stipulates that luxury tax at the rate of ₹ 2,000 is leviable each year on all residential buildings having a plinth area of 278.7 square meters or more and completed on or after 1st April 1999. The Act further stipulates that

It was noticed from the luxury tax register that the Department did not levy interest on belated payment of luxury tax in 943 cases in 7 taluk offices. This resulted in non-levy of interest of ₹ 3.49 lakh.

After the matter was pointed out to the Department between March and

5 Taluk Offices: Pathanapuram, Kozhikode, North Paravoor, Changanassery, Ranny, Karthikapally and Pala.

the luxury tax is to be collected in advance on or before the 31 March every year. Section 19 of the Act provides that when luxury tax is not paid on the due date, the arrear of tax shall bear interest at the rate of six per cent per annum from the date of default.

October 2011, the Department stated that an amount of ₹ 0.68 lakh had been realised in 193 cases and that earnest efforts were taken to realise the balance amount. Further report has not been received (December 2012).

The matter was reported to the Government in March 2012; their reply has not been received (December 2012).

[Audit paragraph 6.8.7 contained in the Report of C&AG of India for the year ended 31st March 2012 (Revenue Receipts)]

Notes furnished by Government on the above audit paragraph is included as Appendix II

40. Regarding this matter, the Commissioner Land Revenue informed that an amount of ₹ 21,000 was yet to be collected from 12 cases and effective measures had been taken to collect the amount.

Conclusion/Recommendation

No remarks.

Thiruvananthapuram,
3rd December, 2018

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

APPENDIX-I

SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations
1	2	3	4
1	5	Transport Department	The Committee is aggrieved to note that many problems exist in interpreting provisions of the finance bill eventhough circulars were issued subsequent to each finance bill to minimise the problems related to its implementation. Therefore, the Committee directs that an effective system should be introduced so as to make the Joint RTO's and other officers concerned to keep away from committing mistakes while implementing the taxation provisions incorporated in the finance bill.
2	6	Transport Department	The Committee is of the opinion that ignorance of the officers is the main reason for repeating the mistakes in every year. Therefore, the Committee recommends that special training should be given to the officers concerned wherever necessary before the implementation of the provisions contained in each finance bill.
3	7	Transport Department	The Committee notices with concern that special training has not been given to the personnel of Internal Audit Wing and the department could not achieve the target due to shortage of staff. Therefore, the Committee recommends that the department should take effective steps to strengthen the Internal Audit wing.

1	2	3	4
4	10.	Transport Department	The Committee is perceived to note that workload of the personnel in the MV Department resulted in the short levy of tax since MVIs and AMVIs who conducts Driving Test, Learner's Test and C.L. Test of vehicles were entrusted with collection of revenue arrears also. Therefore, the Committee recommends that a separate wing should be formed and adequate posts should be created for conducting Driving Test and related activities.
5	13	Transport Department	The Committee is displeased to note that non-compliance of the direction of the Government in time to issue contract carriage permit for all newly registered educational institution buses on the expiry of their private service vehicle permits resulted in the short collection of permit fee of ₹ 13.77 lakh in 586 cases. The Committee perceives that the short collection of permit fee could have been avoided, had the Transport Commissioner complied the direction in time. The Committee suggests that strict measures should be taken to ensure prompt compliance and timely implementation of the government directions.
6	17	Transport Department	The Committee observes that eventhough lapses and irregularities pointed out by audit in each year they persist and remain with the same nature in the subsequent years also. The Committee is aggrieved to note that

1	2	3	4
			the department does not pay due attention to evade the lapses and irregularities that results in short collection of tax. Hence the Committee recommends to improve the system by issuing necessary clarifications on the provisions of the concerned Acts and Rules as well as by providing proper training to the concerned officials.
7	18	Transport Department	The Committee admonishes the department in not furnishing the RMT statements on the related audit paras and directs the department to take steps to submit the RMT statements in the stipulated time.
8	25	Revenue Department	The Committee observes that building tax laws are very complicated and opines that for proper implementation it shall be simplified. Building taxes are calculated on the basis of slab rates. But luxury tax is levied at ₹ 4000 each year for all the buildings having a plinth area of 3000 sq. ft. or above. The Committee opines that by introducing slab system, a reasonably higher rate of luxury tax shall be levied for buildings having larger area. The Committee finds that Government lost a huge amount of revenue income by way of unscientific luxury tax calculation. So the Committee recommends that a uniform method should be followed for the calculation of building tax and luxury tax.
9	30	Revenue Department	The Committee understands that the internal audit wing of every department faces certain inadequacies and constraints that results as it

1	2	3	4
			<p>could not conduct audit on all sub offices. Insufficient T.A. seems to be the main constraint of all the departments. Therefore, the Committee opines that possibility of removal of T.A. ceiling for the Internal Audit wing of all departments shall be explored in order to enable them to conduct auditing regularly and systematically. The Committee recommends finance department should take necessary steps for this.</p>
10	32	Revenue Department	<p>The Committee perceives to note that arrears in Land Revenue and Building Tax are increasing due to the lack of proper land recording system. The Committee opines that if the records were maintained properly, arrears occurred could have been avoided.</p>
11	37	Revenue Department	<p>The Committee expresses its dissatisfaction over the lackadaisical attitude of the Revenue department in not furnishing the Remedial Measures Taken Statements regarding the audit paragraphs even at the time of committee meeting. The Committee directs that the department should be more vigilant in submitting the statements before the Committee so as to avoid such lapses in future. The Committee recommends the department to furnish a detailed report on the steps taken to realise the lease rent arrears from Kerala Financial Corporation at the earliest.</p>

APPENDIX-II

Notes furnished by Government**RMT STATEMENT ON PARAS 5.5, 5.8.1, 5.8.2, 5.8.3, 5.8.4 & 5.8.5 OF THE
AUDIT REPORT OF COMPTROLLER AND AUDITOR GENERAL OF
INDIA FOR THE YEAR ENDED 31-3-2012 (REVENUE RECEIPTS)**

I

- (a) Motor Vehicles Department
- (b) Working of Internal Audit Wing
- (c) 5.5
- (d) -

II

- (a) 14.03.2012
- (b) -

III Gist of Paragraph / Review

The Finance Officer attached to the office of the Transport Commissioner(TC) conducts annual audit of offices of the Deputy Transport Commissioners and Regional Transport Officers(RTOs). The Senior Superintendents attached to the office of the Deputy TC conducts internal audit of Sub RTOs. One Accounts Officer, one Senior Superintendent, and three clerks comprise the Internal Audit team in the office of the Transport Commissioner while a Senior Superintendent oversees the Internal Audit function of each of the four Deputy Transport Commissioner's Office. No special training has been imparted to the personnel of the Internal audit Wing(IAW). The periodicity of audit of all offices is 'annual' but the Department could not achieve the target due to shortage of staff. Against the target of 66 units, 39 units were audited during 2011- 12. The Department has not prepared a separate Internal Audit Manual. 1,299 paragraphs involving ₹ 99.38 lakh relating to 259 IRs remained outstanding of the end of March 2012.

It is recommended that the IAW may be strengthened so that the planned audit target is achieved. Besides, a mechanism needs to be installed for timely settlement of the audit observations raised by the IAW.

IV

- (a) Yes
- (b) NA

V

- (a) Yes
- (b) NA

VI Remedial Action Taken

The shortfall in achieving the target of inspection of the 86 offices of the Motor Vehicles Department can be attributed to several reasons.

- 1) Opening of new offices and changes made in the Tax structure by the Government there by the inspection have to be conducted considering the new instructions.
- 2) Lack of periodical proper training to the officials of the inspection Wing incorporating the updated versions of the software in detecting the irregularities, if any.
- 3) Lack of effective software to get the information in a single window.
- 4) Rapid increase in the number of of vehicles plying in the state stretching the resources to monitor the irregularities, if any, to the limit.
- 5) The ceiling on the T.A. admissible.

Regarding the observation that 1299 paras involving Rs. 99.38 lakhs relating to 259 inspection reports remained outstanding at the end of March 2012, the reason is attributed to the various procedures adopted for recovering the escaped revenue. Moreover as the number of vehicles newly registered are increasing manifold and more cases of defaulters are noticed in every passing year, the increase in the figures corresponds to the efficiency of the Audit inspections. The procedure to recover the revenue loss is a time consuming process in which the final step is initiation of Revenue Recovery Proceedings, which is initiated by the District Collector of the respective District. The increase in the number of new cases of escaped revenue is high in proportion to the recovered revenue cases. As the figures are cumulative it adds to the increase in the number of the outstanding paras at the end of the year. Steps are formulated for the speedy settlement of Audit observations and recovery of the escaped revenue by

conducting Adalaths by the respective Zonal Deputy Transport Commissioner's and the Senior Finance Officer of the Department at all offices under the Motor Vehicles Department.

In respect of the observation that during 2011 -12 against the target of 66 units, only 39 units were audited, it may be noted that in the proceeding three years viz., 2008 - 09, 2009 - 10 and 2010 - 11, a total of only 41 units were audited and a total of 280 audit observations reported. As there was considerable improvement of Audit inspections during the year 2011 - 12, 39 inspection reports were received adding 518 audit observations raising the amount to be realized by Rs. 25 lakhs to Rs.99.38 lakhs. Moreover the observation that only 6.65% of the outstanding paras were cleared is due to the fact that an audit paragraph can only be disposed off after Action Taken Report is finalized on each of the paragraphs. The entire para remains pending even if only a single vehicle case stand uncleared.

During the year 2013 - 14, 206 additional posts including the posts required for constituting the internal audit wing were created in the Motor Vehicles Department vide G.O.(MS) No.33/2013/Tran dated 10/04/2013 (Annexure attached). The Internal Audit Wing constituted in the office of Transport Commissioner is headed by the Accounts Officer with one Senior Superintendent and three clerks, and in the Office of the 4 Deputy Transport Commissioners (DTCs) with the newly created posts of a Senior Superintendent and two clerks or by deploying one clerk from the existing strength to ensure a minimum number of two clerks in the Audit Wing in the Office of the DTCs. The Internal Audit Wing will conduct periodical Audit of Accounts and monitor the prompt collection of tax including the arrear tax. Review of audit related issues and arrear tax collection will be conducted by the Senior Finance Officer and DTCs every month. Transport Commissioner will conduct quarterly review. Now effective steps are taken by the Motor Vehicles Department to conduct the Internal Audit and to settle the audit related issues.

I

- (a) Motor Vehicles Department
 (b) Non/short levy of onetime tax on value on percentage basis
 (c) 5.8.1
 (d) Report (RR)/DP-4096/2012-13/573 dated : 9th March 2012

II

- (a) 14.03.2012
 (b) 22.10.2012

III Gist of Paragraph/Review

During scrutiny of records in 17 RTOs and 39 SRTOs between October 2010 to December 2011 it was noticed that the department either did not levy or short levied onetime tax due to incorrect computation in 432 cases. This resulted in short levy of ₹ 77.71 lakhs.

- IV (a) Yes
 (b) N.A

- V (a) Yes
 (b) N.A

VI REMEDIAL ACTION TAKEN

Sl no.	Name of office	No.of cases	Short levy (₹)	Collected (₹)
1	RTO Mallapally	5	130346	130346
2	RTO Perumbavur	11	183193	59218
3	RTO Wadakkanchery	3	91670	38784
4	SRTO Ottapalam	3	19762	13582
		5	67525	24593
5	SRTO Tirur	7	56522	56522
6	SRTO Thalassery	4	49069	45502
7	SRTO Tripunithura	5	95596	95612
8	RTO Muvattupuzha	2	107215	15450
9	SRTO Mannarkad	3	20273	4687
		3	22712	8487
10	RTO Pathanamthitta	15	267250	4550
11	SRTO Pala	20	298728	276581
12	SRTO Mattanchery	6	81774	86920
13	SRTO Guruvayur	18	258895	84230

14	RTO Idukki	7	83219	67554
15	RTO Ernakulam	35	727019	552023
16	RTO Kollam	2	20600	12960
		2	75160	18160
17	SRTO North Paravur	4	58537	59280
18	SRTO Taliparamba	15	144960	138020
		1	12070	12070
19	SRTO Vaikom	6	68422	61907
		2	21226	21226

Total Amount Collected is ₹ 18,88,264/-

SUMMARY

Short levy		Collected		Balance	
(₹)	No. of cases	(₹)	No. of cases	(₹)	No. of cases
7771043	432	1888264	184	5882779	248

I

- (a) Motor Vehicles Department
 (b) Non-imposition of fine
 (C) 5.8.2
 (d) Report(RR)/DP-4098/2012-13/575 dated 9.3.2012

II

- (a) 14.03.2012
 (b) 26.06.2012

III Gist of Paragraph/Review

During scrutiny of records in 9 RTOs and 19 SRTOs between October 2010 and November 2011, it was noticed that RTOs/SRTOs did not collect fine on pending check reports in respect of 503 overloaded vehicles. This resulted in loss of revenue of ₹24.86 lakhs.

IV

- (a) Yes
 (b) N.A

V

- (a) Yes
 (b) N.A

VI Remedial Action Taken

Sl no.	Name of office	No. of cases	Short levy (₹)	Collected (₹)
1	RTO Pathanamthitta	4	22000	22500
2	RTO Thrissur	26	191000	179000
3	SRTO Guruvayur	3	11000	7000
4	SRTO Ponnani	1	3000	5000
5	RTO Ernakulam	16	102000	87000
6	RTO Palakkad	135	562000	75500
		19	72000	63000
7	SRTO Taliparamba	4	21000	9000
8	SRTO Vaikom	17	92000	98600
	SRTO Wadakkanchery	7	38000	30000
TOTAL AMOUNT COLLECTED				₹ 5,76,600/-

SUMMARY

Short levy		Collected		Balance	
(₹)	No. of cases	(₹)	No. of cases	(₹)	No. of cases
24,86,000	503	5,76,600	232	19,09,400	271

I

44

- (a) Motor Vehicles Department
 (b) Short collection of permit fee for Educational Institution Buses
 (C) 5.8.3
 (e) Report (RR)/DP-4100/2012-13/577 dated:9th March 2012

II

- (a) 14.03.2012
 (b) 22.10.2012

III Gist of Paragraph/Review

During scrutiny of records in 2 RTOs and 7 SRTOs between October 2010 and November 2011, it was noticed that RTOs/SRTOs issued /renewed private service vehicle permits to 586 Educational institution Buses @ Rs.500 from August 2008 instead of issuing contract carriage permits.this resulted in short collection of permit fee of ₹13.77 lakh in 586 cases.

IV

- (a) Yes
 (b) N.A

V

- (a) Yes
 (b) N.A

VI Remedial Action Taken

Sl. no.	Name of office	No.of cases	Short levy (₹)	Collected (₹)
1	RTO Idukki	85	198500	16500
2	SRTO Ponnani	28	63000	7000
3	SRTO Alathur	14	30000	30000
TOTAL AMOUNT COLLECTED				₹ 53,500/-

SUMMARY

Short levy		Collected		Balance	
(₹)	No.of cases	(₹)	No.of cases	(₹)	No.of cases
13,77,000	586	53,500	127	13,23,500	459

I

- (a) Motor Vehicles Department
 (b) Incorrect exemption of onetime tax
 (c) 5.8.4
 (f) Report (RR)/DP-4097/2012-13/574 dated : 9th March 2012

II

- (a) 14.03.2012
 (b)

III Gist of Paragraph/Review

During scrutiny of records 2 RTOs between July 2011 and October 2011, it was that the RTOs granted exemption from payment of tax to 43 vehicles belonging to central Government/Autonomous bodies treating these vehicles on par with vehicles owned by the state Government. This resulted in short realization of onetime tax of ₹ 9.26 lakhs.

IV

- (a) Yes
 (b) NA

V

- (a) Yes
 (b) NA

VI Remedial Action taken

Sl no.	Name of office	No.of cases	Short levy (₹)	Collected (₹)
1	RTO,Thiruvananthapuram	39	8,33,000	2,56,262
2	RTO,Kollam	4	1,17,572	0
TOTAL AMOUNT COLLECTED				₹2,56,262/-

Regional Transport Office, Kollam

The Vehicles with registration numbers KL-01-AY-3807, KL-01-AX-1779 & KL-01-AV-1138 registered in the name of Project Director, Sarva Siksha Abhiyan, Thiruvananthapuram were given tax exemption by the Transport Commissioner, as per the provisions contained in the SRO 878/75, since the Sarva Siksha Abhiyan is working under the General Education Department and comes under the purview of the Government Department. In the remaining cases Revenue recovery action is in progress.

SUMMARY

Short levy		Collected		Balance	
(₹)	No.of cases	(₹)	No.of cases	(₹)	No.of cases
9,26,000	43	2,56,262	22	6,69,738	21

- I
- (a) Motor Vehicles Department
 (b) Short levy of tax on stage carriages with mofussil permits
 (c) 5.8.5
 (g) Report (RR)/DP-4099/2012-13/576 dated:9th March 2012

- II
- (a) 14.03.2012
 (b)

III Gist of Paragraph/Review

During scrutiny of records in 2 RTOs and 1 SRTO between January 2011 and October 2011, it was noticed that RTO/JRTO transferred vehicles to other jurisdictions by granting mofussil permits to 14 vehicles after collecting tax based on the reduced seating capacity of the vehicles instead of collecting tax on the minimum seating capacity. This resulted in short collection of ₹ 5.88 lakhs.

- IV
- (a) Yes
 (b) NA

- V
- (a) Yes
 (b) NA

VI Remedial Action taken

Sl no.	Name of office	No.of cases	Short levy (₹)	Collected (₹)
1	SRTO,Thalassery	1	23970	23970
2	RTO,Kottayam	11	521360	31800
3	RTO,Palakkad	2	67980	3000
TOTAL AMOUNT COLLECTED				₹58,770/-

SUMMARY

Short levy		Collected		Balance	
(₹)	No.of cases	(₹)	No. of cases	(₹)	No.of cases
5,87,940	14	58770	7	529170	7

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GOVERNMENT OF KERALA

Abstract

Transport Department – Motor Vehicles Department – Distribution of various categories of newly created posts – Sanction accorded- Orders issued.

TRANSPORT (C) DEPARTMENT

G.O.(Ms) No.33/2013/Trans

Dated, Thiruvananthapuram, 10.04.2013

Read: 1. G.O(Ms)No.24/2013/Trans dated 26.03.2013 ✓

2 .Letter No.A1/9293/2012/TC dated 03.04.2013 from the Transport Commissioner, Thiruvananthapuram.

ORDER

As per the Government Order read as 1st paper above, sanction was accorded for the creation of the following 206 additional posts in the Motor Vehicles Department for strengthening the Enforcement Mechanism and Arrear Tax Collection, considering the abnormal increase in the number of vehicles and the consequential workload.

<u>Serial No.</u>	<u>Name of Post</u>	<u>Scale of Pay</u>	<u>Number</u>
1	Accounts Officer	Rs.21240-37040	1
2	Senior Superintendent	Rs.18740-33680	5
3	Junior Superintendent	Rs.16180-29180	4
4	Head Accountant/Head Clerk/PRO	Rs.14620-25280	25
5	Clerk	Rs.9940-16580	73
6	Peon/Office Attendant	Rs.8500-13210	10
7	Confidential Assistant	Rs.10480-18300	4
8	Asst. Motor Vehicle Inspector	Rs.16180-29180	55
9	Driver	Rs.9190-15780	28
10	Liaison Officer (in the rank of MVI)	Rs.20740-36140	1
	Total		206

As per the letter read as 2nd paper above , the Transport Commissioner has submitted a proposal for the distribution of the aforesaid posts in various offices of Motor Vehicles Department as per the requirement and workload in each office.

Government have examined the matter in detail and are pleased to accord sanction for the distribution/deployment of the additional posts created above as shown in the annexure subject to the following conditions;

i. No additional posts in the supervisory cadre other than those created in the Government Order read above will be sanctioned on the basis of any ratio or otherwise.

ii. An Internal Audit Wing will be constituted in the office of the Transport Commissioner which is headed by the Accounts Officer with one Senior Superintendent and three clerks and in the Office of the 4 DTCs with the newly created post of Senior Superintendent and two clerks or by deploying one clerk from the existing strength to ensure a minimum number of two clerks in the Audit Wing in the Office of the DTCs. The Internal Audit Wing will conduct periodical Audit of Accounts and monitor the prompt collection of tax including the arrear tax. Review of audit related issues and arrear tax collection will be conducted by the Senior Finance Officer and DTCs every month. Transport Commissioner will conduct quarterly review.

By Order of the Governor
SREEKUMAR.N.K

JOINT SECRETARY TO GOVERNMENT

To

The Transport Commissioner, Thiruvananthapuram
The Accountant General (A&E/Audit/D.B.Cell), Kerala, Thiruvananthapuram
The Finance Department
The Public Relations (New Media Division) Department
(for publishing in the Print Media and Official Website)
The General Administration (SC) Department
Stock File/Office Copy.

Forwarded / By Order


Section Officer

Copy to : P.S to Chief Minister
P.S to Minister (Power & Transport)
A.S to Chief Secretary
P.A to Additional Chief Secretary (Transport)

ANNEXURE

DEPLOYMENT OF NEWLY CREATED POSTS IN THE MOTOR VEHICLES DEPARTMENT

Sl.No	Name of Post	Nos.	Name of office to which the post allotted	
1	Accounts Officer	1	Office of the Transport Commissioner	- 1
2	Senior Superintendent	5	Office of the Transport Commissioner 1 post each to 4 Zonal DTCs (1x 4)	- 1 - 4
3	Junior Superintendent	4	Office of the Transport Commissioner R.T.Office,Wayanad Sub.R.T.Office, Nedumangadu	- 2 - 1 - 1
4	Head Accountant/ Head Clerk/PRO	25	Office of the Transport Commissioner (HC-3, PRO-1) 4 Zonal DTCs (One post of H.A in each office) R.T.Office,Thiruvananthapuram (H.C) R.T.Office(N.S),Thiruvananthapuram (H.A) R.T.Office,Attingal (H.C) R.T.Office,Vatakara (H.C) 1 post of H.A each to 13 Sub.R.T.Offices (Parassala Chengannur, Pala, Kanjirappally, Vaikom, Vandiperiyar, Ottappalam, Pattambi, Kunnathur, Ranni, Angamali, Chalakkudy, Thirurangadi) (1 x 13)	- 4 - 4 - 1 - 1 - 1 - 1 - 13
5	Clerk	73	Office of the Transport Commissioner DTC(SZ),Thiruvananthapuram DTC(CZ-II),Ernakulam DTC(CZ-I),Thrissur DTC(NZ),Kozhikode R.T.Office(N.S),Thiruvananthapuram R.T.Office,Attingal R.T.Office,Vatakara 2 post each to 10 Sub.R.T.Offices (Parassala, Nedumangadu, Kottarakkara,Karunagappally,Thiruvalla,Cherthala, Vaikom,Mattanchery,Pattambi,Thaliparamba) (2 x 10) 3 post each to 5 Sub.R.T.Offices(Kunnathur,Ranni, Angamali,Chalakkudy,Thirurangadi) (3 x 5) 1 post each to 19 Sub.R.T.Offices (Punalur, Adoor, Mallappally,Kayamkulam,Mavelikkara,Changanassery, N.Paravur, Perumbavoor,Kothamangalam, Kodungalloor, Guruvayoor, Wadakkanchery, Mannarkkad, Alathur, Ponnani, Perinthalmanna, Koduvally, Koyilandy, Thalassery) (1 x 19)	- 6 - 1 - 2 - 1 - 1 - 2 - 3 - 3 - 20 - 15 - 19
6	Peon/Office Attendant	10	Office of the Transport Commissioner R.T.Office,Thiruvananthapuram R.T.Office,Palakkad 1 post each to 5 Sub.R.T.Offices (Parassala, Thiruvalla, Vaikom, Mattanchery, Pattambi) (1 x 5)	- 2 - 1 - 2 - 5
7	Confidential Assistant	4	Office of the Transport Commissioner (1 x 4) (one post each to the Sr. Administrative Officer, Sr. Finance Officer, Sr. Law Officer & Joint Transport Commissioner (Enforcement))	- 4
8	Asst. Motor Vehicles Inspector	55	One post each to 55 Sub.R.T.Offices (1 x 55)	- 55
	Driver	28	1 post each to 4 Zonal DTCs (1 x 4) 1 post each to 7 R.T.Offices (Thiruvananthapuram, Kollam, Ernakulam, Thrissur, Palakkad, Malappuram, Kozhikode) (1x7) One post each to 17 Enforcement Squads under the 17 R.T.Os (1 x 17)	- 4 - 7 - 17
10	Liaison Officer (in the rank of MVI) to the O/o the Advocate General	1	Attached to the office of the DTC,Ernakulam	- 1
	Total	206		- 206



GOVERNMENT OF KERALA
Abstract

Industries Department - Settlement of internal liabilities among Steel Industrials Kerala Limited (SILK) - Autokast Limited (AKL) and Steel Fabrication Unit (SFU) for the implementation of Joint Venture with Indian Railways - Instructions approved - Orders Issued.

INDUSTRIES (D) DEPARTMENT

G.O.(Rt) No. 831/09/ID. Dated, Thiruvananthapuram, 30-06-2009.

Read:- (i) G.O.(Ms) No.86/08/ID dated 27-06-2008.

(ii) Lr. No.SILK/MD/08-09/072 dated 28-02-2009 from the Managing Director, Steel Industrials Kerala Limited (SILK).

(iii) Lr. No.HO:06/09-10/269 dated 21-05-2009 from the Managing Director, Steel Industrials Kerala Limited (SILK).

ORDER

As per the Government Order read above, sanction was accorded for the de-linking of Autokast Limited from Steel Industrials Kerala Limited for the smooth implementation of Joint Venture with Indian Railways. The Board of Directors of Steel Industrials Kerala Limited has already resolved to transfer the Autokast Limited shares owned by them to Government of Kerala and obtained clearance from Registrar of Companies. The Managing Director, Steel Industrials Kerala Limited vide his letter read as 3rd paper above has informed that Government loan of Rs. 29.88 crores and KIRF Board loan of Rs.5.50 lakhs+interest are outstanding against Steel Industrials Kerala Limited.

Government have examined the matter in detail and are pleased to issue the following recommendations for the settlement of the above liabilities.

1. SILK has already transferred the shares of AKL worth Rs. 18.97 crores to Government of Kerala. This transferred shares can be adjusted against the Government loan of Rs. 29.88 crores giving priority to interest bearing loans. Thus the balance Government loan outstanding in the books of SILK will come to Rs. 10.91 crores. (29.88 crore - 18.97 crore).
2. Government have released an amount of Rs. 428.78 lakhs to SILK for settling the dues of Vijaya Bank and Federal Bank. Considering this, the total outstanding Government loan will increase to Rs. 15.19 crores

ACTION TAKEN REPORT ON PARAS 6.1 TO 6.8.7 OF THE C&AG REPORT FOR THE YEAR ENDED 31.03.2012
CHAPTER-VI LAND REVENUE AND BUILDING TAX

6.1 Tax administration

The Revenue Department is under the control of the Additional Chief Secretary at the Government level and the Land Revenue Commissioner is the head of the Department. The revenue collection of the Department includes collection of basic tax, plantation tax, lease rent and building tax. The Department realizes arrears of public revenue under the Kerala Revenue Recovery Act with interest and cost of process prescribed.

No remarks.

6.3 Arrears in assessment

Building Tax assessment

The Department furnished the position of arrears under building tax assessment which is as shown below:

Opening Balance	8,298
Addition during 2011-12 including remanded cases	1,04,272
Total	1,12,570
No. of assessments completed	1,04,391
Arrear cases - 5,737	
Current cases- 98,408	
Remanded cases 246	
Closing balance	8,179

Earnest efforts were being made to complete assessment of the remaining arrear cases.

The above-table shows that the Department completed 104391 assessments (69 percent of arrear cases and 94 percent of current cases) during 2011-12 which was more than the addition during the years. Efforts taken by the Department to complete assessments in a large number of current arrear cases was appreciable. However, efforts may be taken to complete assessment of the remaining arrears cases on priority.

6.4 Impact of audit

Revenue Impact

During the last four years, audit observations relating to under assessment of building tax, short levy of lease rent, short realization of collection charges, non-levy of luxury tax etc, with revenue implication of Rs.365.48 crore were pointed out in 346 paragraphs. Of these, the Department/Government accepted audit observations involving Rs.16.56 crore and had since recovered Rs.2.81 crore.

The details are shown in the following table:

Year	Paragraphs included in the LAR		Paragraphs accepted during the year		Amount recovered during the year	
	No.	Amount	No.	Amount	No.	Amount
2007-08	113	330	83	507.05	50	102
2008-09	91	32562	16	222.05	16	35.04
2009-10	104	1722	34	66.55	33	59.34
2010-11	38	1934	112	739.9	62	84.27
Total	346	36548	245	1655.55	161	280.65

The latest position of collection of Building Tax levied, lease rent, luxury Tax and collection charges is closely monitored through the monthly review meeting at district level and through the quarterly review meeting at the Commissionerate level.

Out of Rs.16.56 crore mentioned in the audit para, Rs.8.96 crore has since been recovered. Rs. 4.92 crore has been exempted. For Rs.0.63 crore, court cases are pending disposal. Earnest efforts are being made to realize the balance amount of Rs.2.05 crore.

6.5 Working of Internal Audit Wing

The Internal Audit Wing (IAW) of the Land Revenue Commissionerate is supervised by the Senior Finance Officer under the control of the Commissioner of Land Revenue. The audit of Taluk Offices, Revenue Divisional Offices and Revenue Recovery Offices are conducted in a period of two to three years. The IAW is manned by one senior superintendent, three junior Superintendents and six clerks. Every year about 23 units were taken up for audit which is not sufficient to cover 120 units even in five years. The Department stated that due to shortage of staff and ceiling on TA, the sub-units could not be audited in a year or two. During 2011-12 the Department had cleared only 438 paragraphs out of 20,882 paragraphs which is only 2.1 percent of the outstanding objections. During the previous years also the clearance was marginal. Thus the functioning of IAW was not effective.

It is recommended that the functioning of the IAW may be strengthened by deploying more staff if necessary so that all units could be audited over a

The Internal Audit Wing is not in a position to audit all sub offices in a year or two due to the insufficient number of staff in the Internal Audit Wing.

Commissioner of Land Revenue informed that three general inspection units headed by Senior Superintendents under the control of Assistant Commissioner (DM) are also functioning in the CLR. These General Inspection units had inspected forty five sub offices such as Collectorates, Taluk Offices, RDO Offices, LA offices, etc., during the financial year 2011-12. Thus altogether 68 offices had been audited/inspected by the internal audit/Inspection Wing in the CLR during 2011-12. Commissioner of Land Revenue reported that the Internal Audit Wing is not in a position to audit all sub offices in a year or two due to the insufficient

reasonable period and targets fixed for timely clearance of outstanding paragraphs.

number of staff in the Internal Audit Wing and furnished a proposal to strengthen the Internal Audit Wing which is under the active consideration of Government in file No.27600/C2/2013/RD.

6.6 Results of Audit

The records of 61 units relating to land revenue and building tax were test checked and under assessment of tax and other irregularities involving Rs. 91.34 crore were detected in 117 cases which fall under the following categories:

Rs. in crore			
Sl.No	Categories	No.of cases	Amount
1	Underassessment and loss under building tax	74	3.61
2	Underassessment and loss under other items	43	87.73
	Total	117	91.34

The Department accepted underassessment and other deficiencies of Rs.18.41 crore in 225 cases of which 17 cases involving Rs.0.55 crore were pointed out in audit during the year 2011-12. The Department realised an amount of Rs.4.49 crore in 225 cases of which 17 cases involving Rs.0.14 crore were pointed out in audit during the year, 2011-12

A few illustrative audit observations involving Rs.1.48 crore are mentioned in the following paragraphs:

Para 6.6 relates to the Results of Audit conducted by the AG during the year 2011-12 in various Revenue Offices in the state.

The underassessment and loss under building tax and under assessment and loss under other items amounting to Rs.91.34 crore mentioned in this para were included in the Inspection Report relating to Revenue Offices in the state issued by the AG earlier. On the basis of the observation in the Inspection Report, strenuous efforts have been made by the concerned authority to make good for the short levy/loss. The department is furnishing reply to the AG in respect of the cases which are being pursued by the AG through the concerned local audit reports.

The present position of under assessment and loss under building tax (Rs.3.61 crore) and under assessment and loss under other items (Rs.87.73 crore) is furnished in the statement below:

Building Tax

Short levy pointed out in the audit	Amount realised	Amount exempted	Court case/appeal pending disposal	Balance
3.61 crore	1.43	0.87	0.2	1.11

Other items				
Short levy pointed out in the audit	Amount realised	Amount exempted	Court case/appeal pending disposal	Balance
87.73	1.42	1.26	5.15	79.9

6.7 Audit observations

The records of 61 offices relating to land revenue and building tax were scrutinized and several cases of non-compliance of the provisions of the Rules for Assignment of Land within Municipal and Corporation Areas 1995 (RALMCO) and Kerala Revenue Recovery Rules 1968, (KRR Rules) and Kerala Building Tax Rules (KBT) and other cases were found as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out in audit. Such omissions on the part of the Tahsildars are pointed out in audit each year, but not only do the irregularities persist but also these remain undetected till an audit is conducted. There is need for the Government to improve the internal control system including strengthening of internal audit so that such cases can be avoided detected and corrected.

As explained in the report on above para 6.5 the Internal Audit Wing is not in a position to conduct audit in all sub offices in a year or two due to the insufficient number of staff in IAW. At present the IAW consists of 1 Senior Superintendent, 3 Junior Superintendents and 6 clerks. With the existing staff pattern two audit teams are constituted and each team is conducting audit only in two offices per month, and thus only 48 offices can be covered in a year.

The proposal for constituting one more team consisting of one Junior Superintendent and three clerks, so that all the Taluk Offices can be audited once in every year is under consideration of Government in file No.27600/C2/2013/RD.

6.8 Non-compliance of provisions of Act/Rules

The provisions of the Kerala Building Tax Act/Rules, RALMCO and KRR Rules require:-

- i) levy of lease rent on land assigned to various persons at the prescribed rates;
- ii) levy of collection charges on the amount recovered under RR Act and
- iii) assessment of building tax and luxury tax at prescribed rates.

It was noticed that the Tahsildars did not observe some of the above provisions at the time of levying tax. This resulted in short levy of lease rent/building tax/collection charges of Rs.1.48 crore as mentioned in the paragraphs 6.8.1 to 6.8.7.

The Commissioner of land revenue has issued strict instructions to all Tahsildars to comply with the provisions of the KBT Act/Rules, RALMCO and KRR Rules at the time of levying tax.

6.8.3 Non-realisation of luxury tax

(14 Taluk offices⁴)

As per Section 5A of the Kerala Building Tax Act, 1975 luxury tax at the rate of Rs.2000 is leviable each year on all residential buildings having a plinth area of 278.7 square metres or more and completed on or after 1999. The Act further stipulates that luxury tax is to be paid in advance on or before the 31st March every year.

It was noticed from the luxury tax assessment register that luxury tax was not demanded/realized in 974 residential buildings having plinth area exceeding 278.7square metre which were completed after 1st April 1999. This resulted in non-realisation of luxury tax amounting to Rs.36.24 lakh in 974 cases for period from April 2000 to March'11.

After the matter was pointed out to the Department between May and November 2011 it was stated (May 2012) that an amount of Rs20.64 lakh has been realized in 708 cases and steps have been taken to realize the balance amount. Further report has not been received (December 2012).

The matter was reported to the Government February 2012; their reply has not been received (December 2012)

6.8.4 Building tax escaped assessment (Taluk Office, Hosdurg)

Under the Kerala Building Tax Act and the Kerala Building Tax (Plinth area) Rules, 1992 made thereunder, every village officer shall transmit to the assessing authority, within 5 days of the expiry of each month, a monthly list of buildings liable to assessment, together with extract from building application register of the local authority within whose area the buildings included in the list are situated.

The records of taluk office, Hosdurg were cross verified with the records of the Kanhangad Municipality and found that 34 buildings completed between June 2008 and December 2010 were not assessed to building tax. This resulted in non-assessment of building tax of Rs.29.51 lakh. This was due to the lapse on the part of village officer in transmitting the details of buildings completed with respect to the details available with the local authority to the assessing officer.

In the C&AG Report, the AG has pointed out that Luxury Tax was not realized on 974 residential buildings amounting to Rs.36.24 lakh. But the concerned Tahsildars have reported that the actual amount to be collected is Rs.36.50 lakh in 988 cases. Out of which Rs.26,73,600/- in 896 cases has since been realized. 28 cases amounting to Rs.2,40,800/- has been exempted. (3 cases were exempted as per the order of the Hon'ble High Court and 25 cases were exempted from remitting the Luxury Tax either due to the reason that buildings had been constructed before 1st April 1999 or the plinth area of the buildings had been found below 278.7 m2) In 45 cases involving Rs.4,78,000/- appeals are pending with the Court for disposal. Steps have been taken to collect the balance amount of Rs.2,57,600/- 19 cases.

AG has pointed out that the non assessment of Building Tax is of Rs.29.51 lakhs. But the District Collector, Kasargod has reported that the actual amount comes to Rs.29.71 lakhs in 34 buildings. The full amount in all cases has since been realized.

6.8.5 Short levy due to incorrect assessment**(Taluk offices, Kozhikode and Neyyattinkara)**

The Kerala Building Tax Act, 1975 provides for levy of building tax at the rate specified in the schedule to the Act on every building the construction of which is completed on or after 10 February 1992 and the plinth area of which exceeds 100sq.m in case of residential buildings and 50 sq.m in case of non-residential buildings. In case of buildings situated in special grade panchayat where the plinth area exceeds 250 sq.m the rate of building tax fixed is Rs.18000 plus Rs.1800 for every additional 10 sq.m and for buildings in corporation area, the tax fixed is Rs.27000 plus Rs.2250 for every additional 10 sq.m.

Out of short levy of Building Tax of Rs.17.91 lakh including the additional demand of Rs.8.69 lakh, Rs.17.37 lakh has since been realized. Rs.54,265/- has been exempted as no variation in the plinth area is seen in the re-assessment.

It was noticed from the assessment files in Taluk Offices, Neyyattinkara and Kozhikode that while finalizing (between February 2008 and May 2011) the building tax assessment of three non residential buildings in special grade panchayat/corporation, the assessing authorities have not considered full plinth area of buildings. This resulted in short levy of building tax of Rs.9.22 lakh.

The matter was pointed out to the Department between February and June 2011. The Department stated (June 2012) that two buildings had been reassessed and an additional demand of Rs.3.69 lakh had been created. It also stated that an amount of Rs.4.83 lakh has been realized and that collection process is going on for the balance amount. Further report has not been received (December 2012)

6.8.7 Non-collection of interest on belated payment of luxury tax (Seven Taluk Offices)

Kerala Building Tax Act, 1975 as amended by the Finance Act, 1999 stipulates that luxury tax at the rate of Rs.2000/- is leviable each year on all residential buildings having a plinth area of 278.7 sq.m or more and completed on or after 1 April 1999. The Act further stipulates that the luxury tax is to be collected in advance or before the 31st March every year. Section 19 of the Act provides that when luxury tax is not paid on the due date, the arrear of tax shall bear interest at the rate of six percent per

A.G. has pointed out that the Department did not levy interest on belated payment of luxury tax in 943 cases and this resulted in non levy of interest of Rs3.49 lakh. But District Collectors have reported that the actual non levy of interest is of Rs.3,48,214/- in 947 cases. Out of which Rs.2,69,580/- in 815 cases has since been realized. 10 cases amounting to Rs.5,243/- have been exempted as per

After the matter was pointed out to the Department in January 2012, the Department stated (June 2012) that 10 buildings have been assessed and an amount of Rs.14.75 lakh has been realized and steps have been taken to assess the remaining buildings. Further report has not been received (December 2012)

The matter was reported to the Government in March 2012; their reply has not been received (December 2012)

Taluk Office (Pathanapuram & Peermade)

The building tax assessments of taluk offices, Pathanapuram and Peermade were cross verified with the registers containing building numbers maintained by the Village Office/Punalur Municipality for property tax and found that 92 buildings completed between May 2009 and March 2011 were not assessed to building tax. This resulted in non-assessment of building tax of Rs.16.35 lakh.

After the matter was pointed out to the Department between November 2011 and April 2012, the Department stated (June 2012) that out of the 92 buildings, 60 buildings have since been assessed to tax and steps have been taken to assess the remaining buildings. Further report has not been received (December 2012). The matter was reported to Government in May, 2012, their reply has not been received (December 2012)

c) Taluk office, (Hosdurg)

Records of taluk office, Hosdurg were cross verified with the records of the Hosdurg village office and Bella Village Office and found that 12 buildings completed between April 2008 and August 2009 were not assessed to building tax by the assessing officer though they were identified as newly constructed and reported by the village officer. This resulted in non assessment of building tax of Rs.8.42 lakh.

After the matter was pointed out to the Department in January 2012 the Department stated that an amount of Rs.4.35 lakh has been realized in 6 cases and action has been taken to realize the balance amount. Further reply has not been received (December 2012).

The matter was reported to the Government in March 2012; their reply has not been received (December 2012)

Though AG has pointed out the short levy is of Rs.16,35,550/- in 92 cases, District Collectors have reported that the actual amount to be collected is Rs.16,80,750/- in 96 cases. Out of the amount reported by the District Collectors Rs.14,91,000/- in 89 cases has since been realized. One case amounting to Rs.4,500 has been exempted since the case has been assessed and collected the amount earlier. In 4 cases involving Rs.42,300/- court cases are pending disposal. Earnest efforts are being made to collect the amount in the remaining cases.

In the C&AG Report, it has been pointed out that non-assessment of building tax is of Rs.8.42 lakh. Full amount has since been realized.

annum from the date of default

It was noticed from the luxury tax register that the department did not levy interest on belated payment of luxury tax in 943 cases in 7 taluk offices. This resulted in non levy of interest of Rs.3.49 lakh.

After the matter was pointed out to the department between March and October 2011, the Department stated that an amount of Rs.68 lakh had been realized in 193 cases and that earnest efforts were taken to realize the balance amount. Further report has not been received (December 2012).

The matter was reported to the Government in March 2012, this reply has not been received (December 2012).

Taluk offices: Pathapuram, Kozhikode, North Paravoor, Changanassery, Ranny, Karthikapally and Pala

the order of the appeal filed before the Revenue Divisional Officer. An amount of Rs.73,391/- in 122 cases remains to be realized. District Collectors concerned have been given strict directions to collect the balance amount immediately.

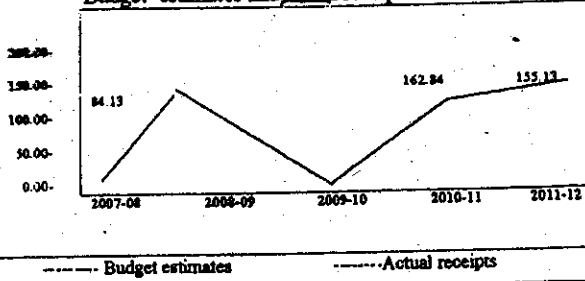
Pls. cdg

[Signature]
K.S. SURESHA
Special Secretary to Govt
Revenue Department
Govt. Secretariat, Trivani

ACTION TAKEN REPORT ON PARA 6.2 OF THE C & A.G. REPORT FOR THE YEAR ENDED 31/03/2012
CHAPTER-VI LAND REVENUE AND BUILDING TAX

Year of Report	Para No.	Recommendation of the Committee	Action taken by the Government																																																
		<p>6.2 Trend of receipts</p> <p>Actual receipts from land revenue during the last five years (2007-08 to 2011-12) along with the budget estimates during the same period is exhibited in the following table and graph</p> <table border="1" data-bbox="207 387 847 638"> <thead> <tr> <th>Yr</th> <th>Budget Estimate</th> <th>Actual Receipts</th> <th>Variation</th> <th>% of variation</th> <th>Total tax receipts of the State</th> <th>% of Actual receipts vis-à-vis total tax receipts</th> <th>% of growth</th> </tr> </thead> <tbody> <tr> <td>07-08</td> <td>55.69</td> <td>47.21</td> <td>(-) 8.48</td> <td>(-) 15.23</td> <td>13668.95</td> <td>0.35</td> <td>0.45</td> </tr> <tr> <td>08-09</td> <td>84.13</td> <td>47.56</td> <td>(-) 36.57</td> <td>(-) 43.47</td> <td>15990.18</td> <td>0.30</td> <td>0.74</td> </tr> <tr> <td>09-10</td> <td>52.50</td> <td>53.93</td> <td>(+) 1.43</td> <td>(+) 2.72</td> <td>17625.02</td> <td>0.31</td> <td>13.39</td> </tr> <tr> <td>10-11</td> <td>155.13</td> <td>55.97</td> <td>(-) 99.16</td> <td>(-) 63.92</td> <td>21721.69</td> <td>0.26</td> <td>3.78</td> </tr> <tr> <td>11-12</td> <td>162.84</td> <td>60.75</td> <td>(-) 102.09</td> <td>(-) 62.69</td> <td>25718.60</td> <td>0.24</td> <td>8.54</td> </tr> </tbody> </table> <p>Source: Finance Account of relevant year</p>	Yr	Budget Estimate	Actual Receipts	Variation	% of variation	Total tax receipts of the State	% of Actual receipts vis-à-vis total tax receipts	% of growth	07-08	55.69	47.21	(-) 8.48	(-) 15.23	13668.95	0.35	0.45	08-09	84.13	47.56	(-) 36.57	(-) 43.47	15990.18	0.30	0.74	09-10	52.50	53.93	(+) 1.43	(+) 2.72	17625.02	0.31	13.39	10-11	155.13	55.97	(-) 99.16	(-) 63.92	21721.69	0.26	3.78	11-12	162.84	60.75	(-) 102.09	(-) 62.69	25718.60	0.24	8.54	<p>It is evident from the table that the budget estimate for the financial years 2010-2011 and 2011-2012 seems increased to nearly triple considering the budget estimate for 2007-2008, 2008-2009 and 2009-2010. The increase in budget estimate happened due to the estimation of Rs. 100 crore under the head of account 0029-00-800-90 (Receipts under the Kerala Conservation of paddy land and wet land Act 2008) in the budget estimates for the years 2010-2011, 2011-2012. In the budget speech for the year 2009-2010 it was mentioned in Para 196 that amount will be collected from the paddy/wet land owners as fine who reclaimed the paddy/wet land before 01/01/2005, the commencement period of the above said Act. In continuation to that Budget Speech, an expected amount of Rs. 100 crores is seen included by the Government in the budget estimate for 2010-2011 & 2011-2012. Even though the amount was included in the budget estimates, no Government order specifying the methods to collect the above amount was issued at that period. So, the One time fees anticipated under the head of account 0029-00-800-90 from reclamation of paddy field/wetland has not been implemented at that time.</p> <p>Thus, a difference of estimated 100 cores reflected in the actual receipts for the financial years 2010-2011 & 2011-2012. In financial years 2007-2008 variation in actual receipts seems due to the</p>
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Budget estimates and actual receipts - MH 0029



The actual receipts were less than the budget estimates during the last five years except 2009-10

non-collection of amount pending under Court, Government & Appellate authority stays etc. The amount can be collected after the completion of the on going procedures. As per the Government instruction, a data based on Court stay cases are being consolidated by the Department Liaison Office functioning at Advocate General's office and action is being taken to vacate the stay in existing cases in a speedy manner. With regard to the cases, in which stays were being granted by various authorities, stringent monitoring is being made at District Collector's level and at the Land Revenue Commissioner's level for speedy follow up action.

Presently, during the last months of every financial year "Special drives are being conducted by the Department aiming at boosting up of revenue collection. Apart from the monthly meeting to review the progress of collection in all sectors District wise and item wise, the collection progress is being monitored from Land Revenue Commissionerate during the 'Drive' period.

J. BENCY
 Additional Secretary
 Revenue Department
 Govt. Secretariat
 Thiruvananthapuram
 (Phone No. 2334088, 2518332)

**GOVERNMENT OF KERALA
REVENUE (H) DEPARTMENT
ACTION TAKEN REPORT ON PARA 6.8.1 OF
C&AG REPORT FOR THE YEAR ENDED 31.03.2012(PAC 2016-2019)**

Para No.	Recommendation	Action Taken
6.8.1..	<p data-bbox="207 376 746 436">6.8.1 Non/Short realisation of collection charge (Three Taluk offices and one Deputy Collector (RR) Office)</p> <p data-bbox="207 491 1039 802">Under Rule 4 of the Kerala Revenue Recovery Rules 1968, collection charges are leviable on arrears collected at the rate of five per cent when the arrears do not exceed Rs. 5 lakh and at the rate of 7.5 per cent when the arrears exceed Rs.5 lakh. In terms of Rule 5 of the said Rules collection charges leviable in respect of arrears recoverable on behalf of any institution shall be deducted from the amount recovered and the balance alone shall be payable to the institution. Further, institutions except Government departments accepting defaulted payments directly from the defaulter after initiating RR proceedings, shall be liable to pay one per cent of the amount so collected towards service charge for initiation of RR proceedings, against the defaulter</p> <p data-bbox="181 873 1039 1010">It was noticed between February and July 2011 that in three taluk offices and one Deputy Collector's office collection/service charges amounting to Rs. 18.74 lakh were not realised/short realised from the defaulters by the RR authority or not remitted to Government account after collecting it from the defaulters as given below.</p>	<p data-bbox="1039 409 1361 1031">Out of Rs. 18,73,693/- in 17 cases, Rs. 35,193/- in 3 cases has since been realized, 9 cases involving Rs. 10,46,394/- have been exempted. The above exempted amount includes an amount of Rs.10,20,863/- that pertains to Steel Industries Kerala Ltd which was settled by the Government as per G.O.(Rt) 831/09/ID dated 30.06.2009 (annexure I). Rs. 1,50,000/- in one case is pending with the court. Balance amount of Rs. 6,42,106/- in 4 cases related to the KFC, Deputy Collector Office, Thiruvananthapuram. Revenue</p>

Description	No. of cases	Amount Rs.
Non-collection/Short collection	7	1295441
Non-collection of service charge	9	37502
Non-remittance to Government account	1	540750
	17.	1873693

Recovery proceedings have been started for the realization of the amount.

Though the recovery could have been monitored easily through the RR register, this was not done. It is essential that the RR register is reviewed periodically, by higher authorities/IAW to ensure that collection/service charge is being collected in all cases of recovery.

After the matter was pointed out to the Department, the Department stated (June 2012) that an amount of Rs. 0.42 lakh has been realised and earnest efforts are being taken to realise the balance amount. Further reply has not been received (December 2012).

The matter was reported to the Government in March 2012; their reply has not been received (December 2012).

D. Suresh
 Director, IAW
 Government
 Bangalore



GOVERNMENT OF KERALA
Abstract

Industries Department - Settlement of internal liabilities among Steel Industrials Kerala Limited (SILK) - Autokast Limited (AKL) and Steel Fabrication Unit (SFU) for the implementation of Joint Venture with Indian Railways - Instructions approved - Orders Issued.

INDUSTRIES (D) DEPARTMENT

G.O.(Rt) No. 831/09/ID. Dated, Thiruvananthapuram, 30-06-2009.

Read:- (i) G.O.(Ms) No.86/08/ID dated 27-06-2008.

(ii) Lr. No.SILK/MD/08-09/072 dated 28-02-2009 from the Managing Director, Steel Industrials Kerala Limited (SILK).

(iii) Lr. No.HO:06/09-10/269 dated 21-05-2009 from the Managing Director, Steel Industrials Kerala Limited (SILK).

ORDER


As per the Government Order read above, sanction was accorded for the de-linking of Autokast Limited from Steel Industrials Kerala Limited for the smooth implementation of Joint Venture with Indian Railways. The Board of Directors of Steel Industrials Kerala Limited has already resolved to transfer the Autokast Limited shares owned by them to Government of Kerala and obtained clearance from Registrar of Companies. The Managing Director, Steel Industrials Kerala Limited vide his letter read as 3rd paper above has informed that Government loan of Rs. 29.88 crores and KIRF Board loan of Rs.5.50 lakhs+interest are outstanding against Steel Industrials Kerala Limited.

Government have examined the matter in detail and are pleased to issue the following recommendations for the settlement of the above liabilities.

1. SILK has already transferred the shares of AKL worth Rs. 18.97 crores to Government of Kerala. This transferred shares can be adjusted against the Government loan of Rs. 29.88 crores giving priority to interest bearing loans. Thus the balance Government loan outstanding in the books of SILK will come to Rs. 10.91 crores. (29.88 crore - 18.97 crore).
2. Government have released an amount of Rs. 428.78 lakhs to SILK for settling the dues of Vijaya Bank and Federal Bank. Considering this, the total outstanding Government loan will increase to Rs. 15.19 crores

Comptroller & Auditor General Report (RR) for the year ended 31.03.2012

Sl. No.	File No.	Subject	Action taken
1)	40270/A3/2015/RD	Para 6.8.6 Non-levy of interest on belated payment of land assignment dues	The Audit objection is related with Revenue Divisional Office, Kochi and the entire amount pointed out by the Comptroller & Auditor General has been realised vide Chalan No.S.134/12 dated 13.03.12 at Sub Treasury, Mattancheri for Rs.3,84,046/- (Rupees Three Lakh Eighty Four Thousand and Forty Six only) and Chalan No.40 dated 20.02.2015 at Sub Treasury, Nayarambalam for Rs.10,919/- (Rupees Ten Thousand Nine Hundred and Nineteen only).


A. R. SURESAN
Additional Secretary to Government
Revenue Department
Govt. Secretariat
Thiruvananthapuram

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