



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

**PUBLIC UNDERTAKINGS
(2016-19)**

SIXTY FIRST REPORT

(Presented on 24-1-2018)

SECRETARIAT OF THE KERALA LEGISLATURE

THIRUVANANTHAPURAM

2018

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**PUBLIC UNDERTAKINGS
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The action taken by Government on the Recommendations contained in the Ninety Second Report of the Committee on Public Undertaking (2014-16) relating to Kerala State Beverages Corporation Limited, based on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2010 and 2011 (Commercial)

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COMMITTEE ON PUBLIC UNDERTAKINGS(2016-2019)

COMPOSITION OF THE COMMITTEE.

Chairman:

Shri. C. Divakaran

Members:

Shri. T. A. Ahammed Kabeer

Shri. K. B. Ganesh Kumar

Shri.C.Krishnan

Shri. S. Rajendran

Shri. Thiruvanchoor Radhakrishnan

Shri. P.T.A. Rahim

Shri. Raju Abraham

Shri. Sunny Joseph

Shri. C. F. Thomas

Shri. P. Unni

Legislature Secretariat :

Shri.V. K. Babu Prakash, Secretary.

Shri. Mathewkutty. G., Joint Secretary.

Shri. P. B. Suresh Kumar, Deputy Secretary.

Smt. Deepa.V., Under Secretary.

INTRODUCTION

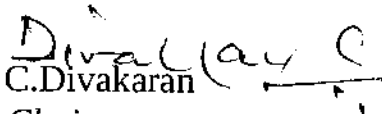
I, the Chairman, Committee on Public Undertakings (2016-2019) having been authorised by the Committee to present the Report on its behalf, present this Sixty First Report on the action Taken by Government on the Recommendations contained in the Ninety Second Report of the Committee on Public Undertakings (2014-16) relating to the Kerala State Beverages Corporation Limited, based on the Reports of the Comptroller and Auditor General of India for the year ended 31 March, 2010 and 2011 (Commercial) Under Taxes Department.

The Statement of Action Taken by the Government included in this Report was considered by the Committee constituted for the year (2016-19) in its meeting held on 31.05.2017.

This Report was considered and approved by the Committee at its meeting held on 17.01.2018.

The Committee place on record its appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala during the examination of the Action Taken Statement included in this Report.

Thiruvananthapuram,
17.01.2018.


C.Divakaran

Chairman,
Committee on Public Undertakings.

REPORT

This report deals with the action taken by Government on the recommendations contained in the Ninety Second report of the Committee on Public Undertakings (2014-16) relating to Kerala State Beverages Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2010 and 2011 (Commercial).

The Ninety Second Report of the Committee on Public Undertakings(2014-16) was presented to the House on 27th July 2015. The Report contained 4 recommendations in Para numbers 5, 6, 8 and 10 relating to Kerala State Beverages Corporation Limited and the Government furnished Action Taken Statements to all of them. The Committee(2016-19) considered the Action Taken Statements furnished by the Government in its meeting held on 31.05.2017 and accepted them without remarks.

**PLIES FURNISHED BY THE GOVERNMENT ON THE RECOMMENDATIONS OF
THE COMMITTEE WHICH HAS BEEN ACCEPTED BY THE COMMITTEE
WITHOUT REMARKS**


Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations	Action Taken by the Government
(1)	(2)	(3)	(4)	(5)
1	5	Taxes	The Committee expresses its dissidence at the explanation given by the witness, regarding the remittance of advance tax and remarks that the Corporation ought to have implemented the Income Tax Act at any cost instead of resorting to lame excuses.	The recommendation of the Committee was noted. Government directed KSBC to take urgent action for implementing the provisions of the Income Tax Act now KSBC is implementing the provisions of the Income Tax Act.
2	6	Taxes	The Committee is of the opinion that the lack of an effective system to monitor the monthly and quarterly sales of the Corporation was the main reason for the difficulty in assessing the amount of advance tax which resulted in the payment of a large amount as penal interest. The Committee recommends that liability should be fixed upon the responsible officers for the loss incurred due to the	The opinion and recommendation of the Committee regarding remittance of Advance Income Tax was noted and so as to minimize the variance in Advance Tax to be remitted on a quarterly basis, the monthly and quarterly sales and profitability is being assessed before making quarterly payment of Advance Income Tax. Here it is informed that the Corporation has been implementing the recommendations of the Committee, but due to difficulties in accurately projecting

(1)	(2)	(3)	(4)	(5)
			<p>dereliction on their part. The Committee directs to furnish a detailed explanation regarding the laxity. occurred in paying the tax assessed for 11½ months and the reason for the failure in implementing the recommendations of the Committee so far.</p>	<p>the future liquor sales on a month to month basis, it is practically impossible to accurately assess the profit of the Corporation. Hence Variance in Advance Tax remitted and to be remitted is inevitable in the Corporation. The detailed explanation for the variance is attached as Annexure A. The explanation enumerating the difficulties in accurately projecting the profit of the Corporation for remittance of Advance Income Tax may accepted.</p>
3	8	Taxes	<p>The Committee flays the inert attitude and irresponsibility of the Officers for the delay in submitting reply to audit paragraphs even after a period of 3 years. The Committee directs to gear up action against the officers who are liable for the delay The Committee also wants to be furnished with the details of the action taken in this matter.</p>	<p>The Action Taken Report on the Audit para for the year 2010-11 was handed over to Taxes Office Section on 21/08/2014. On 22/08/2014 it was despatched. When this department came to know that the Action taken Report was not reached in the concerned section of Legislature Secretariat, we enquired and find out that, the Action Taken report on the Audit Para for the year 2010-11 was despatched along with another seat's Answer to LA Interpellation and Delay Statement. On further enquiry it is came to</p>

(1)	(2)	(3)	(4)	(5)
				<p>know that Action Taken Report was held up in question answer section of Legislature Secretariat. Therefore question-answer Section was requested to hand over the Action Taken Report to concerned PUC (B) section. As the communication in different subject matters were despatched together Action Taken Report to the Audit report did not reach the concerned section on time. Therefore Office section of Taxes Department was directed to despatch each communication to Legislature Secretariat separately. The U.O.Note is attached as Annexure 'B'. It is submitted that the delay caused is not wilful or intentional. The delay in submission of the ATR on the audit report for the year 2010-11 in respect of Kerala State Beverages Corporation may be condoned.</p>
4	10	Taxes	<p>The Committee Opines that the excess contribution to Provident Fund resulted in an irregular payment of ₹1 crore and this reveals the inefficient administration of the</p>	<p>The Corporation is now remitting Contribution to the Employees Provident Fund based on Government direction as per GO(Rt) No. 492/2013/TD dated 25/06/2013. Copy enclosed as Annexure C.</p>

(1)	(2)	(3)	(4)	(5)
			Corporation. The Committee directs that the contributions to Provident Fund should be done only in pact with the existing statutory ordedrs.	

Thiruvananthapuram,
17-01-2018.


 C. Divakaran
 Chairman,
 Committee on Public Undertakings.

Detailed Explanation

1. From the records, it is seen that the Corporation has been implementing the Income Tax Act and has been paying advance Income Tax based on estimated profits in four installments. Details of the Advance Income Tax paid by the Corporation for the Assessment Years 2005-06 to 2007-08 (FY 2004-05 to 2006-07) is given below.

Installment	Assessment Year 2005-06 (FY 2004-05)	Assessment Year 2006-07 (FY 2005-06)	Assessment Year 2007-08 (FY 2006-07)
1 st Installment before 15 th June	Rs.0.40 crores	Rs.0.70 crores	Rs.1.01crores
2 nd Installment before 15 th September	Rs.0.81 crores	Rs.1.07 crores	Rs.3.53crores
3 rd Installment before 15 th December	Rs.0.81 crores	Rs.1.17 crores	Rs.1.80crores
4 th Installment before 15 th March	Rs.0.90 crores	Rs.1.80 crores	Rs.12.56crores

Therefore from the records, it is seen that there is no case that the Corporation had not estimated the profits in advance as prescribed by the Income Tax Act and had not remitted Advance Income Tax promptly on the dates stipuated in the Income Tax Act.

2. It is also seen that the Corporation was regularly monitoring the monthly sales value, quantity etc. Annexure giving the month wise sales value and quantity then complied by the Corporation in the Financial Years 2004-05 to 2006-07 is attached as Annexure 1. Further the Advance Income Tax remittance Notes and figures will also indicate, that the Corporation has been paying Advance Income Tax based on the Budget approved by the Board of Directors of the Corporation (Annexure II & III)

In the case of the Corporation, the difficulty in accurately estimating the income of a year is due to the fact that liquor sales varies radically from month to month and from year to year. Due to this there is no discernable trend in sales either during a month or from month to month or from year to year. Hence the profit estimated at the beginning of the year and during the course of the year also varies radically, thus making it virtually impossible to accurately estimate the profit of the Corporation for a quarter or a month or part of a month. The month wise IMFL sales quantity and gross sales for the said three years Fys 2004-05 to 2006-07 is given below.

Month	2004-05		2005-06		2006-07	
	Quantity case in lakhs	Gross Sales Rs.in crores	Quantity case in lakhs	Gross Sales Rs.in crores	Quantity case in lakhs	Gross Sales Rs.in crores
April	10.69	214	9.40	232	10.32	267
May	9.20	183	9.47	236	11.65	265
June	9.60	176	8.70	198	10.74	238
July	9.00	177	8.81	195	9.93	231
August	10.36	215	8.75	206	13.35	265
September	8.23	184	9.40	236	9.46	266
October	8.11	179	9.31	210	9.86	234
November	7.82	171	8.34	197	10.49	236
December	10.18	207	10.04	235	11.45	276
January	8.62	202	8.69	230	10.98	277
February	8.29	188	9.39	226	11.52	271
March	8.82	224	9.17	234	12.90	317
Total	108.92	2320	109.47	2635	132.65	3143

From the above it can be seen that the sales each year varies both in quantity and value, from month to month and there is no correlation between sales of any particular month of one year with that of sales of the same month of the next year either in quantity or value. Thus unlike any other business where sales trends are discernable, in the case of the Corporation this is virtually impossible. Thus, making it practically impossible for the Corporation to correctly estimate the profit and therefore Income Tax payable for a year, within a variance of 10%, as required by the Income Tax Act for payment of Advance Income Tax. Hence Advance Income Tax was paid by the Corporation based on the Budget approved by the Board of Directors.

From the above, it can be seen that, though there is only a marginal variance in the sales quantity of FY 2004-05, 108.92 lakh cases and

that of FY 2005-06, 109.47 lakh cases, variance of 0.5% in sale quantity, the gross sales during FY 2004-05 was Rs.2320 crores and that in FY 2005-06 was Rs.2635 crores, a variance of 13%. Hence there is no correlation between the quantity sold and the gross sales value, as it would vary depending upon the MRP of the brands sold. If costlier brands are sold, the gross sales value and profit would vary correspondingly. Further from the above, it can be seen that even a small swing in the estimated sale would distort the profit estimate considerably and correspondingly affect the Advance Income Tax payable. Hence to be on the safer side, the Budget figures were relied upon to pay Advance Income Tax.

Here it may be noted that Income Tax Act permits only a 10% variation in estimation of Advance Income Tax and any variation in estimate above 10% attracts interest under Section 234 B and 234 C of the Income Tax Act. The gross sales of the Corporation for the three financial years 2004 -05, 2005-06 and 2006-07, profit after Income Tax and Income Tax payable is given below:

Particulars	2004-05	2005-06	2006-07
Gross sales	Rs.2320.91 crs.	Rs.2635.81 crs.	Rs.3143.29 crs.
Profit before Income Tax	Rs.22.68 crs	Rs.51.58 crs	Rs.64.18 crs.
Income Tax	Rs.9.44 crs	Rs.18.94 crs.	Rs.22.25 crs.
Maximum permissible 10% variance in the estimate of Income Tax as per the Act for not attracting interest u/s 234 B and 234 C	Rs.0.94. crs	Rs.1.89 crs.	Rs.2.25 crs
Percentage of profit before Income Tax to Gross sales	0.97%	1.95%	2.04%
Percentage of Income tax to Gross sales	0.40 %	0.71%	0.70%

Maximum permissible 10% error in estimate of Income Tax as percentage of Gross Sales.	0.04%	0.07%	0.07%
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From the above it can be seen that net profit before Income Tax and Income Tax as a percentage of gross sales for a year is below 1% and permissible error for estimate in Income Tax, so as to avoid interest under u/s 234 B and 234 C in the case of the Corporation due to factors mentioned above, is only 0.04%. Therefore it has never been possible for the Corporation to estimate the Advance Income Tax payable by the Corporation correctly within a variance of 10% as prescribed in the Income Tax Act. Hence the Income Tax advance paid and which is being paid by the Corporation even now has always either been an excess or short. This is inspite of the fact that the Corporation after the observation by the Committee on Public Undertaking and as directed by the Committee, has been working out its profits on a monthly basis for payment of Advance Income Tax.

Another very pertinent aspect to be noted regarding the difficulties faced by the Corporation, in estimating the profit for a year correctly before the end of 31st March every year, is the fact that the Corporation, as specified in the Rate Contract for purchase of liquor, while fixing/working out the MRP of each brand/pack, rounds off the amount worked out, to the nearest multiple of Rupees Fives and Tens. As the Corporation deals in more than 2500 different brands / packs and as a Corporation sells about 60 crore liquor bottles every year, the profit earned by the Corporation every year from rounding of MRP is substantial, varying from about Rs.30 crores to Rs.80 crores per year, depending upon the brand / pack sold. It may be noted that the profit obtained by the Corporation on account of rounding of MRP is more than 100% of the profit before Income Tax. It is difficult to correctly factor in the profit so obtained by the Corporation from the MRP rounding in a Financial Year before the

end / close of the Financial Year in March. The actual profit earned by the Corporation consequent to rounding of MRP to the nearest multiple of Rupees Fives and Tens can be ascertained only after finalization of the Accounts for the purpose of Statutory Audit.

In addition to the above mentioned difficulties in accurately estimating the profit of the Corporation for payment of Advance Income Tax, this is further compounded by the fact that the rate at which Gallonage Fee is to be levied by Government, for a Financial Year is fixed and intimated by Government only in the last week of March of that Financial Year, after remittance of the 4th installment of the Advance Income Tax by the Corporation on or before 15th March of the said Financial Year. The objective of Government in doing so, is to maximize Government Revenue collected from KSBC. This siphoning off of profits at the end of the Financial Year, results in almost nullifying, all the profits estimates prepared by the Corporation based on sales from month to month for payment of Advance Income Tax for 11½ months till 15th March of the Financial Year. The Gallonage fee fixed by Government in the last week of March of the financial year for 2004-05 was 64% of the profit before Gallonage Fee (Gallonage Fee - Rs.40.67 cr profit before Gallonage Fee- Rs.63.35 cr) and during 2005-06 was 58% of the profit before Gallonage Fee (Gallonage Fee - Rs.71.23 cr profit before Gallonage Fee Rs.122.81 cr) and during 2006-07 was 62% of the profit before Gallonage Fee (Gallonage Fee - Rs.106.70 cr profit before Gallonage Fee - Rs.170.81cr). From this it can be seen that there is no consistency even in the levy of Gallonage Fee in the last week of March of the Financial Year.

Thus the Advance Tax paid by the Corporation each year based on profit estimated based on sales quantity and value loses its relevance and the Advance Tax to be paid has no bearing on the sales of the Corporation which can be seen from the figures for 2004-05 to 2006-07 given below.

Particulars	2004-05	2005-06	2006-07
Profit before Gallonage Fee	Rs.63.35 crores	Rs.122.81 crores	Rs.170.81 crores
Gallonage Fee	Rs.40.67 crores	Rs.71.23 crores	Rs.106.70 crores
Profit after Gallonage Fee and before Income Tax	Rs.22.68 crores	Rs.51.58 crores	Rs.64.18 crores
Total Quantity of IMFL and Beer Sold	146.12 lakh cases	149.66 lakh cases	182.70 lakh cases
% Increase in quantity as compared to the previous year		2% (149.66 as % of 146.12)	22% (182.70 as % of 149.66)
% Increase in Gallonage Fee as compared to the previous year		75% (71.23 as % of 40.67)	50% (106.70 as % of 71.23)
% Increase in profit after Gallonage Fee as compared to the previous year		127% (51.58 as % of 22.68)	24% (64.18 as % of 51.58)

From the above it can be seen that there is absolutely no correlation between quantity sold, gross sales value, Gallonage Fee and profit on which Income Tax is to be paid in any financial year and so also in the said three financial years 2004-05 to 2006-07.

Another pertinent point concerning correctly estimating the yearly profit of the Corporation is that, after the takeover of the retail trade in IMFL and Beer by the Kerala State Beverages (M&M) Corporation Limited from 2001-02 onwards, there had been a substantial growth in sales and revenue contribution by the Corporation to the Sales Tax and Excise

Department, as compared to the period the prior to the takeover of the Retail shops, that is in 2000-01.

But inspite of the high growth in sales and revenue contribution to the state exchequer, the working result of the Corporation showed a loss due to the following two factors,

- (i) On account of the uniform high Kist fixed by Government for all KSBC Retail shops irrespective of the location and sales potential of the Retail shop.
- (ii) Due to the levy of 10% Surcharge on Sales Tax, which is only payable by KSBC and is not applicable to other constituents of the liquor trade like Distilleries, Breweries, Bar Licensees, Retail shops of Consumerfed etc.

Therefore, based on the request of the Corporation, in order to maintain the profitability of the Corporation, Government had decided to exempt / reduce Surcharge on Sales Tax payable by the Corporation. Necessary orders for this were also issued by the Government.

1. In the first year of takeover, that is 2001-02 Government had waived 10% Surcharge to the Corporation as per notification G.O.(P) No. 27/2002 TD dated 30-03-2002 - for the period 1st May 2001 to 31st March, 2002 (11 months).
2. In 2002-03 Government had waived 10% Surcharge on Sales Tax as per notification G.O.(P) No. 56/2003 TD dated 30-03-2003 - for the period 1st Oct 2002 to 31st March, 2003 (6 months)
3. In 2003-04 Government had waived 10% Surcharge on Sales Tax as per notification G.O.(P) No. 39/2004 TD, dated 27-03-2004 - for the period 1st April 2003 to 31st August, 2003 (5 months)
4. and in 2004-05 Government as per notification "G.O. (P) No.78/2004/TD, dated 14.05.2004 had reduced Surcharge on Sales Tax from 10% to 5%.

From the above, it can be seen that the Corporation irrespective of the high sales was running at losses and was made profitable only on account of the waiver of surcharge on Sales Tax by the Government. Further there was no uniformity regarding the waiver of surcharge. It varied from 5 months to 1 year depending upon the requirement of the Corporation for reduction of expenses on account of surcharge on Sales Tax, so as to make the Corporation profitable. Hence the profitability of the Corporation for each Financial Year apart from sales, Gallonage Fee fixed by Government etc., also depended upon surcharge on Sales Tax waived / reduced by Government from year to year.

From all the above it can be clearly seen that, it is practically impossible for the Corporation to correctly estimate the profit of the Corporation for a Financial Year and pay Advance Income Tax in four installments on or before 15th June, 15th September, 15th December and 15th March ensuring a variance within in 10% of the Income Tax to be paid in any year.

Further from the records it is seen that after the takeover of the Retail Trade in liquor by Government in 2001, major portion of the Retail Trade was entrusted to the Corporation. Due to this, the number of units of the Corporation increased from 12 Warehouses and 14 Retail Shops to 12 Warehouses and 305 Retail Shops. Though there was a 21 fold increase in the number of units, no additional posts other than the existing 346 posts were sanctioned. Hence the Corporation to run its operation was compelled to carry on its activities with 1020 Abkari Workers working in private shops taken over by KSBC, by engaging about 727 employees on daily wages and 556 employees on deputation. Thus though a total of 2649 employees with the required knowledge skills were needed to run the operations of the Corporation, only 346 posts were sanctioned by Government. Proper employees / posts with the required qualification and knowledge for the jobs were not sanctioned by Government. This adhoc arrangement of employees without the required knowledge skills and due to the adhoc system of engaging employees, there is no continuity in the work being performed, which necessitates a continuous

learning curve for the employees and in addition to this, there is an acute shortage of employees.

Due to the above, factors and difficulties each year, while paying Advance Income Tax, there would either be a short or on excess payment of Advance Income Tax, resulting in either Interest on the shortfall being paid by the Corporation to the Income Tax Department or Interest being paid by the Income Tax Department to the Corporation for the excess Advance Income Tax paid. This is inspite of the fact that the Corporation as directed by the Committee of Public Undertaking has been working out its profits on a monthly basis for payment of Advance Income Tax.

Here it is informed that after the observation by the Committee On Public Undertaking (COPU), the Corporation has been computing profit every month for payment of quarterly installments of Advance Income Tax and has also been working out the estimated profit for each Financial Year based on sales for 11.5 months of the Financial Year in March of the Financial Year and accordingly has been paying last installment of Advance Income Tax based on sales for 11½ months.

Figures of total income, advance tax payable and advance paid by the Corporation for the three financial years from 2007-08 to 2009-10 are given below. From which it would be clear that after 2006-07, there has been no shortfall in the advance remittance by the Corporation.

Assessment Year	Total Income	Tax Payable on total income	Advance Tax payable	Advance Tax paid including TDS
2008-09	67.64	22.99	20.69	29.04
2009-10	168.54	56.72	51.05	69.49

Considering the above and as the Corporation has complied with the directions of the Committee on Public Undertakings, it is requested that further action may please be dropped.

From the above it can be seen that in the existing business scenario in which KSBC is functioning,

- Radical fluctuation of sales value and quantity from day to day, month to month and from year to year, with no correlation between sales and taxable income of one year as compared to the immediate next year. Though there was only a marginal variance of 0.5% in sale quantity between financial year 2004-05 and 2005-06, the variance in Gross Sales was 13% and variance in profit before Income Tax was 127%.
- The maximum permissible variance in estimate and remittance of Advance Income Tax prescribed by the Income Tax Act is 10%. In the case of the Corporation from the workings given above, it can be seen that to fall within the variance limit prescribed by the Income Tax Act, there should not be even a 0.04% variance in estimate of profit and Income Tax as a percentage of Gross Sale, by the Corporation, which is practically impossible in the scenario of daily sales fluctuation.
- The profit of the Corporation on account of rounding off MRP to the nearest multiple of Rupees Fives and Tens varies from Rs.30 crores to Rs.80 crores in a year which forms more than 100% of the profit for a Financial Year. This is ascertainable by the Corporation only after the close of the Financial Year when the accounts are finalized for Statutory Audit purpose.
- Determination of the balance Taxable Profit of the Corporation based on Gallonage Fee which forms major component of the expenses being fixed and levied by Government in the last week of March of the Financial Year, after payment of the 4th installment of Advance Income Tax on or before 15th March of the Financial Year.
- No correlation between the Gallonage Fee fixed for a year and the Gross Sales Value.

- Not providing required qualified personnel, as out of the 3879 posts requested by the Corporation only 1721 posts have been sanctioned by Government till date and the Corporation is compelled to operate with adhoc employees of Abkari Workers, Daily wage employees and Employees on deputation, with no permanency of job, which necessitates a continuous learning curve.
- Thus on account of the above reasons, variance in the estimated income is inevitable and hence some element of interest on Income Tax becomes payable by the Corporation every year. However the Corporation from its side minimizes the interest component every year by reviewing its income estimate based on sales trends and by paying the shortfall of Income Tax if any at the earliest.
- Further, it may be noted that, there is no case that the Corporation had not estimated the profits in advance and remitted Advance Income Tax promptly on the dates stipulated in the Income Tax Act. From the advance Income Tax remittance figures of in each quarter it can be seen that the Corporation has been progressively revising the profits of provisional figures based on income, expenses and stock data available at that point of time.
- Due to the above factors, making an accurate estimate of income and Income Tax payable in advance within a variance of 10% either at the beginning of the year or during the course of the financial year, has become practically not feasible as fluctuation in sales and taxable income arises on account of various factors as mentioned above. Hence one could only go by fair estimates anticipating a reasonable variance. It may be noted here that due to the above mentioned business scenario in which the Corporation functions, the above position continues even now, with the Advance Income Tax paid by the Corporation being either a short or an excess.

Considering the above and as all the above are beyond the control of the concerned Officers, it is inevitable that there would either be a shortage

or excess remittance of Advance Tax. Further the Officers have taken due care with the available inputs to estimate the income and pay Income Tax thereon. In addition, though as recommended by the Committee, the Corporation has been working out the profit based on sales on a monthly basis, but every year due to the factors mentioned above, there is a variance between the Advance Income Tax to be remitted and that remitted by the Corporation.



കേരള സർക്കാർ



National Games

ഭരണഭാഷ - മാതൃഭാഷ

നം.20501/എ3/2014/നി.വ.

നികുതി (എ) വകുപ്പ്
തിരുവനന്തപുരം,
തീയതി : 19.11.2014.

അനുഭവോത്സാഹ കുറിപ്പ്

വിഷയം : നികുതി വകുപ്പ് - കേരള നിയമസഭ - പൊതുമേഖലാ സ്ഥാപനങ്ങളെ സംബന്ധിച്ച സമിതി (2014-16) - കെ.എസ്.ബി.സി യെ സംബന്ധിച്ച ഓഡിറ്റ് ഖണ്ഡിക 4.9 ന്റെ മേൽ സ്വീകരിച്ച നടപടി റിപ്പോർട്ട് നിയമസഭാ സമിതിയ്ക്ക് ലഭിക്കാൻ കാലതാമസം നേരിട്ടത് - സംബന്ധിച്ച്.

സൂചന : ഈ വകുപ്പിന്റെ 12.08.2014 ൽ നിയമസഭാ സെക്രട്ടറിക്ക് അയച്ച 4621/എ 3/14/നി.വ നമ്പർ കത്ത്.

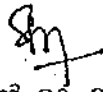
സൂചനയിലേയ്ക്ക് നികുതി (ഓഫീസ് സെക്ഷൻ) വകുപ്പിന്റെ ശ്രദ്ധ ക്ഷണിക്കുന്നു. 27.08.2014 ലെ പൊതുമേഖലാ സ്ഥാപനങ്ങളെ സംബന്ധിച്ച നിയമസഭാ സമിതിയുടെ പരിശോധനയ്ക്കായി ഈ വകുപ്പിൽ നിന്നും നിയമസഭാ സെക്രട്ടറിക്ക് അയച്ചുകൊടുക്കാനായി സൂചനയിലെ കത്തു പ്രകാരം നികുതി (ഓഫീസ് സെക്ഷൻ) വകുപ്പിൽ ലഭ്യമാക്കിയ ഓഡിറ്റ് ഖണ്ഡികകളിന്മേൽ സ്വീകരിച്ച നടപടി റിപ്പോർട്ടിന്റെ 35 പ്രതികൾ യഥാസമയം നിയമസഭാ സെക്രട്ടറിയേറ്റിൽ ലഭ്യമാകാത്തതിനാൽ നിയമസഭാ സമിതി കടുത്ത അതൃപ്തി രേഖപ്പെടുത്തുകയുണ്ടായി. തുടർ അന്വേഷണത്തിൽ നികുതി (എ 1) സീറ്റിൽ നിന്നുള്ള രണ്ട് നിയമസഭാ ചോദ്യങ്ങൾക്കുള്ള അന്തിമ മറുപടിയും, അതിന്റെ 150 പകർപ്പ് ഡിലേ സ്റ്റേറ്റ്മെന്റും ഉൾപ്പെടുന്ന കെട്ടിനൊപ്പമാണ്, ഓഡിറ്റ് ഖണ്ഡിക 4.9 ൽ സ്വീകരിച്ച നടപടികളുടെ റിപ്പോർട്ട് നികുതി (ഓഫീസ് സെക്ഷൻ) വകുപ്പിൽ നിന്നും നിയമസഭാ സെക്രട്ടറിക്ക് അയച്ചതായി അറിയാൻ കഴിഞ്ഞത്. ഇതു വഴി നിയമസഭാ സമിതിയ്ക്ക് ലഭ്യമാകേണ്ടതായ ബന്ധപ്പെട്ട ഓഡിറ്റ് ഖണ്ഡികയുടെ നടപടി റിപ്പോർട്ട് നിയമസഭാ സെക്രട്ടറിയേറ്റിലെ Question - Answer സെക്ഷനിൽ എത്തപ്പെടാനും നികുതി (എ) വകുപ്പിൽ നിന്നും ഫോണിലൂടെ ബന്ധപ്പെട്ട

വിന്റെ അടിസ്ഥാനത്തിൽ ടി നിയമസഭാ സെക്ഷൻ ടി തപാൽകെട്ട് പരിശോധിച്ച് നിയമസഭാ സമിതിയുടെ മുമ്പാകെ വയ്ക്കേണ്ട നടപടി റിപ്പോർട്ട് ബന്ധപ്പെട്ട സെക്ഷൻ ലഭ്യമാക്കുകയുമാണുണ്ടായത്. നികുതി (ഓഫീസ് സെക്ഷൻ) വകുപ്പിന്റെ ഈ നടപടി മൂലം നിയമസഭാ സമിതിയ്ക്ക് യഥാസമയം റിപ്പോർട്ട് ലഭ്യമാകാതെ വരികയും ആയത് സമിതിയുടെ കടുത്ത അതൃപ്തിയ്ക്ക് കാരണമാകുകയും ചെയ്തു. ആയതിനാൽ ഭാവിയിൽ ഇത്തരം നടപടികൾ ആവർത്തിക്കാതിരിക്കാനും നിയമസഭാ സെക്രട്ടറിയേറ്റിലെ വിവിധ സെക്ഷനുകളിൽ ലഭ്യമാക്കേണ്ടതായ വ്യത്യസ്ത തപാലുകൾ ഒറ്റക്കെട്ടായി അയയ്ക്കാതെ ഓരോന്നും പ്രത്യേകം തരം തിരിച്ച് അയച്ചു കൊടുക്കുവാൻ നികുതി (ഓഫീസ് സെക്ഷൻ) വകുപ്പിനോട് അഭ്യർത്ഥിക്കാവുന്നതാണ്.

എ.പത്മവല്ലി
ഡെപ്യൂട്ടി സെക്രട്ടറി

നികുതി (ഓഫീസ് സെക്ഷൻ) വകുപ്പിന്

അംഗീകാരത്തോടെ,


സെക്ഷൻ ഓഫീസർ.



GOVERNMENT OF KERALA

Abstract

Taxes Department - Kerala State Beverages (Manufacturing & Marketing) Corporation Ltd.- Remittance of higher rate of EPF contribution- Sanctioned - orders issued.

TAXES (A) DEPARTMENT

G.O.(Rt). No. 492/2013/TD Dated, Thiruvananthapuram: 25/06/2013

- Read:-
1. Letter No. KSBC/FM/40/2010-11/476 dated 14.01.2011 from the Managing Director, Kerala State Beverages Corporation, Thiruvananthapuram.
 2. Government Letter No. 1011/A3/2011/TD dated 17.12.2011.
 3. Government Circular No. 71/2011/Fin, dated 20.10.2011.
 4. Letter No. KSBC/FM/40/2011-12/480 dated 30.12.2011 from the Managing Director, Kerala State Beverages Corporation, Thiruvananthapuram.

ORDER

As per the EPF Scheme, the employer should remit 12% of the salary of the employee, by limiting the monthly salary ceiling as Rs. 6500, as EPF contribution. But, the Kerala State Beverages Corporation had paid 12% of the total amount including basic pay and D.A, as employer's EPF contribution, from its inception in 1984, without considering the monthly limit. In the Audit Report of the Accountant General, the Managing Director, Kerala State Beverages Corporation was directed to furnish the Government Order according sanction to remit higher rate of EPF contribution. In the circumstance, the Managing Director, Kerala State Beverages Corporation, as per his letter read as first paper above, had requested Government sanction in the matter.

2. As per the letter read as second paper above, the request of the Managing Director, Kerala State Beverages Corporation was turned down, and accordingly the Kerala State Beverages Corporation has been remitting the EPF contribution, by reckoning the upper ceiling of monthly salary as Rs. 6,500/-, from January, 2012 onwards.

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3. As per his letter read as fourth paper above, the Managing Director, Kerala State Beverages Corporation has again requested Government to accord sanction for remittance of the EPF contribution, without any ceiling limit.

4. Having re-examined the matter in detail, Government are pleased to accord sanction to, the Kerala State Beverages Corporation, in relaxation of the conditions stipulated in the Government circular third-cited, to restore the system of remittance of 12% of the salary including Pay and DA as EPF contribution, without limiting the monthly salary ceiling as Rs. 6500/- as was done right from the inception of the Kerala State Beverages Corporation in 1984, till 2011.

(By Order of the Governor)
A. AJITHKUMAR
Secretary to Government

To

1. The Managing Director, Kerala State Beverages Corporation, Thiruvananthapuram.
2. Excise Commissioner, Thiruvananthapuram.
3. Accountant General (A&E/Audit), Kerala, Thiruvananthapuram.
4. Finance Department
5. The GA(SC) Department (Vide Item No. 3190 dated 12.3.2013).
6. Stock File/Office Copy

Forwarded/By Order


Section Officer.

C