

**TWELFTH KERALA LEGISLATIVE ASSEMBLY**

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

**THIRTY SECOND REPORT**

(Presented on 25th July, 2007)



**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2007**

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PUBLIC ACCOUNTS  
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**On**

**Action taken by Government on the Recommendations contained in the  
Third Report of the Committee on Public Accounts (1996-1998)**

1015/2007.

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COMMITTEE ON PUBLIC ACCOUNTS (2006-2008)

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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 Thirty Second Report on Action Taken by Government on the Recommendations contained in the Third Report of the Committee on Public Accounts (1996-1998).

The Committee considered and finalised this report at the meeting held on July 18, 2007.

Thiruvananthapuram,  
25th July, 2007.

ARYADAN MUHAMMED,  
*Chairman,*  
*Committee on Public Accounts.*

## **REPORT**

The Report deals with the action taken by the Government on the recommendations contained in the 3rd Report of the Committee on Public Accounts (1996-98)

The Third Report of the Committee on Public Accounts (1996-98) was presented to the House on September 24, 1996. The Report contained 48 recommendations relating to Taxes Department. The Government were addressed on July 15, 1997 to forward the statement of action taken on the recommendations contained in the Report and the final reply was received on 18-7-2005.

The Committee examined the action taken statements at its meetings held on 21-3-2002, 7-11-2002, 3-9-2003 and 18-8-2005, respectively.

The Committee was not satisfied with the statement of action taken by Government on recommendation Nos. 30, 35 and 39 (Para Nos. 83, 88 and 92) and decided to pursue it further. Such recommendations replies and further recommendations are included in Chapter I of this report.

The recommendations which the Committee do not desire to pursue in the light of the replies furnished by Government and the evidence, tendered before the Committee at its meeting held on 3-9-2003 are included in Chapter II of this Report.

## CHAPTER I

RECOMMENDATION IN RESPECT OF WHICH THE ACTION TAKEN BY  
GOVERNMENT ARE NOT SATISFACTORY AND WHICH  
REQUIRES REITERATION

## TAXES DEPARTMENT

**Recommendation***(Sl. No. 30, Para No. 83)*

1.1 It has come to the notice of the Committee that the orders issued by the Departmental member (Deputy Commissioner) Appeal of the Appellate Tribunal in the capacity of first appellate authority often come in second appeal before the Tribunal. In many cases the departmental member in the Tribunal will be a man junior to the Deputy Commissioner (Appeal) whose orders are to be taken in second appeal. To avoid such anomaly the Committee recommend that an officer higher than the post of Deputy Commissioner should only be posted as departmental member in the Tribunal.

**Action Taken**

1.2 The question of appointing an officer higher than the Deputy Commissioner as Appellate Authority is under consideration of Government.

**Further Recommendation**

1.3 The Committee wanted to be informed of the position after implementing the recommendations.

**Supplementary Action Taken**

1.4 At present, officers in the cadre of Deputy Commissioner rank are posted as a member of Tribunal. Next immediate higher post of Deputy Commissioner is the post of Joint Commissioner. At present there is only one post of Joint Commissioner (Enforcement). Hence it is practically difficult to post an officer higher in rank to the Deputy Commissioner as a Department member.

**Further Recommendation**

1.5 The Committee was of the opinion that the senior Deputy Commissioner should be posted as a departmental member in the Tribunal.

**Recommendation***(Sl. No. 35, Para No. 88)*

1.6 The Committee are of the opinion that responsibility should be fixed against the officer for under assessment in Kollam first Circle.

**Action Taken**

1.7 The Revenue Recovery Case-99/2000 dated 17-12-1999 issued against the defaulter was returned by the District Collector, Kollam vide his letter No. L.Dis.7230/2000-2001/R1 dated 2-5-2000 stating that the defaulter owns landed property in Vadakkanchery Village in Thrissur District-Fresh RRC No. 128/99-2000 8-3-2000 amounting to Rs. 50,78,317 was issued to District Collector, Thrissur as per letter No. R4/13989/2000 dated 14-3-2000 of District Collector, Kollam. So far no collection has been reported. He has been reminded to speed up the recovery. The file of disciplinary action against Shri G. Sivanandan who made the irregular assessment in the case is being examined by Government.

**Further Recommendation**

1.8 The Committee wanted to know the present position of the matter.

**Supplementary Action Taken**

1.9 In this case the disciplinary action initiated against the delinquent a punishment of withholding of two increments for two years without cumulative effect has been confirmed by order No. G.O.(Rt.) 113/2002/TD. Dated 27-2-2002.

**Further Recommendation**

1.10 The Committee should be informed of the present position of the Revenue Recovery Case.

**Recommendation**

*(Sl. No. 39, Para No. 92)*

1.11 The Committee want to know whether it is permissible under the export policy to export small pieces of rose wood without any processing and whether the department checked the shipping bill to ascertain it.

**Action Taken**

1.12 The articles exported are small pieces of rose wood without any processing. This places of rosewood may be having different use. It was held in a series of decisions of the Hon'ble Supreme Court and various High Courts that mere sawing or cutting into pieces will not amount to manufacture. The assessing authority made local inspection and ascertained the nature of goods. Exemption was granted for export sales after verifying the Bills of lading etc. Therefore the tax levied on the goods treated as unclassified item is correct. Nothing has come to the notice of the Department about any ban on export of small pieces of rosewood under the export policy.

**Further Recommendation**

1.13 The Committee recommended to bring suitable Legislation to avoid the losses being sustained by the Government in the export of small pieces of Rosewood.

**Supplementary Action Taken**

1.14 No specification is prescribed both in the KGST Act and CST Act for the export of goods; it can be in any form. In the instant case the export is made in cut pieces without changing the nature of the goods.

**Further Recommendation**

1.15 The Committee observed that necessary timely amendments should be introduced in the K.G.S.T. Act.

## CHAPTER II

RECOMMENDATIONS IN RESPECT OF WHICH THE COMMITTEE DO NOT  
DESIRE TO PURSUE ACTION IN THE LIGHT OF THE REPLIES RECEIVED  
FROM THE GOVERNMENT.

## TAXES DEPARTMENT

*(Sl. No. 1, Para No 14)***Recommendation**

2.1 The Committee find that the Sales Tax Department had no effective machinery in conducting periodical door to door survey of business place to locate the dealers liable for registration. In the year 1995-96 alone 1796 new registration were granted in the 14 districts on the basis of street survey which shows the existence of unregistered dealers who had reached the taxable minimum throughout the State. Inadequate monitoring of door to door survey has resulted in bogus registration in many cases.

**Action Taken**

2.2 Noted for guidance, Street surveys are being conducted in all important business centers by Sales Tax Inspectors at the beginning of the year, as well as during festival seasons.

**Recommendation***(Sl. No. 2, Para No. 15)*

2.3 The Committee are of the opinion that the present system for conducting door to door survey be strengthened so as to detect the tax evasion at the appropriate time and also to provide scope for supervisory control over the door to door survey conducted at the lower level.

**Action Taken**

2.4 Intelligence wing of the Department have been directed to conduct door to door survey with the assistance of assessing officers. New cases are being booked based on Street Surveys.

**Recommendation***(Sl. No. 3, Para No. 16)*

2.5 The Committee note with concern that the Board of Revenue is not maintaining the statistics regarding dealers registered under the Central Sales Tax Act. The Committee recommended that an exhaustive list of dealers registered under the CST should be maintained in the Board of Revenue for ready reference.

**Action Taken**

2.6 The concerned assessing authority having jurisdiction of the office to which they are posted is issuing registration under the KGST & CST Act. Hence, statistics regarding dealers registered under the CST Act & KGST Act are maintained in the offices to which they related. There are more than one lakh dealers registered under the CST Act and there will be amendments and modifications to be made in the registration certificates issued to the dealers from time to time. Further, as per the KGST Act and CST Act the officers are bound to maintain the statistics of registered dealers of KGST Act & CST Act. Hence it is not at all practical to maintain an elaborate list of dealers under the KGST Act & CST Act in the Board's Office.

2.7 However, now a new software has been introduced and action is being taken to computerize the list of dealers in the state, so that the computerized list can be made available in CCT's office also, which be updated from time to time.

**Recommendation**

*(Sl. No. 4, Para No. 17)*

2.8 The Committee are convinced that Government had suffered substantial loss of revenue on account of delay from 2 to 10 years in finalization of proceedings of registration. (Audit Para 3.2.8). The Committee recommended to fix responsibility for the delay and proceed against the officers for the lapse.

**Action Taken**

2.9 The Sale Tax officers are the registering authority in the ordinary circles and the Asst. Commissioner (Assessment) in Special Circles. The assessing authorities have to follow certain formalities before issuing registration certificates. As soon as an application is received, it is scrutinized and a registered notice is issued to the dealer in the given address. It may take 1 to 2 months to get the acknowledgement. Then the dealer is summoned and required to produce nativity certificate, security etc. This may take time. The delay from 2 to 3 years may occur in certain cases as the delay is mainly due to the failure on the part of the dealer to respond to various notices and summons issued. Some may fail to furnish security etc. and some may discontinue their business. Hence in these cases the responsibility cannot be fixed on the officers for the delay without concrete evidences or records to prove that the delay was solely on their part.

2.10 Now strict actions are taken against the officers who deliberately delay finalization of proceedings of registration and strict actions are taken to dispose the application for registration within 6 weeks from the date of receipt of the application.

**Recommendation**

*(Sl. No. 5, Para No. 18)*

2.11 In the specific cases pointed out in audit paragraph 3.2.1 to 3.2.12 the Committee notice lack of proper verification on business places and grant of registration certificate without realisation of adequate security which resulted in the loss of crores of rupees. The Committee could notice many lapses on the part of the officers of Sales Tax Department in discharging their duties. Such loss would not have occurred but for the connivance of the officers of the department.

**Action Taken**

2.12 The instructions issued are noted. Now strict actions are taken to dispose the application for registration and officers who connive with the tax evaders and grant registration are seriously dealt with.

**Recommendation**

*(Sl. Nos. 6, 7 & 8, Para Nos. 19, 20 & 21)*

2.13 The Committee observe that the formal and detailed enquiry conducted by the Deputy Commissioner regarding the assessment relating to the assessee St. Antony's Guile has proved that the assessing officer has shown undue haste in issuing registration to the Guild. Even though the anticipated turnover was only Rs. 10 lakhs he had issued 15 delivery note books and instructions regarding the issue of delivery notes was also not strictly followed.

2.14 The Committee are at a loss to understand why the department has taken the view that leniency should be shown to the officer as he has suffered a lot of ignoring on account of the continuous suspension for more than six years. The Committee are of the view that the officer who failed to carry out the responsibility of following the prescribed procedure in issuing Registration Certificate and safeguarding the interest of the Government should be held responsible for dereliction of duty.

2.15 The Committee would like to be intimated about the present position of the disciplinary proceedings against the delinquent officer.

**Action Taken**

2.16 The disciplinary action initiated against Shri P. V. Veerankutty, Asst. Commissioner (Rtd.) has been finalized by reducing Rs. 100 per mensem from his pension as per G.O. (Ms) 186/95/TD dated 28-7-1995 of Taxes (D) Department. The period spent under suspension i.e. from 22-6-1984 to 5-2-1991 has been treated as duty only for the purpose of retirement benefits and not for any other purpose.

**Recommendation**

*(Sl. No. 9, Para No. 22)*

2.17 The Committee are constrained to point out that the Government has taken the lapse on the part of the officer who issued registration certificate to Aradhana Trading Company, Talipparamba [Audit 3.1.2 (iii)] in lighter there were no irregularity in the assessment had imposed punishment to the assessing authority. If there was no irregularity as argued by the Department why did the assessing authority who issued the Revenue Recovery Proceedings was imposed punishment later. The argument that there was no reason to suspect the genuineness of the dealer is not at all tenable as the dealer was doing business as binami when the actual business was conducted by another person. No attempt was made by the assessing authority to identify the actual person who conducted the business and to ascertain the value of the land before registration. The action of the assessing officer granting registration without proper verification has contributed to the huge loss to the public exchequer. The Committee see that the action against the Officer responsible for the huge loss is lenient and maintain that cutting mere Rs. 25 per month from the pension will not serve as a let errant to the officer.

**Action Taken**

2.18 Noted for future guidance.

**Further Recommendation**

2.19 The Committee recommended that the officers responsible for allowing a business without registration should be punished and the dues to Government should be recovered from them.

**Supplementary Action Taken**

2.20 In this case, Shri P. S. Shamsudheen was the officer who issued a registration certificate to M/s. Aradhana Trading Company, Thalipparampa Government after examining the explanation of the officer imposed a punishment

of reduction of Rs. 25 p.m. from the monthly pension of the retired officer as per G.O. (RT) 154/92/TD. dated 9-3-1992. As per the existing rules in KCS (CC&A), 1960 disciplinary action against a retired employee is not possible. The only action possible is action under Rule 3 Part III, Kerala Service Rules, i.e., to recover the pecuniary loss caused to Government or reduction of pension under Rule 59 (b) Part III Kerala Service Rules.

### **Recommendation**

*(Sl. Nos. 10, 11 & 12, Para Nos. 23, 24 & 25)*

2.21 The reply furnished by the Department stating that there was no delay in assessment in respect of the hill produce dealer in Thalipparamba, is not correct as the assessment for the years 1979-80 to 1981-82 were completed only on 31-12-83 and for the years 1982-83 and 1983-84 were completed only on 31-12-83. The Committee are of the view that the malafide intentions and clear dereliction of duty on the part of the assessing officer has resulted in the loss of more than Rs. 55 Lakhs to the Department. The Committee feel that the Department tried to conceal the fact that the business was conducted by some other people in the name of a coolie binami even after getting report from the concerned Tahsildar. It leaves little doubt that the assessing officer had colluded with the party and he had failed to carry out the primary responsibility of proper verification of records or realising sufficient security from the party before granting registration as per rules.

2.22 The Committee recommend that responsibility for the lapse should be fixed against the officer who delayed the initiation of judicial proceedings and stringent action should be taken in order to avoid occurrence of such instances in future.

2.23 The Committee would also like to be intimated about the present position of the case.

### **Action Taken**

*(23, 24 & 25)*

2.24 The charges leveled are not proved. The delay noticed is mainly due to the failure of applicants to respond to various notices and summons issued from the office. Some of them have failed to furnish security demand by the officers. So action cannot be taken against the officers for delay in disposing of Registration Applications as the same is not deliberate. Now time limit has been fixed to dispose of registration applications by the registering authorities.

2.25 The assessing authority has ascertained from the concerned Revenue authority at Tirunelveli, Tamilnadu that the defaulter has no landed property to be proceeded against to realize the balance dues. As there is no means to realize the dues from the defaulter either in Kerala or in Tamilnadu there is no scope to realize the balance.

#### **Additional Information**

2.26 The cases involved in this case relates to Kannur, Mattancherry and Punalur. The Deputy Commissioner, Kannur was directed to file Civil Suit against certain officers for realisation of the revenue loss being arrears of tax and surcharge due from Sri K. V. Kunhiraman, Jyothi Traders, Talipparamba and Sri O.K.Narayanan, Deepak Traders, Baliapatam sustained to Government. Government as per order No.G.O.(Rt) 69/92/TD. dated. 31-1-1992 accorded sanction for taking judicial action against the officers. But the Deputy Director of Prosecution after examining the case opined that no offence is disclosed to proceed against the Officers and hence suggested departmental action for dereliction of duty on their part. But departmental action was not possible as all the officers involved in this case had retired from service on superannuation long back. Hence the matter was taken after the Advocate General, Ernakulam who suggested Civil Suit for damages against the Officers concerned. But he further made it clear that such suit for damages would be sustainable and successful only if there are cogent materials to establish the fact that the revenue loss was sustained to the Government on account of the dereliction of duty of these officers during their relevant period of service.

2.27 The case was examined by Deputy Commissioner, Kannur in consultation with Deputy Commissioner (Legal) and opined that in order to file Civil Suit against the retired officers for recovering the damages, it has to be established that their wrongful or callous act has given rise to a liability to the State.

For this purpose all or any of the following fact has to be proved.

1. Whether the registration Certificates has been wrongly granted.
2. Whether action has not been taken to recover the tax admitted in the return or legally due from the assessee.
3. Whether the assessments have been delayed with the object of the assessee escaping from the liability to pay tax.

2.28 The Deputy Commissioner (L.W.) after scrutiny of the above points observed as under :—

“Hence it can be seen that the assessments in respect of Jyothi Traders and Deepak Traders were duly completed and proper action has been taken to

realize the amount, to demand additional security and cancel the Registration Certificate. Therefore action for recovery of damages as per item (2) and (3) above seems to be not maintainable.”

2.29 In the absence of cogent materials to establish the fact that revenue loss was sustained to Government on account of dereliction of duty by those officers Civil Suit will not be sustainable and successful. There is also no material evidence on record to show that the officers colluded with the dealer at the time of issue of Registration Certificate. Assessments were completed and demands were raised much after the issue of Registration Certificate. Hence it is difficult to establish that the officer who issued Registration Certificate is responsible for the huge revenue loss consequent to assessment.

2.30 It may also be noted that as per G.O. (Rt) 84/94/TD. Dated 9-2-1994 the Government have cancelled the punishment in respect of Sri T. Sudhakaran Nair, who issued Registration Certificate in respect of Sri K. V. Kunhiraman, Jyothi Traders, Hill Produce dealer, Thalipparamba (Retired on 31-5-1993). The period of assessment in this case relates to 1978-79 to 1983-84. It is also to be noted that the date of retirement of other officer involved in this case Sarva Sri P. Shamsudheen is 31-3-1991, K. P. Raghavan Nambiar retired on 30-4-1981, M. Mohammed Kunhi retired on 31-7-1982, P. Krishnan retired on 30-4-1992, P. P. Nanoo retired on 31-10-1989.

2.31 With regard to the case relating to Mattancherry disciplinary action is pending in respect of the following officers :—

- Sri P. Madhavan,
- „ C. P. Alosyous,
- „ T. Kesavan.

Strict Circular Instructions are issued to avoid such instances.

#### **Recommendation**

*(Sl. No. 13, Para No. 26)*

2.32 From the huge Tax evasion made by M/s. Jyothi Traders, the Committee find that a lot of Tax evasion exist in the field of hill produce trade due to bogus registration. Granting registration to binami dealers without verifying the relevant records could only be seen as an attempt to defraud the Government. In many cases officers empowered to ascertain the genuineness of the dealers failed to do their duty there by causing huge loss to the Government. The Committee believe that such tax evasion would not have

taken place but for the connivance of the officers of the department. This has put the Government in a difficult situation as the assessee's turn out to be insolvent persons in many cases. The Committee deprecate the action of the Government of letting scot-free the officers who disregarded all direction and regulation in this regard. The Government had dragged the disciplinary proceedings until the retirement of the concerned officers and further delaying the proceedings on the pre text that the officers had already retired. It is surprising that even after the lapse of so many years the department was unaware of the present state of the matter.

#### **Action Taken**

2.33 Such lapses will be guarded against in future. Tax evasion made by M/s. Jyothi Traders advised for RR. The District Collector (Kannur) has reported that Shri K.V. Kunhiraman, Jyothi Traders does not possess any movable or immovable property and hence the amount is irrecoverable. The disciplinary action initiated against Shri T. Sudhakaran Nair, Deputy Commissioner (Rtd) who issued the registration certificate was finalized by awarding him a punishment of barring 3 increments in the scale of Rs. 2040-3815 with cumulative effect as per G.O (Rt) 329/93/TX dated 29-5-1993. Shri Sudhakaran Nair filed review petition against the order. He submitted that the registration certificate was issued to increase collection of revenue and that he had discharged his official duties in good faith only. He also stated that the entire dues for the period during which he was in charge of the office had been realized. The Secretary, Board of Revenue reported that there was no loss of revenue to the State by way of Sales Tax dues from the Hill Produce Dealers during the tenure of Shri Sudhakaran Nair in the Sales Tax Officer, Thalipparamba. The Secretary, Board of Revenue reported specifically that Shri T. Sudhakaran Nair, Deputy Commissioner (Rtd) cannot be held guilty in this case. Government examined the matter in detail and accepted the recommendation of the Secretary, Board of Revenue and cancelled the punishment against Shri T. Sudhakaran Nair vide G.O (Rt) 84/94/Td dated 31-1-1992 accorded sanction to initiate judicial proceedings against the following officers :

1. Shri P. Shamsudheen
2. Shri K.P. Raghavan Nambiar
3. Shri M. Mohammed Kunhi
4. Shri P. P. Nanoo.

### **Further Recommendation**

2.34 The Committee opined that the reply received from Government is not satisfactory. The Advocate General being the highest legal authority of the State it was not proper to consider the legal opinion of Deputy Commissioner (Law) after obtaining Legal opinion of the Advocate general for civil action against the responsible officers for recovery of damages caused to state. The Committee expressed its strong displeasure in dealing the matter in such a way.

### **Supplementary Action Taken**

2.35 In this case to proceed against the delinquent officers, expert opinion has been obtained from the Advocate General who suggested civil suit for damages against the officers concerned. The Advocate General further made it clear that such suit for damages would be sustained and successful only if there are cogent materials to establish the fact that the revenue loss was sustained on account of the dereliction of duty on the part of these officers during the relevant period of service. To ascertain the fact in the observation of the Advocate General, the matter has been consulted with the Deputy Commissioner (LW) by the Deputy Commissioner Kannur. In the absence of cogent materials to establish the fact that revenue loss has sustained to Government on account of dereliction of duty by those officers civil suit will not be sustainable and successful. There is also no material evidence or records to show that the officers has colluded with the dealers.

2.36 The punishment awarded to the officers in this case has been cancelled vide G.O.(Rt) No. 84/94/TD. Dated 9-2-1994.

### **Recommendation**

*(Sl. No. 14, Para No. 27)*

2.37 The Committee recommended that responsibility for the lapse should be fixed and action taken against the officers found responsible in the case of tax evasion by Jyothi and Deepak Traders.

### **Action Taken**

2.38 The Deputy Director of Prosecution, Thiruvananthapuram vide letter No. 92/95/DDP/TVM dated 16-8-95 informed that no offence is disclosed to proceed against the above said officers and therefore no complaint can be failed against the officers.

2.39 The opinion of Advocate General was obtained in the matter. The Advocate General in his letter dated 3-6-1997 suggested initiation of civil action

for recovery of damages caused to Government. He has further opined that such a suit for damages against the concerned officers would be sustainable and successful if there are cogent materials to establish the fact that the revenue loss was sustained to Government on account of the dereliction of duty by these officers during their relevant period of service. The Joint Commissioner-I of Commercial Taxes, Thiruvananthapuram vide letter No. A-11/40262/98/TX dated 7-8-1998 requested the Deputy Commissioner, Kannur to file civil suit in an appropriate court in Kannur District.

2.40 The Joint Commissioner, Commercial Taxes, Thiruvananthapuram vide his U.O Note date 6-9-2001 has informed that the case was examined by Deputy Commissioner, Kannur in consultation with Deputy Commissioner (Law) and opined that in order to file a civil suit against the retired officers for recovering the damage, it has to be established that their wrongful or callous act has given liability to the state. For this purpose all or any of the following facts has to be proved.

1. Whether the registration certificate has been wrongly granted.
2. Whether action has not been taken to recover the tax admitted in the return or legally due from the assessee.
3. Whether the assessments have been duly delayed with the object of the assessee escaping from the liability to pay tax.

2.41 The Deputy Commissioner (Law) after the scrutiny of the above points observed as under :—

“Hence it can be seen that the assessments in respect of Jyothi Traders and Deepak Traders were duly completed and proper action has been taken to realize the amount to demand additional security and to cancel the registration certificate. Therefore action for recovery of damages as per item 2 & 3 above seems to be not maintainable.”

2.42 In the absence of cogent materials to establish the fact that revenue loss was sustained to Government on account of dereliction of duty by those officers Civil Suit will not be sustainable and successful. There is also no material evidence or record to show that the officers have colluded with the dealer at the time of issue of Registration Certificate. Assessment was completed and demands were raised much after the issue of registration certificate. Hence it is difficult to establish that the officer who issued registration certificate is responsible for the huge revenue loss arose consequent to assessment.

2.43 It may also be seen that as per G.O(Rt)84/94/TD dated 9-2-94 the Government has cancelled the punishment in respect of Shri T. Sudhakaran Nair, who has issued Registration Certificate in respect of Shri K. V. Kunhiraman, Jyothi Traders, Thalipparamba. The period of assessment in this case relates to 1978-79 to 1983-84. It is also to be noted that the date of retirement of other officers involved in this case Shri. P. Shamsudheen retired on 31-3-91. Shri M. Mohammed Kunhi retired on 31-7-1982. Shri P. Krishnan retired on 30-4-92. Shri P. P. Nanoo retired on 31-10-1999. Shri K. P. Raghavan Nambiar retired on 30-4-1981. District Collector, Kannur in consultation with the Deputy Commissioner (Law) has opined that no civil action will legally lie against the officers who granted registration certificate in this case.

2.44 (Further Recommendation & Supplementary Action Taken are same as Para 26)

#### **Recommendation**

*(Sl. No. 15, Para No. 28)*

2.45 The Committee would like to be intimated whether any amount had been recovered from the assessee.

#### **Action Taken**

2.46 The District Collector, Kannur has reported that no recovery of arrears could be effected from Shri K. V. Kunhiraman, M/s. Jyothi Traders, Thalipparamba as they have no movable or immovable properties. Hence the assessments are irrecoverable.

#### **Further Recommendation**

2.47 The Committee suggested that a new system should be followed by which the loss to Government should be recovered through civil as well as criminal procedure from the concerned officers even after they had retired from service. The Committee opined that in such cases are pointed out by the Committee it will enable those in service to refrain from such irregularities.

#### **Supplementary Action Taken**

2.48 Disciplinary action under KCS CC & A Rules, (1960) cannot be taken against the retired employee. The only action possible is an action under Rule 3 part III KSR to recover the pecuniary loss caused to Government or reduction of pension under Rule 59(b) Part III K.S.R. In order to take other actions such as criminal and civil for the loss of revenue committed against an officer, necessary provision should be brought into the criminal and civil laws if the loss committed is intentional.

**Recommendation**

*(Sl. No. 16, Para No. 29)*

2.49 The Committee also recommend to improve the functioning of the internal audit wing to make the system efficient.

**Action Taken**

2.50 The Internal Audit wing has since been improved to make the audit of assessment efficient. At present there are 6 Inspecting Assistant Commissioners (Audit) and 57 Sales Tax Officers (Audit).

**Further Recommendation**

2.51 The Committee wanted to be informed as to whether the amount of loss was realized. The Committee also recommended to strengthen the internal audit wing of the Department by dividing the wing into North, South and Central sectors. The Committee also wanted to ensure that efficient and experienced hands are posted for at least one year in the Internal Audit Wing and 100% audit should be conducted.

**Supplementary Action Taken**

2.52 No amount has been recovered from the assessees, as they are insolvent. In order to strengthen the IAW, two posts of Deputy Commissioner (Audit) were created in Ernakulam & Kozhikkode and 6 posts of IAC (Audit) have been created. At present there are 56 Sales Tax Officer (Audit) and their work is reviewed periodically by Deputy Commissioner and Commissioner commendable progress has been achieved.

**Recommendation**

*(Sl. No. 17, Para No. 30)*

2.53 The Committee note with serious concern the fact that the assessments for the years 1977-78 to 1981-82 were completed in 10/85 against M/s. Pasupathy Nath Agencies which was a partnership firm in Thodupuzha where the RR certificate was issued only in 12/88. The department failed to take action against the firm till the partners of the firm left India. The department could have initiated action against other partners of the firm as the parties of the partnership deed are jointly and severally responsible.

**Action Taken**

2.54 The assessments for 1977-78 to 1981-82 in respect of M/s. Pasupathy Nath Agencies were completed in 10/85. The arrears dues were advised for RR in 12/88. Actions were also initiated against the other partners, but they were

in vain. One of the parties was declared insolvent by the Hon. High Court of Bombay in insolvency case No. 48/1981. Hence the arrears are irrecoverable.

2.55 (Further Recommendation & Supplementary Action taken are same as in Para No. 28)

**Recommendation**

*(Sl. No. 18, Para No. 31)*

2.56 The Committee recommended that the present stage of this case should be intimated to the Committee.

**Action Taken**

2.57 The District Collector, Ernakulam vide his letter dated 17-3-2000 has informed that since M/s. Pasupathy Nath Agencies have no movable or immovable properties RR is not possible. (Further Recommendation & Supplementary Action taken are same as Para No. 28)

**Recommendation**

*(Sl. No. 19, Para No. 32)*

2.58 The Committee note that there was deliberate and calculated move on the part of the assesseees (Bamka Traders) to defraud the Government, which resulted in huge loss. The Committee would like to be intimated about the effort taken by the department to realize the amount and action taken against the officer responsible.

**Action Taken**

2.59 As per letter No. E1-51793/92/TX dated 24-11-94, the Commissioner of Commercial Taxes directed to collect tax due by any means. In spite of the directions no action was taken to recover the tax dues. The following are the officers responsible for the lapse.

*Name of the Asst. Commissioner period worked in the office*

- |                        |                 |
|------------------------|-----------------|
| 1. Shri T. Kesavan     | 2-1-95-8-5-95   |
| 2. Shri T. Madhavan    | 12-5-95-21-6-96 |
| 3. Shri C. P. Aloysius | 18-7-96-31-3-96 |

Government is examining the file of disciplinary action against these officers.

**Further Recommendation**

2.60 The Committee wanted to know the present position of the matter.

**Supplementary Action Taken**

2.61 In this case disciplinary action was initiated against the following officers for the lapses with the following result.

**1. Shri T. Kesavan, Assistant Commissioner (Assessment)**

Disciplinary action initiated against him and it is pending finalization.

**2. Shri C. P. Aloysius, Assistant Commissioner**

The disciplinary action initiated against him was dropped vide G.O.(RT) No.185/04/TD. Dated 19-3-2004.

**3. Shri T. Madhavan, Deputy Commissioner (Retired)**

The disciplinary action initiated against him was dropped vide G.O.(RT) No. 645/04/TD. Dated 4-9-2004.

**Recommendation**

*(Sl. No. 20 & 21, Para No. 73 & 74)*

2.62 Apart from the scrutiny of the irregularities mentioned elsewhere in the audit paragraphs the committee made an effort together information about the problems exists in the field of Sales Tax collection and the practical difficulties experienced by the merchants and traders in this regard. For this purpose the Committee took evidence from the office bearers of the Kerala Vyapari Vyavasayi Samithi of the Neyyattinkara Taluk.

2.63 According to them the merchants and traders are experiencing delays in getting registration within the stipulated period of 6 weeks. The traders complained that no regular door to door survey is conducted and on the pretext of conducting door to door survey, the Sales Tax officials often harass small scale traders.

**Action Taken**

2.64 Necessary instructions have since been issued for the speedy issuance of registration certificates. These instructions are framed in such a way that there will be no loop holes for the harassment of merchants and traders in the procedure of conducting enquiry for issuing registration certificates or collecting Sales Tax.

**Recommendation**

*(Sl. No. 22, Para No. 75)*

2.65 The merchants and traders themselves complained about the existence of binami registrations.

**Action Taken**

2.66 The Officers are given training about the procedure to be followed while granting registration. The officers are given training on the matters required to be verified in order to ascertain whether the applicants are binami or not.

**Recommendation**

*(Sl. No. 23, Para No. 76)*

2.67 The Sales Tax Officials informed the Committee that detailed door to door survey was conducted in 1990 and in 1994. Quite contrary to the allegations made by the traders and merchants the Sales Tax authorities depict a different picture in their report on the mass inspection made at Balaramapuram and the resistance by the traders which was submitted to the Committee later.

**Action Taken**

2.68 Even now there are organized resistance from traders. Inspections are being conducted in deserving cases with Police Assistance if necessary.

**Recommendation**

*(Sl. No. 24, Para No. 77)*

2.69 During inspection when incriminating records bearing substantial unaccounted sale and purchases are seized from the place of business the dealers would put up organized resistance and try to obstruct the officials from discharging their duties. The Committee are of the opinion that organized mass resistance of traders obstructing the Sales Tax officials from discharging their duties should not be encouraged. The Committee also opined that there are sufficient forum in the present system to complain against the deliberate harassment of Sales Tax Officials.

**Action Taken**

2.70 Even now there are organized resistance from traders. Inspections are being conducted in deserving cases with Police Assistance if necessary.

**Recommendation**

*(Sl. No. 25, Para No. 78)*

2.71 In the additional note furnished by the Taxes Department on the points raised by the Committee it has been found that a huge amount of Rs. 1,90,12,703 is remaining to be recovered towards revenue recovery in respect of 433 cases during the period from 1985-86 to 1994-95 and an amount of Rs. 52,35,901 has been under stay by Courts and Assistant Appellate Commissioners etc.

**Action Taken**

2.72 Reconciliation's of the cases advised for Revenue Recovery are being conducted regularly and old cases pending recovery are being brought to the notice of the Revenue Recovery authorities at the time of Revenue Recovery Conference.

**Recommendation**

*(Sl. No. 26, Para No. 79)*

2.73 The Committee is therefore recommend that a time bound action plan should be enunciated to recover these huge arrears.

**Action Taken**

2.74 Government have initiated and intensive drive to collect arrears advised for Revenue Recovery and the actions are in progress.

**Recommendation**

*(Sl. No. 27, Para No. 80)*

2.75 The Committee fined that the present system of Revenue Recovery Reconciliation under the charge of District Collectors is not functioning properly. The Committee also understands that there is no enough follow up action in the Revenue Department for the revenue recovery action, which results in the huge arrears. The Committee recommends that the Government should examine the possibility of empowering the sales tax department in enforcing Revenue Recovery proceeding.

**Action Taken**

2.76 Amendments were made in the Kerala General Sales Tax Act empowering the Inspecting Assistant Commissioners to exercise the power of District Collector under the Revenue Recovery Act.

**Recommendation**

*(Sl. No. 28, Para No. 81)*

2.77 The Committee recommend that the intelligence wing of the Sales Tax Department should be strengthened and equipped to meet any challenges. The Committee also recommend that special training should be imparted to the officers of the intelligence wing to cope up with the need.

**Action Taken**

2.78 The intelligence Wing are being given training to cope up with the need of the time.

**Recommendation**

*(Sl. No. 29, Para No. 82)*

2.79 The Committee recommend that there should be a system in the sales tax department to review the audit made by the Accountant General and take immediate remedial action.

**Action Taken**

2.80 This is being done.

**Recommendation**

*(Sl. No. 31 & 32, Para No. 84 & 85)*

2.81 The Committee are constrained to point out that monitoring of the Board of Revenue at the district level is not effective at present.

2.82 The Committee recommended that steps should be initiated to overcome this by restoring some sort of zonal level administration.

**Action Taken**

2.83 Directions for this purpose have been issued vide not No. A12- 40200/CT 2001 dated 9-8-2001 (copy enclosed as Appendix III).

**Recommendation**

*(Sl. No. 33, Para No. 86)*

2.84 The Committee are of the view that the over burdening of the ministerial staff contributes to the delay and pendency in the department to a certain extent. The Committee recommend that a work study should be conducted and on the basis of the study, the staff pattern in the department should be scientifically reorganised.

**Action Taken**

2.85 The erstwhile Board of Revenue (Taxes) had examined in detail to the work load of various office and Government as a first phase, 60 posts of Lower Division Clerk have been sanctioned, out of a total number of 115 posts of Lower Division Clerks. Remaining posts will be sanctioned depending upon the need.

**Recommendation**

*(Sl. No. 34, Para No. 87)*

2.86 The Committee also recommend that adequate infrastructural facilities should be provided to the sales tax authorities which will augment the detecting of evasion and collection of tax.

**Action Taken**

2.87 Steps have been taken to provide adequate infrastructure to the Department. Administrative Sanction was accorded for introducing computerisation, network at a total cost of 11 crore rupees. Fax facilities have been installed at Kollam, Kottayam, Ernakulam, Thrissur, Palakkad and Kozhikode Districts. Steps have been taken to install Fax machines in the remaining District. Vehicles are being purchased in a phased manner.

**Recommendation**

*(Sl. No. 36, Para No. 89)*

2.88 The Committee observe that the decision of Madras High Court in 61st STC 27 is not relevant in this case. They therefore recommend to examine the case in consultation with Law Department and inform the Committee. The Committee also want to be informed of the basis on which Board of Revenue formulated this opinion.

**Action Taken**

2.89 The waste re-processing oil could not be treated as chemical since it has not Chemical Properties. The assessment has become time-barred and hence to purpose will be served even if the case is examined in consultation with the Law Department.

**Additional Information**

2.90 The audit objection in this case is that waste reprocessing oil is a substance obtained on treating waste oil with chemicals and used as chemical in the processing of Rubber latex for manufacturing Havai Sheets, Foam Rubber etc. and comes under the entry 42 leviable to tax at 8% (Chemicals) at the first point sale in the State.

2.91 The waste reprocessing oil could not be treated as chemical, since it has no chemical properties. As per decision of Madras High Court reported in 61 STC (1998) 27 the court held that “the oil purchased by assesseees for the use of in manufacture of grease was not a lubricating oil but an oil generally and since all the oils were not brought in under item 47 of the 1st Schedule of Tamil Nadu General Sales Tax Act, it would come under the multi point scheme. The Tribunal was correct in deciding that since the oil purchased by the assesseees came within the multi-point scheme and as the purchase was effected from the hawkers, no tax was paid at any prior stage on such oil and, therefore Section 7-A of the Act was clearly applicable to the facts of the instant case”. Now the assessment has become barred by limitation and no purpose will be served, even if the case is examined in consultation with the Law Department.

**Recommendation**

*(Sl. No. 37, Para No. 90)*

2.92 The Committee take objection to the stand taken by the department and the wording “audit objection is not sustainable” appeared in the action taken note which is undesirable and should have been avoided.

**Action Taken**

2.93 The observation is noted for guidance.

**Recommendation**

*(Sl. No. 38, Para No. 91)*

2.94 The Committee recommend that the department should check up all other cases of similar nature and report to the Committee the action taken in regard to the defects.

**Action Taken**

2.95 Tax was levied at higher rates in all cases where synthetic rubber was used for the manufacture of treat rubber. Assessments already completed levying tax at the letter rate were revised applying higher rate.

**Recommendation**

*(Sl. No. 40, Para No. 93)*

2.96 The Committee observe that penalty should have been imposed against the officer who had retired on 31-10-1991 i.e., two years after the objection was raised.

**Action Taken**

2.97 The observation is noted for guidance.

**Recommendation**

*(Sl. No. 41, Para No. 94)*

2.98 The Committee are of the opinion that the Government should enquire the position of such cases in other States and try to approach the Supreme Court for favorable decision.

**Action Taken**

2.99 The position has since been settled. Subsidiary will not form part of turnover as it is not part of the bargain price.

**Recommendation**

*(Sl. No. 42, Para No. 95)*

2.100 The Committee express dissatisfaction over the delay in finalizing assessment by the department. They desire to be informed of the final position.

**Action Taken**

2.101 Out of the short levy of Rs. 23,965 Rs. 20,000 was remitted as per Chalan No.17-24-10-1990 and the balance was adjusted from the refund due to the assessee.

**Recommendation**

*(Sl. No. 43, Para No. 96)*

2.102 The Committee recommend to finalize assessment and recover the amount without delay.

**Action Taken**

2.103 The II appeal filed by M/s. Kerala Hides and Skins for the year 1983-84,84-85 and 85-86 were dismissed by the Tribunal as per Order No.TA-388/93, 389/93 and 390/93 dated 5-4-2001. The assessee filed Tax Revision case before the Hon. High Court of Kerala and obtained stay as per TRC/284/2001 dated 26-7-2001.

**Recommendation**

*(Sl. No. 44, Para No. 97)*

2.104 The view of the Board of Revenue that glass bottle purchased using form 18 are to be treated as packing material prior to the period of

Government Order dated 18-4-1991 was not acceptable too the Committee. The Committee maintain that the formulation of opinion that section 5 of the Kerala Government Sales Tax, Act is only clarificatory order is reprehensible.

**Action Taken**

2.105 The Hon'ble High Court of Kerala held in Sarama Joy Vs. State of Kerala reported in 5 KTR 441 (Ker) that glass bottled are packing materials and therefore the purchase of glass bottles using form 18 declaration treating it as packing materials was in order.

**Recommendation**

*(Sl. No. 45, Para No. 98)*

2.106 The Committee maintain that it is undesirable way of giving replies to audit para stating that "audit is not sustainable".

**Action Taken**

2.107 Noted for future guidance.

**Recommendation**

*(Sl. No. 46, Para No. 99)*

2.108 The Committee desire to know the present position of the case and urge that the Government should speed up action to realize the amount at the earliest.

**Action Taken**

2.109 All the arrears of tax and surcharge were collected. The 2nd appeal by the assessee before the Tribunal is pending.

**Recommendation**

*(Sl. No. 47, Para No. 100)*

2.110 The Committee desire to have the details of action taken against the delinquent officer and present position of revenue recovery proceedings of additional demand created and the action taken for getting the stay vacated.

**Action Taken**

2.111 The disciplinary action initiated against the officer was finalized and he was let off with a warning as per proceedings No.E1-42556/91. dated 31-7-1997. The entire balance demand advised for Revenue Recovery in both the cases were collected.

**Recommendation**

*(Sl. No. 48, Para No. 101)*

2.112 The Committee desire to be furnished with the present position of revenue recovery of arrear tax to be collected from the assessee.

**Action Taken**

2.113 The disciplinary action initiated against the delinquent officer has been finalized and he was let off with warning vide order No.EQ-42556/91/TX. dated 31-7-1997. The balance due in two cases have been collected.

Thiruvananthapuram,  
25th July, 2007.

ARYADAN MUHAMMED,  
*Chairman,*  
*Committee on Public Accounts.*

## APPENDIX I

## SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusions/Recommendations</i>
1	1.5	Taxes	The Committee was of the opinion that the Senior Deputy Commissioner should be posted as a departmental member in the Tribunal.
2	1.10	„	The Committee should be informed of the present position of the Revenue Recovery Case.
3	1.15	„	The Committee observed that necessary timely amendments should be introduced in the K.G.S.T

## APPENDIX II

## GOVERNMENT OF KERALA

**Abstract**

PUBLIC SERVICES—AGRICULTURAL INCOME TAX AND SALES TAX DEPARTMENT  
DISCIPLINARY ACTION AGAINST SHRI T. SUDHAKARAN NAIR, RETIRED DEPUTY  
COMMISSIONER—REVIEW PETITION SUBMITTED—DISPOSED OF ORDERS ISSUED

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TAXES (D) DEPARTMENT

G. O. (Rt) 84/94/TD.

*Dated, Thiruvananthapuram, February 9, 1994.*

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- Read :—* 1. Memo of charges No. 16009/D1/91/TD. dated 25-2-1992.  
2. G. O. (Rt)329/93/TD dated 29-5-1993.  
3. Review petition dated 21-7-1993 submitted by Shri T. Sudhakaran Nair, Retired Deputy Commissioner.  
4. Letter No. A11-15224/93/TX. dated 20-9-1993 from the Secretary, Board of Revenue (Taxes), Thiruvananthapuram.

## ORDER

Disciplinary action was initiated against Shri T. Sudhakaran Nair, Deputy Commissioner, Agricultural Incometax and Salestax, Kannur under Kerala Civil Services (Classification, Control and Appeal) Rules, 1960, on certain irregularities in connection with the issuance of registration certificate to one K. V. Kunhiraman, Jyothi Traders, Hill Produce Dealer, Thaliparamba. Charges were framed against him in the memo of charges read as first paper above. After examining his statement of defence in detail and all aspects of the case, orders were issued awarding the punishment of barring three increments of Shri T. Sudhakaran Nair, Deputy Commissioner in this scale of pay of Rs. 2640-3815 with cumulative effect as per the G. O. read as second paper above.

2. In the review petition read as third paper above. Shri T. Sudhakaran Nair, has requested to review the punishment imposed in the G. O. dated 29-5-1993 on the following grounds. He has submitted that the registration certificate was issued to the dealer as expeditiously as possible in his eagerness to increase collection of revenue and that he had discharged his

official duties in good faith only. The petitioner has stated that the accumulation of arrears in this case was not an account of his fault and that the entire dues for the period during which he was in charge of the office had been realised.

3. The Board of Revenue (Taxes) has reported that the case of the petitioner was examined afresh with reference to the review petition as well as the materials available on record. The Board has reported that the retired officer can not be found fault with on the charges levelled against him and that the conduct of the officer after the issue of Registration Certificate to the dealer proved his bonafides in this case. It has also been reported that there is no loss of revenue to the state by way of Sales Tax dues from the Hill produce dealers during the tenure of the petitioner in the Sales Tax Officer, Thaliparamba. The Secretary, Board of Revenue (Tax) has specifically reported that Shri T. Sudhakaran Nair, Deputy Commissioner (Retired) cannot be held guilty in this case.

4. Government have examined the whole issue afresh in detail considering all aspects of the case. Government order that the punishment awarded to Shri T. Sudhakaran Nair, Retired Deputy Commissioner, Agricultural Income Tax and Sales Tax, Kannur viz., barring of three increments in the scale of pay of Rs. 2640-3815 with cumulative effect and the recovery of its monetary equivalent from the Death-cum-Retirement Gratuity of the retired officer ordered in the G. O. read as second above be cancelled.

By order of the Governor,

DR. M. VIJAYANUNNI,  
*Secretary to Government.*

To

Shri T. Sudhakaran Nair, Retired Deputy Commissioner,  
Agricultural Income Tax and Sales Tax, 'Sajith' Kannur-4.

The Secretary, Board of Revenue (Taxes), Thiruvananthapuram.

The Accountant General (A&E), Kerala, Thiruvananthapuram.

The CA to Secretary (Taxes).

AI2. 40200/2001/CT.

*9th August, 2001.*

## NOTE

A conference of D.Cs. in charge of districts was held on 2-8-2001 in the Commissionerate. A list of participants is appended. The decisions taken in the Conference are given below for information and further action by all concerned.

1. During the remaining period of the financial year D.Cs. will focus on the creation of demand and collection of revenue. This is essential for achieving the collection target of Rs. 5600 crores.
2. A priority list of assessment cases will be prepared by each assessing officer with the objective of improving demand and collection in the current financial year. The lists will be scrutinised and approved by the D.Cs. not later than 20-8-2001. This item will be taken up for specific review in the next meeting of D.Cs.
3. Assessments in all pending crime files will be completed not later than 30-9-2001.
4. Assessments in all remanded cases will be completed by 30-9-2001.
5. It was noted that declarations received from Checkposts are pending scrutiny in most of the assessment offices. The department's objective is to bring the declarations on file, scrutinise them with reference to the monthly returns, and improve demand wherever possible. Since this item of work had not receive an adequate in the past it was felt that the matter should be examined in detail before a proper procedure is prescribed. This will be done by D.Cs., Trichur and Ernakulam.
6. It was reported by most of the D.Cs. that scrutiny of declarations has been completed in respect of the current financial year. D.Cs. will now take up a special drive for completing the work in respect of the previous financial year.
7. It was noted that the detailed scrutiny and assessment of cases coming under Sn. 17(4) of the K.G.S.T. Act is not being done effectively. D.C. (General) will examine the issue in detail and prepare a proposal for changes required in the procedure.
8. The finalisation of the D.C.B. figures was reviewed and target were fixed as given below, based on the assessment given by the D.Cs.

<i>Districts</i>	<i>Finalisation of figures as on 1-4-2000</i>	<i>Finalisation of figures as on 1-4-2000</i>
TVM.	30-9-2001	31-1-2002
KLM.	already furnished	21-12-2001
ALPY.	do	31-12-2001
PATHA.	21-8-2001	31-12-2001
KTM.	already furnished	31-12-2001
EKM.	31-10-2001	31-1-2002
MATTRY.	31-10-2001	31-1-2002
Idukky	already furnished	31-12-2001
Trissur	10-8-2001	31-12-2001
PKD.	30-9-2001	31-12-2001
MLPN.	10-8-2001	31-12-2001
KKD.	10-8-2001	31-11-2001
WYD.	15-8-2001	31-11-2001
KNR.	30-9-2001	31-12-2001
KSGD.	already furnished	31-10-2001

9. Detailed instructions had been issued in the Circular No. 24/86/CT dated 19-9-1998 regarding the maintenance of various registers in salestax offices. D.Cs. will immediately arrange inspection of all offices within their jurisdiction through I.A.C. (Audit) and S.T.O's. (Audit) to gather details of the present position of the maintenance of registers. The result of inspection will be furnished to the commissionerate not later than 31-8-2001 so that the progress can be monitored regularly. This item will be specifically reviewed in the next conference of D.Cs.
10. The Commissioner mentioned that the progress of collection under revenue recovery was discussed in detail in the conference of Collectors held on 30-6-2001. Thereafter, detailed instructions had been given to Collectors as well as departmental officers. All D.Cs. will furnish reconciled figures of collectable demand not later than

15-8-2001. They should also maintain regular contact with the Collectors and render the required assistance for improving R.R. collection.

11. It was noted that number of revision petitions are pending with the D.Cs. pendency is especially high in Trichur (790), Kozhikode (573), Ernakulam (543) and Mattancherry (564). D.Cs. will prepare a priority list of the pending R.Ps. and take action to dispose of the pending cases by 31-1-2001. Priority should be given to cases involving substantial revenue.
12. It was noted that collections from many checkpoints have come down in the recent past. D.Cs. should personally conduct surprise checks so as to streamline the functioning of checkpoints and improving collection. They should also conduct a regular basis over checking and bill verification with their won staff, in addition to the checks done by the Intelligence Wing.

*Rs. in crore*

Dy. Commissioner, Tvpn.	-	100
D.C., Kollam	-	12
D.C., Pathanamthitta	-	2
D.C., Alappuzha	-	4.5
D.C., Idukki	-	11.00
D.C., Ernakulam	-	180
D.C., Mattancherry	-	25
D.C., Thrissur	-	11
D.C., Palakkad	-	13
D.C., Malappuram	-	5.00
D.C., Kozhikode	-	14
D.C., Wayanad	-	1.50
D.C., Kannur	-	8.00
D.C., Kasaragode	-	2.00
Total :		391.5

16. The question of introduction of Value Added Tax was discussed briefly. Most of the D.C.s. pointed out that they have not been given adequate information regarding the new system. It was mentioned by the Commissioner that the department will soon be holding workshops on the subject for familiarising all concerned with various features of Value Added Tax.

(Sd.)  
*Commissioner*

## APPENDIX IV

## ERRATA

Page No.	Reference to Paragraph, Line, Column etc.	For	Read
3	Para 1.12, Second line	Places	Pieces
6	Para 2.9, 8th line	dye	due
7	Para 2.13, Third line	Guile	Guild
11	Para 2.30, First line	been	be seen
11	Para 2.30, First line ended (added)		Appendix II
12	Para 2.33, 20th line	Td.	T.D.
13	Para 2.38, Third line	failed	filed
14	Para 2.40, Second line	date	dated
14	Para 2.42, Third line	These	There
15	Para 2.43, First line end (added)		Appendix II
15	Para 2.43, Tenth line	lie	lyc
15	Para 2.47, Fourth line (delete)	'is'	
16	Para 2.53, Last line	severally	severely
20	Para 2.75, First line	fined	find
21	Para 2.83, First line	not	note
25	Para 2.104, 3rd line	too	to
27	Para 1.15, Third line end (added)		Act