

**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE**

**ON**

**PUBLIC ACCOUNTS**

**(2023-26)**

**FORTY FIFTH REPORT**

**(Presented on 1st February, 2024)**



**SECRETARIAT OF THE KERALA LEGISLATURE**

**THIRUVANANTHAPURAM**

**2024**

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**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
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**FORTY FIFTH REPORT**

**on**

**Action Taken by Government on the Recommendations  
contained in the Sixty Eighth Report  
of the Committee on Public Accounts (2006-08)**

# CONTENTS

## Page

Composition of the Committee :

Introduction :

Report :

Appendices:

Summary of Main Conclusions/Recommendations

Annexure I

Annexure II

Annexure III

# **COMMITTEE ON PUBLIC ACCOUNTS**

**(2023-2026)**

## **COMPOSITION**

### **Chairman :**

Shri Sunny Joseph

### **Members :**

Shri Manjalamkuzhi Ali

Shri M. V. Govindan Master

DR. K. T. Jaleel

Shri C. H. Kunhambu

Shri Mathew T. Thomas

Shri M. Rajagopalan

Shri P. S. Supal

Shri Thomas K. Thomas

Shri K. N. Unnikrishnan

Shri M. Vincent

### **Legislature Secretariat**

Smt. Shaji C. Baby, Secretary-in- Charge

Shri. P. S. Selvarajan, Joint Secretary

Shri. Jomy K. Joseph, Deputy Secretary

Smt. Beena O.M., Under Secretary.

## INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Forty Fifth Report on Action Taken by Government on the Recommendations contained in the Sixty Eighth Report of the Committee on Public Accounts (2006-08).

The Committee considered and finalised this Report at the meeting held on 10<sup>th</sup> January, 2024

Thiruvananthapuram  
1st February, 2024

**SUNNY JOSEPH**  
*Chairman,*  
*Committee on Public Accounts.*

## **REPORT**

This Report deals with the Action Taken by the Government on the recommendation contained in the 68<sup>th</sup> Report of the Committee on Public Accounts (2006-08)

The 68<sup>th</sup> Report of the Committee on Public Accounts (2006-08) was presented to the House on 17<sup>th</sup> December 2008. The Report contained 28 recommendations relating to Revenue and Finance Department.

Government was addressed on 18.12.2008 to furnish the Statements of Action Taken on the recommendations contained in the Report and the final reply was received on 12th July, 2018.

The Committee examined the Statements of Action Taken received from the Government at its meeting held on 02.01.2013, 18.12.2013, 28.01.2015, 23.12.2015, 13.12.2017 and 21.11.2018.

The Committee was not satisfied with the Action Taken by the Government on the recommendations in para No. 21, 22, 64, 65, 66 67, 68, 70, 71, 72, 73, 74, 80, 81, and 91 and decided to pursue further these recommendations, reply furnished there on and further recommendations of the Committee are included in Chapter I of this Report. The Recommendations for which no reply has been received from Revenue Department are also included in the above said Chapter.

The Committee decided not to pursue further on the remaining recommendations in the light of the replies furnished by the Government. Such recommendation of the Committee and the Action Taken by the Government are included in Chapter II of this Report.

**CHAPTER I**

**RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN BY THE  
GOVERNMENT ARE NOT SATISFACTORY AND NO REPLY HAS BEEN  
RECEIVED WHICH REQUIRES REITERATION**

**REVENUE DEPARTMENT**

**Recommendation**  
*(Sl. No.3, Para No.21)*

1.1 The Committee suggest that timely assessment of Building Tax must be made mandatory which will ensure the process of tax collection more simple and effective. The Local Self-Government institutions which issue numbers to buildings can also be involved in the process. It will be easier for local bodies to calculate tax if the building plans are also- made available to them. Submission of plans along with the application for permission for construction of buildings needed to be strictly enforced. On the basis of the plan a provisional tax can be assessed and collected from the builders/owners at the time of allotment of building numbers to them. Sometimes assessment of building tax by Tahsildars may cause delay. Provision should therefore be made in the Act to ensure that provisional building tax is remitted before the allotment of house numbers. Final tax assessment could be made later. If found necessary, local bodies can be allowed to collect service charges for their work. Thus better co-ordination between the Revenue Department and LSGIS will avoid delay in tax collection and thereby increase tax collection. The Government have informed the Committee earlier that there was a proposal for a wholesome change in the field of building tax by amending the existing Building Tax Act and Local Bodies Act so as to avoid anomalies and going on appeal against the court order in 1993 which declared Section 5(2) of the Building Tax Act unconstitutional.

### **Action Taken**

1.2 The direction issued by the PAC regarding the formulation of a liaison between the Revenue and LSG Departments in the identification and assessment of buildings for the purpose of levying tax is seen as a very effective step forward regarding *the timely* collection of building tax.

But as the modification of Building Tax Act is a policy matter, decision regarding the same is under the active consideration of Government.

### **Recommendation**

*(Sl. No.6, Para No.64)*

1.3 The Committee observes that at present there occur very much delay in the finalisation of building tax assessments. This results in delay in remittance of tax in time. The Committee is of the opinion that the Rule should be amended and a time limit be fixed for finalization of assessment. Hence, the Committee recommend that a period of six months be fixed as the time limit for finalisation of assessment after receipt of returns. Provisions should also be incorporated in the KBT Act to avoid under assessment of tax

### **Action Taken**

1.4 As the present staff strength in the Revenue Department is quite insufficient for the quick and effective assessment of building tax cases, a proposal for the formulation of a special team in each Taluk, headed by a Deputy Tahsildar, is being examined by Government.

### **Recommendation**

*(Sl. No.7, Para No.65)*

1.5 The Committee opines that considering the heavy workload and shortage of staff in the Revenue Department. It would be better to entrust collection of building tax to local self government institutions. The Committee is of the opinion that cross verification of records is quite essential to avoid shortcomings during the process of building tax



assessment. Hence, it is suggested that necessary direction should be given to the concerned officers to cross verify the assessment records of local bodies and that of Taluk offices.

### **Action taken**

1.6 The Revenue Department is capable of effective assessment and collection of building tax, as envisaged in the Kerala Building Tax Act. As directed by the PAC, the records available with the local bodies are being cross verified with the records of Revenue Department and corrective measures are being taken if any discrepancy is found.

### **Recommendation**

*(Sl. No.8, Para No.66)*

1.7 But a provision needed to be made in the Rules making it compulsory to remit 50% of the amount before going in for appeal instead of the present practice of remitting 50% before filing revision petitions. It was added that in the case of building tax assessed by local self-government institutions, the full amount needed to be remitted before appeal.

### **Action taken**

1.8 The amendment of Kerala Building Tax Act, 1975 is under the active consideration of Government.

### **Recommendation**

*(Sl. No.9, Para No.67)*

1.9 The Committee understands that as per the provision in the KBT Act the residential building below 100 sq.ft. and commercial buildings below 50 sq.ft. are entitled to tax exemption. A building of this type used for both purposes can thus gain full tax exemption. This is a clear misuse of the Rule. The Committee observes that in such cases exemption should be granted to only one portion that is, either for commercial or for residential purpose. The Committee suggests that necessary amendment should be incorporated in the Act to make it effective.

### **Action Taken**

1.10 The amendment of Kerala Building Tax Act, 1975 is under the active consideration of Government.

### **Recommendation** (Sl. No.10, Para No.68)

1.11 The Committee points out that it is for the administrative department to ensure that assessments are done within the stipulated time every month. The Finance Inspection Wing should investigate such issues and take proper follow up measures. The Financial Code stipulate such inspections and review by the Finance Department as well as the Administrative Departments. It is clear that the Finance Department is displaying sheer irresponsibility in supervising such matters of importance. The delay of 10 years in assessing building tax, even after the Accountant General had pointed out the lapse can not be ignored.

### **Action taken**

1.12 The Commissioner of Land Revenue, being the head of administration of Revenue Department is always having a watchful eye on the proper assessment and timely collection of building tax cases in the state. Besides precautionary measures taken by the District Collectors, the internal audit wing of Commissionerate is closely verifying the Building Tax files and discrepancies if any, in the assessment is detecting.

### **Recommendation** (Sl. No.12, Para No.70)

1.13 The Committee points out that though the Accountant General had made the suggestion for revising Building Tax Act in 1995, action was taken on it only in the year 2006. Such blatant irresponsibility on the part of the officers cannot be tolerated.

### **Action Taken**

1.14 Stringent corrective measures had been taken to avoid uncertain delay in this regard.

### **Recommendation**

*(Sl. No. 13, Para No. 71)*

1.15 The Committee observes that the officers of the Revenue and Finance departments including the Secretaries and the Commissioner showed lack of responsibility in dealing with the issue regarding no action was taken on appeal cases, causing delay of 5 to 58 months in disposing off cases which would have earned revenue to Government exchequer. Issuing circulars in 2005, on a matter disclosed in the Comptroller & Auditor General's Report of 1995 only increased the gravity of the department's inaction and irresponsibility.

### **Action Taken**

1.16 Direction has been given to all the District Collectors to dispose the revision cases in a time frame manner and to take disciplinary action against those officers who are responsible for inordinate delay in disposing the pending cases.

### **Action Taken**

*(Sl. No. 15, Para No. 73)*

1.17 The Committee expresses serious concern over the unpardonable delay and lack of responsibility on the part of officials in taking action against the delinquent officers, on a case pointed out in the Audit Report for the year 1996, regarding the pending disposal of various cases in collectorate on revision petition for amendment of tax on the basis of plinth area.

### **Action Taken**

1.18 Direction has been given to all the District Collectors to dispose of all the pending Buildig Tax revision petitions in Collectorates in a time bound manner and take strict and timely disciplinary action against those officials who failed to make revision orders according to the provisions of Kerala Building Tax Act.

**Recommendation**

*(Sl. No. 16, Para No. 74)*

1.19 The Committee notes that the District Collectors and Revenue Divisional officers usually give stay orders to payment of building tax and in some cases exemption also. But there is no such provisions in the Act. The Committee is of the opinion that even Government can't do things as against the Act. Hence it is suggested that no such stay/exemption to payment of building tax should be given to individuals or institutions without such the provisions in the KBT Act.

**Action Taken**

1.20 All the District Collectors and RDOs are being strictly instructed to follow the provisions of KBT Act, while processing building tax related files, and it is being assured that the even incidents as pointed out by the committee does not occur in future.

**Recommendation**

*(Sl. No. 19, Para No. 80)*

1.21 Pointing out that Court had quashed reassessment order issued by the Department on the ground that corrections were made in the documents, the Committee is of the opinion that such corrections were made purposefully in order to suit one's interest, and that liability of the loss sustained to Government should be fixed on the person who made the corrections in the document and the amount be collected from him/her.

**Action Taken**

1.22 The District Collector, Kottayam reported that he is unaware of any willful corrections in the documents as mentioned in the para. Actually the parties have filed appeal against the re-assessment of the building in the Hon'ble High Court and the Hon'ble Court pronounced the judgment in favour of the parties with the remarks that "the assessing authority has no jurisdiction to re-open the assessment once it was already

made” It was also reported that there were no willful negligence from the part of the assessing authority.

### **Recommendation**

*(Sl. No. 20, Para No. 81)*

1.23 The Committee further recommends that in order to overcome the shortcomings associated with the process of tax assessment and collection of arrears of tax, urgent steps should be taken to make necessary amendments in the relevant provisions in the Kerala Building Tax Act, 1975.

### **Action Taken**

1.24 Urgent steps are being taken to amend the Kerala Building Tax Act, 1975.

### **Recommendation**

*(Sl. No. 21, Para No. 91)*

1.25 The Committee observes that in the case of buildings used for both residential and commercial purpose the portions of a building when assessed separately as residential and commercial will not come under the taxable limit as a result causing loss of revenue to Government. The Committee suggest that the total plinth area of the building should be calculated in such cases and the rate of tax for both commercial and residential purposes be levied on the percentage of area used for either purpose. The Committee recommend that the Kerala Building Tax Act, 1975 should be amended to incorporate the above provision in the Act.

### **Action Taken**

1.26 In the case of building used for both residential and commercial purposes, tax is assessed separately for each plinth area wise use pattern. The amendment of Kerala Building Tax Act, 1975 is under the active consideration of Government.

In these circumstances, objections raised may kindly be dropped.

### **Further recommendation**

**Related to para no 21, 64, 65, 66, 67, 68, 70, 71, 73, 74, 80, 81 & 91**

**1.27 Considering the Statement of Action Taken on the above recommendations the Committee noticed that the action taken by the department do not reflect the true spirit of the recommendations of the Committee but rather contradict it. The Committee strongly recommends to establish a new effective system for assessment and collection of building tax taking into account the recommendations of the Committee.**

### **Recommendation**

*(Sl. No.4, Para No.22)*

1.28 It is to be noted that the department officials had agreed to furnish certain additional information relating to the audit objection in respect of the case of Kanayannur Taluk during the evidence meeting. Those details included information relating to the names of the RDO and District Collector during the period, dates of appeals to RDO, Collector, High Court etc, and some other general information. These are elaborated in earlier paragraphs. But even after the lapse of several months, the desired details are yet to be furnished to the Committee. This grave lapse is viewed seriously by the Committee.

### **Action taken**

1.29 It is reported that, the files relating to audit objection cases being very old cases could not be traced out. All possible efforts to trace out the files are being taken to furnish the required details.

### **Further Recommendation**

**1.30 The Committee expresses its displeasure for not providing the details sought by the Committee and rejected the statement of Action Taken. The Committee reiterates its earlier recommendations.**

### **Recommendation**

*(Sl. No. 14, Para No. 72)*

1.31 The Committee opine that disciplinary action need to be taken against the Collectors who did not take even a single case of assessment/appellate order for *suomoto* revision up to January 1996, and failed to ensure the requirement of remittance of 50% of the tax while admitting the revision petitions.

### **Action Taken**

1.32 It is true that certain District Collectors who are now not in service have failed to ensure suomoto revision of building tax cases. It is also noticed that they have not ensured remittance of 50% of the tax assessed while accepting revision petitions. There is no enabling provision in the Building Tax Act to initiate disciplinary action against District Collectors simply for the above lapses. However direction will be given to all the District Collectors to take suo-moto cases in future.

### **Further recommendation**

**1.33 The Committee observes that no action has been taken so far against the District Collector who failed to ensure suomoto revision of building tax and the reason given for the lapse was unconvincing.**

### **Recommendation**

*(Sl. No.2, Para No.20)*

1.34 The Committee is regretted to note that Finance Department, which is expected to be a corrective force- in financial mismanagement and an apex body in co-ordinating revenue collection and allied matters, pathetically fails in every sphere of action. The routine course of action resorted to by the department is merely issuing circulars to which nobody seems bothered with. The Committee opine that this vicious-situation should be changed and suggest that Finance Department should take earnest steps for increasing the revenue collection through direct intervention for avoiding delay in assessment and collection of tax.

**Recommendation***(Sl. No.5, Para No.63)*

1.35 The Committee observes that it is the duty of the Finance Department to ensure that the Revenue and other administrative departments are taking necessary steps for improving the revenue position of the state. As per Kerala Financial Code, controlling officers in each district should forward the monthly position of revenue receipts in that district to the chief controlling officer who in turn should forward the same after verification to the Government Secretary of the concerned department. It is the duty of the Finance department to go through all the details furnished and to ensure that all the procedures are strictly adhered to by all Departments. But it is deplorable that the Finance Department is doing nothing in this respect. The Committee express dissatisfaction over the lack of responsibility and slackness on the part of the Finance Department in following procedures that are aimed at improving the financial condition of the state. This is evident from the very absence of Finance and Expenditure Secretaries for giving evidence during the meeting of the Committee. Therefore the Committee suggests that the Finance Department should show more responsibility and keen interest in such matters so as to increase the revenue collection.



## **CHAPTER II**

### **RECOMMENDATIONS WHICH THE COMMITTEE DOES NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES FURNISHED BY THE GOVERNMENT**

#### **REVENUE DEPARTMENT**

##### **Recommendation**

*(Sl. No. 1, Para No. 19)*

2.1 The Committee understands that every year Government suffer loss of crores of rupees in terms of non-collection/short collection of building tax owing to various reasons of which procedural lapses on the part of the departmental officials contribute a big share. The Committee cannot approve such a bad state of affairs. Hence it's recommended that the irregularities in tax collection and procedural lapse should not be repeated and that stringent disciplinary action be taken against the officers who commit lapses in this matter.

##### **Action Taken**

2.2 Direction has been given to all the District Collectors to assess the buildings without making procedural lapses and to collect the tax promptly and efficiently and to take stringent disciplinary action against those officers who commit lapses in this matter.

##### **Recommendation**

*(Sl. No. 11, Para No. 69)*

2.3 The Committee directs the department to inform the Committee about the present position of the cases, relating to illegal tax exemption granted to a Working Women's Hostel by the R.D.O Thrissur, exemption granted to a building owned by a convent at Kothamangalam, a portion of which was used for religious purpose, and the details regarding the action taken against the delinquent officers who were responsible

for wrong assessment of tax of a building owned by Guruvayoor Devaswom and the present position of the proposal for amendment of Kerala Building Tax Act.

### **Action Taken**

2.4 The Working Women's Hostel building is owned by Avila Convent at Kodungallur. A portion of the building is seemingly used for both charitable and religious purpose and certain rooms have been given on rent to the students. The rented portion of the building has been assessed for building tax as per the order against the revision petition.

Steps have been taken to start disciplinary action against the officers concerned who wrongly assessed the tax of building owned by Guruvayoor Devaswom.

The amendment of Kerala Building Tax Act, 1975 is under the active consideration of Government.

### **Recommendation**

*(Sl.No. 17, Para No.75)*

2.5 - It is understood that there are so many lapses and irregularities in the assessment and collection of the building tax. Procedural drawbacks also supplement difficulties to this unwelcome situation. The Committee sees that when irregularities are pointed out by Audit or otherwise, the department just issue circulars to direct the sub officers not to repeat the irregularity. But no usual follow up is seen taken by the department to verify whether the circular directions are being carried out by the concerned officers. At the same time, irregularities are repeated. Thus it happens to be a 'no use exercise.' The Committee can't approve such a situation. So, it is recommended that along with issuing circulars, the department should supervise with the use of a capable internal audit system, whether the circular directions are being carried out.

### **Action Taken**

2.6 The Internal audit wing of the department has been strengthened in such a way as to go through each and every nook and corner of building tax assessment files and it has also been made sure that the inspections are being made at regular intervals.

### **Recommendation**

*(Sl.No. 18, Para No. 77)*

2.7 The committee understands that as per Building Tax Act, as assessee can appeal to the RDO and file revision petition to the District Collector. Revision petition cannot be filed in a case already rejected by Government. The Committee seeks clarification on the point by which the case once rejected by Government was re-examined on revision petition. The Committee is dissatisfied to note that though the witness agreed to furnish certain details which the committee sought during evidence meeting, they are yet to be given. Therefore the Committee direct the department to furnish the details such as a copy of the High court Order, a copy of the Government Order rejecting exception, a copy of the revision petition received secondly and a copy of the Government Order granting exemption and whether the whole amount was exempted etc.

### **Action Taken**

2.8 As instructed in the recommendation, the copies of the High Court order dated 28.10.2003 in a WA No. 1796/1999, GO(Rt) No. 849/05 dated 10.02.2005 and GO(Rt) No.3580/05/RD dated 21.06.2005 are submitted herewith (attached separately) for favour of necessary action. It was reported by the collector, Kannur that the copy of the revision petition has not been seen available with that Office.

### **Recommendation**

*(Sl.No. 22, Para No. 113)*

2.9 The Committee is regretted to note that though the Principal Secretary,

Revenue Department had agreed to furnish a statement on certain details regarding revenue recovery collection during the evidence meeting, it is still to be furnished. Therefore the Committee direct the department to furnish statement regarding the position of demand, collection and balance of revenue recovery for the years 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04, 2004-05& 2005-06 without any further delay.

### **Action Taken**

2.10 Copies of the DCB statement for the years 1999 to 2006 are enclosed as Appendix -1

### **Recommendation**

*(Sl.No. 23, Para no.114)*

2.11 The Committee observes that Ministers are giving stay orders for revenue recovery and District Collectors also stay recovery up to Rs. 15,000/- even though there is no provision in the Kerala Revenue Recovery Act or in the rules framed there under for granting stay to recovery of arrears. The Committee is of the opinion that stay is somewhat necessary according to the merit of individual cases, as it facilitate realisation of arrears on instalment basis. But this can't be entertained without necessary provisions in the Act: Amendment to the Act is therefore essential to avoid illegality. It is the people belonging to the economically lower strata of the society who approach the district Collectors for stay order. It is therefore necessary to increase the numbers of instalments that District Collectors can grant for remitting the arrear tax amount. Hence the Committee recommends that the Kerala Revenue Recovery Act, 1968 should be amended to incorporate the provision for giving power to Revenue Minister to grant stay order in revenue recovery cases according to merit and that District Collectors should be given power to grant stay order in revenue recovery cases up to an amount of Rs. 50,000/- and to grant facility of more than four instalments in such cases.

### **Action Taken**

2.72 Government have enhanced the financial powers for granting stay on Revenue Recovery cases as per G.O.(MS) 217/12/RD dated 29.05.2012 which is as follows

District Collectors :	Up to Rs. 50,000/-
Minister (Revenue) :	Upto Rs.2,00,000/-
Minister(Revenue) :	Above Rs. 2,00,000/- Upto Rs.5,00,000/- (with the concurrence of Minister(Fin))
Chief Minister :	Above ₹ 5,00,000/-

As suggested by the committee the proposal for making amendments in the KRR Act, 1968 incorporating provisions to empower the Government to grant stay against realization of dues under revenue recovery and to grant instalments facilities for making the payments, is under consideration of Government.

### **Recommendation**

*(Sl.No -24, Para no.115)*

2.13 The Committee is at a loss to note that lack of proper maintenance of registers, not even DCB registers for building tax are being maintained properly in the Revenue Department. The departmental inspection wing is needed to be deputed for inspection and for taking immediate action against those found guilty and committed dereliction of duty. The Committee reiterates that taking strict disciplinary action in such cases is the only way to improve the situation. Finance department which is expected to strictly enforce the rules, show lack of interest and slackness in checking and controlling purposeful derelictions and in improving revenue collection of the State.

### **Action Taken**

2.14 Land Revenue Commissioner issued circular No.LRB1-31649/08 dated 27.05.09 giving strict instructions to maintain all registers related to Building Tax. The inspection wing and internal audit wing of Land Revenue Commissionerate conduct periodic inspections and ensure that registers and records are kept properly. DCB statements are being reviewed at the level of District Collector and CLR

### **Recommendation**

*(Sl.No.25, Para No.116)*

The Committee points out that though the Rule insist that District Collectors should issue Revenue Recovery Certificates in 7 days, there had been delay of one to five months in the Collactorates of Thiruvananthapuram and Pathanamthitta in issuing Revenue Recovery Certificates to Tahsildars in cases involving Rs.18.80 lakhs. The Committee suggests that government should seek explanation from the Collectors concerned for this delay. It is also suggested that supervision should be made to ensure timely issuance of Revenue Recovery Certificates from the Collectorates.

### **Action Taken**

2.16 All district staff has been directed to ensure timely issuance of RRC and to take steps to the reconciliation of RRC. The Inspection wing and Internal Audit Term of Land Revenue Commissionerate have also been instructed to do the same. District Collectors of Thiruvananthapuram & Pathanamthitta have explained that the delay stated in the report was due to the issuing of the RRCs manually. At present RRCs are issued through online mode and hence there is no delay. RR online Special Cell has been constituted in the Office of the Land Revenue Commissioner to ensure timely issuance of RRCs from the Collectorates. (Appendix -2)

### **Recommendation**

*(Sl.No.26, Para no.117)*

2.17 Regarding the delay in issuing demand notices in the office of Tahsildar(RR) Thiruvananthapuram the Committee opines that action is necessary against those responsible for the delay.

### **Action Taken**

2.18 Earnest efforts have been made to take disciplinary action against the staff who were responsible for delaying issuance of demand notice in the o/o the Tahsildar(RR)

Thiruvananthapuram. However they could not be found out due to the fact that the 23 delayed cases pointed out in the Report are untraceable, since it is not mentioned exactly in the Report in which category, the delayed Demand Notice belong. From the o/o the Tahsildar (RR) Thiruvananthapuram about 3500 demand notices are being issued under Sales Tax, Abkari, Court dues, BSNL dues, Motor Vehicles tax, Bank dues etc. There are different seats for issuing demand notices under different category of recovery. The details about these cases could not be obtained from the o/o Accountant General also. Hence it is not practical to take disciplinary action against all the staffs in the RR section, worked during the period 1996-98.

### **Recommendation**

*(Sl.No. 27, Para No.118)*

2.19 The Committee infers that the return of Revenue Recovery Certificates without realisation of due amount for want of proper address, insolvency of the defaulter etc has increased in recent years and it cause loss of crores of rupees to State Government. The Revenue Department is just doing a post office work rather than resorting to earnest efforts in realising the due amount. The Committee suggests that the Department should initiate legal action against the addressees whose whereabouts are not known and that steps should be taken to arrest them before returning the RR requisitions to the concerned departments.

### **Action Taken**

2.20 Revenue Requisition Certificates are returned only in the cases in which the whereabouts of defaulters could not be traced even after detailed enquiry. In most of these cases requisitions are received on temporary addressees. Finding out these persons became impossible as these defaulters are unknown to the native subjects and they do not have relations with anybody in the locality. Strict directions have been issued to all District Collectors to communicate with the Requisitioning Authority and

action shall be taken as stipulated u/s 65 of Kerala Revenue Recovery Act before returning such RRCs.

### **Recommendation**

*(Sl.No. 28, Para No. 119)*

2.21 It is to be noted with dismay that in most of the offices of the Revenue Department no periodical or half yearly inspections were conducted by higher authorities at any level for more than 4 years. This is against the standing instructions. As a result of such a situation so many drawbacks are there which in turn results in loss of crores of rupees to the state exchequer. The Committee views this very seriously and suggest that half yearly and periodical inspection of sub-offices by the higher authorities should strictly be conducted and defaulters punished to come out from such a noxious situation.

### **Action Taken**

2.22 The Existing Internal Audit Wing of Land Revenue Commissionerate, consists of a Senior Superintendent, 3 Junior Superintendents and 6 Clerks. When compared to the no. of offices to be inspected, the no of staff seems very low and as per the ceiling limit in the Travelling Allowances, inspections of all offices could not be conducted within the time limit The Internal Audit Wing is conducting their inspection mainly in Taluk offices where economic matters, matters relating to taxation, income of the state etc. are being dealt with. At present the Internal Audit Wing is conducting inspection in 2 offices in a month. Hence it will take nearly 3 years for completing the inspection in the whole state. But as, per G.O.(MS) 423/2012/RD dtd, 24.07.2012, the existing travelling allowance rate was enhanced to 40% for one year. During this period inspections were conducted in 4 offices in a month. But the above enhanced rate was not allowed for the succeeding years. If the enhanced TA rates were continued, it will be possible to



conduct one round inspection in all offices within 1½ to 1¾ years. But, in the Office of the Land Revenue Commissioner, three inspection wings are working under the control of the Assistant Commissioner (DM). These three inspection Wings conduct periodical inspections on the sub-offices also. During the past ten years the above three inspection teams conducted inspections in 263 offices.

## **FINANCE DEPARTMENT**

### **Recommendation**

*(Sl. No. 2, Para No.20)*

2.23. The Committee is regretted to note that Finance Department, which is expected to be a corrective force in financial mismanagement and an apex body in co-ordinating revenue collection and allied matters, pathetically fails in every sphere of action. The routine course of action resorted to by the department is merely issuing circulars to which nobody seems bothered with. The Committee opine that this vicious situation should be changed and suggest that Finance Department should take earnest steps for increasing the revenue collection through direct intervention for avoiding delay in assessment and collection of tax.

### **Action Taken**

2.24 The Chief Secretary upon the recommendations of Finance Secretary has conducted revenue collection review meetings in 2006-07 and 2007-08. As there was steady progress in revenue receipts and the revenue receipts matched the targets fixed in budget, no such meetings were held in the year 2008-09. Revenue collection review meetings will be conducted on a quarterly basis from now onwards. (Appendix - 3)

### **Recommendation**

*(Sl. No. 5, Para No. 63)*

2.25. The Committee observes that it is the duty of the Finance Department to

ensure that the Revenue and other administrative departments are taking necessary steps for improving the revenue position of the state. As per Kerala Financial Code, controlling officers in each district should forward the monthly position of revenue receipts in that district to the chief controlling officer who in turn should forward the same after verification to the Government Secretary of the concerned department. It is the duty of the Finance department to go through all the details furnished and to ensure that all the procedures are strictly adhered to by all Departments. But it is deplorable that the Finance Department is doing nothing in this respect. The Committee express dissatisfaction over the lack of responsibility and slackness on the part of the Finance Department in following procedures that are aimed at improving the financial condition of the state. This is evident from the very absence of Finance and Expenditure Secretaries for giving evidence during the meeting of the Committee. Therefore the Committee suggests that the Finance Department should show more responsibility and keen interest in such matters so as to increase the revenue collection.

### **Action Taken**

2.26. Quarterly review to monitor revenue collection of Revenue and other departments will be conducted and corrective measures will be taken. The monthly DCB statement will be obtained from major revenue collecting departments and monitored in the Finance Department.

### **Recommendation**

*(Sl. No. 10, Para No. 68)*

2.27. The Committee points out that it is for the administrative department to ensure that assessments are done within the stipulated time every month. The Finance Inspection Wing should investigate such issues and take proper follow up measures. The Financial Code stipulate such inspections and review by the Finance Department as well as the Administrative Departments. It is clear that the Finance Department is displaying sheer irresponsibility in supervising such matters of importance. The delay