CHAPTER VII
NON-TAX RECEIPTS

7.1 Results of audit

Test check of the records of 10 administrative departments of the receipts from guarantee commission as well as of the forest and police departments conducted during 2006-07 revealed short/non-levy of revenue and other deficiencies amounting to Rs. 146.30 crore in 17 cases, which fall under the following categories:

(Rupees in crore)

Sl. No.	Category	No. of cases	Amount
	A Forest receipts		
1.	Short levy/loss in auction/reauction	3	0.62
2.	Short levy/loss in supply of raw material	4	0.36
3.	Other lapses	8	4.86
	B Other non-tax receipts		
4.	**Receipts from guarantee commission (A review)**	1	128.47
5.	**Receipts of Police Department (A review)**	1	11.99
Total		**17**	**146.30**

During 2006-07, the department accepted short demand/loss of Rs. 3.80 lakh involved in four cases of which one case involving Rs. 3.37 lakh was pointed out during 2006-07 and the rest in the earlier years. During the year the department recovered Rs. 43,000 in three cases pointed out in the earlier years.

An illustrative case involving Rs. 8.58 lakh and results of two reviews of **Receipts from guarantee commission** and **Receipts of Police Department** involving Rs. 140.46 crore are mentioned in the succeeding paragraphs.

A. FOREST RECEIPTS

7.2 Short levy of entry fee

The Government in November 2005 revised the fee for the entry of tourists and vehicles and allowing cameras inside project tiger area, national parks and wildlife sanctuaries. Fee is different for Indian and foreign tourists, heavy, light and other vehicles and ordinary and video/movie cameras. Fee specified for project tiger areas and national park is higher than that for wildlife sanctuaries.

In four forest range offices[1], fee for entry of tourists and vehicles and allowing cameras inside project tiger areas and wildlife sanctuary were levied, between 11 November and 14 December 2005, at the rate in force prior to 11 November 2005. This resulted in short levy of entry fee of Rs. 8.58 lakh.

After the cases were pointed out to the department between June and November 2006, the officers incharge of the divisions stated that short levy occurred due to delay in receipt of the Government order. Further reply has not been received (December 2007).

The matter was reported to the Government in January 2007; their reply has not been received (December 2007).

[1] Thekkady and Vallakadavu Ranges under Periyar East Division (Project Tiger), Thekkady Sungam Range under Wild Life Division, Parambikulam and Tolpetty Range under Wayanad Wild Life Division, Sulthanbathery

B. OTHER NON-TAX RECEIPTS

7.3 Receipts from guarantee commission

Highlights

- Failure of the administrative departments to enforce the internal control systems to ensure prompt levy and collection of guarantee commission resulted in non/short assessment and non-raising of demand of Rs. 233.40 crore.

(Paragraph 7.3.8)

- Interest of Rs. 35.68 crore for the defaulted payments of guarantee commission was not paid by 24 institutions.

(Paragraph 7.3.11)

- Rebate for prompt payment of guarantee commission amounting to Rs. 3.66 crore was incorrectly granted to an institution during 2004-05.

(Paragraph 7.3.12)

7.3.1 Introduction

Article 293 of the Constitution of India empowers the State Governments to give guarantee on the security of consolidated fund of the State within such limits as may be fixed by the State legislature. Under the Kerala Ceiling on Government Guarantees Act, 2003 (KCGG Act), the total outstanding Government guarantees as on 1 April of each year shall not exceed Rs. 14,000 crore. The Government gives guarantee on funds raised by public sector undertakings, local authorities, statutory boards, corporations, etc., from financial institutions and open market. The guarantee is liable to be invoked if the principal debtor fails to repay loans, bonds, etc., so guaranteed. Beneficiaries of the Government guarantees are required to pay guarantee commission each year on the outstanding principal as well as interest under guarantee.

Prior to coming into force of the KCGG Act from 5 December 2003, recovery of guarantee commission was governed by the Government orders and circulars issued from time to time. Under these orders, the rate of guarantee commission was 0.75 *per cent* per annum and a rebate of 0.25 per *cent* was admissible as refund on prompt payment of the commission. Lower rate/waiver of commission can also be allowed on some guarantees. Under the KCGG Act, the Government shall charge a minimum of 0.75 *per cent* per annum as guarantee commission which shall not be waived under any circumstance and the Government is empowered to enhance the rate depending on the default risk of any project. The Government issued revised guidelines in October 2004 in conformity with the Act.

With a view to ascertain the efficacy of the system and procedure relating to the computation, collection and accounting of guarantee commission, a review was conducted in the Finance Department, 10 administrative departments, establishments of two heads of departments and 33 beneficiary institutions. As the administrative departments were not

maintaining the relevant records, the data for the review was collected from the beneficiary institutions. The review revealed a number of system and compliance deficiencies which are mentioned in the following paragraphs.

7.3.2 Organisational set-up

The Finance Department issues guidelines for the computation, collection and accounting of guarantee commission and the various checks to be exercised by the administrative departments and heads of the departments. The administrative departments concerned issue the Government orders providing guarantee to the various beneficiary institutions under the control of each department. These departments are required to maintain a register for recording all transactions relating to guarantee commission and should ensure its payment by the beneficiary institution on the due dates itself. From 1 April 2004 onwards the beneficiary institutions are also required to send half yearly statement of guarantee commission to the Finance Department with copies to the concerned administrative departments and heads of departments with statement of calculation of guarantee commission in formats separately prescribed by the Finance Department.

7.3.3 Scope and methodology of audit

Records relating to grant of guarantee and collection of guarantee commission, maintained in 10 administrative departments[2], offices of the Director of Industries and Commerce and Registrar of Co-operative Societies and 33 beneficiary institutions as detailed in Annexure II, covering the period from 2001-02 to 2005-06, were test checked between October 2006 and February 2007. The beneficiaries were selected based on the quantum of outstanding guaranteed loan.

7.3.4 Audit objectives

The review was conducted with a view to ascertain whether:

- provisions of the Act and the Government orders relating to assessment and demand of guarantee commission were complied with;
- provisions regarding grant of rebate on guarantee commission were adhered to;
- penal clauses envisaged to discourage default of guarantee commission were enforced;
- interest on delayed payments of guarantee commission introduced from April 2004 were collected; and
- internal control mechanism was effective.

[2] Co-operation, Finance, Food and Civil Supplies, Forest, Housing, Industries, Local self Government (LSG), Power, Taxes and Water Resource.

7.3.5 Acknowledgement

Indian Audit and Accounts Department acknowledges the co-operation of the Finance Department and other concerned administrative departments in providing the necessary information and records for audit. The draft review report was forwarded to the Government and departments in May 2007 and was discussed in the Audit Review Committee meeting held in August 2007. Secretary (Expenditure) to the Government represented the Government while Additional Secretary (Finance) represented the Finance Department. Views of the Government/departments have been incorporated in the relevant paragraphs.

7.3.6 Guarantees given by the Government

As per the Finance Accounts, guarantees given by the Government for repayment of loans, debentures, bonds, etc., raised by statutory corporations, Government companies, local bodies, etc., as on 31 March 2006 are as mentioned below:

(Rupees in crore)

Sl. No.	Class of institutions	Guaranteed amount outstanding as on 31 March 2006	
		Principal	Interest
1.	Statutory corporations and boards	3,064.02	385.03
2.	Government companies	3,438.11	552.02
3.	Co-operative banks & societies	1,900.12	539.33
4.	Other joint stock companies	60.93	46.86
5.	*Panchayats*, municipalities, corporations and other local bodies	792.61	13.53
6.	Other institutions	870.86	271.27
Total		**10,126.65**[3]	**1,808.04**

Year-wise position of amount guaranteed and amount of guarantees outstanding at the end of each year from 2001-02 to 2005-06 are mentioned below:

[3] Besides the above, the Government have also guaranteed payment of minimum dividend of 3.5 *per cent* on the share capital upto Rs. 10 crore and 7.5 *per cent* on the share capital beyond Rs. 10 crore in respect of Kerala Financial Corporation (KFC). Out of Rs. 2.52 crore paid by the Government towards subvention to the KFC, Rs. 20,000 only has been realised till March 2006.

(Rupees in crore)

Year	Outstanding amount of guarantees as on 31March		
	Principal	Interest	Total
2001-02	9,745.86	2,071.67	11,817.53
2002-03	10,077.97	2,545.41	12,623.38
2003-04	11,511.08	2,498.11	14,009.19
2004-05	10,775.38	1,540.58	12,315.96
2005-06	10,126.65	1,808.04	11,934.69

7.3.7 Trend of revenue

Under the Kerala Budget Manual, the heads of departments have to forward the proposals for the budget estimates (BEs) of receipts directly to the Finance Department with a copy to the concerned administrative departments in the Government which in turn have to forward these to the Finance Department with their remarks. The Finance Department finally frames the BEs. The BEs of revenue are to be based on the existing rates and no increase or decrease in the rates can be proposed unless approved by the Government. Officers who submit the BEs have to ensure that the BEs are neither inflated nor under pitched but are as accurate as practicable.

A mention was made in paragraph 10.1.4 of the report of the Comptroller and Auditor General of India for the year ended 31 March 1999 regarding very large variations between BEs and actuals during the years 1992-93 to 1997-98. Public Accounts Committee (PAC) 2001-04 in their 36th report presented to the legislature in January 2003 observed that there was no justification for the large variation and urged the Finance Department to adopt a systematic procedure by which estimates could be worked out keeping in view the actuals and desired that the details of corrective steps in this regard be furnished to the committee within two months. The corrective steps undertaken by the department, if any, have not been furnished to the PAC.

As per the Finance Accounts, BEs of guarantee commission for the years from 2001-02 to 2005-06 as against the actuals are as mentioned below:

(Rupees in crore)

Year	BEs	Actuals	Variation	Percentage of variation
2001-02	26.32	29.21	2.89	10.98
2002-03	32.34	39.77	7.43	22.97
2003-04	31.14	56.54	25.40	81.57
2004-05	84.88	17.86	(-) 67.02	(-) 78.96
2005-06	80.96	64.55	(-) 16.41	(-) 20.27

The BEs during these years were either inflated or under pitched as is evident from the fact that variations between BEs and actuals ranged from (-) 78.96 to 81.57 *per cent* during the years 2001-02 to 2005-06.

Thus, the department had not followed the procedure prescribed under the Manual or considered the recommendations of the PAC while framing the BEs.

The Finance Department stated in October 2007 that the reason for variation was that the actuals for the current year were not available while arriving at the estimates for the ensuing year. It also stated that action to verify the genuineness of the actuals for 2004-05 was being taken, as misclassification might have occurred in the treasury accounts.

Audit findings

System deficiencies

7.3.8 Assessment and demand of guarantee commission

As per the guidelines issued by the Government in December 1999 and October 2004, administrative departments which provide the Government guarantees should maintain a register (Appendix 1), for recording all the transactions relating to the guarantee commission. The guarantee commission due in a year is required to be paid in two equal instalments on 1 April and 1 October every financial year. A grace period of 15 days is allowed for making these payments. The beneficiaries are required to send half yearly reports to the Finance Department with copies to the concerned administrative department and head of the department indicating the details of the guarantee amounts outstanding, guarantee commission payable, etc. The administrative departments which provide the Government guarantee should make timely demand of the commission and ensure its payment before the due date.

The register for recording transactions relating to guarantee commission was not maintained by the Registrar of Co-operative societies and any of the 10 administrative departments test checked. Registers maintained by the Director of Industries and Commerce and the Finance Department were not upto date. **Though half yearly reports on guarantee commission were not sent by any of the beneficiary institutions test checked, no action was taken by the Finance Department and administrative departments to obtain the reports. Consequently, the administrative departments and the heads of departments were not in a position to monitor the realisation of guarantee commission on guarantees provided by them. Failure of the administrative departments to enforce internal control systems to ensure prompt levy and collection of guarantee commission resulted in the following lapses:**

7.3.8.1 Non-raising of demand of guarantee commission

As the administrative departments were not maintaining the prescribed register, they could not assess the dues, raise the demand and realise it from the beneficiaries. Details collected from the beneficiary institutions revealed that guarantee commission pending realisation as on 31 March 2006 from 22[4]

[4] ACSM, Autokast, Coirfed, GCDA, Keltron, Khadi Board, KIRFB, Kollam DA, KSCARD Bank, KSCDC, KSCSC, KSDP, KSEB, KSRTC, KWA, Malabar Cements, Market Fed, Rubco, Sitaram mills, SILK, Traco and United Electricals.

out of 33 institutions test checked amounted to Rs. 145.27 crore in respect of seven[5] administrative departments. KSCARD Bank (Rs.42.36 crore), KSEB (Rs.39.76 crore), KWA (Rs.21.53 crore) and KIRF (Rs.10.08 crore) were the major defaulters.

Failure of the administrative departments to maintain the prescribed registers and monitor them resulted in non-raising of demand of guarantee commission of Rs. 145.27 crore.

The Government may, therefore, take appropriate steps to ensure that the administrative departments maintain the prescribed register properly to ensure timely demand of guarantee commission and interest thereon.

7.3.8.2 Short assessment of guarantee commission

Under the KCGG Act and the Government orders in force prior to and after its enactment, guarantee commission was required to be calculated at 0.75 *per cent* per annum on the principal outstanding at the end of the preceding financial year and guaranteed interest. **The Government, however, did not prescribe any periodical return to watch the correctness of recoveries of guarantee commission. In the absence of such a return, the concerned administrative department was not in a position to ascertain the correctness of guarantee commission deposited by the beneficiary institutions.**

Scrutiny of the records of eight beneficiary institutions revealed that there were mistakes in computing the guarantee commission which resulted in short deposit of guarantee commission of Rs. 47.31 crore during the years 2001-02 to 2005-06 as mentioned below:

(Rupees in lakh)

Sl. No.	Department	Name of Institution	Guarantee commission due	Guarantee commission assessed by the beneficiaries	Amount short deposited
1.	Power	KSEB	7,517.00	4,452.00	3,065.00
		KPFC	1,675.79	1,281.66	394.13
2.	Co-operation	KSCARD Bank	5,428.00	4,236.00	1,192.00
		Market Fed	11.28	0.25	11.03
3.	LSG	GCDA	259.29	224.26	35.03
		Kollam DA	19.68	15.63	4.05
4.	Industries	KMML	21.76	3.60	18.16
		KSCDC	80.67	68.66	12.01
Total			**15,013.47**	**10,282.06**	**4,731.41**

Since the administrative departments were not maintaining the prescribed records/registers, these short deposits could not be detected.

[5] Co-operation, Food and Civil Supplies, Industries, LSG, Power, Transport and Water resources

The Government may consider prescribing a periodical return for monitoring the correctness of guarantee commission deposited.

7.3.8.3 Short assessment due to non-reckoning of the guaranteed interest component

As per the Government orders issued in December 1999 and October 2004, guarantee commission is leviable on interest and other incidental expenses included in the guarantee. In the absence of any records, the principal amount of the loan outstanding and interest due from the beneficiaries on 31 March of the preceding year could not be ascertained from the administrative departments to work out the guarantee commission in the beginning of each financial year.

Scrutiny of the records of the beneficiary institutions revealed that nine institutions failed to reckon the guaranteed interest while computing the guarantee commission for the years 2001-02 to 2005-06. Thus, eight administrative departments failed to detect the short deposit of guarantee commission of Rs. 26.73 crore as mentioned below:

(Rupees in lakh)

Sl. No.	Administrative Department	Name of the institution	Short assessment
1.	Power	KSEB	1,307.12
		KPFC	62.68
2.	Taxes	KSFE	560.69
3.	Water resource	KWA	268.74
4.	Housing	KSHB	234.00
5.	Industries	KELTRON	121.51
6.	Finance	KFC	86.88
7.	LSG	GCDA	28.89
8.	Co-operation	ACSM	2.59
Total			**2,673.10**

The Government may, therefore, introduce automated systems to ensure that the guaranteed interest is also reckoned by the administrative departments while computing the guarantee commission payable by the beneficiary institutions.

7.3.8.4 Non-demand of guarantee commission on loans exempted prior to the KCGG Act

As per the Government guidelines issued in October 2004 in conformity with the Act, guarantee commission payable in respect of all loans outstanding on or after 1 April 2004 shall be 0.75 *per cent* whether or not any lower rate or complete exemption was agreed to earlier.

Scrutiny of the records of District *panchayat*, Thiruvananthapuram and KSHB, revealed that these institutions *suo motu* availed the exemption from payment of guarantee commission of Rs. 14.09 crore for the years 2004-05 and 2005-06 on the outstanding loan. **The administrative departments (LSG and Housing), however, could not take any action as the basic records required for monitoring the recovery of guarantee commission were not maintained by them.**

The Finance Department stated in October 2007 that half yearly reports on guarantee commission were obtained from the concerned institutions.

The Government may, therefore, consider strengthening the prescribed system for ensuring that the administrative departments invariably assess and collect the guarantee commission due to the Government correctly.

7.3.9 Incorrect availing of rebate

As per the Government orders, institutions which paid the guarantee commission promptly should not avail rebate by themselves, but should forward the claim to the Government during the next financial year and concerned administrative department would sanction the refund after ascertaining the promptness of payment. **Audit noticed that the Government did not prescribe any mechanism for regular and effective monitoring of the case of prompt payment of guarantee commission and sanction of rebate for the same.**

Scrutiny of the records revealed that, KSCARD Bank availed *suo motu*, rebate of Rs. 1 crore during 2002-03 for prompt payment of guarantee commission. In the absence of maintenance of proper records for watching the payment of guarantee commission, the Co-operation Department failed to detect the rebate availed by the KSCARD Bank and to take action to realise the guarantee commission.

The Government may consider prescribing a mechanism for regular and effective monitoring for realisation of guarantee commission without availing /sanctioning rebate.

7.3.10 Renewal/extension of guarantee and enhancing guarantee limit

As per the Government order issued in December 1999 and under the provisions of the KCGG Act, all administrative departments concerned with the Government guarantees should ensure realisation of arrears of guarantee commission in full before issuing the Government orders renewing/extending guarantee/enhancing guarantee limits. **Penal provisions and accountability of the authorities in exercising controls over renewal/extension of guarantee have, however, not been laid down.**

The administrative departments were not maintaining the prescribed registers to ascertain the correctness of renewal/extension/enhancement of guarantee. Scrutiny of the records of six beneficiary institutions under three administrative departments revealed that these institutions were allowed/sanctioned renewal/extension of guarantee/enhancement without realisation of arrears of guarantee commission as mentioned below:

(Rupees in lakh)

Sl..No.	Name of the Department	Name of the institution	Guarantee commission due on renewal/extension	Remarks
1.	Industries	Traco	667.00	The term of guarantee was extended in March 2004 for Rs. 146.50 crore from SBT led consortium of banks.
		Keltron	106.49	The guarantee was extended in June 2004 for a loan of Rs. 127.18 crore.
		KSCDC	68.66	Renewal of packing credit of Rs. 80 crore and letter of credit of Rs. 40 crore were sanctioned in June 2003.
		United Electricals	36.48	Guarantee was extended in April 2002 for a loan of Rs. 51 crore.
2.	Food and Civil Supplies	KSCSC	257.01	The Government sanctioned in January 2003 fresh guarantee on credit limit of Rs. 15 crore availed from consortium of banks.
3.	Taxes	KSFE	0.64	Enhancement of guarantee limit from Rs. 1,000 crore to Rs. 1,500 crore was sanctioned in August 2002.

The Government may, therefore, take appropriate administrative action against those responsible for non-realisation of guarantee commission in full before issuing the Government orders sanctioning extension/renewal of guarantee/enhancement of guarantee limits.

Compliance deficiencies

7.3.11 Failure to assess and demand interest

Penal clauses to discourage default envisaged in the KCGG Act and the Government orders include provision for levy of interest on delayed payment of guarantee commission, non-renewal/non-extension of guarantee to defaulters, etc.

Under the revised guidelines issued by the Government in October 2004, guarantee commission for each year is required to be paid in two equal instalments. Default in payments of guarantee commission attracts simple interest at 12 *per cent* from 1 April 2004 onwards.

As per information collected from the beneficiaries, 24 institutions[6] defaulted in payment of the guarantee commission during 2004-05 and 2005-06. Interest from 1 April 2004 to 31 March 2006 on guarantee commission due amounted

[6] Autokast, Coirfed, DPT, GCDA, Kollam DA, Keltron, KEAEC, Khadi Board, KIIFB, KIRFB, KSCARD Bank, KSCDC, KSCSC, KSDP, KSEB, KSFE, Market Fed, KSHB, KSRTC, KWA, Rubco, SILK, Traco and United Electricals.

to Rs. 35.68 crore. The concerned administrative departments, however, failed to assess and demand it. A few illustrative cases are mentioned below:

(Rupees in crore)

Sl. No.	Department	Institution	Interest not demanded
1.	Power	KSEB	10.64
2.	Co-operation	KSCARD Bank	7.69
3.	Water resource	KWA	4.87
4.	Housing	KSHB	2.61
5.	Industries	KIRFB	2.22
		Keltron	1.79

7.3.12 Incorrect grant of rebate

As per the Government orders in force prior to the enactment of the KCGG Act, institutions which are prompt in the payment of guarantee commission are eligible for a rebate of 0.25 *per cent.* Under the KCGG Act, the Government shall charge a minimum of 0.75 *per cent* per annum as guarantee commission which shall not be waived under any circumstances.

Test check of the records of Taxes Department revealed that a rebate of Rs. 3.66 crore was sanctioned in July 2004 on the advance payment of guarantee commission of Rs. 11 crore in March 2004 to the KSFE. Though the KCGG Act did not provide for grant of rebate, the Government incorrectly sanctioned rebate of Rs. 3.66 crore to the KSFE. Non-observance of the provisions of the Act has, thus, resulted in extending unintended benefit of Rs. 3.66 crore.

7.3.13 Non-constitution of the guarantee redemption fund

Under the KCGG Act, the Government is required to constitute a fund called the guarantee redemption fund of which the guarantee commission charged shall form the corpus and shall be remitted in the Public Accounts of the State.

The fund has not been constituted so far. Hence guarantee commission amounting to Rs. 82.41 crore realised during 2004-05 and 2005-06 could not be remitted in the Public Accounts of the State.

The Government stated in October 2007 that notification constituting guarantee redemption fund would be issued only after framing the relevant rules which were being finalised in consultation with the Law Department.

7.3.14 Reconciliation of remittance of guarantee commission

Under the Kerala Financial Code Volume I, the departmental officers should reconcile the departmental figures with the treasury figures and obtain the signature of the treasury officer on the statement prepared by them in token of the agreement of their figures with those of the treasury. Kerala Treasury Code Volume I also stipulates such reconciliation.

Reconciliation of remittances under the head "0075-108-99-guarantee fees" was neither conducted by the concerned administrative departments nor by the Finance Department. Cross verification by audit revealed that actual receipts under the head was Rs. 17.86 crore as per the Finance Accounts for 2004-05 whereas aggregate remittance during that year by nine institutions[7] amounted to Rs. 26.41 crore. The Finance Department or the administrative departments were not aware of the short accounting of Rs. 8.55 crore in the absence of reconciliation of remittances.

7.3.15 Conclusion

Audit noticed that the concerned administrative departments which provide guarantees to the various beneficiary institutions were not maintaining the relevant records relating to the accounting of guarantee commission. Failure of the administrative departments to enforce the internal control systems to ensure prompt levy and collection of guarantee commission resulted in non/short raising of demands. The Government did not prescribe any mechanism for regular and effective monitoring of the cases of non-demand of interest on the arrears of guarantee commission. Provisions in the KCGG Act regarding constitution of guarantee redemption fund and renewal of guarantee/enhancement of guarantee limits were also not complied with.

7.3.16 Summary of recommendations

The Government may consider implementation of the following recommendations for rectifying the system and compliance issues:

- appropriate steps to ensure that the administrative departments maintain the prescribed register properly to ensure timely demand of guarantee commission and interest thereon;
- prescribing a periodical return for monitoring correctness of guarantee commission deposited;
- introduce automated systems to ensure that the guaranteed interest is also reckoned by the administrative departments while computing the guarantee commission payable by the beneficiary institutions;
- strengthening the prescribed system for ensuring that the administrative departments invariably assess and collect the guarantee commission due to the Government correctly;
- prescribing a mechanism for regular and effective monitoring of the cases of non-demand of interest on arrears of guarantee commission; and
- appropriate administrative action against those responsible for non-realisation of guarantee commission in full before issuing the Government orders sanctioning extension/renewal of guarantee/ enhancement of guarantee limits.

[7] Co-operative Spinning Mill, Alappuzha, KFC, KSFE, KSCMF, KIIFB, KPFB, KSFDC, Sitaram Textiles, Thrissur and TELK, Angamali.

7.4 Receipts of Police Department

Highlights

- Lack of a prescribed system for monitoring the receipts of bills of cost from the DPOs and CPCs and its accuracy resulted in non/short raising of demand of Rs. 6.61 crore.

(Paragraph 7.4.7)

- Absence of provision to realise interest for belated payment of bills of cost resulted in loss of revenue of Rs. 3.76 crore.

(Paragraph 7.4.9)

- The department did not take any action to realise Rs. 4.62 crore being share of Government Railway Police (GRP) expenses adjusted/ disallowed by railways.

(Paragraph 7.4.11.1)

- Though three institutions incorrectly disallowed Rs. 54.87 lakh from demands of cost of police deployment, no action was taken to realise the same.

(Paragraph 7.4.11.2)

- Deployment of police force without requisition from an organisation resulted in loss of revenue of Rs. 19.77 lakh.

(Paragraph 7.4.11.3)

7.4.1 Introduction

The Police Department provides police guards to institutions of the Central/other State Governments, quasi-Government institutions and private parties on requisition. Recovery of the cost of police guards deployed constitutes a major source of receipts of the Police Department. The procedure for recovery of the cost of police from the beneficiaries is prescribed by the Government and Director General of Police (DGP) from time to time. The demand (bill of cost) is prepared by the concerned Commissionerate/District Police Office (DPO) and forwarded to the DGP who in turn realises the cost from the concerned organisation and credits it to Government account under the head of account “0055 Police”.

A review of the receipts of the Police Department was conducted by audit. It revealed a number of system and compliance deficiencies which are discussed in the following paragraphs.

7.4.2 Organisational set-up

The Police Department is headed by the DGP who is assisted by eight additional DGPs. There are two zones (North and South) headed by an Inspector General of Police (IGP) and four ranges headed by Deputy IGPs. The Superintendent of Police (SP) is incharge of each DPO and is assisted by Deputy SP at sub divisions (49 in number) and Circle Inspector of Police (CI) in circles (190 in number). There are 433 police stations under these circles controlled by Sub Inspectors (SIs). There are three City Police Commissioners (CPCs) at Thiruvananthapuram, Ernakulam and Kozhikode and one SP (Railways) at Thiruvananthapuram.

7.4.3 Scope and methodology of audit

With a view to evaluate the efficiency and effectiveness of the system and procedure relating to the assessment and collection of receipts of the Police Department, the records relating to the period from 2001-02 to 2005-06 kept in the office of the DGP and 10 out of 14 DPOs, office of SP (Railways) and all the three CPCs were test checked between December 2006 and March 2007. While conducting the review, special emphasis was on realisation of the cost of police. As DPOs/CPCs are responsible for its assessment, the review was mainly confined to such offices.

7.4.4 Audit Objectives

The review was conducted to ascertain whether:

- the rules and regulations governing realisation of police receipts, especially the cost of police deployment were complied with;
- the demands were raised in time;
- adequate action was taken to realise the arrears;
- there was a penal provision for delayed/non-payment of dues; and
- the internal control mechanism in the department was effective.

7.4.5 Acknowledgement

Indian Audit and Accounts Department acknowledges the co-operation of the Police Department in providing the necessary information and records for audit. The draft review report was forwarded to the Government and department in June 2007 and was discussed in the Audit Review Committee meeting held in August 2007. The Additional Secretary (Home) to the Government represented the Government while the Inspector General (Administration) represented the Police Department. Views of the Government/department have been incorporated in the relevant paragraphs.

7.4.6 Trend of revenue

Under the Kerala Budget Manual, the heads of departments have to forward the proposals for budget estimates (BEs) of receipts directly to the Finance Department with a copy to the concerned administrative departments in the Government which in turn have to forward these to the Finance Department with their remarks. The Finance Department finally frames the BEs based on these proposals. The BEs shall be based on the existing rates and no increase or decrease in the rates shall be proposed unless approved by the Government.

The variations as mentioned below were noticed between the BEs and actual receipts during 2001-02 to 2005-06:

(Rupees in crore)

Year	BEs	Actuals	Variations	Percentage of variation
2001-02	11.98	4.89	(-) 7.09	(-) 59
2002-03	11.97	8.68	(-) 3.29	(-) 27
2003-04	7.57	12.87	5.30	70
2004-05	10.98	21.40	10.42	95
2005-06	14.06	28.62	14.56	104

Thus, the variations ranged between (-) 59 *per cent* and 104 *per cent* during the years 2001-02 to 2005-06. This indicates unrealistic estimation of budgetary figures.

The Government stated that as the department could not achieve the budget targets during 2001-02 and 2002-03, it had taken drastic measures in the remaining years to collect the arrears and that actuals over BEs during these years were due to hard work of the officers of the department.

Audit findings

System deficiencies

7.4.7 Levy and demand of cost of police deployed

As per the directions of the IGP (now DGP) of September 1970, cost of police guard deployed should be paid in advance. Further, under the direction of DGP in July 2004 the DPOs and CPCs were required to prepare a bill of cost on quarterly/half yearly/annual basis which should reach the police headquarters on or before 10th of the succeeding month. Police headquarters is required to raise the demand after ascertaining the correctness of the claim and enter the details in a register of bill of cost.

7.4.7.1 Short demand of cost of police deployed

Under the provisions of the Kerala Service Rules (KSR), Volume I and Kerala Police Manual 1970, Volume II, when additional establishment is sanctioned on the condition that its cost shall be recovered from the beneficiary, the amount to be recovered shall be based on the gross sanctioned strength (SS) of the service. **Audit noticed that no system was prescribed for cross verification of the cost of police deployed as computed by the DPOs and CPCs with the SS.**

Police guards were provided to nine institutions sanctioning additional establishment. Their bills of cost were prepared between December 2004 and August 2006, reckoning the actual expenditure as per acquittance rolls for three airports and as per actual working strength for others, instead of computing it on the gross SS. This resulted in short demand of Rs. 6.17 crore as mentioned below:

(Rupees in lakh)

Sl No.	Name of the organisation	Period of claim	Cost due on SS	Amount assessed	Short assessment
1.	Airport Authority of India (AAI) - Trivandrum International Airport	12/99 to7/02	542.21	317.82	224.39
2.	AAI - Cochin International Air Port	7/99 to 11/2000	271.23	134.76	136.47
3.	KSEB[8] - Idamalayar Project, Idukki	4/01 to 2/06	282.64	150.98	131.66
4.	AAI - Calicut Air Port	12/98 to 2/02	203.16	136.84	66.32
5.	All India Radio, (AIR) Alapuzha	4/01 to 3/06	84.69	43.42	41.27
6.	Canara Bank, Kozhikode	4/01 to 3/06	59.43	51.49	7.94
7.	Post Office, Thycaud (Thiruvananthapuram)	1/02 to 9/05	8.15	4.07	4.08
8.	Punjab National Bank, Kozhikode	2/03 to 12/05	28.49	26.01	2.48
9.	Federal Bank, Kozhikode	3/05 to 3/06	10.19	7.79	2.40
Total					**617.01**

Absence of a system in police headquarters for cross verification of cost of police deployment computed by DPOs and CPCs vis-à-vis SS resulted in short assessment of Government dues of Rs. 6.17 crore.

The Government may consider prescribing a system for linking of information at the level of CPCs to check short demand of the cost of police deployed.

7.4.7.2 Non-demand of the cost of police deployed

Under the direction of DGP of July 2004, the DPOs and CPCs were required to prepare the bill of cost for Central Government establishments and agencies like AIR, Doordarshan, post offices, etc., on quarterly basis; for banks, air cargo complex and Cochin Refineries Ltd., on half yearly basis; and for deployment on long term basis to other States on annual basis. Also the bill of cost were required to reach the police headquarters on or before the 10 of the succeeding month. The entries of the bills of cost despatched to the headquarters is to be made in a Register of bill of cost. **Audit noticed that no system has been prescribed for monitoring the receipts of bills of cost from the DPOs and CPCs.**

Verification of the Register of bill of cost revealed that four out of 10 DPOs and two out of three CPCs did not prepare and submit bills of cost for the period up to March 2006, till January 2007. Consequently police headquarters could not raise the demand for Rs. 44.36 lakh towards cost of police as mentioned below:

(Rupees in lakh)

From whom due	Related office	Period for which cost is due	Due date for forwarding the bill to the DGP	Amount
Canara Bank, Kollam	DPO, Kollam	10/04 to 3/06	10.4.2005 to 10.4.2006	11.37
Indian Bank, Kollam	DPO, Kollam	10/04 to 3/06	10.4.2005 to 10.4.2006	11.35
KSEB on Hydro Electric Projects, Idamalayar and Pallivasal	DPO, Idukki	3/06	10. 4.2006	7.71

[8] Kerala State Electricity Board

Government of Tamil Nadu[9]	DPOs, Idukki and Palakkad	1/06 to 3/06	10.04.2006	7.41
Head Post Office, Kannur	DPO, Kannur	1/05 to 3/06	10.4.2005 to 10.4.2006	2.85
Punjab National Bank, Kozhikode	CPC, Kozhikode	1/06 to 3/06	10.4.2006	2.53
Post office, Thycaud (Thiruvananthapuram).	CPC, Thiruvanantha-puram	10/05 to 3/06	10.1.2006 to 10. 4. 2006	1.14
Total				**44.36**

As system to watch prompt receipt of bills of cost from DPOs and CPCs was not prescribed in police headquarters, they could not obtain the bills of cost within the prescribed period. This resulted in non-realisation of cost of police amounting to Rs. 44.36 lakh.

After these cases were pointed out, the Government stated (September 2007) that Rs. 27.23 lakh had since been demanded from Canara Bank, Punjab National Bank and Indian Bank, of which the first two institutions had remitted Rs. 22.10 lakh. As regards cost of police due from Tamil Nadu, bill of cost had been raised. Bill of cost of KSEB has been adjusted against electricity charges due to them from Police Department.

The Government may consider prescribing a system to monitor the receipts of bills so that the cost of police deployed is realised in full promptly.

7.4.8 Arrears of revenue

Under the Kerala Finance Code Volume I, the Government servant entrusted with collection of revenue should maintain proper records in respect of all the items of revenue showing the assessments and demands made, progress of recovery and outstanding amounts due to the Government. On default, revenue due to the Government can be recovered under Section 68 of the Kerala Revenue Recovery Act, 1968 (KRR Act).

7.4.8.1 Arrears of cost of police deployment

The Register of demand, collection and balance (DCB register) was not maintained in the Police headquarters. Recovery registers maintained to watch the recovery of bills of cost do not serve the purpose of DCB register as dues of an institution on a particular month are not readily available therein. Such details, if required, have to be worked out from various registers relating to different periods.

Consolidated position of arrears and their year wise break-up were not available at the police headquarters. At the instance of audit, the department prepared an arrear statement of demand and collection for the period from 2001-02 to 2005-06. As per the statement the amount due during this period from 67 organisations amounted to Rs. 9.44 crore. However, the opening balance as on 1 April 2001 was not available. Based on the records available

[9] For police force deputed for security of dams at Mullaperiyar, Parambikulam, Peruvaripallam and Thunakkadavu and at regulating gate, Thekkady.

at the police headquarters, audit computed the arrears of cost of police from 1976 to March 2006 at Rs. 33.33 crore. The following dues besides dues outstanding from Government of India, Ministry of External Affairs did not appear in those records.

- Rupees 11.38 crore due from Southern Railway for the period from 1984-85 to 2004-05.
- Rupees 68 lakh due from Tamil Nadu for providing police security to Peruvaripallam, Thunakkadavu and Parambikulam dams between January 1997 to December 2001.

No steps including action under KRR Act were taken by the department to realise the outstanding dues of Rs. 45.39 crore.

The Government stated (September 2007) that the DCB register would be opened and maintained correctly.

7.4.8.2 Arrears of passport verification charges

The Government of India, Ministry of External Affairs allowed reimbursement of passport verification charges at the prescribed rates.

Test check of the records of the office of DGP revealed that out of Rs. 9.42 crore claimed towards reimbursement of police verification charges from April 2002 to December 2004, Ministry of External Affairs (Government of India) reimbursed Rs. 4.70 crore only between January 2004 and March 2005. The balance of Rs. 4.72 crore is still due from the Ministry. No action other than reporting (January 2007) the matter after a delay of two years to the Government of Kerala, was taken by the department to realise the balance amount. Moreover, this amount has not been included in the arrears worked out by the department at the instance of audit.

Thus, a system to monitor demand and collection of cost of police is non-existent in the department. Consequently arrears amounting to Rs. 50.11 crore remain unrealised. Effective action to realise the arrears was also not taken.

The Government may consider ensuring that the DCB register is maintained for monitoring and realisation of arrears.

7.4.9 Absence of provision to realise interest for belated payment

The Kerala Police Manual does not prescribe any time limit for the demand and payment of the cost of police guards and for levy of interest in case of delay in payment whereas Abkari laws provide for advance realisation of the cost of establishment and levy of interest at 18 *per cent* per annum on default. The IGP directed in September 1970 that cost of police guard deployed should be paid in advance. However, the directions of the DGP issued in July 2004 stipulate that DPOs should prepare and forward bills of cost to the police headquarters within 10 days after the end of the prescribed period.

Mention was made in Para 9.2.9 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998 (Revenue Receipts) on the absence of provision to charge interest and penal interest for the delays in payment of the cost of police. The Government in their action taken note stated that this aspect was under consultation with the DGP. No action has been taken so far to include a penal clause for delayed payment. Public Accounts Committee 2004-2006 examined the above paragraph in January 2006, their recommendations are awaited (December 2007).

Recovery registers kept in the police headquarters revealed that there was delay upto 50 months in preparing 39 bills of cost involving Rs. 10.86 crore relating to 13 institutions.

As of February 2007, delay upto 57 months had occurred in remittance of police cost demanded in 43 cases involving Rs. 11.12 crore. The absence of a provision to realise interest for belated payment of the amounts demanded resulted not only in large amounts remaining blocked for varying periods but also loss of interest on such amounts. Calculated at the rate of 12 *per cent* prescribed in the Kerala Revenue Recovery Act, 1968 such interest upto 28 February 2007 worked out to Rs. 3.76 crore (Rs. 2.76 crore for delay in raising the demand and Rs. 1 crore for delayed remittance) .

The Government stated (September 2007) that interest and penal interest were not being charged in the absence of provision for levy of interest as most of the institutions were owned by State/Central Government. The reply of the Government indicates a need for amending the Kerala Police Manual to include a provision for levy of interest for belated payment. This will not only help in ensuring prompt payment of the dues but will also reduce the burden of taking additional loans/liabilities to augment Government resources to the extent of the unrealised revenue.

Specific time limit should be prescribed for payment of cost of police guard and provision made for levy of interest in case of belated payment, so that blocking of revenue and loss of interest can be avoided.

7.4. 10 Internal audit

Internal audit is intended to assure an organisation that the internal control systems instituted by it for its efficient and cost effective functioning, are adequate and effective. The internal audit wing attached to the police headquarters is headed by one senior superintendent and is assisted by three upper division clerks.

Audit noticed the following deficiencies:

- Lack of a code/manuals to conduct internal audit. The audit staff were also not trained.
- between 2001-02 and 2005-06, the internal audit wing could complete only eight to 16 inspections each year out of 56 annual inspections due. The shortfall ranged between 71 and 86 *per cent* as mentioned below:

Year	Number of inspections			
	Target	Achievement	Shortfall	Percentage of shortfall
2001-02	56	8	48	86
2002-03	56	12	44	79
2003-04	56	16	40	71
2004-05	56	15	41	73
2005-06	56	13	43	77

The analysis of settlement of the observations of the internal audit as incorporated in inspection reports revealed that though the clearance increased from 1,200 paragraphs in 2001-02 to 2,296 paragraphs in 2002-03, it declined to 812 paragraphs and 792 paragraphs during 2003-04 and 2004-05 respectively. The number of pending paragraphs at the end of 2004-05 was 2,736 against 1,240 in 2001-02 as mentioned below:

Period	Opening balance		Addition during the year		Clearance during the year		Closing balance		Percentage of clearance	
	No. of IRs	No. of Para-graphs	No. of IRs	No. of Para-graphs	No. of IRs	No. of Para-graphs	No. of IRs	No. of Para-graphs	No. of IRs	No. of Para-graphs
2001-02	24	1,320	8	1,120	8	1,200	24	1,240	25	49
2002-03	24	[1,240	12	1,944	9	1,485	27	1,699	25	47
2003-04	27	1,699	16	1,760	14	2,296	29	1,163	33	66
2004-05	29	1,163	15	1,695	4	812	40	2,046	9	28
2005-06	40	2,046	13	1,482	6	792	47	2,736	11	22

This indicates absence of proper supportive environment for internal audit in the Police Department.

The Government stated (September 2007) that internal audit wing attached to the headquarters would be strengthened.

For effective internal control, proper training should be imparted to internal audit staff and prescribed time schedule be adhered to in conducting internal audit.

Compliance deficiencies

7.4.11 Realisation of demand

7.4.11.1 Failure to realise GRP expenses disallowed/adjusted by Railways

Under the Indian Railway Financial Code Volume I, pay and allowances, office expenses and contingencies, cost of pensionary charges, cost of rent of buildings, medical reimbursement and medical allowance of GRP will be shared at 50:50 basis between the State and Railways from 1 April 1979.

Out of the total demand of Rs. 12.10 crore towards share of GRP for the period 2001-02 to 2004-05, railways admitted Rs. 12.01 crore and disallowed the share of medical expenses and terminal surrender leave salary of Rs. 9.25 lakh. From Rs. 12.01 crore so admitted, it had also adjusted Rs. 4.53 crore[11] against amounts due to railways from various *panchayats*, municipalities/ Kerala Water Authority/KSEB/State Government departments, etc. and

[11] level crossing maintenance charges Rs. 4.02 crore, land license Rs. 28.48 lakh, reimbursable share of rent, water charges etc. Rs. 6.33 lakh and items not specified Rs. 15.03 lakh.

reimbursable share of rent, water charges, etc. The department did not take any action to realise the share of medical expenses and terminal surrender leave salary of Rs. 9.25 lakh of GRP from the railways and balance due of Rs. 4.53 crore from the concerned local bodies/board and other departments of the State.

After the matter was reported to the Government, it stated (September 2007) that a meeting was convened by the Home Secretary on this issue and railway authorities were advised not to make such adjustment in future.

7.4.11.2 Failure to realise admissible cost of police deployed that was disallowed

Under the Kerala Police Manual Volume II and directions of the IGP of September 1970, when police guards are provided sanctioning additional establishment, the whole charges including pay and allowances, clothing charge, leave salary and pension contribution (LS&PC), travelling allowance (TA) and rent shall be charged and credited to the Government.

Test check of the records of two DPOs (Idukki and Malappuram) and CPC, Thiruvananthapuram revealed that police guard was provided to three institutions namely, the Union Bank of India, Calicut Airport and Trivandrum International Airport without recovering the cost of police deployed. Though these institutions had deferred/disallowed certain portion of the cost of police deployed aggregating Rs. 54.87 lakh from the bill of cost, no further action was taken to realise these amounts from the beneficiaries as mentioned below.

(Rupees in lakh)

Name of the institution	Period of demand	Amount demanded / Date of demand	Amount disallowed	Remarks
AAI-Trivandrum International Airport	12/99 to 7/02	317.82 / 04.03.05	25.03	Deferred the payment of TA, festival allowance and uniform allowance on the ground that specific guidelines for their reimbursement were awaited from the AAI.
Union Bank of India (UBI), Vandanmedu, Iddukki	1/02 to 10/05	31.16 / 22.12.04 to 31.12.05	3.90	Deferred the reimbursement of LS&PC without any specific reason.
AAI-Calicut Airport	12/98 to 2/ 02	136.84 / 03.08.05	25.94	Disallowed the pension contribution, clothing and supervision charges on the ground that these were not reimbursable under BCAS[12] guidelines.
Total			**54.87**	

After the matter was reported, the Government stated (September 2007) that the case of Trivandrum International Airport was pending with the AAI and in the case of Calicut Airport, the amount was disallowed under BCAS

[12] Bureau of Civil Aviation Security

guidelines. In the case of UBI, it was stated that the reply was pending from the DGP. Further report has not been received (December 2007)

7.4.11.3 Failure to realise cost of police deployed without sanction/ requisition

The Police Department provides police security to central/other state/quasi-Government institutions and private parties on requisition. For providing security on a regular and long term basis, the cost is required to be recovered from the beneficiary as per the provisions of the KSR, i.e., on the basis of gross SS.

The SP, Ernakulam (Rural), provided police security to aviation fuelling station of the Bharat Petroleum Corporation Limited (BPCL) at Nedumbassery Airport from 29 June 1999 to 2 April 2004 on the verbal orders of the DPO, Ernakulam. BPCL declined to pay Rs. 19.77 lakh demanded for the above period in August 2003 and April 2004, on the ground that they had their own security and had not requested for security inside their premises. The DGP, instead of ordering for an enquiry for deployment of police force without requisition and non-reporting of deployed officers at the designated place, requested (November 2004) the Government to withdraw the demand. This serious lapse resulted in loss of revenue of Rs. 19.77 lakh.

After this was pointed out in December 2006, the Government stated (September 2007) that withdrawal of the bill of cost was under its consideration.

7.4.12 Non-reconciliation of remittances into treasury

Under the Kerala Financial Code, Volume I, the departmental sub-controlling officers should reconcile the departmental figures with the treasury figures and obtain the signature of the treasury officer on the statement prepared by them in token of the agreement of their figures with those of the treasury. Kerala Treasury Code, Volume I also stipulates such reconciliation. Police headquarters realises the cost of deployment of police guards by way of demand drafts and credit it to Government account along with other receipts. Motor vehicle fines and penalties and other receipts received by the district offices are remitted by the concerned office in the treasury of their locality.

Police headquarters, Commissionerate of Police, Kozhikode and five DPOs[13] had not conducted reconciliation of remittances. At DPO Kollam, reconciliation was conducted upto April 2005. At DPO Malappuram reconciliation for the period between April 2004 and March 2006 only was conducted. Reconciliation details were wanting at five offices[14].

Audit conducted an independent reconciliation of remittances of DGP office for the years 2004-05 and 2005-06 and found that the following remittances in cash did not figure at the sub treasury, Vellayambalam. Chalans in support of the remittances were also not made available.

[13] DPOs Alapuzha, Idukki, Kottayam , Palakkad and Thiruvananthapuram

[14] Commissionerates of Police Kochi and Thiruvananthapuram and DPOs Ernakulam, Kannur and Pathanamthitta

Sl. No.	Date of remittance	Amount (In rupees)
1.	6 October 2004	57,000
2.	18 November 2004	2,520
3.	18 November 2004	780
4.	20 July 2005	16,389
5.	25 July 2005	20,428
6.	1 August 2005	4,383
Total		**1,01,500**

Such lapse is fraught with the risk of misappropriation of public funds.

The Government stated (September 2007) that instructions had already been issued to all CPCs and SPs to reconcile the figures with treasury and send the report without fail.

7.4.13 Inconsistency in the remittance of motor vehicle fines and penalty

Notification issued in March 2002 under section 200 of the Central Motor Vehicle Act, 1988, empowers officers of or above the rank of sub inspector of traffic branch and local police of the area to compound certain motor vehicles offences specified in the notification. The DGP issued a direction in January 2005 that fines and penalty collected by the Police Department should be remitted to the head of account "0055 Police".

Scrutiny of the records revealed that compounding fee of Rs. 2.78 crore remitted, between 10 January 2005 and 31 March 2006, by four offices[15] was credited by the CPC, Kochi and the DPO, Alappuzha to the head of account "0041 Taxes on Vehicles".

The Government stated (September 2007) that instructions had been issued to all CPs and SPs to remit the receipt to the head of account '0055 Police'.

7.4.14 Conclusion

The review revealed that the department failed to assess cost of police deployment correctly and were not prompt in demanding it from the beneficiary institutions in the absence of a system for cross verification of the cost of police deployed as computed by the DPOs and CPCs with the SS. There was no system for monitoring the receipt of bills of cost. Failure to maintain the DCB register resulted in accumulation of arrears. Internal control mechanism in the department was not effective as is evidenced by the arrears in inspections to be conducted by the internal audit wing and the lack of a manual/code to conduct internal audit.

7.4.15 Summary of recommendations

The Government may consider implementation of the following recommendations for rectifying the system and compliance issues :

- prescribing a system for linking of information at the level of CPCs to check short demand of the cost of police deployed;

[15] DPOs Alappuzha and Thiruvananthapuram and Commissionerates of Police Kochi and Thiruvananthapuram

- prescribing a system to monitor the receipts of bills so that the cost of police deployed is realised in full promptly;
- ensuring that the DCB register is maintained for monitoring and realisation of arrears;
- imparting proper training to internal audit staff and adherence to the time schedule prescribed for conducting internal audit; and
- prescribing specific time limit for payment of cost of police guard and making provision for levy of interest in case of belated payment, to avoid blocking of revenue and loss of interest.

Thiruvananthapuram, **(JAYANTA CHATTERJEE)**
The **Principal Accountant General (Audit), Kerala**

Countersigned

New Delhi, **(VINOD RAI)**
The **Comptroller and Auditor General of India**