

CIRCULAR NO. 8/98

Sub-- n.vs. - Delay in crediting Demand Drafts to Government account --
realisation of interest - req.

Ref:- 1. Circular No.4/94 dated 3.4.94.
2. Government Letter No.37682/B2/97/Fin. Dated 26.2.1998.

In a good number of Local Audit Reports related to the Regional Transport and Sub Regional Transport Offices, the audit objection captioned "Non-demand of interest for delay in crediting Demand Drafts to Government Account", is noticed. The observation of the audit is that due to the delay in crediting the Demand Drafts to Government Account, Government is losing huge amount by way of interest.

In a meeting convened on 16.11.93 by the Commissioner and Secretary to Government, Public Works and Transport Department, with the Officers of the Motor Vehicles Department and the Convener, State Level Co-ordination Committee of Bankers, it was decided to issue notices to the banks demanding interest for the delayed crediting of Demand Drafts to Government Account. Despite specific instructions the bankers have not responded favourably to the demands made by the Taxation Officers concerned to avoid delay in crediting the Demand Drafts, the matter was again taken up with the Government. Now Government in their letter second cited, have directed to demand interest @ 12% per annum, for delayed crediting of Demand Drafts to Government Account.

In partial modification of the Circular cited, the Secretary, STA, Kerala, the Regional Transport Officers and the Joint Regional Transport Officers of Sub Regional Transport Offices are requested to list out the delay made by the Banks in the matter in each case, duly verifying the relevant records, demand interest for the period in question at the aforesaid rate and report the result including the details of interest collected, immediately. A period exceeding 10 days may be treated as 'the delay' in the matter.

Receipt of the Circular should be acknowledged.

Sd/-
Transport Commissioner.

To
The Secretary, STA, Kerala.
All Deputy Transport Commissioners
All Regional Transport Officers and
All Joint Regional Transport Officers of
Sub R.T. Offices.

Approved for issue.


Senior Superintendent.

s.d. 22.4.98

TO P.R. TRANSPORT
22.4.98