

CHAPTER V: REVENUE RECEIPTS

5.1 General

Trend of revenue receipts

5.1.1 The tax and non-tax revenue raised by the Government of Tripura during the year 2003-04, the State's share of divisible Union Taxes and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

Table: 1

(Rupees in crore)

| | | 1999-2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 |
|------|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| I. | Revenue raised by the State Government | | | | | |
| | (a) Tax Revenue | 101.74 | 125.58 | 158.50 | 183.09 | 221.47 |
| | (b) Non-Tax Revenue | 76.19 | 94.51 | 97.64 | 98.73 | 167.78 |
| | Total | 177.93 | 220.09 | 256.14 | 281.82 | 389.25 |
| II. | Receipts from Government of India | | | | | |
| | (a) State's share of net proceeds of divisible Union taxes | 529.55 | 236.22 | 232.62 | 249.71 | 320.53 |
| | (b) Grants-in-aid | 730.78 | 1,181.75 | 1,378.62 | 1,348.54 | 1,457.88 |
| | Total | 1,260.33 | 1,417.97 | 1,611.24 | 1,598.25 | 1,778.41 |
| III. | Total receipts of the State Government (I+II) | 1,438.26 | 1,638.06 | 1,867.38 | 1,880.07 | 2,167.66 |
| IV. | Percentage of I to III | 12 | 13 | 14 | 15 | 18 |

Tax Revenue

The details of tax revenue raised during the year 2003-04 along with the figures for the preceding four years are given below:

Table: 2

(Rupees in crore)

| Sl. No. | Heads of revenue | 1999-2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | Percentage of increase (+) or decrease (-) in 2003-04 over 2002-03 |
|---------|--|---------------|---------------|---------------|---------------|---------------|--|
| 1. | Sales Tax | 57.78 | 81.08 | 105.80 | 126.97 | 149.25 | (+) 18 |
| 2. | State Excise | 20.11 | 19.79 | 22.03 | 28.21 | 31.36 | (+) 11 |
| 3. | Other Taxes on Income and Expenditure | 10.56 | 11.21 | 11.59 | 12.17 | 17.28 | (+) 42 |
| 4. | Stamps and Registration Fees | 5.10 | 5.94 | 9.61 | 7.81 | 11.17 | (+) 43 |
| 5. | Taxes on Vehicles | 3.59 | 4.26 | 5.28 | 5.29 | 8.01 | (+) 51 |
| 6. | Other Taxes and Duties on Commodities and Services | 1.19 | 1.22 | 2.71 | 1.16 | 1.46 | (+) 26 |
| 7. | Land Revenue | 2.57 | 1.82 | 1.14 | 1.31 | 2.61 | (+) 99 |
| 8. | Taxes on Agricultural Income | 0.78 | 0.25 | 0.13 | 0.01 | 0.30 | (+) 2900 |
| 9. | Taxes and Duties on Electricity | 0.06 | 0.01 | 0.21 | 0.01 | 0.01 | - |
| 10. | Others | - | - | - | 0.15 | 0.02 | (-) 87 |
| | Total | 101.74 | 125.58 | 158.50 | 183.09 | 221.47 | (+) 21 |

Non-tax Revenue

The details of the major non-tax revenue raised during the year 2003-04 along with the figures for the preceding four years are given below:

Table: 3

| <i>(Rupees in crore)</i> | | | | | | | |
|--------------------------|------------------------------------|--------------|--------------|--------------|--------------|---------------|--|
| Sl. No. | Heads of revenue | 1999-2000 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | Percentage of increase (+) or decrease (-) in 2003-04 over 2002-03 |
| 1. | Power | 33.93 | 35.35 | 46.20 | 59.68 | 121.78 | (+) 104 |
| 2. | Forestry and Wildlife | 2.44 | 7.60 | 4.53 | 4.09 | 14.70 | (+) 259 |
| 3. | Education, Sports, Art and Culture | 0.26 | 0.71 | 4.35 | 1.10 | 1.28 | (+) 16 |
| 4. | Crop Husbandry | 1.21 | 1.43 | 1.46 | 0.84 | 1.08 | (+) 29 |
| 5. | Other Administrative Services | 2.67 | 1.04 | 1.02 | 1.16 | 1.27 | (+) 9 |
| 6. | Water Supply and Sanitation | 5.08 | 1.21 | 6.06 | 0.88 | 1.95 | (+) 122 |
| 7. | Police | 4.29 | 2.32 | 4.19 | 2.99 | 5.13 | (+) 72 |
| 8. | Interest Receipts | 11.62 | 18.49 | 3.58 | 5.83 | 3.67 | (-) 37 |
| 9. | Stationery and Printing | 1.75 | 1.42 | 1.18 | 0.69 | 0.99 | (+) 43 |
| 10. | Animal Husbandry | 0.43 | 0.60 | 0.92 | 0.75 | 0.93 | (+) 24 |
| 11. | Industries | 4.09 | 5.51 | 6.27 | 6.04 | 5.61 | (-) 7 |
| 12. | Public Works | 0.64 | 0.94 | 1.31 | 1.41 | 2.11 | (+) 50 |
| 13. | Village and Small Industries | 0.17 | 0.50 | 0.33 | 0.09 | 0.12 | (+) 33 |
| 14. | Fisheries | 0.33 | 0.45 | 0.33 | 0.43 | 0.53 | (+) 23 |
| 15. | Other Rural Development Programmes | 1.55 | 0.23 | 0.13 | 0.12 | 0.22 | (+) 83 |
| 16. | Others | 5.73 | 16.71 | 15.78 | 12.63 | 6.41 | (-) 49 |
| | Total | 76.19 | 94.51 | 97.64 | 98.73 | 167.78 | (+) 70 |

While the prescribed per annum growth rate of tax revenue was recommended as 14.40 per cent by the Eleventh Finance Commission, the actual growth rate registered was 21.53 per cent on an average during 2001-2004.

Variations between budget estimates and actuals

5.1.2 The variations between the budget estimates and actuals of revenue receipts for the year 2003-04 in respect of the principal heads of tax and non-tax revenue are given below:

Table: 4

| <i>(Rupees in crore)</i> | | | | | |
|--------------------------|---------------------------------------|------------------|---------|-------------------------------------|---|
| TAX REVENUE | | | | | |
| Sl. No. | Heads of revenue | Budget estimates | Actuals | Variation: increase(+)/ decrease(-) | Percentage of variation over budget estimates |
| 1. | Sales Tax | 118.00 | 149.25 | 31.25 | (+) 26 |
| 2. | State Excise | 28.60 | 31.36 | 2.76 | (+) 10 |
| 3. | Stamps and Registration Fees | 11.09 | 11.17 | 0.08 | (+) 1 |
| 4. | Taxes on Vehicles | 6.09 | 8.01 | 1.92 | (+) 32 |
| 5. | Land Revenue | 1.38 | 2.61 | 1.23 | (+) 89 |
| 6. | Taxes on Agricultural Income | 0.16 | 0.30 | 0.14 | (+) 88 |
| 7. | Taxes and Duties on Electricity | 0.21 | 0.01 | (-) 0.20 | (-) 95 |
| 8. | Other Taxes on Income and Expenditure | 15.40 | 17.28 | 1.88 | (+) 12 |

Table: 5

(Rupees in crore)

| NON-TAX REVENUE | | | | | |
|-----------------|------------------------------------|------------------|---------|--------------------------------------|-------------------------|
| Sl. No. | Heads of revenue | Budget estimates | Actuals | Variation: Increase (+)/decrease (-) | Percentage of variation |
| 1. | Power | 77.09 | 121.78 | 44.69 | (+) 58 |
| 2. | Forestry and Wildlife | 7.22 | 14.70 | 7.48 | (+) 104 |
| 3. | Crop Husbandry | 1.66 | 1.08 | (-) 0.58 | (-) 35 |
| 4. | Other Administrative Services | 0.70 | 1.27 | 0.57 | (+) 81 |
| 5. | Interest Receipts | 4.89 | 3.67 | (-) 1.22 | (-) 25 |
| 6. | Stationery and Printing | 0.68 | 0.99 | 0.31 | (+) 46 |
| 7. | Public Works | 1.10 | 2.11 | 1.01 | (+) 92 |
| 8. | Animal Husbandry | 1.02 | 0.93 | (-) 0.09 | (-) 9 |
| 9. | Fisheries | 0.33 | 0.53 | 0.20 | (+) 61 |
| 10. | Other Rural Development Programmes | 0.02 | 0.22 | 0.20 | (-) 1000 |
| 11. | Industries | 6.62 | 5.61 | (-) 1.01 | (-) 15 |
| 12. | Water Supply and Sanitation | 0.35 | 1.95 | 1.60 | (+) 457 |
| 13. | Education, Sports, Art and Culture | 0.25 | 1.28 | 1.03 | (+) 412 |
| 14. | Police | 4.41 | 5.13 | 0.72 | (+) 16 |
| 15. | Village and Small Industries | 0.03 | 0.12 | 0.09 | (+) 300 |

The reasons for variation in respect of heads of revenue where variations were substantial have not been received from the concerned departments (September 2004) though called for.

Analysis of collection

5.1.3 Break-up of total collection at pre-assessment stage and after regular assessment of Sales Tax and other taxes for the year 2003-04 and the corresponding figures for the preceding two years as furnished by the Department are as follows:

Table: 6

(Rupees in lakh)

| Heads of revenue | Year | Amount collected at pre-assessment stage | Amount collected after regular assessment (additional demand) | Penalties for delay in payment of taxes and duties | Amount refunded | Net collection | Percentage of column 3 to 7 |
|---|---------|--|---|--|-----------------|----------------|-----------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Finance Department | | | | | | | |
| 1. Sales Tax | 2003-04 | 14,693.51 | 84.06 | 1.14 | 4.97 | 14,773.74 | 99.46 |
| 2. State Excise | 2003-04 | 3,135.27 | - | - | - | 3,135.27 | 100 |
| 3. Other Taxes on Income and Expenditure | 2003-04 | 1,657.57 | - | - | - | 1,657.57 | 100 |
| 4. Taxes and Duties on Commodities and Services | 2003-04 | 123.09 | - | - | - | 123.09 | 100 |
| 5. Taxes on Agricultural Income | 2003-04 | 33.96 | - | - | - | 33.96 | 100 |

During 2003-04, under Sales Tax, percentage of collection at pre-assessment stage was 99.46.

Cost of collection

5.1.4 The gross collection in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collection during the years 2001-02, 2002-03 and 2003-04 along with relevant all India average percentage of expenditure on collection to gross collection for 2001-04 are given below:

Table: 7

(Rupees in crore)

| Heads of revenue | Year | Gross collection | Expenditure on collection | Percentage of expenditure to gross collection | All India average percentage of expenditure to gross collection |
|---------------------------------|---------|------------------|---------------------------|---|---|
| 1. Sales Tax | 2001-02 | 105.80 | 1.24 | 1.17 | |
| | 2002-03 | 126.97 | 2.05 | 1.61 | 1.18 |
| | 2003-04 | 149.25 | 1.86 | 1.25 | |
| 2. State Excise | 2001-02 | 22.03 | 0.57 | 2.59 | |
| | 2002-03 | 28.21 | 0.51 | 1.81 | 2.92 |
| | 2003-04 | 31.36 | 0.46 | 1.47 | |
| 3. Stamps and Registration Fees | 2001-02 | 9.61 | 1.01 | 10.51 | |
| | 2002-03 | 7.81 | 1.01 | 12.93 | 3.46 |
| | 2003-04 | 11.17 | 0.94 | 8.42 | |
| 4. Taxes on Vehicles | 2001-02 | 5.28 | 0.66 | 12.50 | |
| | 2002-03 | 5.29 | 0.51 | 9.64 | 2.86 |
| | 2003-04 | 8.01 | 0.57 | 7.12 | |

It is thus observed that expenditure on collection under Sales Tax, Stamp Duty and Registration Fees, Taxes on Vehicles was higher than All India average.

Collection of Sales Tax per assessee

5.1.5 The following table shows collection of Sales Tax per assessee for the five years ending 2003-04:

Table: 8

| Year | Number of assessee | Sales Tax revenue (Rupees in crore) | Revenue per assessee (Rupees in lakh) |
|--------------------------|--------------------|--|--|
| 1999-2000 | 4,827 | 57.78 | 1.20 |
| 2000-01 | 5,429 | 81.08 | 1.49 |
| 2001-02 | 5,731 | 105.80 | 1.85 |
| 2002-03 | 6,062 | 126.97 | 2.09 |
| 2003-04 (Provisional) | 6,225 | 147.74 | 2.37 |

Arrears of revenue

5.1.6 The arrears of revenue as on 31 March 2004 in respect of some principal heads of revenue amounted to Rs. 13.23 crore of which Rs. 0.71 crore were outstanding for more than five years as detailed in the following table:

Table: 9

(Rupees in crore)

| Sl No. | Heads of revenue | Amount outstanding as on 31 March 2004 | Amount outstanding for more than 5 years as on 31 March 2004 |
|--------|---------------------------------------|--|--|
| 1. | Sales Tax | 12.69 | 0.71 |
| 2. | Other Taxes on Income and Expenditure | 0.24 | - |
| 3. | Taxes on Agricultural Income | 0.30 | - |
| | Total | 13.23 | 0.71 |

Arrears in assessment

5.1.7 The details of cases pending assessment at the beginning of the year 2003-04, cases becoming due for assessment during the year, cases disposed of during the year and number of cases pending finalisation at the end of the year 2003-04 according to information furnished by the Department, are as follows:

Table: 10

(Cases in number)

| Name of tax | Opening balance | New cases due for assessment during 2003-04 | Total assessments due | Cases disposed of during 2003-04 | Balance at the end of the year 2003-04 | Percentage of Column 5 to 3 |
|------------------------------|-----------------|---|-----------------------|----------------------------------|--|-----------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Finance Department | | | | | | |
| Sales Tax | 22,718 | 6,738 | 29,456 | 4,627 | 24,829 | 68.67 |
| Taxes on Agricultural Income | 226 | 19 | 245 | NIL | 245 | NIL |

Evasion of tax

5.1.8 The details of cases of evasion of tax detected by the Department, cases finalised and the demands for additional tax raised as reported by the Department are given below:

Table: 11

| Sl. No. | Name of tax/duty | Cases pending as on 31 March 2003 | Cases detected during 2003-04 | Total | No. of cases in which assessments/ investigations completed and additional demand including penalty etc., raised | | No. of cases pending finalisation as on 31 March 2004 |
|---------|------------------|-----------------------------------|-------------------------------|-------|--|-----------------------------------|---|
| | | | | | No. of cases | Amount <i>(Rupees in lakh)</i> | |
| 1. | Sales Tax | 18 | 28 | 46 | 31 | 14.16 | 15 |

Write-off and waiver of revenue

5.1.9 During the year 2003-04, there was no case of write-off and waiver of revenue as informed by the Department.

Refunds

5.1.10 The number of refund cases pending at the beginning of the year 2003-04, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2003-04, as reported by the Department are given below:

Table: 12

(Rupees in lakh)

| Sl. No. | Position of refund cases | Sales Tax | |
|---------|---|--------------|--------|
| | | No. of cases | Amount |
| 1. | claims outstanding at the beginning of the year | 2 | 28.82 |
| 2. | claims received during the year | 4 | 4.87 |
| 3. | refunds made during the year | 6 | 33.69 |
| 4. | balance outstanding at the end of the year | Nil | Nil |

Results of audit

5.1.11 Test check of records of Sales Tax, Land Revenue, State Excise, Motor Vehicles Tax, Stamps and Registration Fees, Electricity Duty, Other Tax Receipts, Forest Receipts and other Non-tax Receipts conducted during the year 2003-04 revealed under-assessment / short levy / loss of revenue amounting to Rs. 13.72 crore in 151 cases.

This Chapter contains six paragraphs (including one long para), relating to loss of revenue, short realisation / non-realisation of revenue etc involving Rs. 7.26 crore. The Department/ Government has accepted audit observations involving Rs. 1.68 crore of which Rs. 15.01 lakh had been recovered upto August 2004. No reply has been received from the Government in three cases.

Departmental Audit Committee Meetings

5.1.12 No meeting of Audit Committee was held during 2003-04.

Response of departments to draft audit paragraphs

5.1.13 Draft paragraphs were forwarded to the Secretary of the administrative departments concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks from the date of receipt by them. It was, however, observed that seven draft paragraphs were forwarded to the various departments during March-May 2004, but replies in respect of three draft paragraphs have not been received as of September 2004.

Internal audit

5.1.14 The Finance (Excise and Taxation) Department had not yet built up any internal audit system for auditing revenue receipts of the State Government (September 2004).

Follow up of Audit Reports – summarised position

5.1.15 Ten reviews and 109 audit paragraphs had featured in Audit Reports 1988-89 to 2002-03. Out of 10 reviews, six reviews were discussed by the PAC leaving a balance of four, and out of 109 paragraphs featured during the same period 41 paragraphs were discussed by the PAC leaving a balance of 68 at the end of September 2004. As of September 2004, against four reviews and 68 paragraphs remaining to be discussed, 46 action taken notes (ATNs) against three reviews and 43 paragraphs were received. On the other hand, against six reviews and 41 paragraphs already discussed in the PAC, only 11 ATNs (two against the reviews and nine against the paragraphs) on the recommendations of the PAC were received.

SECTION – A

FOREST DEPARTMENT

5.2 Loss of revenue

Scrutiny of records in the office of the Principal Chief Conservator of Forest, eight Divisional Forest Officers (Bagafa, Gomti, Kailashahar, Kanchanpur, Manu, Sadar, Teliamura, Udaipur) and Trishna Wild Life Warden revealed the following:

Loss of revenue due to illegal felling of trees

5.2.1 Approval for diversion of forest land measuring 54.08 hectare in Jirania-Chakmaghat sector and 77 hectare in Chakmaghat-Mungiabari sector for construction of railway line from Kumarghat to Agartala was conveyed by the Ministry of Environment and Forests, Government of India, in October 2000 and February 2002 respectively. It was stipulated that the tree felling should be done only in deserving cases with the prior permission of the concerned Divisional Forest Officer, who shall recover the felled materials and bring it to Government depot at the cost of user agency.

Scrutiny of the records of the Teliamura Forest Division revealed (November 2002) that without taking any permission from the concerned Forest Division the North-East Frontier (NEF) Railway unauthorisedly felled all the trees falling in the proposed alignment though the land was not formally handed over to them by Forest Department. Further scrutiny revealed that with the commencement of earthwork on the railway line all the trees so felled were buried under deep soil, making them irretrievable. The Division detected the offence (January 2002) but failed to prefer claim for Rs. 26.39 lakh against the NEF Railway, being assessed royalty of lost timber.

Thus, lack of proper vigil over the forest land and properties led to the destruction of forest resources and consequent loss of forest property valuing Rs. 26.39 lakh.

After this was pointed out in audit, the department preferred claim of Rs. 26.39 lakh against the NEF Railway in June 2003. Position of recovery was awaited (September 2004).

Government while accepting the facts stated (August 2004) that the matter was being pursued vigorously with the user agency.

Loss of revenue due to non-recovery of timber from felling site

5.2.2 In accordance with the provision of the Indian Forest Act, 1927 whenever an offence is detected and the offender is not found, the forest produce is required to be seized and carried to the nearest field depot for disposal. The field officer in whose jurisdiction the seizure takes place is responsible for the safe custody of the produce so seized till the produce is finally disposed of.

Scrutiny of the records of two Forest Divisions (Kailashahar and Udaipur) disclosed that out of 6,426.330 cubic metre (cum) timber intercepted and seized during the period between April 1999 and March 2004, only 4,323.615 cum timber was recovered from the site, 1,966.489 cum timber valued at Rs. 1.02 crore had been removed by the miscreants and 136.226 cum timber valued at Rs. 8.18 lakh had been damaged as it was not transported to field depot by the department.

Government stated (August 2004) that the removal was done by miscreants even before the felled trees could be taken into possession, while the damages were due to unscientific way of felling of trees by them. The reply further stated that such losses could not be avoided in case of illicit felling. Government, however, remained silent on measures taken to contain illicit felling and consequent losses of revenue.

Loss of revenue due to theft of timber from custody/depot

5.2.3 Timber obtained from departmental operation and/or seizure from illicit felling etc are transported to the nearest departmental custody or the depots for disposal through permit/tender etc.

Scrutiny of records of three Forest Divisions disclosed (April-May 2004) that 547.117 cum[♦] timber valued at Rs. 12.16 lakh had been missing from the departmental custody during the last five years from April 1999 to March 2004. Further scrutiny disclosed that the department did not create necessary infrastructure even in the designated sales depots for safe storage of timber. None of the depots were either protected by concrete boundaries or provided with adequate round the clock watch and ward staff. As a result, timber brought to sales depot / field depot were lying in the open, vulnerable to theft.

Thus, inadequate infrastructure in the depots located mainly in various Range / Beat office premises resulted in frequent theft of timber and consequent loss of forest revenue.

Government to whom the matter was reported (June 2004) stated (August 2004) that action was being initiated to write off the losses. The reply was, however, silent about steps taken to curb cases of theft of timber while in departmental custody.

Loss due to missing logs

5.2.4 Scrutiny of the stock register of timber of Manu Range under Manu Forest Division revealed that Range Officer, Manu while handing over charge (December 2003) did not include 145 logs (seized between 1995-96 and 2002-03), 56 pieces of sawn timber and 13 posts having a total volume of 45.767 cum in his handing over memo though these were neither sold nor reported missing/damaged.

| | |
|---------------|--------------------|
| ♦ Bagafa – | 381.819 cum |
| Kailashahar – | 145.533 cum |
| Manu - | <u>19.765 cum</u> |
| Total: | 547.117 cum |

After this was pointed out, the incumbent Range Officer stated (April 2004) that he had no stock of timber in the Range custody other than those mentioned in the handing over memo. Thus missing of timber logs/posts led to a revenue loss of Rs. 2.15 lakh.

Government to whom the matter was reported (June 2004) stated (August 2004) that the case was being inquired into for taking further necessary action. Further reply was awaited (September 2004).

SECTION – B FINANCE (EXCISE AND TAXATION) DEPARTMENT

5.3 Short realisation of excise duty

Consequent upon upward revision of rate retrospectively the excise duty of Rs. 3.25 lakh remained unrealised.

By notification dated 11 August 2003 the Government enhanced the excise duty on India Made Foreign Liquor (IMFL) from Rs. 120 per LPL[♦] to Rs. 130 per LPL with effect from 1 August 2003.

Test-check of records of the Collector of Excise, North Tripura, Kailashahar, and of Kumarghat bonded warehouse functioning under the jurisdiction of the Collector of Excise, North Tripura, revealed that 16 retailers lifted 32,535 LPL of IMFL from the bonded warehouse during the period from 2 August 2003 to 11 August 2003 against 19 permits issued by three Collectors of Excise and paid Rs.39.04 lakh towards excise duty at the pre-revised rate instead of Rs. 42.29 lakh at the enhanced rate applicable from 1 August 2003. This resulted in short realisation of excise duty of Rs. 3.25 lakh.

The matter was reported to the Government in April 2004; reply had not been received (September 2004).

5.4 Non-realisation of annual literage fee

The Collector of Excise, South Tripura District, did not realise annual literage fee of Rs. 11.87 lakh.

In terms of Government of Tripura, Finance Department notification dated 1 April 2002, the retailers of IMFL and beer, shall pay annual literage fee^{*} on the assessable quantity of IMFL and beer sold during the previous twelve months at the rates shown below:

- a) IMFL – Rs. 4 per LPL[♁]
- b) Beer – Rs. 2 per BL[♁]

Test check of records of the Collector of Excise, South Tripura, Udaipur, revealed in May-June 2003 that 19 retailers during the period from April 2002 to March 2003, sold 1.82 lakh LPL of IMFL and 2.29 lakh BL of beer and the literage fee of Rs. 11.87 lakh was recoverable from them. Neither the Collector of Excise fixed the fee on the assessable quantity of IMFL/beer nor did the retailers deposit the fee (which became due in April 2003) into Government account. This indicates lack of initiative in timely realisation of Government dues.

[♦] London Proof Litre; London proof is a specific measure of the absolute alcohol content of a distilled liquor, which is a mixture of alcohol and water.

^{*} Literage fee is payable by all retailers of IMFL in addition to the excise duty.

[♁] LPL: London proof litre

[♁] BL: Bulk litre

The Government to whom the matter was reported in June 2004, stated (July 2004) that it had, meanwhile, realised Rs. 11.42 lakh and had taken initiative to realise the balance amount (Rs. 0.45 lakh). Further reply was awaited (September 2004).

FOREST DEPARTMENT

5.5 Non-levy of sales tax on forest royalty

Three Divisional Forest Officers did not levy sales tax of Rs. 2.47 lakh on forest royalty for bamboo.

The Tripura Sales Tax (Ninth Amendment) Act, 2000, effective from 29 July 2000, provides for levy of sales tax at the rate of eight *per cent* on the sale of bamboo.

During test-check of records of three[♦] DFOs, between November 2002 to December 2003, it was noticed that Rs. 30.83 lakh was realised as royalty on sale of bamboo during the period from July 2000 to April 2002 but sales tax of Rs. 2.47 lakh was not realized on the above royalty. Thus, due to non-levy of the sales tax according to the provisions of the Act, the Government sustained a loss of revenue of Rs. 2.47 lakh.

The matter was reported to the Government in April 2004, reply had not been received (September 2004).

TRANSPORT DEPARTMENT

5.6 Loss of revenue due to non-imposition of fine at prescribed rate

Non-imposition of fine on the owners of the vehicles carrying load in excess of permissible limit resulted in loss of revenue of Rs. 5.50 crore.

According to the Motor Vehicles Act, 1988 and notification issued by the Government of Tripura in November 1999, the carriage of goods by motor vehicles beyond the permissible limit shall be punishable with a minimum fine of Rs. 2000 and an additional fine of Rs. 1000 per tonne of excess load together with the charges for off-loading of the excess load. The Government of Tripura by notification dated 1 September 1991 restricted plying of any public carrier goods vehicle within the State, the laden weight^{*} of which exceeded 15.5 tonnes.

Test-check of records of motor vehicles check gate at Churaibari under the jurisdiction of District Transport Officer (DTO), North Tripura, Kailashahar, revealed in August 2003 that out of 62,688 vehicles checked during the period

[♦] Bagafa, Sadar Division and Teliamura Division.

^{*} The body weight *plus* the weight of goods together constitutes the laden weight of a vehicle.

from April 2000 to July 2003, 39,643 vehicles were identified as overloaded for carriage of goods beyond the permissible limit and Rs. 2.43 crore was realised as fine instead of minimum amount of Rs. 7.93 crore[^].

Thus, non-imposition of penalty at the prescribed rate at the check gate and failure of the department to enforce effective internal control over the collection of revenue, resulted in loss of revenue of Rs. 5.50 crore.

The matter was reported to the Government in April 2004; reply had not been received (September 2004).

5.7 Non-realisation of revenue

Failure to credit bank drafts in Government account and not initiating timely action in revalidating or having fresh bank drafts received under National Permit Scheme led to non-realisation of Rs. 7.93 lakh towards revenue.

Under the National Permit Scheme, the owners of public carriers registered in other States are authorised to ply in the State of Tripura by remitting a composite fee of Rs. 3000 in lump sum in advance or in two instalments each year by bank drafts to the State Transport Authority (STA), Tripura, through their respective STAs. Financial rules provide that bank drafts so received on account of revenue of the Government shall without delay be remitted into the Treasury / Bank for credit to the Government account.

Test-check of records of the office of the Deputy Transport Commissioner (DTC), Tripura, Agartala revealed in March 2003 that the DTC received 363 bank drafts for Rs. 7.93 lakh received between September 1999 and February 2002 from STAs of other States towards composite fees. Of these, 212 bank drafts valued at Rs. 5 lakh were sent to STAs of other States for revalidation, four bank drafts valued at Rs. 0.06 lakh were dishonoured due to improper issue and 147 time expired drafts of Rs. 2.87 lakh were not sent to the respective STAs to arrange for fresh bank drafts in lieu of these as of March 2003.

The Government to whom the matter was reported in June 2004 stated (August 2004) that a sum of Rs. 3.59 lakh had been realised through revalidation of bank drafts and was constantly pursuing to realise the balance amount. Further reply was awaited (September 2004).

[^] 39,643 vehicles @ Rs. 2000 per vehicle.