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**REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2007

(REVENUE RECEIPTS)

GOVERNMENT OF ASSAM

Audit Report (Revenue Receipts) Government of Assam 2006-2007

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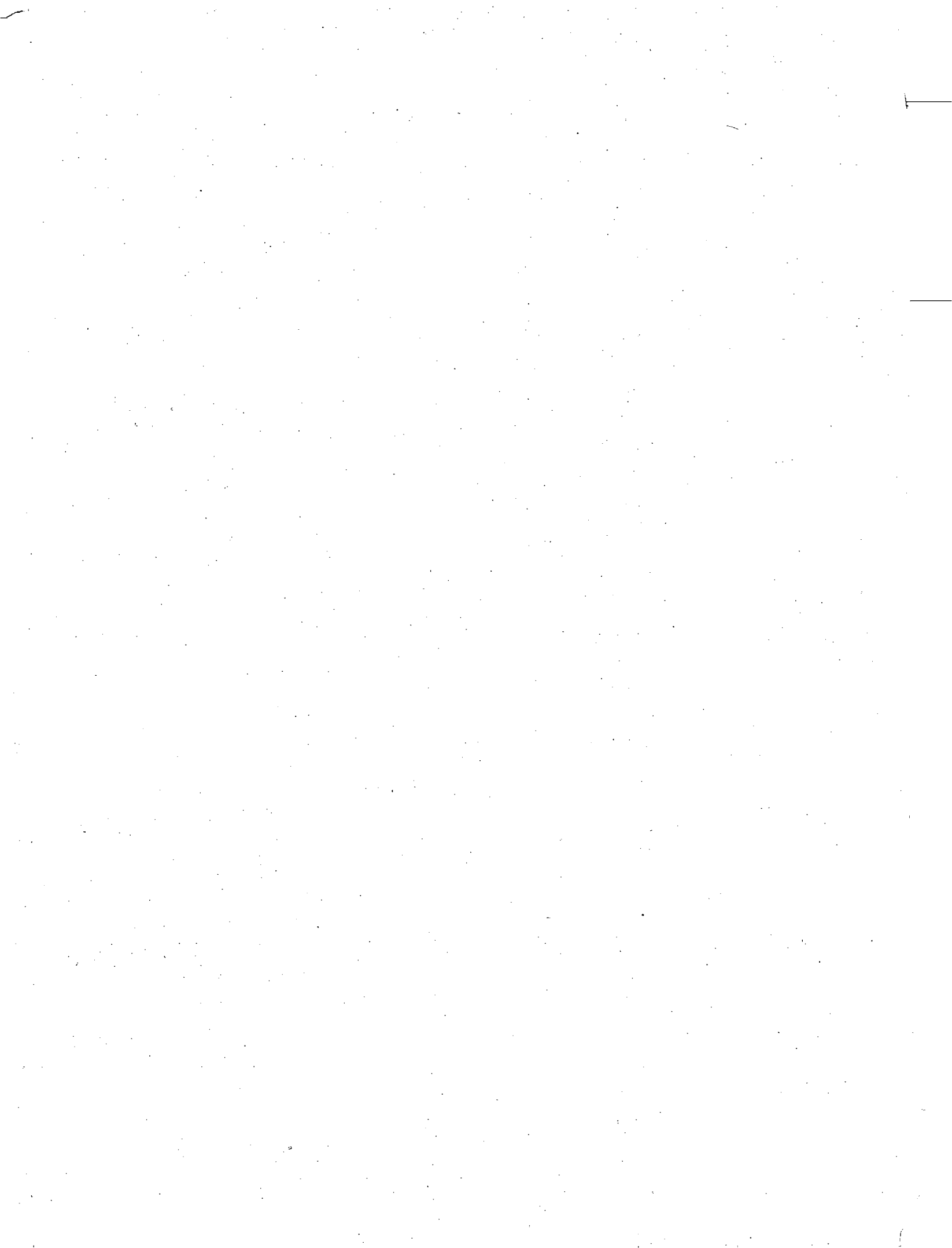


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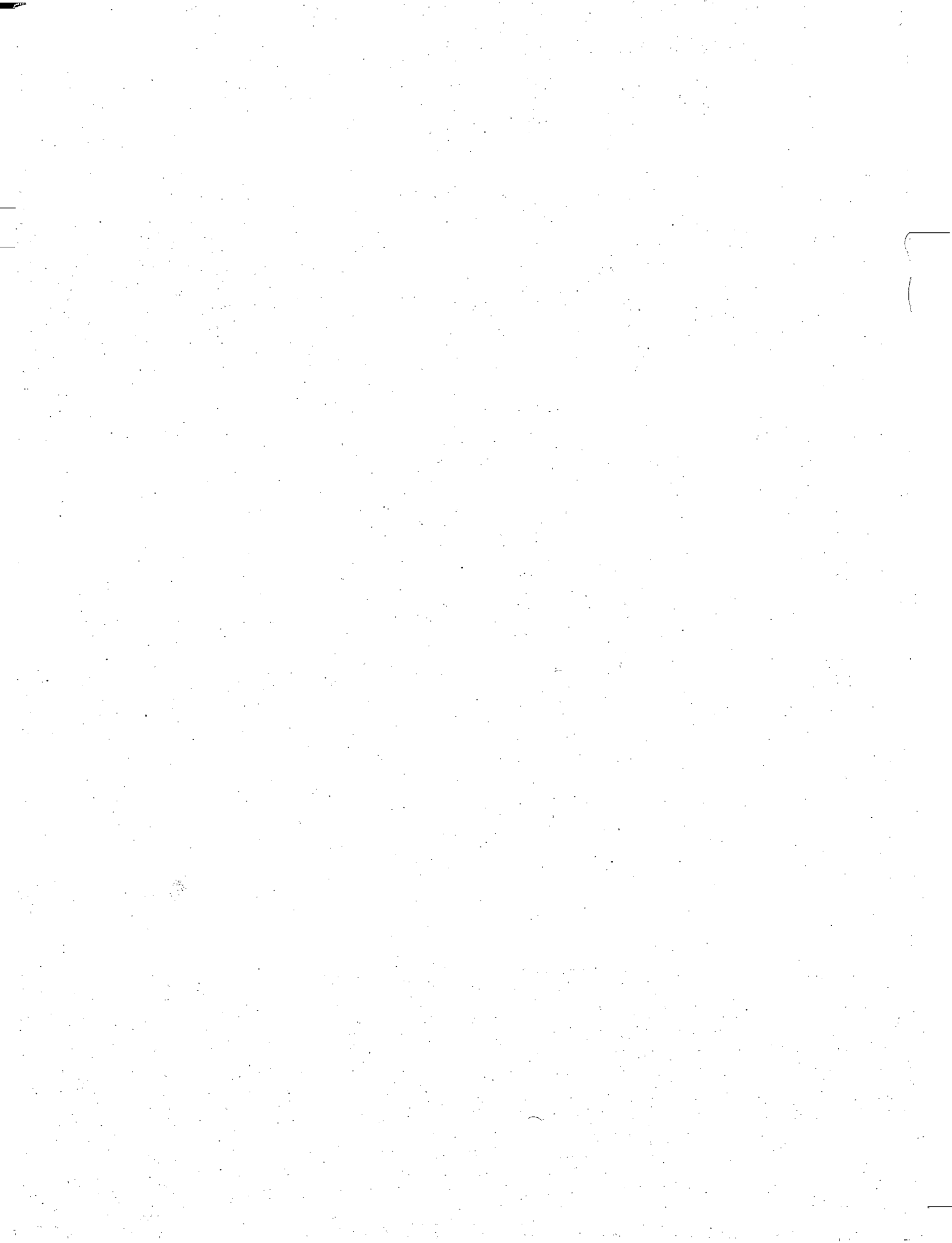
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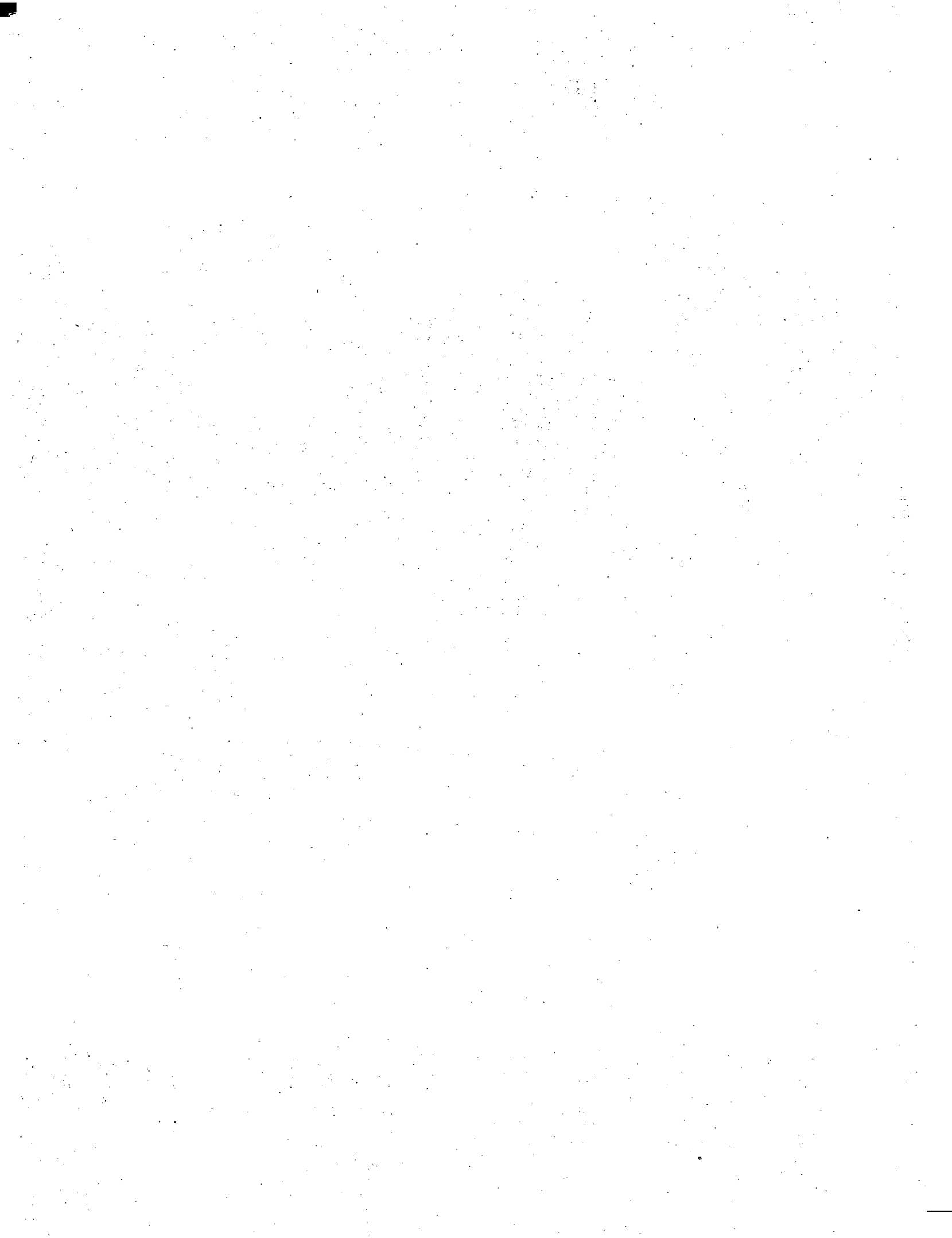


PREFACE

This report for the year ended 31 March 2007 has been prepared for submission to the Governor under Article 151(2) of the Constitution of India.

The audit of revenue receipts of the State Government is conducted under Section 16 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. This report presents the results of audit of receipts comprising sales tax, state excise, other tax and non tax receipts of the State.

The cases mentioned in this report are among those, which came to notice in the course of test audit of records during the year 2006-07 as well as those which came to notice in earlier years but could not be included in previous reports.



OVERVIEW

This Report contains 34 paragraphs including one review relating to non/short levy of taxes, fees, interest and penalty etc. involving Rs. 186.03 crore. Some of the major findings are mentioned below:

I. GENERAL

- Total receipts of the State during 2006-07 amounted to Rs. 13,666.95 crore of which revenue raised by the State Government was Rs. 5,342.59 crore. The revenue raised by the State Government constituted 39 *per cent* of the total receipts of the State.

(Paragraph 1.1)

- The arrears of revenue as on 31 March 2007 in respect of some principal heads of revenue amounted to Rs. 755.18 crore of which Rs. 183.12 crore were outstanding for more than five years.

(Paragraph 1.4)

- In respect of taxes administered by the Finance Department, such as sales tax and other taxes, 72,846 assessments were completed during 2006-07 leaving balance of 78,787 cases pending for assessments as on 31 March 2007.

(Paragraph 1.5)

- Test check of records of sales tax, taxes on vehicles, state excise, forest receipts, other tax and non tax receipts conducted during the year 2006-07 revealed under assessment/short levy/short demand and loss of revenue amounting to Rs. 274.45 crore in 2,831 cases. The concerned departments accepted under assessment, short levy etc. of Rs. 2.17 crore pointed out in 2006-07 and earlier years and recovered Rs. 16.94 lakh.

(Paragraph 1.6)

II. SALES TAX

A review on "exemptions and concessions under the Central Sales Tax Act 1956" inter alia revealed the following

- Incorrect grant of concessional rate of tax on sales resulted in short levy of tax of Rs. 2.35 crore including interest.

(Paragraph 2.2.6.1)

- Grant of concessional rate of tax on sales against defective forms resulted in short levy of tax of Rs. 13.49 crore including interest.

(Paragraph 2.2.6.2)

- Incorrect grant of exemption from payment of tax to industrial units resulted in non levy of tax of Rs. 79.35 crore including interest.

(Paragraph 2.2.7)

- Irregular grant of exemption on stock transfer resulted in non levy of tax of Rs. 8.76 crore including interest.

(Paragraph 2.2.10.1)

- Irregular acceptance of declarations in form F covering transaction for more than one calendar month resulted in non levy of tax of Rs. 9.42 crore including interest.

(Paragraph 2.2.10.2)

- Failure of the assessing officer to cross check the turnover with road permit, utilisation statement of C/F forms and the records of Central Excise Department resulted in evasion of tax of Rs. 9.37 crore including interest and penalty.

(Paragraph 2.3.1 & 2.3.2)

- Concealment of turnover resulted in evasion of tax of Rs. 73.05 lakh including interest and penalty.

(Paragraph 2.3.3)

- Excess grant of exemption resulted in short levy of tax of Rs. 2.34 crore including interest.

(Paragraph 2.5)

- Short levy of tax of Rs. 62.70 lakh due to acceptance of invalid forms by the assessing officer.

(Paragraph 2.9)

- Escapement of turnover resulted in short levy of tax of Rs. 96.53 lakh including interest.

(Paragraph 2.10)

- Irregular allowance of taxable goods as tax paid goods resulted in non levy of tax of Rs. 7.02 lakh including interest.

(Paragraph 2.14)

III. STATE EXCISE

- Short lifting of country spirit against permits resulted in non realisation of revenue of Rs. 46.86 lakh.

(Paragraph 3.2)

- Non realisation of profile registration fee of Rs. 19 lakh.

(Paragraph 3.4)

IV. TAXES ON MOTOR VEHICLES

- Failure of the department to review the combined registers and raise demand for payment of taxes on vehicles resulted in non realisation of Rs. 49.77 lakh including fine.

(Paragraph 4.2)

- Non assignment of new registration number to vehicles from other States resulted in non collection of registration fee/fine amounting to Rs. 35.16 lakh.

(Paragraph 4.3)

V. OTHER TAX RECEIPTS

- Incorrect allowance of deduction resulted in short levy of entry tax of Rs. 33 lakh.

(Paragraph 5.2.1)

- Failure to levy and collect stamp duty at revised rates resulted in short realisation of Rs. 6.81 lakh.

(Paragraph 5.7)

VI. FOREST RECEIPTS

- Injudicious decision on sale of forest produce by permit system deprived Government of additional revenue of Rs. 1.66 crore.

(Paragraph 6.2)

- Failure of the department to prevent illegal felling/removal of timber resulted in loss of revenue of Rs. 86.24 lakh.

(Paragraph 6.3.1)

VII. LAND REVENUE

- Failure of the department to augment revenue of Rs. 4.71 crore due to delay in reassessment of land revenue through resettlement operation.

(Paragraph 7.2.2)

- Failure of the assessing authorities to raise demand of land revenue on industrial sites by updation of records and reclassification of land resulted in loss of revenue of Rs. 1.76 crore.

(Paragraph 7.2.3)

- Loss of revenue of Rs. 1.59 crore due to application of lower rates.

(Paragraph 7.2.6)

- Non levy of interest while recovery of arrears of land revenue led to non realisation of Rs. 2.38 crore.

(Paragraph 7.2.12)

- Non conversion of annual lease into periodic lease led to blockage of revenue of Rs. 126.29 crore.

(Paragraph 7.2.13)

CHAPTER – I : GENERAL

I.1 Trend of Revenue Receipts

The tax and non tax revenue raised by the Government of Assam during the year 2006-07, the State's share of divisible Union taxes and grants in aid received from Government of India during the year and the corresponding figures for the preceding four years are given below:

(Rupees in crore)

Sl. no.	Particulars	2002-03	2003-04	2004-05	2005-06	2006-07
I.	Revenue raised by the State Government					
	• Tax revenue	1,934.51	2,070.32	2,713.32	3,232.21	3,483.32
	• Non tax revenue	692.97	945.80	1,070.03	1,459.28	1,859.27
	Total	2,627.48	3,016.12	3,783.35	4,691.49	5,342.59
II.	Receipts from Government of India					
	• State's share of divisible Union taxes	1,814.36	2,162.07	2,584.33	3,056.78 ¹	3,898.99
	• Grants in aid	2,351.50	2,586.91	3,569.59	4,297.12	4,425.37
	Total	4,165.86	4,748.98	6,153.92	7,353.90	8,324.36
III.	Total receipts of the State	6,793.34	7,765.10	9,937.27	12,045.39	13,666.95
IV.	Percentage of I to III	39	39	38	39	39

¹ Note : For details, please see statement No.11 Detailed accounts of revenue by minor heads in the Finance Accounts of Government of Assam for 2006-2007. Figures under the "share of net proceeds assigned to States" under the major heads – "0020-corporation tax", "0021-taxes on income and expenditure", "0028-other taxes on income and expenditure", "0032-taxes on wealth", "0037-customs", "0038-Union excise duties", "0044-service taxes" and "0045-other taxes and duties on commodities and services" booked in the Finance Accounts under 'A-tax revenue' have been excluded from revenue raised by the State Government and included in "States' share of divisible union Taxes" in the above table.

1.1.1 The details of tax revenue raised during the year 2006-07 along with the figures for the preceding four years are given below:

(Rupees in crore)

Sl. no.	Head of revenue	2002-03	2003-04	2004-05	2005-06	2006-07	Percentage of increase (+) or decrease (-) in 2006-07 over 2005-06
1.	Sales tax	1,440.90	1,551.06	2,098.58	2,568.41	2,783.24	(+) 8
2.	State excise	121.67	129.29	144.06	160.40	174.88	(+) 9
3.	Stamps and registration fees	50.00	62.02	72.31	85.88	97.32	(+) 13
4.	Taxes and duties on electricity	12.82	2.73	61.84	13.29	15.89	(+) 20
5.	Taxes on vehicles	116.28	124.00	134.72	155.91	151.15	(-) 3
6.	Taxes on goods and passengers	13.30	16.99	15.88	61.52	70.15	(+) 14
7.	Other taxes on income and expenditure – Tax on professions, trades, callings and employments	81.19	86.75	94.74	99.80	108.36	(+) 9
8.	Other taxes and duties on commodities and services	33.58	32.18	27.66	5.10	5.66	(+) 11
9.	Land revenue	62.12	62.12	58.30	74.65	74.15	(-) 1
10.	Taxes on agricultural income	2.53	3.18	5.22	7.02	2.52	(-)64
11.	Taxes on immovable properties other than agriculture land	0.12	Nil	0.01	0.23	Nil	(-)100
	Total:	1,934.51	2,070.32	2,713.32	3,232.21	3,483.32	(+) 8

Reasons for variation in receipts under the following heads of revenue during 2006-2007 compared to 2005-2006 as intimated by the departments are given below:

State excise : Increase was due to revision of rates of licence fee and introduction of availability fee.

Reasons for variations relating to other heads of revenue, though called for have not been received (October 2007).

1.1.2 The details of the non tax revenue raised during the year 2006-07 along with the figures for the preceding four years are given below:

(Rupees in crore)

Sl. no.	Head of revenue	2002-03	2003-04	2004-05	2005-06	2006-07	Percentage of increase (+) or decrease (-) in 2006-07 over 2005-06
1.	Petroleum	572.83	721.03	885.87	1,216.16	1,385.82	(+) 14
2.	Interest receipts	3.07	5.89	10.06	36.41	167.49	(+) 360
3.	Dairy development	0.22	0.11	0.11	0.04	0.07	(+) 75
4.	Forestry and wild life	23.44	36.76	25.68	38.42	42.99	(+) 12
5.	Non ferrous mining and metallurgical industries	0.98	0.28	0.76	0.43	0.42	(-) 2
6.	Miscellaneous general services	0.13	0.02	Nil	(-)0.16	(-)0.01 ²	(+) 94
7.	Major and medium irrigation project	0.28	0.25	0.26	0.21	0.38	(+) 81
8.	Medical and public health	5.82	4.16	4.77	3.50	5.50	(+) 57
9.	Co-operation	0.24	0.29	0.25	0.38	0.22	(-) 42
10.	Public works	3.15	5.86	4.62	4.17	3.09	(+) 26
11.	Police	9.32	11.95	11.65	14.90	14.91	---
12.	Other administrative services	9.41	9.90	45.05	11.11	9.61	(-) 14
13.	Coal and lignite	8.36	47.65	12.79	15.03	19.71	(+) 31
14.	Roads and bridges	17.63	28.53	20.10	42.00	32.04	(-) 24
15.	Others	38.09	73.12	48.06	76.68	177.03	(+) 131
	Total:	692.97	945.80	1,070.03	1,459.28	1,859.27	(+)27

Reasons for variations under the following heads of revenue during 2006-07 compared to 2005-06 as intimated by the departments are given below:

Petroleum: Increase was due to revision of rates of royalty of crude oil.

Forestry and wildlife: Increase was due to increase in sale of stone and sand of forest mahals for growing development activities.

Coal and lignite : Increase was due to increase in production/despatch of coal.

Reasons for variations relating to other heads of revenue, though called for, have not been received (October 2007).

² Minus is due to refund in excess of receipts during the year. There is no lottery receipt in Assam.

1.2 Variations between budget estimate and actuals

The budget estimates and actuals for 2006-07 and variation thereagainst under various heads of revenue are detailed below:

(Rupees in crore)

Sl. No.	Head of revenue	Budget Estimate	Actuals	Variations increase (+) decrease (-)	Percentage of variation
Tax revenue					
1.	Sales Tax	2,734.71	2,783.24	(+) 48.53	(+) 2
2.	Land revenue	183.07	74.15	(-) 108.92	(-) 59
3.	Taxes on agriculture Income	12.00	2.52	(-) 9.48	(-) 79
4.	Taxes on vehicles	172.63	151.15	(-) 21.48	(-) 12
5.	State excise	184.61	174.88	(-) 9.73	(-) 5
6.	Other taxes on income & expenditure	121.17	108.36	(-) 12.81	(-) 11
7.	Stamps & registration fees	92.65	97.32	(+) 4.67	(+) 5
8.	Taxes on goods & passengers	290.77	70.15	(-) 220.62	(-) 76
9.	Other taxes and duties on commodities and services	8.28	5.66	(-) 2.62	(-) 32
10.	Taxes and duties on electricity	17.99	15.89	(-) 2.10	(-) 12
Non Tax revenue					
1.	Petroleum	1,300.00	1,385.82	(+) 85.82	(+) 7
2.	Forestry & wildlife	29.95	42.99	(+) 13.04	(+) 44
3.	Police	13.59	14.91	(+) 1.32	(+) 10
4.	Other administrative service	12.46	9.61	(-) 2.85	(-) 23
5.	Coal and lignite	14.10	19.71	(+) 5.61	(+) 40
6.	Village and small industries	1.42	6.61	(+) 5.19	(+) 365
7.	Roads & bridges	25.67	32.04	(+) 6.37	(+) 25
8.	Interest receipts	11.30	167.49	(+) 156.19	(+) 1382
9.	Dairy development	0.13	0.07	(-) 0.06	(-) 46
10.	Non ferrous mining & metallurgical industries	0.88	0.42	(-) 0.46	(-) 52
11.	Major and medium irrigation	0.30	0.38	(+) 0.08	(+) 27
12.	Medical & public health	5.56	5.50	(-) 0.06	(-) 1
13.	Co-operation	0.27	0.22	(-) 0.05	(-) 19
14.	Public works	5.38	3.09	(-) 2.29	(-) 43
15.	Education	6.24	122.80	(+) 116.56	(+) 1868

Reasons for variation in budget estimates and actuals under the following heads of revenue as reported by the departments are given below:

Petroleum: Increase was due to revision in royalty rates of crude oil.

Taxes on vehicles: Decrease in collection was due to restriction on overload.

Reasons for substantial variation in respect of remaining heads of revenue, though called for, have not been received (October 2007).

1.3 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collection during 2004-05, 2005-06 and 2006-07 along with the relevant all India average percentage of expenditure as available are mentioned below:

(Rupees in crore)

Sl. No.	Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average cost of collection for the year 2005-06
1.	Sales tax	2004-05	2,098.58	14.70	0.70	0.91
		2005-06	2,568.41	17.32	0.67	
		2006-07	2,783.24	16.78	0.60	
2.	Taxes on vehicles	2004-05	134.72	6.33	4.70	2.67
		2005-06	155.91	6.16	3.95	
		2006-07	151.15	6.94	4.59	

Thus, percentage of expenditure on collection to gross collection was lower than the all India average in case of sales tax while in case of taxes on vehicles it was on the higher side.

1.4 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2007 in respect of some principal heads of revenue amounted to Rs. 755.18 crore of which Rs. 183.12 crore was outstanding for more than five years as mentioned in the following table:

(Rupees in crore)

Sl. No.	Head of Revenue	Amount outstanding as on 31 March 2007	Amount outstanding for more than 5 years as on 31 March 2007	Remarks
1	Sales tax, cess on specified land, other taxes on income & expenditure, professions etc, taxes on agricultural income, other taxes and duties on commodities & services	681.71	159.71	Arrears were due to non-payment of taxes by the Government department, undertakings/assesseees etc. and also due to pending cases under litigation.
2	Forestry and wildlife	7.48	Not furnished	Not furnished
3	Royalty on coal, lignite and limestone	3.85	0.49	The arrears relate to non-payment of royalty on coal and limestone by the Assam Mineral Development Corporation Limited and M/s Vinay Cement Limited.
4	Land revenue	62.14	22.92	The reasons for arrears were : (i) non-partition of revenue pattas/ estates, (ii) yearly flood havoc, (iii) erosion of patta land, (iv) poor agricultural output
Total:		755.18	183.12	

1.5 Arrear in assessments

The position of arrears in assessment of sales tax and other taxes as at the end of the year 2006-2007 are mentioned below:

Head of revenue	Opening balance	New cases for assessment	Total assessment due	Cases disposed of	Balance at the end of the year	Percentage of Col. 5 to 4
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sales Tax & other taxes	35,759	31,241	67,000	36,610	30,390	55
Assam professional & employment tax	41,572	40,734	82,306	35,630	46,676	43
Agricultural income tax	1,432	895	2,327	606	1,721	26
Total	78,763	72,870	1,51,633	72,846	78,787	48

Reasons for assessments not being completed have not been intimated by the department (October 2007).

1.6 Results of Audit

Test check of records of the sales tax, agricultural income tax, taxes on vehicles, state excise, forest receipts, other tax and non tax receipts conducted during the year 2006-07 revealed underassessment/short levy/short demand/loss of revenue amounting to Rs. 274.45 crore in 2,831 cases. The concerned departments accepted under assessment, short levy etc., of Rs. 2.17 crore pointed out in 2006-07 and earlier years and recovered Rs. 16.94 lakh.

This report contains 34 paragraphs including one review relating to non/short levy of taxes, duties, interest and penalty etc. involving Rs. 186.03 crore. The department accepted audit observation involving Rs. 1.70 crore out of which Rs.5.57 lakh has been recovered. Audit observations with a total revenue effect of Rs.45.16 lakh has not been accepted by the departments but their contentions are at variance with facts or legal position. These have been included in the related paragraphs along with suitable rebuttal. No reply has been received in the remaining cases (October 2007).

1.7 Outstanding audit inspection reports and audit observations

Principal Accountant General (Audit) [PAG (Audit)] arranges to conduct periodical inspection of the State Government departments to test check transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up by inspection reports (IRs). When important irregularities, etc., detected during inspection are not settled on the spot, IRs are issued to the heads of offices inspected with a copy to the next higher authorities. The orders of the State Government (March 1986) provide for prompt corrective action. The

heads of offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the PAG (Audit). A half yearly report of pending IRs is sent to the secretaries of the departments to facilitate monitoring of audit observations.

Inspection reports issued upto December 2006 disclosed that 3,697 paragraphs relating to 1,347 IRs remained outstanding at the end of June 2007 as detailed in appendix I. The initial replies, which were required to be received from the head of offices within six weeks from the date of issue, were not received for 599 IRs, issued between April 1994 and June 2007. As a result, serious irregularities commented upon in 1,838 paragraphs involving Rs. 289.03 crore had not been settled as of June 2007.

A review of the IRs which were pending due to non receipt of replies revealed that the heads of offices/departments failed to discharge due responsibility as they did not send any reply to a large number of IRs/paragraphs, indicating their failure to initiate action in regard to the defects, omissions and irregularities pointed out. The commissioners and secretaries of the concerned departments, who were informed of the position through half yearly reports, also failed to ensure that concerned officers of the departments take prompt and timely action.

1.8 Departmental audit committee meetings

As per instructions (May 1994) of the Finance Department, all the departments are required to constitute audit objection committee (AOC) for expeditious disposal of audit observations contained in the IRs. These committees are chaired by designated officer of the concerned administrative department and attended among others by the concerned officers of the State Government and the office of the PAG (Audit), Assam.

In order to expedite clearance of outstanding audit observations, it is necessary that the audit committees meet regularly and ensure that final action is taken on all audit observations outstanding for more than a year, leading to their settlement. During the year 2006-07 three (sales tax, forest and state excise) out of the eight Government departments convened meetings of the audit committee. This indicates that other departments did not make effective use of the machinery created for expeditious settlement of outstanding audit observations.

1.9 Response of the departments to draft audit paragraphs

As per instruction issued (March 1986) by the Finance Department, all the departments are required to furnish replies to the audit objections within two months. The audit office forwards draft paragraphs prepared on the basis of audit objections to the secretaries of the concerned departments through demi official letters drawing their attention to audit findings with the request to send their response within six weeks. The fact of non receipt of replies from the Government is indicated at the end of each paragraph included in the Audit Report.

Draft paragraphs included in the Report of the Comptroller and Auditor General of India (Revenue Receipts) for the year ended 31 March 2007 were forwarded to the secretaries of the departments in April-May 2007 through demi official letters with the request to furnish their replies/comments within six weeks. Out of 34 draft paragraphs/reviews incorporated in this report, replies of the departmental officers in respect of nine draft paragraphs had been received (October 2007). Replies from Government had not been received in any of the cases (October 2007).

1.10 Follow up on Audit Reports – summarised position

As per instruction issued (May 1994) by the Finance Department, all the departments are required to furnish explanatory notes indicating action taken or proposed to be taken and submit action taken note (ATN) to the Assembly secretariat with a copy to the PAG (Audit), Assam, in respect of paragraphs and reviews included in the Audit Reports within 20 days from the date of receipt of the Audit Report.

Audit Report (Revenue Receipts) for the year ended 2006 was laid in the legislative assembly on 26 February 2007. Though the time limit for furnishing ATNs had elapsed, only State Excise Department furnished ATNs in respect of one review featured in the aforesaid Audit Report. Non furnishing of ATNs by other departments was taken up through demi official letters with the Commissioner and Secretary to Government of Assam, Finance Department.

This indicated that there was laxity in ensuring accountability of the executive.

1.11 Recovery of revenue of accepted cases

During the years from 2000-01 to 2005-06, the departments/Government accepted audit observations involving Rs. 75.38 crore of which only Rs. 3 crore had been recovered till March 2007 as mentioned below:

(Rupees in crore)

Year of Audit Report	Total money value	Accepted money value	Recovery made
2000-01	104.66	2.16	0.32
2001-02	43.32	11.77	0.84
2002-03	97.69	51.54	0.34
2003-04	413.82	3.35	0.22
2004-05	71.89	4.93	1.24
2005-06	920.60	1.63	0.04
Total	1,651.98	75.38	3.00

The above table indicates that amount recovered was only four *per cent* of the accepted amount. Recovery of such meagre amount reflects apathy on the part of the departments/Government in promptly recovering government dues.

CHAPTER – II : SALES TAX

2.1 Result of audit

Test check of records of the sales tax offices, conducted during the year 2006-07 revealed turnover escaping assessment, irregular exemptions, non/short levy of interest, under assessment of tax etc amounting to Rs. 218.65 crore in 165 cases which fall under the following categories:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
1.	Turnover escaping assessment	12	4.27
2.	Irregular exemptions	43	23.80
3.	Under assessment of tax	3	0.61
4.	Non/short levy of interest	11	0.33
5.	Other lapses	95	32.00
6.	Review on 'Exemptions and concessions under the CST Act, 1956'	1	157.64
Total		165	218.65

During the year 2006-07, the department accepted non/short levy of interest, incorrect grant of exemption etc. amounting to Rs. 1.58 crore in nine cases pointed out during 2006-07 and recovered Rs. 15 lakh in four cases.

A few illustrative cases involving Rs. 16.44 crore and a review on "Exemptions and concessions under the Central Sales Tax Act, 1956" involving Rs. 157.64 crore are given in the following paragraph.

2.2 Review on "Exemption and concession under the Central Sales Tax Act, 1956"

Highlights

- Incorrect grant of concessional rate of tax on sales not supported by C forms resulted in short levy of tax of Rs. 2.35 crore.
(Paragraph 2.2.6.1)
- Incorrect grant of concessional rate of tax on sales against defective C forms resulted in short levy of tax of Rs. 13.49 crore.
(Paragraph 2.2.6.2)
- Irregular allowance of exemptions to industrial exemptee units on sales not supported by declaration forms resulted in non levy of tax of Rs. 79.35 crore.
(Paragraph 2.2.7)
- Incorrect allowance of concessional rate of tax on sales to Government departments supported by defective D forms resulted in short levy of tax of Rs. 22 lakh.
(Paragraph 2.2.8)
- Irregular grant of exemption on stock transfers not supported by F forms/supported by defective F forms resulted in non levy of tax of Rs. 44.61 crore.
(Paragraph 2.2.10)
- Acceptance of invalid and obsolete declarations in form C and F resulted in non/short levy of tax of Rs. 3.74 crore.
(Paragraph 2.2.12)
- Incorrect grant of exemption on export sales resulted in non levy of tax of Rs. 23 lakh.
(Paragraph 2.2.13)

2.2.1 Introduction

The Central Sales Tax (CST) Act, 1956 read with CST (Registration and Turnover) Rules 1957, stipulate that every dealer who in course of interstate trade or commerce sells to a registered dealer, goods of the class or classes specified in the certificate of registration of the purchasing dealer, shall be liable to pay tax at a concessional rate of four *per cent*, if such transactions are supported by declarations in form C. Further, sales made in course of interstate trade or commerce to Government department are also to be taxed at concessional rate of four *per cent* provided such sales are supported by certificates in form D. Transfer of goods claimed otherwise than by way of sale made by a registered dealer to any other place of his business located outside the state is exempt from tax on production of prescribed declaration in form F duly filled in and signed by the principal officer of the other place of his business or his agent as the case may be along with evidence of despatch of such goods. The administration of these provisions and of ensuring that

exemption from payment of tax is granted only when it is due and in conformity with the provisions of the Act and Rules framed thereunder is vested in the sales tax department of respective State Governments.

2.2.2 Organisational set-up

The Finance (Taxation) Department is responsible for the sales tax administration in the State. The Commissioner of Taxes (CT) is head of the department. He is assisted by two additional commissioners of taxes and five joint commissioners of taxes at headquarters (apex office). The State is divided into 10 taxation zones and each zone is headed by a deputy commissioner of taxes (DCT). There are five DCT (appeals) in charge of the appellate offices located in various places of the State. There are 36 unit offices (including two check posts) and 16 recovery offices in the State. Assistant commissioners (AC)/senior superintendents/superintendents of taxes (STs) are responsible for registration, assessment and realisation of dues under the CST Act. The inspectors of taxes are responsible for conducting survey and are also required to assist the ACs/senior STs/STs in matters relating to registration and assessment of dealers.

2.2.3 Audit objectives

Objectives of the audit appraisal were to ascertain whether :

- concessional rate of tax allowed on interstate sales/exemption of tax allowed on branch transfer was in conformity with the provisions of the Act/Rules and duly supported by valid statutory forms; and
- internal control mechanism existed in the department to monitor that the claims allowed in the assessments were as per provisions of law/instructions issued by the department from time to time.

2.2.4 Scope of audit

Test check of 1,384 assessments completed between April 2002 and March 2006 for the periods between 1997-98 and 2004-05 by 14¹ out of 36 unit offices in the State was conducted between November 2006 and March 2007. All cases of exemptee units and other dealers having turnover of Rs. 25 lakh or more were selected for verification. In addition, relevant materials from inspection reports of six² other units have also been included to broaden coverage of the review. Scrutiny included verification of transactions of goods relating to stock transfers made to branches/agents outside the state and interstate sale to different parts of the country with reference to various documents including declaration in forms C, D, F and H available on record.

¹ Biswanath Chariali, Bongaigaon, Dibrugarh, Guwahati Unit A, Guwahati Unit B, Guwahati Unit C and Guwahati Unit D, Jalukbari check Post, Jorhat, Kabaitary check Post, Nagaon, Sibsagar, Tezpur and Tinsukia.

² Bongaigaon, Kokrajhar, Mangaldoi, Nalbari, North Lakhimpur and Tangla.

2.2.5 Trend of revenue

Budget estimates and actuals of revenue receipts for the years 2001-02 to 2005-06 in respect of sales tax inclusive of CST are given below:

(Rupees in crore)

Years	Budget estimates	Actuals (ST + CST)	Share of CST with reference to column 3	
			Total	Percent
(1)	(2)	(3)	(4)	(5)
2001-02	1,064.61	1,072.76	212.64	19.82
2002-03	1,224.30	1,440.90	256.14	17.78
2003-04	1,750.22	1,551.06	336.44	21.69
2004-05	2,077.91	2,098.58	438.56	20.90
2005-06	2,425.86	2,568.41	478.22	18.62

The above position shows that receipts under CST all along showed an increasing trend.

2.2.6 Incorrect grant of concessional rate of tax on sales against C forms

Under the CST Act, interstate sale of goods, other than declared goods, to registered dealers if supported by valid declaration in form C are taxable at the concessional rate of four *per cent*. Otherwise, tax is payable at the rate of 10 *per cent* or at the rate of tax applicable under the State Act, whichever is higher. In addition, interest at the prescribed rate is leviable.

2.2.6.1 Test check of assessment records of two³ sales tax offices revealed that while finalising assessment of five dealers between June 2004 and March 2006 for the assessment years 2000-01 to 2003-04, the AOs allowed concessional rate of tax on interstate sale of Rs. 23.10 crore even though the dealers did not furnish declarations in form C in support of the claim. This irregular allowance resulted in short levy of tax of Rs. 2.35 crore including interest.

After this was pointed out, the concerned AO in reply to one case admitted that the forms were actually misplaced and furnished copies of five forms. Scrutiny of the declarations furnished revealed that all the forms furnished were invalid/defective since in two forms the name and registration number of purchasing dealers were not mentioned. In one form name of selling and purchasing dealer was same while in two other forms validity period of the registration number of the dealer was not indicated.

2.2.6.2 Test check of records of nine sales tax offices revealed that while finalising assessments of 69 dealers between April 2002 and March 2006 for the periods 1997-98 to 2004-05, the AOs irregularly allowed concessional rate of tax on interstate sales valued at Rs. 81.44 crore as detailed in the table below. This resulted in short levy of tax amounting to Rs. 13.49 crore including interest.

³ Guwahati unit A and Jorhat

(Rupees in crore)

Name of the unit No. of dealer	Period of assessment	Assessed between	Nature of irregularities	Amount of tax including interest
Guwahati Unit A, Guwahati Unit B, Guwahati Unit C, Guwahati Unit D, Jorhat Tezpur Tinsukia 12	1999-2000 to 2004-05	September 2003 and February 2006	Concessional rate of tax was allowed on interstate sale of Rs. 8.86 crore against form C. Scrutiny revealed that forms were not original, but duplicates.	1.26
Guwahati Unit A, Guwahati Unit B, Guwahati Unit C, Guwahati Unit D, Tezpur 16	1997-98 to 2003-04	May 2002 and February 2006	On interstate sale of Rs. 21.22 crore, concessional rate of tax was allowed against C forms. Since transactions covered by the forms were not authenticated by signature of the purchasing dealer, the forms were defective.	3.91
Guwahati Unit B, Guwahati Unit C, Guwahati Unit D, 13	1999-2000 to 2004-05	February 2003 and October 2005	Concessional rate of tax was allowed on interstate sale of Rs. 15.23 crore against C forms. Forms were defective as transactions took place on dates subsequent to the date of issue of declaration forms by the purchasing dealer.	2.21
Guwahati Unit A, Guwahati Unit B, Guwahati Unit C, Guwahati Unit D, Jalukbari check post Kabaitary check post Tinsukia 28	1997-98 to 2004-05	April 2002 and March 2006	Concessional rate of tax was allowed on interstate sale of Rs. 36.13 crore against declarations in form C. Scrutiny revealed that the forms were defective as name and registration number of the purchasing/selling dealer, invoice number, date etc. were not mentioned therein.	6.11
Total				13.49

2.2.6.3 Test check of records in three⁴ sales tax offices for the assessment years 1999-2000 to 2002-03, revealed, that the AOs while finalising assessments of eight dealers, between February 2004 and February 2006, allowed concessional rate of tax on interstate sale of Rs. 3.10 crore. The transactions covered were inadmissible for concession since in five cases transactions were made to unregistered dealers while in three cases, the declaration forms were issued by dealers registered in the state of Assam. This resulted in short levy of tax of Rs. 48 lakh including interest.

⁴ Guwahati Unit A, Guwahati Unit C and Guwahati Unit D

2.2.7 Irregular grant of exemption to industrial exemptee units

Under provisions of the CST Act (as amended with effect from 11 May 2002) eligible exemptee industrial units under the Assam Sales Tax Concession Scheme may claim exemption from payment of tax on their inter state sales provided the sales are made to registered dealer and supported by declaration in form C/D. Otherwise, tax is leviable at the rate of 10 *per cent* or at the rate applicable under the State Act, whichever is higher. In addition, interest at the prescribed rate is also leviable on unpaid amount of tax.

2.2.7.1 Test check of assessment records in nine⁵ sales tax offices revealed that while finalising assessments between March 2002 and February 2006 of 31 exemptee units for the period 2002-03 to 2004-05, exemption from payment of tax was allowed on interstate sale valued at Rs. 321.98 crore. Scrutiny, however, revealed that the exemption allowed was irregular since the sales were neither supported by C forms nor was any mention made by the AOs in the assessment orders allowing production of declaration forms at a later date. Thus, allowance of exemption without declaration forms was irregular and resulted in non levy of tax of Rs. 78.95 crore including interest.

After this was pointed out, the department in one case involving tax of Rs. 8.35 lakh stated in March 2007 that the dealer had furnished C form. The declaration form so submitted was not acceptable because the dealer of Maharastra who issued the form was registered under the CST Act on 1 May 2003, whereas the transaction related to the year 2002-03. In two cases, the department rectified the assessment order and issued demand notice of Rs. 1.26 crore. Report on realisation and reply against remaining dealers are awaited (October 2007).

2.2.7.2 Scrutiny of the assessment records in sales tax office, Silchar revealed that while completing assessments between April 2003 and October 2005 for the period 2002-03 to 2004-05, the AO allowed exemption to two industrial units on their interstate sale to unregistered dealers valued at Rs. 65.79 lakh. Exemption allowed by the AO was irregular as under the provision of the Act, no industrial unit is eligible to claim exemption in respect of sales made to unregistered dealers. This resulted in non levy of tax of Rs. 11.17 lakh including interest.

2.2.7.3 Test check of assessment records of two⁶ sales tax offices for the assessment years 2002-03 to 2004-05, revealed that exemption of tax was allowed to two industrial units, assessed between September 2004 and July 2005, on interstate sale valued at Rs. 1.51 crore. Further scrutiny, however, revealed that the dealers did not furnish any declaration form to support their claim of exemption. Meanwhile, both the units closed their business rendering any fresh demand irrecoverable. Thus, irregular exemption without declaration forms resulted in loss of revenue of Rs. 29 lakh including interest.

⁵ Dibrugarh, Guwahati Unit A, Guwahati Unit B, Guwahati Unit C, Guwahati Unit D, Jorhat, Silchar, Tezpur and Tinsukia

⁶ Guwahati Unit A and Silchar.

2.2.8 Transaction not supported by valid certificates in form D

Under the CST Act, a dealer, who in course of interstate trade or commerce sells to Government departments, any goods other than declared goods, is liable to pay tax at the concessional rate of four *per cent* if sales are supported by valid certificates in form D. Otherwise, tax is payable at the rate of 10 *per cent* or at the rate applicable under the State Act, whichever is higher. In addition, interest is also leviable.

Test check of assessment records in two⁷ sales tax offices for the assessment periods 2001-02 and 2002-03, assessed between May 2004 and December 2004, revealed that two dealers sold goods valued at Rs. 1.50 crore to various Government departments and concessional rate of tax was allowed on the strength of certificates in form D issued by the buying departments. Scrutiny of certificates in form D, however, revealed that the forms on the basis of which concession was allowed were defective since the numbers and dates of bills/invoice etc. were not mentioned in the forms. Allowance of concessional rate of tax on these defective forms resulted in short levy of tax amounting to Rs. 22 lakh including interest.

2.2.9 Incorrect allowance of exemption against transfer of documents during interstate sales against form E I

Under the CST Act, any subsequent sale of goods during their movement from one State to another effected by a transfer of documents of title to such goods to Government departments or to a registered dealer shall be exempted from levy of tax provided such sale is supported by a declaration in form E I duly filled and signed by selling dealer alongwith form C and D.

Test check of records in sales tax office, Nagaon revealed that while finalising assessment of one dealer in August 2005 for the assessment year 2002-03, the AO exempted turnover of Rs. 67.32 lakh from payment of tax as the goods were sold in transit. Scrutiny disclosed that the sales were not supported by declarations in form E I and thus, exemption allowed by the AO without prescribed form was incorrect. This resulted in non levy of tax of Rs. 5.22 lakh including interest.

2.2.10 Grant of exemption on stock transfers

Under the CST Act, when any dealer claims exemption from payment of tax in respect of goods by reason of transfer of such goods to any other place of his business outside the State, he may furnish to the AO, a declaration in form F duly filled in and signed by the transferee along with evidence of despatch of such goods. If the dealer fails to furnish such declaration, then, the movement of goods shall be deemed for all purposes to have been occasioned as a result of sale. As per rule, one F form is to cover the transactions of only one calendar month.

⁷ Bongaigaon and Guwahati Unit B

2.2.10.1 Stock transfers not supported by F forms

- Scrutiny of records of eight⁸ sales tax offices revealed that 10 dealers despatched tea valued at Rs. 19.84 crore during the assessment years 1999-2000 to 2003-04 to three agents at Kolkata/Siliguri for sale by auction and claimed exemption from payment of tax. Since stock transfer of tea to agents at Kolkata/Siliguri for auction was neither supported by F form nor by any other evidence of despatch of goods, exemption allowed between March 2003 and November 2005 by the AOs was incorrect. This resulted in non levy of tax amounting to Rs. 4.21 crore including interest.
- Scrutiny of records of four⁹ sales tax offices revealed that seven dealers made stock transfers valued at Rs. 25.88 crore during the assessment years 2001-02 to 2003-04 and claimed exemption from payment of tax which was accepted by the AOs and assessed accordingly between February 2004 and March 2006. Since the above stock transfers were not supported by declarations in form F, exemption allowed was irregular. This resulted in non levy of tax of Rs. 4.55 crore including interest.

2.2.10.2 Single declaration in form F covering transactions for more than one calendar month.

Test check of records of 12¹⁰ sales tax offices revealed that while finalising assessments between March 2003 and March 2006 in respect of 30 dealers for the assessment years 1999-2000 to 2003-04, the AOs allowed exemption of tax on stock transfers worth Rs. 43.66 crore. Since the F forms furnished by the dealers contained transactions covering more than one calendar month, transactions beyond one month in each form were not covered by valid declaration and thus liable to be taxed as interstate sales. This resulted in non levy of tax of Rs. 9.42 crore including interest.

2.2.10.3 Allowance of stock transfer on defective/invalid F forms

- Test check of assessment records in four¹¹ sales tax offices revealed that while finalising assessments of five dealers between April 2003 and November 2005, for the assessment years 2000-01 to 2003-04, the AOs allowed irregular exemption on stock transfers valued at Rs. 21.33 crore on forms covering transactions not authenticated by the transferees. This resulted in non levy of tax of Rs. 3.63 crore including interest.
- Test check of records in five sales tax offices¹² revealed that while finalising assessments of 13 dealers between March 2002 and January 2006 for the assessment years 1998-99 to 2004-05, the AOs allowed exemption from payment of tax on stock transfers valued at Rs. 4.61 crore on the strength of declarations in form F furnished by the dealer. Scrutiny, however, revealed that the transactions covered in declaration forms did not relate to the periods

⁸ Biswanath Chariali, Dibrugarh, Kokrajhar, Mangaldoi, Nalbari, Silchar, Tangla and Tinsukia.

⁹ Guwahati Unit A, Jorhat, Mangaldoi and Tinsukia.

¹⁰ Biswanath Chariali, Dibrugarh, Guwahati Unit A, Guwahati Unit B, Guwahati Unit C Jorhat, Mangaldoi, Nagaon, Nalbari, North Lakhimpur, Sibsagar and Tinsukia.

¹¹ Biswanath Chariali, Guwahati Unit B, Guwahati Unit C and Jalukbari Check Post

¹² Dibrugarh, Golaghat, Mangaldoi, Tangla and Tinsukia

of assessments and hence the forms were invalid. This irregular exemption resulted in non levy of tax of Rs. 99 lakh including interest.

◦ In three¹³ sales tax offices, scrutiny of records revealed that while finalising assessments of eight dealers between July 2001 and March 2006 for the assessment years 1999-2000 to 2002-03, the AOs allowed exemption on stock transfers amounting to Rs. 4.54 crore against declarations in form F. It was, however, noticed that the forms furnished by the dealers were duplicates/photocopies and thus defective. Irregular allowance of exemption on defective forms resulted in non levy of tax of Rs. 1.04 crore including interest.

◦ In respect of one dealer registered in sales tax office, Guwahati unit B, it was noticed that the AO while finalising assessment in November 2005 for the assessment year 2003-04, allowed exemption of tax on stock transfers valued at Rs. 4.90 crore covered by F forms issued by the transferees. Scrutiny of declaration forms revealed that the forms were issued by the transferees prior to the period of transaction covered by those forms and were thus invalid. This resulted in non levy of tax of Rs. 83 lakh including interest.

◦ During scrutiny of records in seven¹⁴ sales tax offices, it was observed that while finalising assessments of 11 dealers between April 2003 and February 2006 for the assessment years 1999-2000 to 2004-05, the AOs allowed exemption of tax on stock transfers valued at Rs. 80.97 crore covered by incomplete forms having no entries against name and registration number of transferor/transferee, invoice number and date etc. This incorrect allowance of exemption resulted in non levy of tax of Rs. 18.79 crore including interest.

◦ Test check of assessment records in Guwahati unit D and Nagaon sales tax offices for the assessment years 2000-01 and 2001-02, revealed that while finalising assessment of two dealers between March 2005 and September 2005, the AOs allowed exemption of tax on stock transfer of goods valued at Rs. 4.82 crore. The exemption allowed was inadmissible since in one case transfer was made to unregistered dealer while in other case, the transferee's address was shown as Silchar, Assam though registration number of the transferee was of Tripura. Further, in the latter case, the address of the transferor was shown as Silchar, whereas the dealer was registered in Guwahati. This irregular allowance of exemption resulted in non levy of tax of Rs. 1.15 crore including interest.

2.2.11 Incorrect allowance of exemption on transfer of goods to places not included in the registration certificate.

Under the CST Act and Rules made thereunder, a dealer seeking registration is required to specify in the application for registration, the list of places of business in other States along with address of every such place and particulars of registration under the CST Act. Further, in case of stock transfer to consignment agents, copies of agreement are required to be furnished by the dealer for claiming exemption.

¹³ Biswanath Chariali, Dibrugarh and Tinsukia

¹⁴ Dibrugarh, Guwahati Unit A, Guwahati Unit B, Guwahati Unit C, Guwahati Unit D, Jalukbari Check Post and Nagaon.

Test check of assessment records in three¹⁵ sales tax offices in respect of four dealers assessed between March 2005 and March 2006 for the years 2001-02 to 2004-05, revealed that the AOs allowed exemption on transfer of goods worth Rs. 67.60 crore made to branches/ consignment agents, though the places to which branch transfers made were not included in the registration certificate of the dealers and in case of stock transfer to commission agents, the dealers did not furnish relevant copies of agreements. This irregular exemption resulted in non levy of tax of Rs. 13.11 crore including interest.

2.2.12 Concession/exemption allowed against invalid and obsolete declaration forms

The CT, Nagaland in his letter of February 2002 intimated CT, Assam regarding cancellation of a series of declarations in form C and F with effect from 11 June 2001. This information was duly circulated to all the unit offices by the CT, Assam in December 2002 to be taken note of at the time of finalising assessments.

Test check of records of six¹⁶ sales tax offices revealed that while finalising the assessment of 24 dealers for the years 1999-2000 to 2004-05, between March 2003 and March 2006, the AOs either allowed exemption from levy of tax or levied tax at concessional rate on turnover amounting to Rs. 19.63 crore supported by declarations in form C and F which were declared cancelled and invalid by Government of Nagaland. Thus, acceptance of invalid/obsolete forms while completing assessments led to non levy of tax of Rs. 3.74 crore including interest. This indicates apathy on the part of the AOs to verify the declaration forms before acceptance and also highlights serious deficiencies in the assessment proceedings which led to acceptance of obsolete/invalid declaration forms inspite of information being circulated by CT, Assam.

2.2.13 Incorrect grant of exemption against H form

Under the CST (Registration and Turnover) Rules, a dealer may claim exemption from payment of tax for sale in course of export, if the sales are supported by form H duly filled in and signed by the exporter along with evidence of such export.

2.2.13.1 Test check of records in sales tax office, Mangoldoi revealed that while finalising assessment of a dealer in May 2004 for the year 2002-03, the AO exempted turnover of Rs. 29 lakh from payment of tax on the basis of declaration in form H furnished by the dealer. Scrutiny, however, revealed that the form H was defective as transaction covered in the declaration did not pertain to the period under assessment. This resulted in non levy of tax amounting to Rs. 4 lakh including interest.

¹⁵ Jorhat, Sibsagar and Silchar.

¹⁶ Guwahati Unit A, Guwahati Unit B, Guwahati Unit C, Guwahati Unit D, Jorhat, and Tinsukia

2.2.13.2 Test check of records in sales tax offices, Nalbari and North Lakhimpur revealed that while finalising assessments of two dealers between May 2004 and October 2005 for the assessment years 2001-02 and 2002-03, the AOs exempted turnover of Rs. 90 lakh from payment of tax though the transactions were neither supported by form H nor by any other evidence of export. This irregular exemption resulted in non levy of tax of Rs. 19 lakh including interest.

2.2.14 Internal control mechanism

During the course of review, it was observed that claims of interstate transactions were admitted on the basis of declarations furnished by the dealers and no further verification of forms was made by the AOs before finalising the assessments. This led to acceptance of invalid/defective forms resulting in irregular exemption and concession as highlighted in the paragraphs above. Though CT, Assam in his circular dated December 2002 attracted attention of the units towards some C and F forms declared invalid by other states, the AOs overlooked the same while finalising assessments which led to non/short levy of tax. This is indicative of ineffective internal control machinery within the department.

The internal audit wing set up in June 1988 had been functioning with 50 *per cent* staff of the actual sanctioned strength. Against sanctioned strength of eight internal auditors, the wing had been running with only four. As per audit norms prescribed in the internal audit manual, one internal audit party is to cover minimum of 200 cases in a month. Since, the wing did not maintain any records/register showing number of cases audited annually, the position could not be compared with the norms prescribed. The department admitted that the wing could not follow all the norms prescribed under the internal audit manual due to paucity of manpower. It was, however, noticed that despite shortage of manpower, the internal audit wing during their inspections, made observations on various deficiencies noticed in the use of declaration forms and suggested corrective measures to the units to check misuse of forms. But observations incorporated in the above paragraphs prove that adequate action was not taken by the department to ensure proper verification of forms before acceptance.

2.2.15 Conclusion

The CT, Assam in May 2000 instructed all the AOs to accept declaration forms after proper cross verification on regular basis. But it was noticed during the course of review that no such mechanism existed in the department. The AOs allowed exemptions/concessions on the basis of declaration forms which were *prima facie* defective/invalid. Circular issued by CT, Assam notifying invalid/obsolete forms of neighbouring states was also ignored by the AOs while finalising assessments which led to underassessment of tax.

2.2.16 Recommendation

The audit findings revealed that the administrative authorities were not enforcing the provisions of CST Act and Rules while allowing exemptions/concessions on the strength of different declaration forms. Government may consider the following in the best interest of revenue of the State :

- Issuing guidelines on various points to be checked compulsorily before acceptance of various declaration forms;
- increasing accountability of assessing officers who accept invalid/ obsolete declaration forms inspite of information circulated by the CT, Assam; and
- strengthening internal audit wing and ensuring time bound action on suggestions of the wing.

2.2.17 Acknowledgement

Meeting of audit review committee on comprehensive appraisal was held on 31 July 2007 at the office of the Principal Accountant General (Audit), Assam. The meeting was attended by the Joint Commissioner of Taxes. No representative from Government attended the meeting. The observations of the review were discussed in the meeting and minutes sent to the Commissioner and Secretary, Finance and CT, Assam with the request that reply may be furnished immediately. Reply is awaited (October 2007).

2.3 Concealment of turnover

Under the Assam General Sales Tax (AGST) Act 1993, read with CST Act, if a dealer conceals the particulars of his turnover, he shall pay by way of penalty, in addition to tax, additional tax and interest, a sum not exceeding one and half times the amount of tax sought to be evaded. As per instructions issued in January 1996 and 1998 by the CT, Assam, every AO while completing assessment of a tea estate should verify records maintained by the Central Excise Department (CED) to prevent leakage of Government revenue.

2.3.1 Test check of records of ST, Guwahati Unit D during April – June 2006 revealed that while finalising the assessment of four dealers between March 2005 and February 2006 for the years 2001-02 to 2004-05, the AO determined turnover on account of purchase/stock transfer of goods at Rs. 50.03 crore. Scrutiny of records viz. road permit and utilisation statement of C/F forms, however, revealed that the dealers actually received goods worth Rs.55.46 crore as purchase/stock transfer. This resulted in escapement of turnover of Rs. 5.43 crore and evasion of tax of atleast Rs. 1.07 crore including interest and penalty.

The cases were brought to the notice of the department and Government in October 2006; replies have not been received (October 2007).

2.3.2 Test check of assessment records of five¹⁷ sales tax unit offices between January and August 2006, revealed that the AOs while finalising assessments of nine dealers for the years 2000-01 to 2004-05, determined taxable turnover aggregating Rs. 93.10 crore and completed assessments accordingly between April 2002 and December 2005. However, cross verification of assessment records of the dealers vis-à-vis value of excisable goods cleared by the manufacturers as per information obtained from the CED revealed that taxable turnover during the same period was Rs. 118 crore. As such, turnover of atleast Rs. 24.90 crore was suppressed by the dealers resulting in evasion of tax of Rs. 8.30 crore including interest and penalty.

The cases were reported to the department and Government between June 2006 and February 2007; replies have not been received (October 2007).

2.3.3 Under the AGST Act, if a dealer has concealed or failed to declare fully and truly the particulars of his turnover, the AO may within eight years from the date of relevant year make a reassessment of the dealer. The Act further provides that, if a dealer conceals the particulars of his turnover, he shall pay by way of penalty a sum not exceeding one and a half times the amount of tax sought to be evaded.

Test check of assessment records of the assistant commissioner of taxes (ACT), Guwahati unit B and unit D between January and June 2006, revealed that the AOs while finalising assessments of three dealers between August 2004 and December 2004 for the years 2002-03 to 2003-04, levied tax accepting the purchase turnover of Rs. 5.07 crore as disclosed by the dealers in their annual returns. Scrutiny of utilisation statement of declarations in form

¹⁷ Bongaigaon, Golaghat, Guwahati Unit B, Jorhat and Tezpur.

C, however, revealed that the dealers purchased goods valued at Rs. 8.20 crore during the same period. This resulted in concealment of turnover of Rs. 3.14 crore and consequent evasion of tax of Rs. 73.05 lakh including interest and penalty.

The cases were reported to the department and Government in June 2006 and October 2006; replies have not been received (October 2007).

2.4 Application of lower rate of tax

2.4.1 The CT, Assam by notification dated 27 October 1999 (effective from 7 October 1999) classified cereals as non taxable goods except when sold in packed containers. Cereals when sold in packed container are taxable at the rate of 8.8 *per cent* (including additional tax).

Test check of records of the ACT, Guwahati Unit B between January and March 2006, revealed that the AO while finalising assessment of a dealer in March 2005 levied tax at the rate of 4.4 *per cent* on the turnover of Rs. 49.92 lakh of 'branded rice' sold during the assessment year 2001-02. Since, branded rice was cereals sold in packed containers, tax was to be levied at 8.8 *per cent* treating the same as other goods. This resulted in short levy of tax of Rs. 4.99 lakh including interest.

The case was reported to the department and Government in June 2006; replies have not been received (October 2007).

2.4.2 Government of Assam, in its notification dated 29 September 2004, enhanced the rate of tax on India made foreign liquor (IMFL), beer etc. from 20 to 22 *per cent* with effect from 30 September 2004. In addition to tax, additional tax is also leviable at the rate of 10 *per cent* of the tax payable by the dealer.

Test check of assessment records of the ACT, Tezpur in May – June 2006 revealed that the AO while finalising the assessment of a dealer dealing in IMFL/beer in May 2006 for the year 2004-05, levied tax at a flat rate of 20 *per cent* instead of 22 *per cent* leviable on turnover of Rs. 3 crore pertaining to the period from 1 October 2004 to 31 March 2005. This resulted in short levy of tax of Rs. 7.58 lakh including interest.

The case was reported to the department and Government in September 2006; replies have not been received (October 2007).

2.5 Excess grant of exemption

Under the Assam Industrial (Sales Tax concession) Scheme 1997, new industrial units shall be exempted from payment of tax for a period of seven years, on purchase of raw materials and on sale of finished goods manufactured by them subject to maximum limit of 150 *per cent* of capital investment. To avail such exemption, the intending industrial unit shall have to obtain a certificate of authorisation from the concerned sales tax office on the basis of eligibility certificate issued by the Industries Department.

Test check of records of the ACT, Guwahati Unit A and ST, Tinsukia between July and September 2006 revealed that the AOs while finalising assessments of two industrial units between October 2000 and April 2005 for the years 1998-99 to 2004-05, allowed exemption from payment of tax of Rs. 2.94 crore against the maximum limit of Rs. 1.66 crore that is, 150 *per cent* of the capital investment of Rs. 1.10 crore. This resulted in excess allowance of tax exemption of Rs. 1.27 crore. In addition, interest of Rs. 1.07 crore was also leviable.

The cases were reported to the department and Government between November 2006 and February 2007; replies have not been received (October 2007).

2.6 Incorrect allowance of deduction

2.6.1 Under the AGST Act, read with CST Act, 'net taxable turnover' is determined after allowing deduction of tax included in the gross turnover according to prescribed formula. No such deduction is however admissible where the turnover is exclusive of tax.

2.6.1.1 Test check of records of the ACT, Guwahati Unit B and Unit D between January and June 2006 revealed that the AOs while finalising assessments of two dealers for the years 2000-01 to 2003-04 determined net taxable turnover of Rs. 17.79 crore after deducting Rs. 1.21 crore as tax element from the gross turnover and assessed the dealers accordingly between August 2004 and June 2005. Scrutiny, however, revealed that the value of goods manufactured in the units was determined as gross turnover and thus, did not include tax element. This irregular allowance of deduction from the taxable turnover resulted in short levy of tax of Rs. 25.92 lakh including interest.

After this was pointed out, the department in one case stated in June 2007 that the assessment had been rectified and demand notice of Rs. 7.58 lakh issued. Report on realisation and reply against the other case are awaited (October 2007).

The cases were reported to Government in June 2006 and October 2006; replies have not been received (October 2007).

2.6.1.2 Similarly, test check of records of the ACT, Guwahati Unit A in July – September 2006, revealed that the AO while finalising assessment of a dealer for the year 2002-03 in September 2005 allowed deduction of Rs. 5.18 lakh on account of tax element from the turnover of Rs. 48.36 lakh being amount of stock transfer not supported by form F and levied tax accordingly. Since turnover of stock transfer did not include any tax element, allowance of deduction was irregular and resulted in short levy of tax of Rs. 2.33 lakh including additional tax and interest.

The case was reported to the department and Government in February 2007; replies have not been received (October 2007).

2.6.2 Under the AGST Act, taxable turnover in respect of works contract is either determined by deducting the value of declared goods purchased locally in Assam on payment of tax and thereafter the labour and other charges incurred by the dealer from the gross turnover or if the dealer so opts, by allowing maximum deduction on account of labour and other charges at prescribed percentage on the resultant turnover after deducting value of declared goods from the gross turnover. In case of civil works, the maximum allowable deduction towards labour and other charges is 25 per cent.

2.6.2.1 Test check of records of the ACT, Tinsukia in July – September 2006, revealed that the AO while finalising the assessments of a dealer engaged in civil works contract between March 2003 and July 2005 for the years from 1999-2000 to 2003-04, incorrectly allowed deduction towards labour and other charges at the maximum rate of 25 per cent from the gross turnover instead of the resultant turnover arrived at after reducing the value of declared goods from the gross turnover. This resulted in excess allowance of deduction of Rs. 78.22 lakh and consequent short levy of tax of Rs. 15.19 lakh including interest.

The case was reported to the department and Government in November 2006; replies have not been received (October 2007).

2.6.2.2 Test check of records of four sales tax unit offices¹⁸ between August 2005 and September 2006, revealed that the AOs while finalising the assessments of six dealers engaged in works contract for the years from 2002-03 to 2004-05 allowed deduction of Rs. 8.55 crore towards the value of declared goods and completed assessments accordingly between October 2004 and March 2006. Scrutiny of list of declared goods furnished by the dealers, however, revealed that the dealers actually purchased goods valued at Rs. 5.87 crore locally within the State on payment of tax and the remaining amount of Rs. 2.68 crore pertained to goods purchased from outside the State. Thus, irregular allowance of deduction towards declared goods purchased from outside the State of Assam resulted in escapement of turnover of Rs. 2.68 crore and consequent short levy of tax of Rs. 41.71 lakh including interest.

After this was pointed out, the ACT, Dhubri stated in March – April 2007 that assessments of two dealers had been rectified. Report on recovery and replies in respect of remaining cases are awaited (October 2007).

2.6.2.3 Test check of records of the ACT, Silchar in July – August 2006 revealed, that the AO while finalising the assessments of a dealer engaged in works contract in August 2005 for the years 2002-03 and 2003-04, allowed deduction of Rs. 2.79 crore towards freight and delivery charges of finished goods in addition to allowable deduction of Rs. 53.36 lakh as declared goods and Rs. 1.34 crore towards labour and other charges and levied tax on the resultant turnover of Rs. 1.22 crore accordingly. Since the dealer was assessed under percentage option, deduction towards declared goods and labour and other charges at maximum rate as prescribed were only allowable from the gross turnover. Thus, irregular allowance of deduction towards freights etc.

¹⁸ Dhubri, Jorhat, Silchar and Tinsukia

resulted in escapement of turnover of Rs. 2.79 crore and consequent short levy of tax of Rs. 41.36 lakh including interest.

2.6.2.4 Test check of assessment records of the ST, Mangaldoi in February - March 2005, revealed that the AO while finalising the assessments of a dealer engaged in works contract in October 2002 for the years 2000-01 and 2001-02, allowed deduction of Rs. 1.52 crore towards value of interstate purchase of goods, in addition to the value of declared goods purchased locally on payment of tax citing orders of Hon'ble Guwahati High Court. Scrutiny of court order, however, revealed that the court had directed the AO to allow deduction as admissible under the provision of Act/Rule while finalising assessment and moreover the court order cited by the AO related to earlier years. Since the provisions of Acts/Rules do not provide for any deduction on goods purchased from outside the State, allowance of deduction was incorrect and resulted in short levy of tax of Rs. 30.82 lakh including interest. This also tantamounted to violation of High Court order.

The case was reported to the department and Government in November 2006; replies have not been received (October 2007).

2.7 Irregular grant of exemption

Under the provisions of the AGST Act, a dealer is not liable to pay tax on sale of goods covered under schedule II attached to the Act, if such goods are purchased from local industrial units enjoying exemption under the Assam Industrial (Sales Tax concession) Scheme. However, goods covered under schedule III and IV are not eligible for exemption from levy of tax on last point sale.

Test check of records of ACT, Silchar in July – August 2006 revealed that the AO while finalising assessments of three dealers of cement and plastic goods between March 2003 and February 2006 for the years from 2001-02 to 2005-06, incorrectly exempted turnover of Rs. 1.62 crore from levy of last point tax as the goods were purchased from exempted units. Since the items cement and plastic goods are classified under schedule IV, exemption granted was irregular and resulted in non levy of tax of Rs. 11.02 lakh including interest.

The cases were reported to the department and Government in October 2006; replies had not been received (October 2007).

2.8 Loss of revenue

As per AGST Act, old plants and machinery are unspecified goods and taxable at the rate of 8.8 *per cent* (including additional tax) at the point of last sale in the State.

Test check of records of the ST, Tinsukia during July to September 2006 revealed that a dealer disclosed sales turnover of old plants and machinery valued at Rs. 55 lakh for the year 2004-05 in annual return and paid tax of Rs. 2.32 lakh at the rate of 4.4 *per cent* which was accepted by the AO while finalising assessment in June 2005. Since old plants and machinery are taxable at the rate of 8.8 *per cent*, levy of tax at the lower rate resulted in short levy of Rs. 3.38 lakh including interest which became irrecoverable as the dealer had

already closed the business with effect from 1 April 2005 and registration certificate was also cancelled accordingly. Thus, finalisation of assessment after closure of business resulted in loss of revenue.

The case was reported to the department and Government in November 2006; replies have not been received (October 2007).

2.9 Acceptance of invalid declaration form

Under the AGST Act, and Rules framed thereunder, a registered dealer may sell goods to another registered dealer free of tax or at concessional rate of tax, if such sales are supported by valid declaration in form A furnished by the purchasing dealers. Otherwise, tax is leviable at the prescribed rate as applicable under the Act. The Act further provides that no single declaration in form A shall cover more than one transaction of sale except in case where total amount of sale in a financial year and covered by one declaration is equal to or less than Rs.1 lakh. However, with effect from 8 September 2004, an amendment provided that a single declaration form A may cover all transactions of sale which take place in one financial year between two dealers. The CT, Assam notified in February 2002, all the old declaration forms A printed on plain paper and not used before 21 February 2000 as obsolete and invalid.

2.9.1 Test check of records of the ACT, Guwahati Unit B, between January and March 2006, revealed that the AO while finalising the assessments of three dealers between March 2003 and June 2004 for the year 2000-01, exempted turnover of Rs. 3.49 crore supported by 47 declarations in form A. Scrutiny of declarations in form A, however, revealed that the forms were printed on plain paper and thus invalid as per notification of February 2002. Allowance of exemption from levy of tax and concessional rate of tax on the basis of these invalid declaration forms resulted in short levy of tax of Rs. 38.71 lakh including interest.

The cases were reported to the department and Government in June 2006; replies have not been received (October 2007).

2.9.2 Test check of records of the ST, Mangaldoi in March 2006, revealed that the AO while finalising the assessment of a dealer dealing in tea between June 2004 and January 2005 for the years 2002-03 and 2003-04 respectively, allowed intermediary sale¹⁹ of goods worth Rs. 2.02 crore on the basis of four declarations in form A. The allowance was irregular as all the forms contained multiple transactions and covered more than Rs. 1 lakh in each form. This resulted in irregular exemption leading to non levy of tax of Rs. 23.99 lakh including interest.

The case was reported to the department and Government in June 2006; replies have not been received (October 2007).

¹⁹ Intermediary sale means second or subsequent point sales.

2.10 Turnover escaping assessment

Under the AGST Act, if any part of the turnover of a dealer escapes assessment to tax, the AO may within four years from the end of relevant year make a reassessment of the dealer. Further, if a dealer fails to pay the full amount of tax payable by him by the due date, he is liable to pay interest at the prescribed rate on the amount of tax due.

2.10.1 Test check of records of ACT, Guwahati Unit A during July – September 2006, revealed that the AO while finalising assessment of a dealer (M/s Tata BP Lubricant India Ltd.) for the year 2002-03 determined taxable turnover at Rs. 11.24 lakh for only one month viz April 2002 as the firm was amalgamated with M/s Castrol India Ltd on 1 May 2002 and completed the assessments accordingly in March 2005. Cross verification of way bill register, however, revealed that M/s Tata BP Lubricant India Ltd. imported goods valued at Rs. 37.23 lakh even after closure of business which escaped notice of the AO and resulted in under assessment of tax of Rs. 9.53 lakh including interest.

The case was reported to the department and Government in February 2007; replies have not been received (October 2007).

2.10.2 Test check of records of the ACT, Tezpur in May-June 2006, revealed that while assessing two dealers for the years 2002-03 and 2003-04, the AO brought turnover of Rs.33.62 crore under assessment under both AGST and CST Act and finalised the assessments accordingly between July 2005 and March 2006. Scrutiny of the cases, however, disclosed that the dealers in their annual returns of turnover indicated opening stock as Rs. 1.07 crore, goods received as Rs. 40.76 crore and closing stock of goods as Rs. 4.26 crore. Thus, the minimum sales turnover of the dealers should have been Rs. 37.57 crore. This resulted in escapement of turnover of Rs. 3.95 crore and consequent short levy of tax of Rs. 87 lakh including interest.

The cases were reported to the department and Government in September 2006; replies have not been received (October 2007).

2.11 Non/short levy of interest

Under the provisions of the AGST Act, if a dealer fails to pay full amount of tax payable by him by the due date, he is liable to pay interest at the rate of two *per cent* each month on the amount by which tax paid falls short.

2.11.1 Test check of records of the ACT, Guwahati Unit D and Silchar between April 2005 and June 2006, revealed that two dealers failed to pay full amount of tax payable for the years 2002-03 and 2003-04 by the due date. Although delay in payment of tax ranged between 1 to 11 months, the AO while finalising the assessments between February 2004 and June 2005 levied interest of Rs. 3.57 lakh against Rs. 13.06 lakh resulting in short levy of interest of Rs. 9.49 lakh.

The cases were reported to the department and Government between June 2005 and October 2006; replies have not been received (October 2007).

2.11.2 Test check of records of the ACT, Guwahati Unit D, in May – June 2006, revealed that the AO while referring the tax demand against a dealer for the years from 1999-2000 to 2002-03 (upto August 2002) to the *bakijai officer*²⁰ (BO) in March 2006, levied interest of Rs. 1.58 crore instead of Rs. 1.68 crore resulting in short levy of interest of Rs. 9.81 lakh.

After this was pointed out, the department stated in March 2007 that in the light of audit observation, upto date interest had been calculated and referred to the ST (Recovery), Guwahati for recovery. Report on realisation is however awaited (October 2007).

The case was reported to Government in October 2006; reply has not been received (October 2007).

2.12 Non levy of additional tax

Under the AGST Act, additional tax at the rate of 10 *per cent* of the tax payable by the dealer is to be levied with effect from 5 June 1998. The provisions of state Act apply *mutatis mutandis* in case of assessment/reassessment under CST Act. Further, the CT, Assam clarified vide circular dated 30 March 2004, that additional tax is payable on interstate sale of goods, not supported by C or D forms attracting local rate of tax exceeding nine *per cent*. Interstate sales not supported by declaration forms C/D are to be taxed at 10 *per cent* or State rate of tax whichever is higher. Besides, interest as applicable is also leviable on unpaid tax.

Test check of records of sales tax Guwahati Unit B, and Jorhat between January and September 2006, revealed that the AO completed assessments of two dealers between January 2004 and May 2005 for the years 2001-02 and 2002-03. Since the turnover of Rs.4.64 crore was not supported by form C/D under the CST Act, the AO while finalising the assessments, levied tax at the rate of 12 *per cent* but did not levy additional tax. This resulted in non levy of additional tax of Rs. 5.57 lakh. Besides, interest of Rs. 5.32 lakh was also leviable on unpaid tax.

The cases were reported to the department and Government in June 2006; replies have not been received (October 2007).

2.13 Non registration of dealer

2.13.1 Under the AGST Act, if a registered dealer purchases goods not covered by his certificate of registration representing that such goods are covered by his certificate, he is liable to pay, in addition to tax or interest payable by him, by way of penalty a sum not exceeding one and a half times the amount of tax sought to be evaded. Sales to Government departments within the State if supported by declaration in form B are taxable at concessional rate of four *per cent*.

²⁰ Arrear recovery officer.

Test check of records of the ACT, Guwahati Unit B and Tinsukia between August 2005 and March 2006, revealed that the AO while finalising assessments of two dealers, between June 2004 and October 2004, for the years 2002-03 and 2003-04, allowed concessional rate of tax on sale of furniture and hospital/surgical equipment of Rs. 71.86 lakh against forms B, though the items were not covered in the certificate of registration (RC) of the dealers. Since the dealers were not registered to deal in furniture, hospital/surgical equipment, allowance of concessional rate of tax on the strength of form B was irregular and resulted in short levy of tax Rs. 15.79 lakh including interest and penalty.

After this was pointed out, the department stated in March 2007 that in one case involving short levy of tax of Rs. 11.80 lakh, the AO failed to amend the office copy of RC through oversight, though the amendment was carried out in the dealer's copy. The reply is not tenable as the AO allowed concessional rate of tax based on entries in RC maintained in the office records where the items furniture and hospital/surgical equipment were not included.

The cases were reported to Government between December 2005 and June 2006; replies have not been received (October 2007).

2.13.2 Under the CST Act, every dealer making interstate sale of goods is required to get himself registered with the assessing authority. Under the Act *ibid* and Rules made thereunder, interstate sale of goods, if supported by prescribed declaration forms furnished by the purchasing dealer, are taxable at the rate of four *per cent*. Otherwise tax is payable at the rate of 10 *per cent* or State rate of tax whichever is higher and in cases of declared goods at the rate of eight *per cent*.

Test check of records of ST, Mangaldoi revealed in March 2006 that a dealer dealing in jute was assessed in October 2003 under the State Act for the period 2002-03 on purchase turnover of Rs. 71 lakh and purchase tax was levied at four *per cent*. Scrutiny further revealed that the dealer despatched jute worth Rs. 44 lakh outside the State during the said period. The dealer was neither registered under the CST Act, nor was any action taken by the AO to register the dealer and assess the tax. As the dealer was not registered under CST Act, tax at the rate of eight *per cent* was leviable on interstate sales against which the dealer had paid tax only at four *per cent*. This resulted in short levy of tax of Rs. 3.88 lakh including interest.

After this was pointed out, the department stated in March 2007 that the dealer had sold the goods within the State and hence there was no interstate sale. The reply is not tenable because the dealer was assessed under the State Act as last purchaser within the State and thus, it is evident that he sold goods in course of interstate trade without being registered under section 7(1) of the CST Act.

The case was reported to Government in June 2006; replies have not been received (October 2007).

2.14 Irregular allowance of taxable goods as tax paid goods

Under the AGST Act, deduction from gross turnover is allowable provided the AO is satisfied that such turnover has been subjected to tax at the point of first sale in the State.

Test check of records of the ST, Tinsukia during July to September 2006, revealed that the AO while finalising assessment of a dealer in May 2005 for the year 2003-04, allowed deduction of Rs. 1.03 crore on account of tax paid goods falling under schedule II. Scrutiny further revealed that the dealer manufactured 'coke and coke bridge' in his unit out of coal which was purchased locally after paying tax. 'Coke and coke bridge' being a different commodity was taxable at the rate of four *per cent*. This irregular allowance of deduction of turnover of 'coke and coke bridge' as tax paid goods resulted in non levy of tax of Rs. 7.02 lakh including interest.

The case was reported to the department and Government in November 2006; replies have not been received (October 2007).

CHAPTER – III : STATE EXCISE

3.1 Results of audit

Test check of records of state excise offices, conducted during the year 2006-07 revealed non/short realisation of excise duty, excess allowance of transit/godown loss, non/short realisation of licence fee etc. amounting to Rs. 8.85 crore in 27 cases, which broadly fall under the following categories:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
1.	Non/short realisation of licence fee	8	0.47
2.	Non/short realisation of excise duty	4	1.88
3.	Excess allowances of transit/godown loss	2	0.05
4.	Non/short realisation of establishment charges	4	0.10
5.	Other irregularities	9	6.35
Total		27	8.85

A few illustrative cases involving Rs.90.17 lakh are given in the following paragraphs.

3.2 Non levy of revenue due to short lifting of country spirit

According to provisions of Assam Excise Rules (AER), 1945, a licensee or his agent shall on each occasion of import or transport and storage of country spirit within the time mentioned in the pass, furnish satisfactory proof to the officer granting the pass that specified quantity of country spirit has been delivered in full to the officer incharge of the country spirit warehouse. In case of failure in lifting full quantity within prescribed time, the licensee has to obtain non execution certificate (NEC) from the officer in charge of the exporting distillery and furnish it to the Commissioner of Excise (CE) within 15 days from the date of expiry of the validity of the permit. In case of default, the licensee shall be liable to pay a sum equal to the amount of duty payable on the quantity short/non lifted.

Test check of records of the superintendent of excise (SE), Jorhat in October – November 2006, revealed, that Jorhat country spirit warehouse was permitted in July 2006 to lift two lakh bulk litre (BL) of country spirit by September 2006. The licensee, however, lifted only 0.58 lakh BL of country spirit. This resulted in short lifting of 1.42 lakh BL of country spirit. Although the licensee did not furnish any NEC within the stipulated time of 15 days, the department did not levy Rs.46.86 lakh for short lifting of country spirit. This resulted in non levy of revenue of Rs.46.86 lakh.

After this was pointed out, the SE, Jorhat stated in November 2006, that the matter would be taken up with the officer in charge of the excise warehouse and actual position would be intimated in due course. Further development is awaited (October 2007).

The matter was reported to the department/Government in January 2007; replies have not been received (October 2007).

3.3 Non realisation of licence fee

Under the AER read with Assam Bonded Warehouse Rules (ABWR), 1965 (as amended), licensee of wholesale, retail foreign liquor and bonded warehouse shall pay in advance, an annual fee at the rates prescribed from time to time for renewal of licences. As per Government instruction No.141 issued under the AE Act, if the licensee fails to pay licence fee in time, his shop is to be closed with the approval of CE till the fee is paid and on failure to pay fees promptly, the licence is to be cancelled.

Test check of records of SE, Kamrup, Nagaon and Tinsukia between July – September 2006, revealed, that three licensees of wholesale, bonded warehouses and bottling plants did not pay licence fees for the years 2005-06 and 2006-07 for renewal of their licences. No action was taken by the CE to close these units and to cancel their licences. This resulted in non realisation of licence fee of Rs. 8 lakh as detailed below:

Sl. no.	Name of the wholesale/bonded warehouse	Period for which licence not renewed	Non realisation of licence renewal fee (Rupees in lakh)
1	M/s North Eastern Enterprise bonded warehouse, Maligaon (under S.E, Kamrup)	2006-07	2.00
2	M/s Kalong Valley Enterprise Pvt. Ltd., Nagaon (under S.E, Nagaon)	2005-06 and 2006-07	4.00
3	M/s Gaytri Distillers and Bottling Industries, bonded warehouse, Tinsukia (under S.E, Tinsukia)	2005-06 and 2006-07	2.00
Total			8.00

After this was pointed out, the SE, Nagaon and Tinsukia stated between July-September 2006, that necessary action would be taken after verification of the cases while SE, Kamrup stated in August 2006 that demand notice would be issued. Further development is awaited (October 2007).

The cases were reported to the department/Government in October–November 2006; replies have not been received (October 2007).

3.4 Non realisation of profile registration fees

Under the AER (as amended in 2005), a profile registration fee of Rs. 1 lakh is to be levied annually on outsider company who intends to sell India made foreign liquor (IMFL) in the State of Assam.

Test check of records of the CE, Assam in January 2007, revealed, that 19 outside companies selling IMFL in Assam did not deposit profile registration fee in 2005-06 amounting to Rs. 19 lakh. The department also did not raise any demand which resulted in non realisation of Rs.19 lakh.

After this was pointed out, the department stated in January 2007, that demand notices would be issued to the companies for realisation of the amount. Report on recovery is awaited (October 2007).

The cases were brought to the notice of the department/Government in March 2007; replies have not been received (October 2007).

3.5 Non realisation of establishment charges/availability fees

Under the provisions of ABWR, the CE shall appoint such excise officer and establishment as he thinks fit to the charge of bonded warehouses. The licensee shall pay establishment charges (pay and allowances, leave salary and pension contribution) at prescribed rates at the end of each calendar month. From 18 March 2005, licensees of bonded warehouse are liable to pay availability¹ fee at prescribed rate in place of establishment charges.

¹ Availability fee is a fee in lieu of establishment charge to be paid by the bonder at the end of each calendar month with effect from 18 March 2005 on total quantity of IMFL/beer sold during a month.

Test check of records of three² SEs between August and November 2006 revealed, that four distilleries and one bonded warehouse neither paid establishment charges/availability fees of Rs. 5.98 lakh³ for the period from March 2005 to September 2006 nor were demand notices issued to the defaulters by the department. This resulted in non recovery of establishment charges/availability fees of Rs. 5.98 lakh.

After this was pointed out, SE, Kamrup and Tinsukia stated in September 2006 that demand notices would be issued while SE, Jorhat stated in November 2006 that action would be taken after verification of the case. Further development/ result of verification is awaited (October 2007).

The matter was reported to the department/Government between November 2006 and January 2007; replies have not been received (October 2007).

3.6 Short realisation of import permit fee

Government of Assam, Excise Department, in their notification dated 7 September 2005 revised the rate of import permit fee of IMFL at Rs. 90 per case. The revised rate came into force with effect from 9 September 2005.

Test check of records of five⁴ bonded warehouses under SE, Kamrup in August 2006, revealed, that 29 import permits for 13,971 cases of IMFL were issued between 19 September and 31 October 2005 against which import permit fee of Rs. 12.57 lakh was realisable. But, the department realised fee of Rs. 8.25 lakh at the prerevised rate which resulted in short realisation of import permit fee of Rs. 4.32 lakh.

The cases were reported to the department/Government in October 2006; replies have not been received (October 2007).

3.7 Non realisation of label renewal fee

Government of Assam, Excise Department by a notification dated 21 March 1997, prescribed rates of brand label/renewal fee payable by the manufacturing units. Renewal fee is required to be paid in advance.

² Jorhat, Kamrup and Tinsukia

³ M/s Associated Alcohol and Beverages Pvt. Ltd., Jorhat,
M/s Ajay Dutta Bonded Warehouse, Jorhat,
M/s Gayatri Distillers and Bottling Industries, Tinsukia,
M/s Kanark Distilleries, Pvt. Ltd., Guwahati and
M/s Seven Sisters Trade and Distilleries Pvt. Ltd., Guwahati.

⁴ M/s Abhijit International, Guwahati,
M/s Centenary Distilleries Pvt. Ltd., Guwahati,
M/s KDC Bonded Warehouse Pvt. Ltd. Guwahati,
M/s Nanak Singh Sujan Singh Sadana (NSSSS) Pvt. Ltd., Guwahati and
M/s Shaw Wallace Distilleries Ltd., Guwahati.

Test check of records of SE, Kamrup, in August 2006, revealed, that four⁵ bottling plants did not pay advance label renewal fee of Rs.3.20 lakh during 2006-07 for manufacturing of IMFL till the date of audit. The department also did not raise any demand to recover the same. This resulted in non realisation of Rs.3.20 lakh.

The case was reported to the department/Government in October 2006; replies have not been received (October 2007).

3.8 Excess allowance of transit loss resulted in loss of revenue

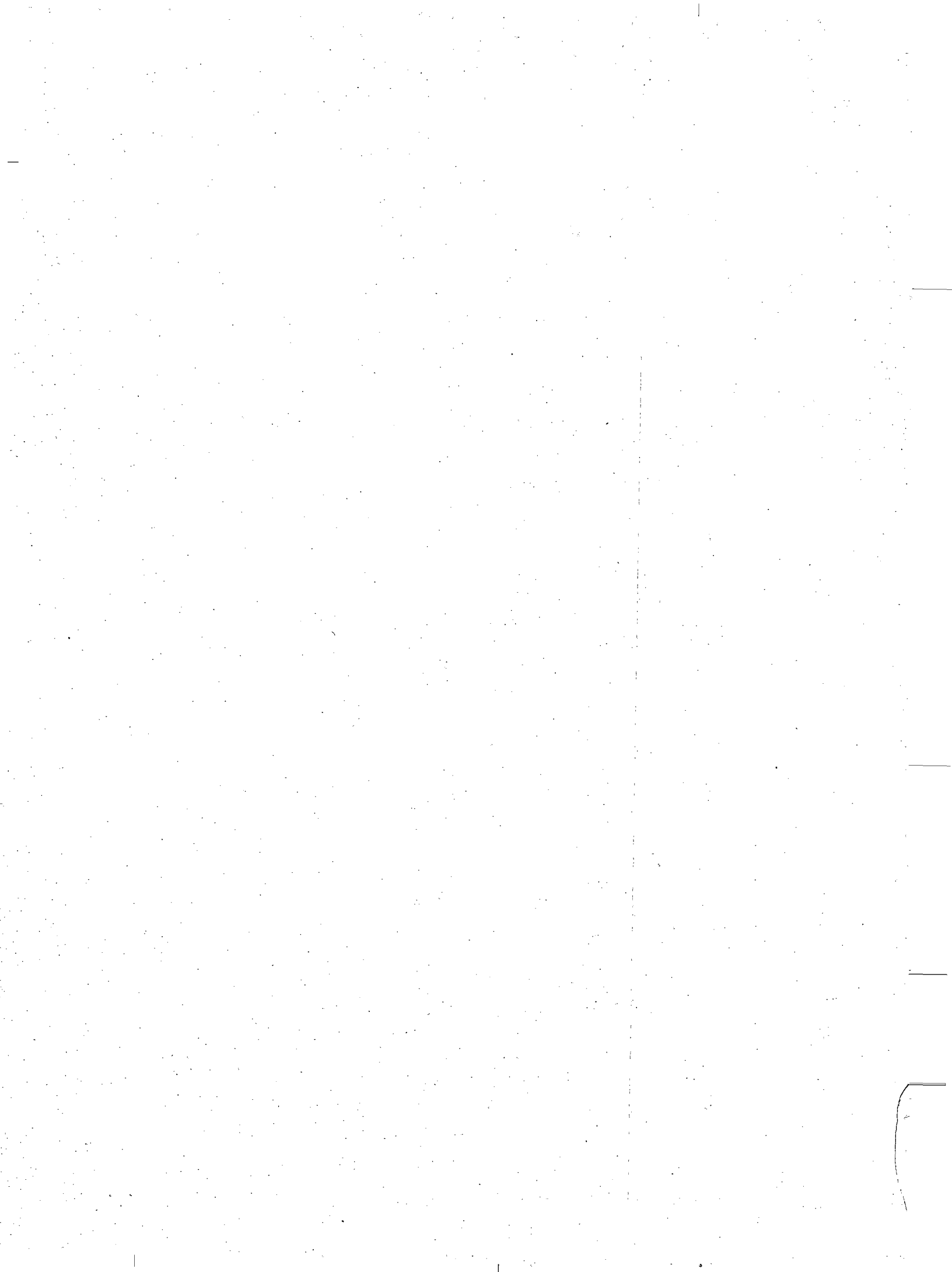
Under the ABWR as amended in 1989, wastage allowance not exceeding one *per cent* shall be made for actual loss in transit by leakage or evaporation or breakage of vessels or bottles containing liquor. The provision was further amended in March 2005 and the permissible limit was substituted by 0.5 *per cent*. The amended provision came into force from 18 March 2005.

Test check of records of five⁶ bonded warehouses under the SE, Kamrup, Guwahati in August 2006, revealed, that during the period between April 2005 and June 2006, transit loss of 7,518.14 london proof litre (LPL) of IMFL and 6,196.70 BL of beer was allowed against the permissible limit of 3,834.45 LPL of IMFL and 1,437.91 BL of beer. Excess allowance of transit loss over the prescribed limit resulted in loss of excise duty of Rs. 2.81 lakh.

The cases were reported to the department/Government in October 2006; replies have not been received (October 2007).

⁵ M/s Himalaya Distillery Pvt. Ltd., Ambher, 12th Mile Guwahati, M/s Indo Assam Distillery Pvt. Ltd., Betkuchi, Guwahati, M/s Karnak Distillery Pvt. Ltd., Panikheti, Guwahati and M/s Seven Sisters Trade and Distillery Pvt. Ltd., Amingaon, Guwahati.

⁶ 1. M/s Abhijat International Bonded Warehouse, Guwahati.
2. M/s Hill View Bonded Warehouse, Pvt. Ltd. Guwahati.
3. M/s K.D.C. bonded Warehouse, Guwahati.
4. M/s Nanak Singh Sujan Singh Sadana Pvt. Ltd. Bonded Warehouse, Guwahati.
5. M/s Paradise Bonded Warehouse, Garchuk, Guwahati.



CHAPTER - IV : TAXES ON MOTOR VEHICLES

4.1 Results of audit

Test check of records of 13 transport offices conducted during the year 2006-07 revealed non realisation of tax, short realisation of tax, and other irregularities amounting to Rs. 2.26 crore in 1,500 cases, which broadly fall under the following categories:

(Rupees in crore)

Sl. no.	Category	Number of cases	Amount
1.	Non/short realisation of taxes	410	0.87
2.	Non collection of registration fee/taxes	279	0.43
3.	Non/short realisation of one time tax	189	0.14
4.	Other irregularities	622	0.82
Total		1,500	2.26

During the year 2006-07, the department accepted observations in 262 cases involving Rs. 37.54 lakh.

A few illustrative cases involving Rs. 94.18 lakh are given in the following paragraphs.

4.2 Non realisation of tax

Under the Assam Motor Vehicle Taxation (AMVT) Act 1936, tax on motor vehicles is required to be paid in lumpsum either on or before 15 April each year or in four equal instalments on or before 15th day of April, July, October and January respectively. In case of non payment of tax, the owner of a motor vehicle shall be liable to pay fine at the rate of Rs. 5 per day for each day of such delay. District transport officer (DTO) is required to review the combined register and issue demand notices to defaulters.

Test check of combined registers of five¹ DTOs, between April and December 2006, revealed, that road tax on 307 motor vehicles from July 2002 to October 2006 amounting to Rs. 40.76 lakh was neither paid by the owners of the vehicles nor were any demand notices issued by the DTO for realisation of tax. In addition to tax, fine of Rs. 9.01 lakh was also leviable for non payment of tax within due dates.

After this was pointed out, DTOs Tinsukia and Karbi Anglong stated in June and July 2007, that an amount of Rs.5.57 lakh has been realised in 20 cases. Remaining three DTOs stated between April and December 2006, that demand would be raised. Further development regarding issue of demand notice and realisation of tax is awaited (October 2007).

The cases were reported to Government between August 2006 and February 2007; replies have not been received (October 2007).

4.3 Non assignment of new registration number to vehicles from other States

Under the Motor Vehicles Act. 1988, when a motor vehicle registered in one State has been kept in another State for a period exceeding 12 months, the owner of the vehicle shall apply to the registering authority (RA) for assignment of a new registration number on payment of fees at prescribed rates. Under the Assam Motor Vehicle Rules 2003, the owner, who has brought the motor vehicle from outside the State and kept the same in the State shall intimate the RA within 30 days from the date of entry in the State. If the owner fails to apply for new registration number, he shall be liable to fine of Rs. 100 if application is submitted within seven days, after expiry of the prescribed period. The Rule further envisages that after a lapse of seven days, a fine of Rs. 300 can be reimposed if registration number is not reassigned within seven days of detection.

¹ DTO, Kamrup (Registration and Licencing) Guwahati, Karbi Anglong, Kokrajhar, Nagaon and Tinsukia.

Test check of records of three DTOs² between March and August 2006, revealed, that 118 vehicles were brought from outside the State during the period between April 2000 and April 2006. Though these vehicles plied within the State of Assam for more than 12 months on payment of road tax, the owners of the vehicles did not apply for new registration numbers as required under the Act and Rules referred to above. The DTOs also failed to assign new registration number on realisation of fees and fines. This resulted in non realisation of fees and fines of Rs. 35.16 lakh.

The cases were reported to the department/Government between July and November 2006; replies have not been received (October 2007).

4.4 Short realisation of one time tax

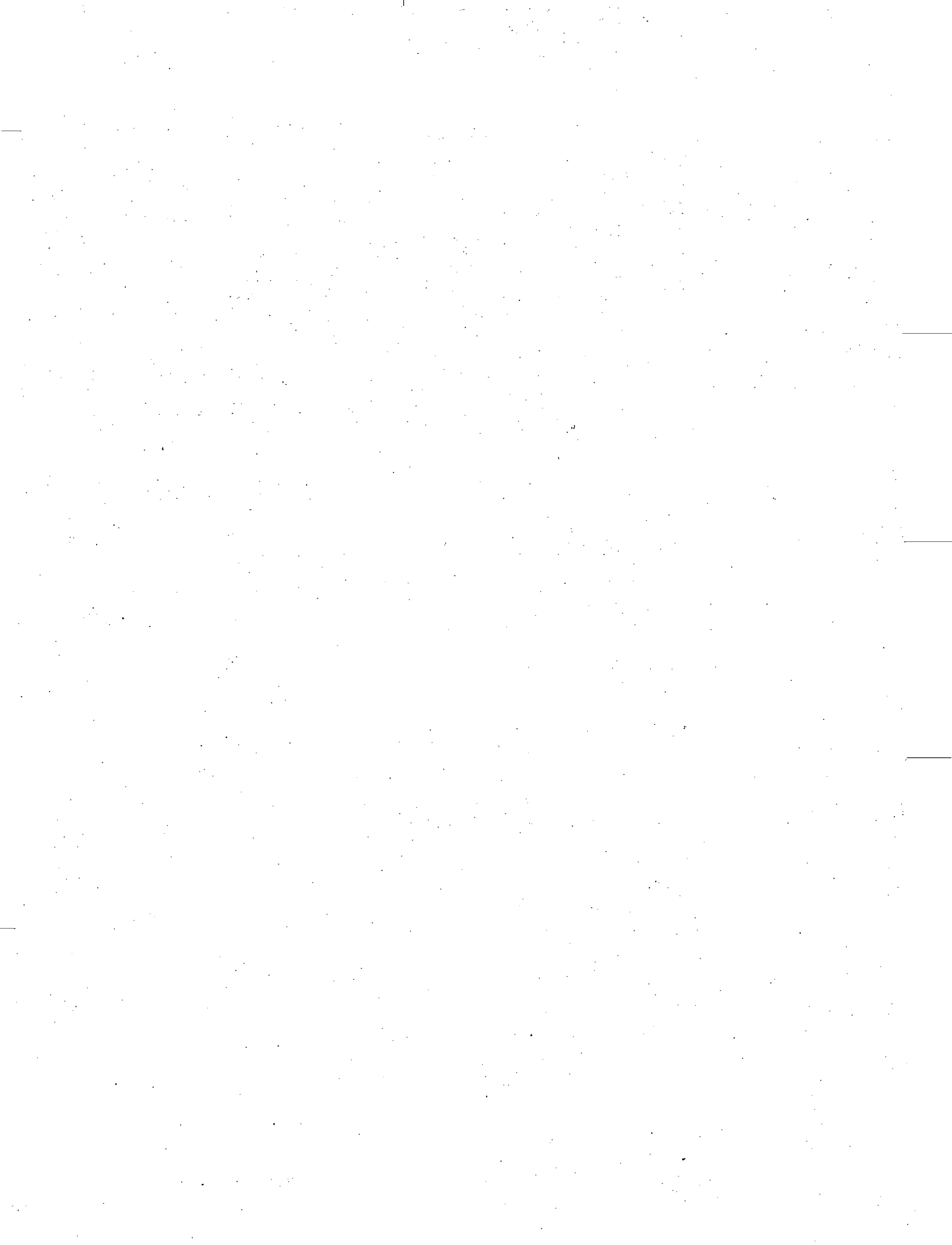
Under the AMVT Act as amended in May 2005, one time tax at prescribed rate is leviable on three wheeler commercial vehicles for a period of 10 years from the date of registration. After expiry of 10 years, permission to run for additional five years can be granted, if the vehicle owner so opts, on realisation of annual tax applicable at that time. These rates came into force with effect from 17 May 2005.

Test check of combined registers of DTO (Registration and Licencing), Kamrup, in July – August 2006, revealed, that in respect of 85 three wheelers, the DTO continued to levy tax on quarterly basis during the period from August 2005 to June 2006 instead of levying one time tax. This resulted in short realisation of one time tax of Rs. 9.25 lakh.

After this was pointed out, the DTO stated in August 2006, that matter would be taken up with Commissioner of Transport, Assam for necessary action. Further development/report on realisation of tax is awaited (October 2007).

The case was reported to Government in November 2006; replies have not been received (October 2007).

² Golaghat, Kamrup (Registering & Licencing) and Kokrajhar



CHAPTER – V : OTHER TAX RECEIPTS

5.1 Results of audit

Test check of records in the offices dealing with the following revenue receipts conducted during the year 2006-07 revealed application of incorrect rate of tax, non/short levy of interest, non realisation of professional tax, turnover escaping assessment etc. amounting to Rs.1.43 crore in 914 cases, which broadly fall under the following categories:

(Rupees in crore)			
Sl. no.	Category	Number of cases	Amount
1.	Agricultural income tax	5	0.20
2.	Professional tax	9	0.12
3.	Entry tax	8	0.94
4.	Amusement and betting tax	2	0.08
5.	Stamp duty and registration fee	890	0.09
Total		914	1.43

During the year 2006-07, the departments accepted observation in five cases involving Rs. 21.22 lakh and recovered Rs.1.94 lakh

A few illustrative cases involving Rs. 65.37 lakh are given in the following paragraphs.

Entry Tax

5.2 Incorrect allowance of deduction

As per provision of the Assam Entry Tax (AET) Act, 2001 and Rules made thereunder, if any importer imports goods, specified in schedule I of the AGST Act, from outside the State for consumption, use or sale, he shall be liable to pay entry tax on purchase value of goods at prescribed rates. The AET Act further provides, that, if the specified goods after entry into a local area are subsequently sold in course of interstate trade or commerce, the purchase value of such goods shall be deducted from the gross purchase value of goods imported to determine entry tax on the balance purchase.

5.2.1 Test check of records of Superintendent of Taxes (ST), Silchar in July – August 2006 revealed, that three dealers dealing in pulses, cereals, biscuits and textiles imported goods worth Rs. 17.48 crore during the years from 2001-02 to 2004-05. The AO, while finalising assessments between April 2004 and August 2005, exempted Rs. 16.54 crore on account of interstate sale and closing stock. Cross verification of AGST and CST records of the dealers, however, revealed that all sales were made within the State. Further, exemption of closing stock was also in violation of the Act. Thus, incorrect allowance of deduction from taxable turnover resulted in short levy of entry tax of Rs. 33 lakh.

The case was reported to the department and Government in October 2006; replies have not been received (October 2007).

5.2.2 Test check of records of ST, Silchar in July – August 2006 revealed, that a dealer imported goods worth Rs. 2.94 crore during 2002-03 and paid entry tax of Rs. 2.48 lakh against Rs. 5.88 lakh payable. The AO, however, failed to complete assessment of the dealer within the stipulated period of three years and thus, the assessment became time barred. This led to loss of revenue of Rs. 7.60 lakh including interest.

The case was reported to the department and Government in October 2006; replies have not been received (October 2007).

Professional Tax

5.3 Non realisation of professional tax

Under the Assam Professions, Trade, Callings and Employment Taxation Act 1947, every person, who carries on a trade or a profession or calling or who is in employment within the State is liable to pay for each year tax at prescribed rate. Further as per amendment effective from 1992, if a non Government employer or an enrolled person fails to pay tax within due date, he shall be liable to pay simple interest at the rate of two *per cent* of the amount due for each month or part thereof for the period for which the tax remained unpaid.

Cross verification of records of the ST, Silchar with those of the Central Excise Department (CED), Silchar in October 2006 revealed, that 96 persons carrying on business as beautician, cable operators, chartered accountants, transport operators, courier service etc. paid service tax to CED between the year 2003-04 and 2005-06, but their names were neither enrolled with the Taxation Department nor did they pay professional tax. Thus, 96 persons remained outside the tax net which resulted in non realisation of tax of Rs. 5.02 lakh including interest.

The case was reported to the department and Government in October 2006; replies have not been received (October 2007).

Agricultural Income Tax

5.4 Application of incorrect rate of tax

Under the Assam Agricultural Income Tax (AAIT) Act, 1939, agricultural income tax at the rate(s) specified in the schedule attached to the Act is to be charged for each assessment year on the total agricultural income of the previous year of every person/assessee. In case of a company, the rate of tax for the assessment year 1997-98 on the income exceeding Rs. 1 lakh was 60 *per cent*, which was revised as 45 *per cent* from the assessment year 1998-99.

Test check of records of agricultural income tax officer (AITO), Guwahati in May – June 2006 revealed, that the AO, while finalising the assessment of a dealer in January 2004 for the assessment year 1997-98, levied tax incorrectly at the rate of 45 *per cent* instead of 60 *per cent* on his agricultural income of Rs. 24.88 lakh. This resulted in short levy of tax of Rs. 3.73 lakh.

After this was pointed out, the department stated in April 2007 that the assessment had been rectified and demand notice issued. Report on realisation is awaited (October 2007).

The case was reported to Government in August 2006; reply has not been received (October 2007).

5.5 Non levy of interest

Under the provision of the AAIT Act, when an assessee does not pay full amount of tax demanded from him after an assessment made within the date specified in the notice of demand served on him, he shall be liable to pay simple interest from the first day of the month following the said date upto the date of full payment at the rate of two *per cent* for each month on the amount of tax as finally assessed. Prior to amendment of the Act in 1995, interest was leviable at the rate of 16 *per cent* per annum on the amount of tax as finally assessed, reduced by the amount of tax paid.

5.5.1 Test check of records of AITO, Guwahati in May – June 2006 revealed, that a dealer was assessed to tax of Rs. 3 lakh in April 2001 for the year 1997-98 which was paid belatedly in April 2006. The AO however, did not levy interest for such delayed payment. This resulted in non levy of interest of Rs. 3.49 lakh.

5.5.2 Test check of records of AITO, Guwahati in May – June 2006 revealed, that a dealer paid Rs. 5.74 lakh after assessment against the demand of tax of Rs. 7.53 lakh leaving the balance amount of Rs. 1.79 lakh unpaid. The AO neither recovered the balance amount with interest nor referred the case to the recovery officer even after six years. Non application of provisions of the Act resulted in non levy of interest of Rs. 3.47 lakh. Besides, balance tax of Rs. 1.79 lakh also remained unrealised.

After these were pointed out, the department stated in April 2007 that the interest as pointed out in audit had been levied and demand notices issued. Report on realisation is awaited (October 2007).

The case was reported to Government in August 2006; reply has not been received (October 2007).

5.6 Irregular grant of deduction

Under the provisions of AAIT Act, deduction is allowable on any sum actually donated for charitable purpose, if such donation is not more than Rs. 5 lakh or 10 *per cent* of the total agricultural income, whichever is less; provided that such sum is actually spent for such purpose within the State. Further, AIT Rule provides, that, the charitable organisation which receives the donation may obtain a copy of certificate from the Commissioner of Taxes (CT) to the effect that such donation is exempted from levy of tax.

Test check of records of AITO, Guwahati in May – June 2006 revealed, that the AO while finalising assessment of a dealer in October 2004, for the assessment year 1999-2000, allowed deduction of Rs. 5 lakh towards donation paid to a charitable organisation. The allowance was irregular as the charitable organisation failed to obtain any exemption certificate from the CT, Assam. This resulted in short levy of tax of Rs.2.25 lakh.

After this was pointed out, the department stated in April 2007 that the assessment order had been rectified and demand notice issued. Report on realisation is awaited (October 2007).

The case was reported to Government in August 2006; reply has not been received (October 2007).

Stamp Duty and Registration fee

5.7 Short levy of stamp duty

The Indian Stamp (Assam Amendment) Act, 2004 was passed by the Assam legislative assembly and published in the Assam gazette on 18 September 2004. The Act modified the rate of stamp duty which became effective from the date of publication of the Act. Revised rates are as under :

Value of property	Stamp duty leviable
Rs. 1000 to Rs. 10,000	Rs. 60 per 1,000
Rs. 10,001 upto Rs. 50,000	Rs. 65 per 1,000
Rs. 50,001 upto Rs. 1,00,000	Rs. 80 per 1,000
Rs. 1,00,001 onwards	Rs. 120 per 1,000

Test check of records of eight¹ offices of sub registrar (SR) between March and November 2006 revealed, that 686 conveyance deeds were registered during the period between 20 September 2004 and 30 June 2006 on which stamp duty of Rs. 20.94 lakh was levied at prerevised rates instead of Rs. 27.75 lakh. This resulted in short levy of stamp duty of Rs. 6.81 lakh.

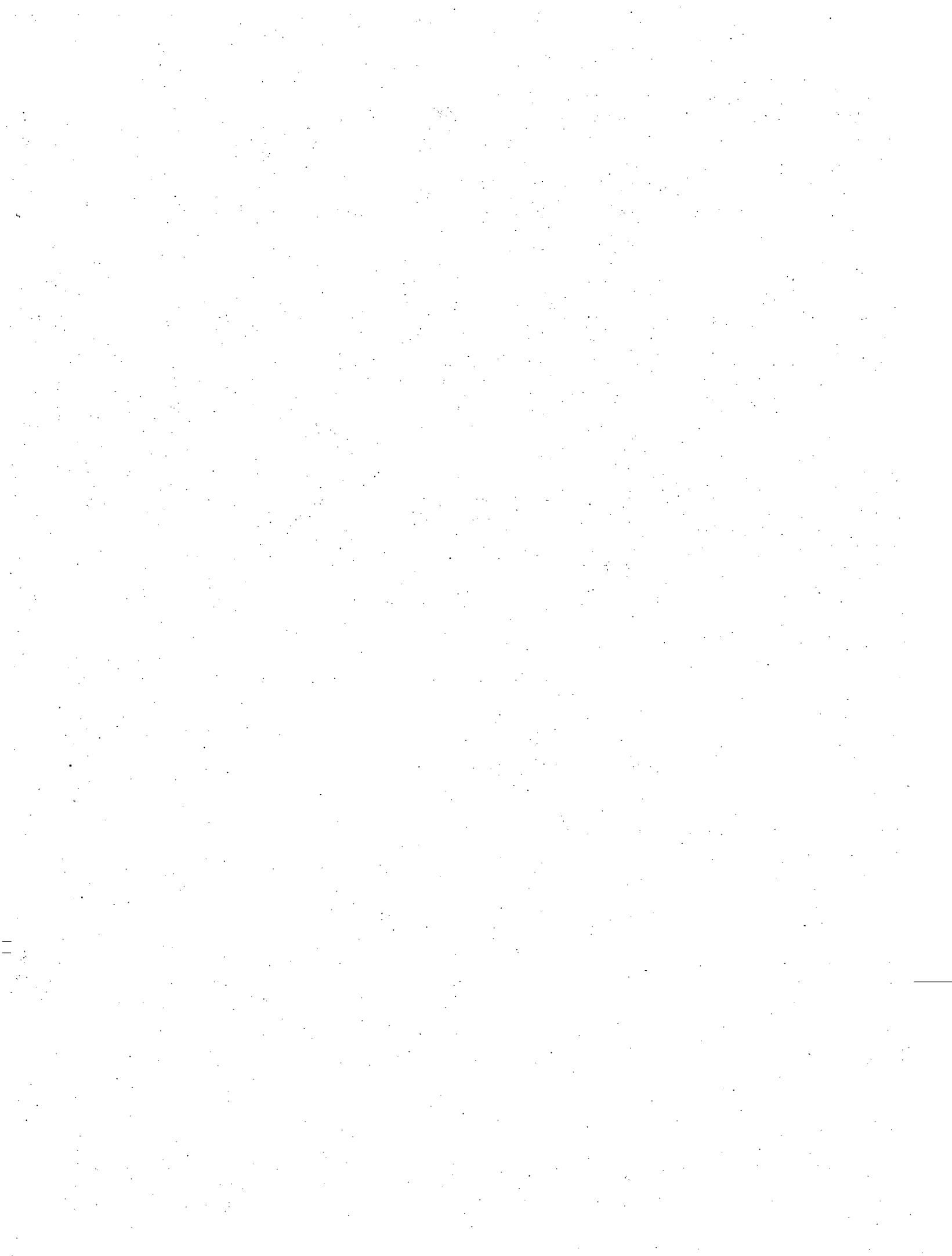
After this was pointed out, five SRs² stated between July and November 2006, that short levy of stamp duty was due to late receipt of circular relating to revised rates. The SR, Patacharkuchi stated in July 2006, that stamp duty charged in sadar office Barpeta and nearby office Patsala was followed while SR, Dibrugarh and Naharkatia did not furnish any reply.

The replies furnished by SRs are not tenable as stamp duty was chargeable at revised rate from the date as notified by Government.

The cases were reported to the department and Government between April 2006 and February 2007; replies have not been received (October 2007).

¹ Barpeta, Belsor, Dibrugarh, Margherita, Morigaon, Naharkatia, Patacharkuchi and Tihu

² Barpeta, Belsor, Morigaon, Margherita and Tihu



CHAPTER – VI : FOREST RECEIPTS

6.1 Results of audit

Test check of records in the offices of the divisional forest officers conducted during the year 2006-07 revealed loss, blocking up and non realisation of revenue etc. amounting to Rs. 12.93 crore in 151 cases, which broadly fall under the following categories:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
1.	Loss of revenue due to delay in disposal of timber	16	1.02
2.	Loss of revenue due to non settlement and/or delay in settlement of <i>mahal</i>	17	1.48
3.	Blocking up of revenue due to non disposal of offence cases/non realisation of royalty	15	1.65
4.	Loss of revenue due to illegal felling and removal of timber	8	1.25
5.	Other irregularities	95	7.53
Total		151	12.93

A few illustrative cases involving Rs. 1.04 crore are given in the following paragraphs.

6.2 Injudicious decision on sale of forest produce by permit instead of tender system deprived Government of additional revenue.

According to the provisions of Assam Sale of Forest Produce Coupes and Mahal Rules, 1977 forest produce is to be disposed of by tender or auction at competitive rates.

Test check of records of the divisional forest officers (DFO), North Kamrup and Cachar between June and September 2006 revealed, that four stone¹/sand *mahals* were settled through tenders at the rates ranging from Rs. 10.55 lakh to Rs. 12.71 lakh with the stipulated quantity of 12,500 cum of stone and 3,250 cum of sand during the working period between February 2004 and March 2007.

It was further noticed, that an additional quantity of 50,471.75 cum of stone and 17,888 cum of sand were sold from the same *mahals* between February and March 2007 through permits instead of tenders. The tender rates were higher by 111 to 264 *per cent* as compared to permit rates. Thus, sell of 68,359.75 cum of forest produce through permit instead of tender system deprived Government of additional revenue of Rs. 1.66 crore as detailed in appendix II.

The matter was reported to the department/ Government between August and December 2006; replies have not been received (October 2007).

6.3 Loss of revenue due to illicit felling and removal of forest produce

Under the provision of Assam Forest Regulation (AFR), 1891 and Rules framed thereunder, felling/removal of forest produce from the forest area without valid authorisation constitutes an offence punishable with fine. Forest produce removed illegally is also liable to be confiscated by the forest officials. To prevent such illegal felling and removal of forest produce, the department has forest protection squads and forest protection force deployed in forest areas. Further, if an offender is apprehended, the forest officer on seizure of such forest produce should report to concerned magistrate for trial or compound the case.

6.3.1 Test check of records of DFOs, Nagaon and Nagaon South division in March and June 2006 revealed, that 3,615.871 cum (Nagaon : 1,239.251 cum and Nagaon South : 2,376.620 cum) of timber was illegally felled during the years 2004-05 and 2005-06. Of this, only 1,476.943 cum could be recovered by the forest officials. The remaining 2,138.928 cum of timber valued at Rs. 86.24 lakh could not be recovered since it had been removed by miscreants. No FIR² was also lodged with the Police in this regard. Thus, failure of the department to prevent illegal felling/removal of timber despite having forest protection squads and forest protection force, resulted in loss of revenue of Rs. 86.24 lakh.

The matter was reported to the department and Government in May – June 2006; replies have not received (October 2007).

¹ Stone includes stone, boulder and gravel on which royalty is same.
² First information report.

6.3.2 Test check of records of the DFO, North Kamrup in August – September 2006 revealed, that 178 offence cases involving revenue of Rs. 40.73 lakh were detected and forest produces confiscated during the period between June 2004 and June 2006. The department neither compounded the cases nor were the cases sent to court for trial. The cases were left unattended without any recorded reasons. Failure of the department to take appropriate action, thus, resulted in blocking up of revenue of Rs. 40.73 lakh.

After this was pointed out, the DFO stated in September 2006 that action would be taken to dispose off the pending cases. Report on further development is awaited (October 2007).

The matter was reported to Government in December 2006; replies have not been received (October 2007).

6.4 Short realisation of revenue

Government of Assam, Mines and Minerals Department in its notification dated 7 March 2005, revised the rates of royalty of boulder/gravel/stone, sand and sandstone at Rs. 100 per cum, Rs. 70 per cum and Rs. 80 per cum respectively with immediate effect under endorsement to the Forest & Environment Department (FED). The FED communicated the revised rate to all the concerned authorities on 14 March 2005.

Test check of records of DFO, Kamrup West, Cachar and Sonitpur East between March and June 2006 revealed, that permits for 22,311.73 cum of boulder/stone/gravel, 4,809 cum of sand and 2,550 cum of sandstone were issued to 36 contractors of Public Works/Embankment and Drainage (E&D) Department during the period between 17 March and 14 May 2005. The department realised royalty of Rs. 14.18 lakh at prerevised rate against Rs. 27.71 lakh realisable. Thus, failure of the divisions to collect royalty at revised rate resulted in short realisation of Rs. 13.53 lakh as detailed in appendix III.

After this was pointed out, DFO, Cachar and Sonitpur divisions stated between March and June 2006, that short realisation was due to non receipt/delay in receipt of Government notification while DFO, Kamrup West did not furnish any reply. The replies are not tenable as the revised rates were circulated by the FED on 14 March 2005 and short realisation has been calculated for the permits issued on or after 17 March 2005. Further reply has not been received (October 2007).

The matter was reported to the department and Government between May and August 2006; replies have not been received (October 2007).

6.5 Non realisation of full royalty

As per instruction of the Chief Conservator of Forest (CCF), Assam, issued on 28 June 2005, no permit should be issued to any Government department to extract forest produce for departmental work without advance payment of royalty in full. Rate of royalty of boulder was Rs. 100 per cum during July – August 2005.

Test check of records of DFO, North Kamrup division in August – September 2006 revealed, that the DFO issued 16 permits to authorised contractors of Embankment and Drainage Department for lifting 5,547.86 cum of boulder during July – August 2005 on realisation of royalty of Rs. 1.14 lakh instead of Rs.5.54 lakh. Despite instruction of the CCF, the division issued permits without realisation of full royalty, which resulted in short realisation of Rs. 4.40 lakh.

After this was pointed out, the DFO stated in September 2006 that action would be taken to realise the amount. Further development is awaited (October 2007).

The matter was reported to the department/Government in December 2006; replies have not been received (October 2007).

CHAPTER – VII : LAND REVENUE

7.1 Results of audit

Test check of records of land revenue offices conducted during the year 2006-07 revealed retention of cash, non conversion of annual patta into periodic patta, arrear of land revenue and other irregularities amounting to Rs.30.33 crore in 74 cases, which broadly fall under the following categories:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
1.	Retention of cash	27	1.57
2.	Non conversion of annual patta into periodic patta	10	0.81
3.	Arrear of land revenue	18	11.63
4.	Other irregularities	18	0.30
5.	Assessment, levy and collection of land revenue	1	16.02
Total		74	30.33

A few illustrative cases involving Rs. 8.41 crore is given in the following paragraphs.

7.2 Assessment, levy and collection of land revenue

7.2.1 Introduction

The Assam Land and Revenue Regulation (ALRR), 1886, alongwith four other ancillary Acts¹ and Rules made or instruction issued thereunder prescribe the procedure governing assessment, levy and collection of land revenue as well as functions of the Revenue Department. In addition to land revenue, all land, whether revenue paying or held free of revenue, shall be assessed to local rates under Assam Local Rates Regulation, 1879. Every person holding land measuring 10 *bighas* or more directly under the State Government shall be liable to pay surcharge, at the rate of 30 *per cent* of the land revenue or rent of all classes of holdings in addition to land revenue or rent payable by him. Other than land revenue, any sum of money, realisable under any enactment, for the time being in force, is recoverable as arrears of land revenue.

7.2.2 Delay in reassessment of land revenue through resettlement operation led to blockage of revenue

Under provisions of the Assam Land Revenue Reassessment Act, 1936, land revenue may be reassessed before expiry of assessment term, if it appears to the Deputy Commissioner (DC), that, agricultural land has been converted into residential site or vice versa or a residential site has been converted into trade site or vice versa. Before issuing any such notification, the State Government shall require a forecast report from an officer appointed for the purpose indicating, interalia, probable financial impact of the resettlement operation.

Test check of records of the Settlement Officer, Guwahati in November 2006 revealed, that, resettlement operation for reassessment of land revenue for an area of 15,435.83 hectares of land (extended area) under Guwahati municipal corporation was conducted in 1964 for a period of 30 years. Government by a notification in July 1988 brought the extended area under resettlement operation with effect from 1 September 1988. The forecast report prepared by the department in December 1987 indicated feasibility of resettlement of 7,370.10 hectares which was not done till March 2007. The report also indicated probable financial impact of resettlement operation for Rs.94.13 lakh per annum. Reassessment of land revenue was also required as agricultural land was converted into residential sites.

¹ (i) Assam Land Revenue Reassessment Act, 1936,
(ii) Assam Land Revenue and Rent (Surcharge) Act, 1970,
(iii) Assam Land (Requisition and Acquisition) Act, 1964 and
(iv) Assam Land Holding (adoption of relation under the Assam Land and Revenue Regulation, 1886 in the acquired permanently settled estate) Act, 1974.

Thus, due to inordinate delay of over 12 years from April 1994 to March 2006 in reassessment of land revenue through resettlement operation, Government failed to augment land revenue by Rs. 12 crore of which Rs.4.71 crore was pertaining to the period from 2001-02 to 2005-06.

7.2.3 Loss of revenue due to non assessment of industrial sites by updation of records

Under provisions of the Assam Land Revenue Reassessment (Amendment) Act, 1997 and Rules made thereunder, the land where assembling, storage, processing, manufacturing or both processing and manufacturing of any products² are carried out shall be recognised as industrial sites. The minimum assessment per standard unit of one *bigha* of such industrial site shall not be less than Rs.1,000 in urban areas and Rs.500 in rural areas.

Test check of records of 17 circle officers in seven districts³ between November 2006 and March 2007 revealed, that, 4,774 *bigha 4 katha 5 lecha* of land settled as agricultural land was converted to industrial sites by 282 units. Land records on the basis of which demand for land revenue is to be raised were not corrected even though the position was in the knowledge of the assessing authority (AA). Thus, failure of the AA to raise demand of land revenue on 282 industrial sites by updation of records resulted in loss of revenue of Rs.1.76 crore during 2001-02 to 2005-06.

After this was pointed out, DCs replied between November 2006 and January 2007, that updation of records and reclassification of land as industrial sites was in progress. Further development is awaited (October 2007).

7.2.4 Short realisation of premium due to incorrect assessment of value of land

As per provisions of the ALRR, 1886 and instruction issued between May 1999 and August 1999 by the Revenue (Settlement) Department, value of unoccupied Government land for settlement/allotment is to be determined from as many sale deeds as possible of last three years and averaged so as to minimise possible human bias in the process of determining market value of land. The rates of premium for settlement of land in Guwahati city or within the radius of 10 km from the periphery of Guwahati city are prescribed at 150 *per cent* and 100 *per cent* respectively of the prevailing market price of land.

Test check of records of DC, Kamrup (Rural) and Kamrup (Metro) in November 2006 revealed, that, Government land measuring 287 *bigha, 2 katha* and 1 *lecha* covered by various survey numbers was settled between 2001-02 to 2002-03 for trade, commerce or industrial purpose, at an occupancy price of Rs.59.59 lakh (premium) computed on the basis of average value of land of three sale deeds.

² Asbestos, bricks, cloth materials, garments, food products, iron and steel materials, pipes of various nature, storage of coal and coal products etc. and timber and ancillary products.

³ Dibrugarh, Goalpara, Hailakandi, Kamrup (M), Kamrup (R), Nogaon and Sonitpur.

Scrutiny of registered sale deeds of Senior Sub Registrar, Guwahati however, revealed that, average value of land based on 5-10 sale deeds, sold in the vicinity during the preceding three years was much higher than the value at which land was settled. Premium to be realised on the average prevailing market value of land worked out to Rs.1.05 crore. Thus, inappropriate computation of average value of land during settlement led to short realisation of premium of Rs.45 lakh.

The matter was reported to department/Government in May 2007; replies had not been received (October 2007).

7.2.5 Short realisation of revenue due to levy at lower rates

Revenue (Settlement) Department in April 2003 notified rate of land revenue per *bigha* at higher rates with effect from 1 July 2003 in respect of Guwahati, Krishnai, Dhupdhera, Dhudnoi, Goalpara revenue towns.

Test check of records of six circle officers of Guwahati and Goalpara between November 2006 and March 2007 revealed, that, the circle officers did not rectify land record indicating notified rates leviable from 1 July 2003. Consequently, land revenue of Rs. 33 lakh on 7,613 *bigha* 3 *katha* 8.5 *lecha* of settled land was realised during 2003-04 to 2005-06 against Rs.2.17 crore realisable. This resulted in short levy of revenue of Rs.1.84 crore.

After this was pointed out, concerned DCs stated between November 2006 and January 2007, that land revenue at enhanced rate would be realised. Report on recovery is awaited (October 2007).

7.2.6 Short realisation of revenue due to application of lower rates in respect of land allotted to tea estates.

The Revenue (Settlement) Department issued instruction in June 1998 to the DCs for realisation of land revenue in respect of tea estates at the rate of Rs.15 per *bigha* in Brahmaputra valley and Rs.12 per *bigha* in Barak valley. Subsequently, the State Government issued another notification in October 1999 reducing the rates of land revenue from Rs.15 to Rs.12 in Brahmaputra valley and Rs.12 to Rs.9 in Barak valley for the period from July 1998 to June 2003.

Test check of records of six⁴ DCs during November 2006 to January 2007 revealed, that, though the department did not extend the reduced rate of land revenue beyond June 2003, the DCs continued to levy land revenue at reduced rates till March 2006. This resulted in short realisation of revenue of Rs.1.59 crore.

After this was pointed out, the concerned DCs stated between December 2006 and January 2007 that the matter would be taken up with the Revenue Department. Report on further development is awaited (October 2007).

⁴ Dibrugarh, Goalpara, Hailakandi, Nagaon, Sivasagar and Sonitpur.

7.2.7 Non realisation of revenue owing to non levy of surcharge in addition to land revenue

Under provisions of the Assam Land Revenue and Rent (Surcharge) Act, 1970, every person holding land measuring 10 *bighas* or more directly under the State Government shall be liable to pay surcharge on land revenue or rent, as the case may be, at the rate of 30 *per cent* on all classes of holdings in addition to the land revenue or rent payable by him.

Test check of records of DC, Goalpara and SDO, Sivasagar and Charaideo between December 2006 and March 2007 revealed, that, during the year 2001-02 to 2005-06 annual demand for land revenue in respect of 60 tea estates covering an area of 2.14 lakh *bighas* of land, was raised without charging surcharge at 30 *per cent* leviable in addition to land revenue or rent. Non levy of surcharge resulted in non realisation of Rs.39 lakh.

After this was pointed out, the concerned DCs stated between December 2006 and February 2007 that the matter would be taken up with the respective SDO and circle officer. Further reply is awaited (October 2007).

7.2.8 Non levy of penalty for unauthorised encroachment of Government land

Under provisions of ALRR amended upto 1978 and Rules made thereunder, a person or persons in unauthorised possession of Government land without any bonafide claim of right shall be evicted by the DC or SDO by issuing a notice to vacate the land within 15 days of its issue. Any person disobeying the order for vacation of land shall be liable to penalty which may extend to Rs.200 and in case of persistent disobedience further penalty of Rs.50 per day during which such breach continues may be imposed. The person having been once evicted shall, on conviction by magistrate, be liable to imprisonment upto six months or fine which may extend to Rs.1,000 or both.

Test check of records of seven⁵ DCs between October 2006 and February 2007 revealed, that, in 181 encroachment cases registered between 2001-02 and 2005-06, though eviction orders were issued during the aforementioned period, the encroachers either disobeyed the order or reencroached upon the land. Maximum penalty leviable for continued disobedience of vacation order amounting to Rs.83 lakh upto September 2006 was neither levied nor were the cases referred to the concerned authority for prosecution. Thus, due to apathy of the department to initiate action as per provisions of Act and Rules, Government land measuring 2,884 *bigha* 1 *katha* 6 *lecha* was under unauthorised occupation.

After this was pointed out, four⁶ out of seven DCs stated between October 2006 and February 2007, that action would be taken. Further development in these cases and reply in respect of remaining three DCs are awaited (October 2007).

⁵ Dibrugarh, Goalpara, Hailakandi, Kamrup (Metro), Nagaon, Sibsagar and Sonitpur

⁶ Goalpara, Kamrup (M), Nagaon and Sivasagar.

7.2.9 Utilisation of land revenue to meet departmental expenditure

Under the provisions of the Assam Treasury Rules (ATR) all moneys received by or tendered to Government servant on account of revenue of the State, shall without undue delay be remitted into treasury or into the bank. Money so received shall not be appropriated to meet departmental expenditure.

Test check of records of four⁷ DCs between October 2006 and February 2007 revealed, that, land revenue of Rs.2.12 crore collected during the period from 2001-02 to 2005-06 was utilised towards payment of commission to *mouzadars*⁸ in violation of provision of the ATR. This resulted in unauthorised appropriation of Government revenue of Rs.2.12 crore.

After this was pointed out, DCs, Sonitpur and Dibrugarh stated between December 2006 and February 2007, that the matter would be taken up with Government. DC, Sivasagar stated in November 2006 that the matter would be taken up with SDO(C), Nazira. Further development in these cases and reply from DC, Nagaon and Government are awaited (October 2007).

7.2.10 Retention of cash in hand by mouzadars

In accordance with the executive instruction issued under notification dated 29 March 1996, no *mouzadar* is allowed to retain cash in hand beyond Rs.10,000 with regard to land revenue collected by him. Subject to this limit, *mouzadar* should remit the land revenue, local rate and other Government revenue collected by him to the treasury at least once in a month.

Test check of records of 232 *mouzadars* of 11 districts⁹ between October 2006 and February 2007 revealed, that, during the period from 2001-02 to 2005-06, 106 *mouzadars* retained revenue in excess of permissible limit ranging between Rs.0.03 lakh and Rs.2.48 lakh. As of 31 March 2006, revenue amounting to Rs.67 lakh was retained in hand in excess of permissible limit. Thus, laxity of the department to exercise control over the *mouzadars* resulted in unauthorised retention of revenue of Rs.67 lakh.

After this was pointed out, all the DCs stated between November 2006 and February 2007 that the circle officers would be instructed to discourage retention of revenue in excess of permissible limit by *mouzadars*. The replies were, however, silent regarding failure on the part of the department to monitor the process of receipt and consequent remittance of Government revenue by the *mouzadars*.

⁷ Dibrugarh, Nagaon, Sibsagar and Sonitpur

⁸ *Mouzadar* is appointed by DC on commission basis for collection of land revenue.

⁹ Dibrugarh, Kamrup (R), Kamrup(M), Nagaon, Sibsagar, Sonitpur, Darrang, Golaghat, Nalbari, Tinsukia and Udalguri.

7.2.11 Non recovery of land revenue

Under the Assam Land (Requisition and Acquisition) Act, 1964 and Rules made thereunder, the State Government may acquire land by requisition for essential supplies and services or for providing facilities or accommodation, transport etc. to the community. The State Government issued instruction in April 1987 for realisation of cost of acquisition (establishment, contingent charges etc.) in all land acquisition cases. However, in case of settlement of unoccupied Government land, premium at the prevailing market value of land is to be realised.

Test check of records of three¹⁰ DCs in December 2006 – January 2007 revealed, that, in five cases, 1,814.36 *bighas* of land was acquired/settled for transfer or allotment to various authorities, bodies, organisations etc. During the year 2003-04 and 2005-06, demand for acquisition cost/premium for Rs.3.91 crore was raised against which Rs.1.76 crore was realised by the department leaving a balance of Rs.2.15 crore to be recovered. No action was thereafter taken for collection of the balance amount resulting in non recovery of Rs.2.15 crore till June 2007 as detailed in appendix IV.

After this was pointed out, concerned DCs stated between December 2006 and January 2007 that fresh demand would be raised for recovery of balance requisition cost/premium. Report on recovery is awaited (October 2007)

7.2.12 Non levy of interest on recovered dues

Under the provision of the Bengal Public Demand Recovery (BPDR) Act 1913, as applicable in the State of Assam, interest at the rate of 6.25 *per cent* per annum is to be charged on public demand to which the recovery certificate relates from the date of signing the certificate upto the date of realisation.

Test check of records of the DCs/SDOs of eight¹¹ districts between November 2006 and March 2007 revealed, that, in 8,444 cases, a sum of Rs.38.12 crore was recovered as arrears of land revenue during the period from 2001-02 to 2005-06. But the recovery officers did not levy interest of Rs. 2.38 crore as required under the provisions of the Act. This resulted in non realisation of interest of Rs. 2.38 crore.

After this was pointed out, concerned seven¹² DCs stated between November 2006 and February 2007 that action would be taken for levy of interest on recovered dues. Further development in these cases and reply of DC(R) has not been received (October 2007).

¹⁰ Dibrugarh, Nagaon, and Sivasagar

¹¹ Dibrugarh, Goalpara, Hailakandi, Kamrup (R), Kamrup (M), Nogaon, Sivasagar and Sonitpur.

¹² Dibrugarh, Goalpara, Hailakandi, Kamrup (M), Nogaon, Sivasagar and Sonitpur

7.2.13 Blockage of revenue due to non conversion of annual lease into periodic lease.

Under Rule 13 of ALRR, the DC or other officers especially empowered in this behalf may convert an annual lease into a periodic lease of land in accordance with such instruction as may be issued from time to time for his guidance by the State Government, subject to payment of premium at such rates as may be fixed by the State Government.

The State Government issued a series of instructions (December 2003, December 2004, January 2005 and May 2005) to DC and SDOs for expeditious conversion of annual leases into periodic leases of land as per guidelines laid down in the land policy 1989 of Government of Assam, within 10 km radius of Guwahati and 3 km radius of other municipal towns on realisation of premium at the rate of 25 *per cent* and 15 *per cent* respectively of the market value of land.

It was, however, seen in eight DC offices¹³ audited between November 2006 and January 2007, that, annual lease of land in town land area measuring 6,296 *bigha 3 katha 3 lecha* and 2,605 *bigha 2 katha 12 lecha* used for residential and trade purposes respectively in Guwahati city and 10 other municipal towns were awaiting conversion into periodic leases. Despite repeated instructions of Government for expeditious conversion of annual leases into periodic leases in conformity with land policy of the State, the DCs/SDOs did not initiate any action towards this even after a lapse of almost three and half years from the date of first circular issued in December 2003. None of the DC offices taken up for audit, maintained basic documents showing annual leases granted in the district from time to time, in absence of which conversion of leases seems to be impossible. Thus, apathy on the part of DCs to initiate conversion of leases in conformity with Government instructions led to blockage of revenue of Rs. 126.29 crore.

¹³ Dibrugarh, Goalpara, Hailakandi, Kamrup (Metro), Kamrup (Rural), Nagaon, Sibsagar and Sonitpur.

After this was pointed out, concerned DCs/SDOs stated between November 2006 and February 2007 that action was being taken for conversion of annual lease into periodic leases of land. The replies were, however, silent about delay in initiating action as per Government instructions which led to blockage of revenue to such an extent in the cash starved State.



GUWAHATI
THE 19 DEC 2007

(SWORD VASHUM)
Principal Accountant General (Audit), Assam

Countersigned



NEW DELHI
THE 1 JAN 2008

(VIJAYENDRA N. KAUL)
Comptroller and Auditor General of India



Appendix-I

**Statement showing the Inspection Reports (IRs) and paragraphs outstanding for settlement at the end of June 2007.
(Reference : Paragraph – 1.7)**

Sl. No.	Name of Department	Total number of outstanding IRs/Paragraphs at the end of June 2007			Total number of outstanding IRs/Paragraphs not settled for more than 10 years			Total numbers of IRs against which initial replies not received.			
		Year of issue	No. of IRs	No. of paragraphs	Year of Issue	No. of IRs	No. of paragraphs	Year of issue	No. of IRs	No. of paragraphs	Amount (Rupees in crore)
1	Taxation	1994-95 to December 2006	186	565	1994-95 to June 1997	26	30	2003-04 to December 2006	5	39	12.18
2	Agricultural Income Tax	1995-96 to December 2006	8	34	1996-97 to June 1997	2	14	NIL	NIL	NIL	NIL
3	Land Revenue	1994-95 to December 2006	528	1436	1994-95 to June 1997	223	467	1994-95 to December 2006	475	1292	242.41
4	Mines and Minerals	1997-98 to December 2006	8	39	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	Registration	1996-97 to December 2006	112	237	1996-97 to June 1997	20	33	2001-02 to December 2006	22	70	1.61
6	Transport	1994-95 to December 2006	179	530	1994-95 to June 1997	23	39	2003-04 to December 2006	30	140	8.89
7	State Excise	1994-95 to December 2006	68	158	1994-95 to June 1997	9	9	2003-04 to December 2006	11	33	0.57
8	Forest and Wild life	1994-95 to December 2006	214	644	1994-95 to June 1997	29	55	2003-04 to December 2006	50	258	23.32
9	Other Taxes	1994-95 to December 2006	44	54	1994-95	7	8	2003-04 to December 2006	6	6	0.05
Total:			1,347	3,697		339	655		599	1,838	289.03

Appendix-II

Statement showing loss of revenue of Rs. 1.66 crore on sale of forest produce by permit system instead of tender.

(Reference : Paragraph 6.2)

Sl. No.	Name of Mahals Division	On tender sale	Sold on permit	Loss of revenue
		Working period Stipulated quantity of forest produce (cum) Rate per cum	Quantity sold (cum) Amount realised Rate per cum	Amount could be realized as per tender rate Amount actually realized on permit sale
1	Matanga Sand/ Stone Mahal No. 3 North Kamrup Divn.	13 March 2005 to 15 May 2007 3500 cum (Sand & Stone) @ Rs. 301.00/cum	16,000 cum (Sand & Stone) Rs. 13.12 lakh Sand @ Rs. 70/cum; Stone @ Rs. 100/cum	Rs. 0.35 crore Rs. 48.16 lakh Rs. 13.12 lakh
2	Deoduar Stone Mahal No.1 North Kamrup Divn.	18 March 2005 to 18 March 2007 5250 cum (Sand & Stone) @ Rs. 211.00/cum	6,000 cum (Stone) Rs. 6.00 lakh @ Rs. 100/cum	Rs. 0.06 crore Rs. 12.66 lakh Rs. 6.00 lakh
3	Khagrabari Sand/ Stone mahal North Kamrup Divn.	08 March 2005 to 08 March 2007 3500 cum (Sand & Stone) @ Rs. 363.00/cum	40,389.75 cum (Sand & Stone) Rs. 37.90 lakh Sand @ Rs. 70/cum; Stone @ Rs. 100/cum	Rs. 1.09 crore Rs. 146.61 lakh Rs. 37.90 lakh
4	Chiri River Stone Mahal Cachar Division	28 February 2004 to 27 December 2005 3500 cum (Sand Gravel) @ Rs. 364.00/cum	5,970 cum (Stone) Rs.5.97 lakh @ Rs. 100/cum	Rs. 0.16 crore Rs. 21.73 lakh Rs. 5.97 lakh
Total				Rs. 1.66 crore

Appendix-III

Statement showing short realisation of revenue of Rs. 13.53 lakh for sale of boulder/gravel/stone/sand stone.

(Reference : Paragraph 6.4)

Sl. No.	Name of the Division	Date of issue of permit	Quantity issued	Amount realisable	Amount realised	Short realisation
			(In cu.m.)	(Rupees in lakh)		
1	Kamrup West	17-3-05 to 24-3-05	Boulder/Gravel = 10,735.13 Sand = 4800 Sand-Stone = 1000	14.90	5.12	9.78
2	Cachar	17-3-05 to 22-3-05	Boulder = 6810.60 Sand = 9.00	6.81	4.77	2.04
3	Sonitpur East	22-3-05 to 14-5-05	Boulder/Gravel = 4766 Sand-Stone = 1550	6.00	4.29	1.71
Total			Boulder/Gravel = 22,311.73 Sand = 4809.00 Sand-Stone = 2550.00	27.71	14.18	13.53

Appendix-IV

Statement showing non realisation of revenue in cases of acquisition of land/settlement of land.

(Reference : Paragraph 7.2.11)

Name of the district Area of land (In bighas) Year of acquisition/settlement	Authorities/ bodies/ organisation/ groups to or in favour of whom acquired, transferred or settled	Purpose	Acquisition cost/ premium to be realised	Actual realisation	Unrealised acquisition cost/ premium
<u>Nagaon</u> 791.94 2004-05	Project Director, Project Implementation Unit; National Highway Authority of India, Nogaon	Implementation of 'east west corridor' Project of the Ministry of Shipping, Road Trasport and National Highway of India	1.65 (Acquisition cost)	0.13	1.52
<u>Dibrugarh</u> 494.39 2003-04	Deputy Chief Engineer, Construction Organisation, N.F. Railway. Tinsukia	Construction of railway. line under Bogibeel project	1.54 (Premium)	1.41	0.13
<u>Sivsagar</u> 7.22 2003-04	Sarat Baruah & 19 others	Settlement of professional grazing reserve land for allotment	0.19 (Premium)	0.07	0.12
<u>Sivsagar</u> 0.80 2005-06	State Bank of India, Sivasagar branch	Construction of building of State Bank of India	0.11 (Premium)	---	0.11
<u>Sivsagar</u> 520.01 2005-06	Gas Authority of India Ltd., Sivasagar	Installation of LPG plant at Lakwa	0.42 (Premium)	0.15	0.27
Total 1814.36 Bighas			3.91	1.76	2.15