

CHAPTER IV: REVENUE SECTOR

4.1 GENERAL

4.1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Tripura during the year 2011-12, the State's share of net proceeds of divisible Union taxes and duties assigned to States and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned below:

Table: 4.1

		(₹ in crore)				
		2007-08	2008-09	2009-10	2010-11	2011-12
I.	Revenue raised by the State Government					
	• Tax revenue	370.70	442.50	527.01	622.34	858.02
	• Non-tax revenue	115.41	149.04	125.40	131.79	214.22
	Total:	486.11	591.54	652.41	754.13	1072.24
II.	Receipts from the Government of India					
	• State's share of net proceeds of divisible Union taxes	650.62	686.52	706.34	1122.36	1307.56
	• Grants-in-aid	2561.61	2798.72	3042.60	3292.11	4097.10
	Total:	3212.23	3485.24	3748.94	4414.47	5404.66
III.	Total receipts of State Government (I+II)	3698.34	4076.78	4401.35	5168.60	6476.90
IV.	Percentage of I to III	13	15	15	15	17

The above table indicates that during the year 2011-12, the revenue raised by the State Government (₹ 1,072.24 crore) was 17 per cent of the total revenue receipts against 15 per cent in the preceding year. The balance 83 per cent of receipts during 2011-12 was from the Government of India.

4.1.1 (a) Tax Revenue: The following table presents the details of tax revenue raised during the period 2007-08 to 2011-12:

Table: 4.2

		(₹ in crore)					
Sl. No.	Head of revenue	2007-08	2008-09	2009-10	2010-11	2011-12	Percentage of increase (+) or decrease (-) in 2011-12 over 2010-11
1.	Sales Tax/VAT	264.98	314.79	374.93	444.93	666.32	(+ 50)
2.	State Excise	38.50	48.28	61.09	85.85	94.68	(+ 10)
3.	Other Taxes on Income and Expenditure	23.73	25.97	29.16	29.22	30.27	(+ 4)
4.	Stamps and Registration Fees	14.98	17.03	18.15	24.23	30.73	(+ 27)
5.	Taxes on Vehicles	23.20	29.82	37.14	21.92	25.18	(+ 15)
6.	Other Taxes and Duties on Commodities and Services	2.17	0.84	0.95	0.91	1.42	(+ 56)
7.	Land Revenue	2.97	5.55	5.55	15.25	9.33	(-) 39
8.	Taxes on Agricultural Income	0.11	0.18	0.01	0.01	0.04	(+ 300)
9.	Taxes and Duties on Electricity	0.01	0.02	0.02	0.02	0.05	(+ 150)
10.	Others	0.05	0.02	0.01	-	-	-
	Total:	370.70	442.50	527.01	622.34	858.02	(+ 38)

The following reasons for variation were reported by the concerned departments:

Sales Tax:- The increase in collection of Sales Tax/VAT (50 per cent) was due to increase of rate of VAT, minimisation of evasion of tax and efficient tax collection due to intensive checking and regular monitoring at Churaibari Checkpost.

State Excise:- The increase in collection of State Excise (10 per cent) was due to higher consumption of 'Liquor' than previous year.

4.1.1 (b) Non-Tax Revenue: The following table presents the details of the non-tax revenue raised during the period 2007-08 to 2011-12.

Table: 4.3

(₹ in crore)

Sl. No.	Head of revenue	2007-08	2008-09	2009-10	2010-11	2011-12	Percentage of increase (+)/ decrease (-) in 2011-12 over 2010-11
1.	Forestry and Wildlife	5.52	5.57	6.29	7.64	6.98	(-) 9
2.	Education, Sports, Art and Culture	1.00	1.55	1.50	1.27	2.06	(+) 62
3.	Crop Husbandry	1.53	1.70	1.52	1.85	1.93	(+) 4
4.	Other Administrative Services	3.55	2.33	11.76	3.91	5.45	(+) 39
5.	Miscellaneous General Services	0.52	22.28	22.29	11.29	11.60	(+) 3
6.	Water Supply and Sanitation	0.62	1.23	1.13	1.21	1.26	(+) 4
7.	Police	14.22	19.86	16.88	24.73	37.33	(+) 51
8.	Interest Receipts	58.93	62.93	27.88	23.24	50.66	(+) 118
9.	Stationery and Printing	1.86	1.75	1.26	1.51	1.40	(-) 7
10.	Animal Husbandry	1.54	1.56	1.45	1.57	1.32	(-) 16
11.	Industries	9.30	9.38	11.87	30.63	39.80	(+) 30
12.	Public Works	3.98	6.17	7.71	7.83	7.84	(+) 0.13
13.	Village and Small Industries	0.07	0.02	1.46	0.04	0.01	(-) 75
14.	Fisheries	1.27	1.89	0.68	0.55	0.67	(+) 22
15.	Other Rural Development Programmes	0.07	0.03	0.03	0.08	0.04	(-) 50
16.	Housing	1.23	1.13	1.34	1.35	1.73	(+) 28
17.	Minor Irrigation	0.10	0.71	0.06	0.08	0.08	-
18.	Medical and Public Health	3.74	4.52	4.87	4.06	5.14	(+) 27
19.	Co-operation	0.49	0.05	0.07	0.05	3.69	(+) 7280
20.	Others	5.38	4.38	5.35	8.90	35.23	(+) 296
Total:		114.92	149.04	125.4	131.79	214.22	(+) 63

Reasons for variations from the concerned departments are awaited (February 2013).

4.1.2 Variation between the revised budget estimates and actuals

The variations between the revised budget estimates and actuals of revenue receipts under the principal heads of Tax and Non-Tax revenue for the year 2011-12 are mentioned in the following table:

Table: 4.4

(₹ in crore)

Sl. No.	Head of Revenue Receipt	Budget estimates (Revised)	Actuals	Variation increase (+) decrease (-)	Percentage of variation over Revised Budget Estimate
Tax Revenue					
1.	Sales Tax/VAT	600.00	666.32	(+) 66.32	(+) 11.05
2.	State Excise	90.00	94.68	(+) 4.68	(+) 5.20
3.	Other Taxes on Income and Expenditure	-	30.27	-	-
4.	Stamps and Registration Fees	19.97	30.73	(+) 10.76	(+) 53.88
5.	Taxes on Vehicles	23.57	25.18	(+) 1.61	(+) 6.83
6.	Other Taxes and Duties on Commodities and Services	0.72	1.42	(+) 0.70	(+) 97.22
7.	Land Revenue	15.82	9.33	(-) 6.49	(-) 41.02
8.	Taxes on Agricultural Income	0.02	0.04	(+) 0.02	(+) 100.00
9.	Taxes and Duties on Electricity	0.03	0.05	(+) 0.02	(+) 66.67
Non-Tax Revenue					
10.	Forestry and Wildlife	1.20	6.98	(+) 5.78	(+) 481.67
11.	Education, Sports, Art and Culture	2.00	2.06	(+) 0.06	(+) 3
12.	Crop Husbandry	1.70	1.93	(+) 0.23	(+) 13.53
13.	Other Administrative Services	20.26	5.45	(-) 14.81	(-) 73.10
14.	Miscellaneous General Services	11.93	11.60	(-) 0.33	(-) 2.77
15.	Water Supply and Sanitation	1.94	1.26	(-) 0.68	(-) 35.05
16.	Police	20.00	37.33	(+) 17.33	(+) 86.65
17.	Interest Receipts	26.25	50.66	(+) 24.41	(+) 93.00
18.	Stationery and Printing	0.75	1.40	(+) 0.65	(+) 86.67
19.	Animal Husbandry	1.94	1.32	(-) 0.62	(-) 31.96
20.	Industries	35.00	39.80	(+) 4.80	(+) 13.71
21.	Public Works	15.00	7.84	(-) 7.16	(-) 47.73
22.	Village and Small Industries	0.13	0.01	(-) 0.12	(-) 92.31
23.	Fisheries	2.46	0.67	(-) 1.79	(-) 72.76
24.	Other Rural Development Programmes	0.10	0.04	(-) 0.06	(-) 60.00
25.	Housing	1.94	1.73	(-) 0.21	(-) 10.82
26.	Minor Irrigation	1.94	0.08	(-) 1.86	(-) 95.88
27.	Medical and Public Health	8.00	5.14	(-) 2.86	(-) 35.75
28.	Co-operation	0.19	3.69	(+) 3.50	(+) 1842.11
29.	Others	9.37	35.23	(+) 25.86	(+) 276.00

Source: Receipt Budget and Finance Account for the year 2011-12.

The following reasons for variations were reported by the concerned departments:

Sales Tax:- The increase in collection of Sales Tax/VAT (11.05 per cent) was due to increase of rate of VAT, minimisation of evasion of tax and efficient tax collection due to intensive checking and regular monitoring at Churaibari Checkpost.

State Excise:- The increase in collection of State Excise (5.20 per cent) was due to higher consumption of ‘Liquor’ than previous year.

4.1.3 Cost of collection

The gross collection of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the period 2009-10 to 2011-12 along with the relevant all India average percentage of expenditure on collection to gross collections for 2010-11 are mentioned in the following table:

Table: 4.5

(₹ in crore)

Sl. No.	Head of revenue	Year	Gross Collection	Expenditure on collection	Percentage of expenditure to gross on collection	All India average percentage for the year 2010-11
1.	Sales Tax/ VAT	2009-10	374.93	5.19	1.38	0.75
		2010-11	444.93	5.74	1.29	
		2011-12	666.32	7.84	1.18	
2.	State Excise	2009-10	61.09	1.62	2.65	3.05
		2010-11	85.85	1.44	1.68	
		2011-12	94.68	1.41	1.49	
3.	Taxes on Vehicles	2009-10	37.14	1.60	4.31	3.71
		2010-11	21.92	1.55	7.07	
		2011-12	25.18	1.37	5.44	
4.	Stamp Duty and Registration Fees	2009-10	18.15	1.80	9.92	1.60
		2010-11	24.23	1.32	5.45	
		2011-12	30.73	1.91	6.22	

Source: Finance Accounts

4.1.4 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2012 in respect of the principal Heads of Revenue as reported by the Departments was ₹ 27.08 crore of which ₹ 2.40 crore (9 per cent) were outstanding for more than five years as per details mentioned in the following table:

Table: 4.6

(₹ in crore)

Sl. No.	Head of revenue	Amount outstanding as on 31 March 2012	Amount outstanding for more than five years
1.	Taxes/VAT on Sales, Trades etc.	26.32	2.38
2.	Taxes on Vehicles	0.76	0.02
Total:		27.08	2.40

Source: State Department.

4.1.5 Arrears in assessment

The details of Sales Tax/VAT and Taxes on Agricultural income assessment cases pending at the beginning of the year 2011-12, cases which became due for assessment during the year, cases disposed during the year and number of cases pending at the end of the year 2011-12 as furnished by the Assistant Commissioner of Taxes are mentioned below:

Table: 4.7

(In number)

Head of revenue	Opening balance as on 31 March 2011	New cases due for assessment during 2011-12	Total assessment due	Cases disposed of during 2011-12	Balance at the end of the year 2011-12	Percentage of disposals to the total assessments 5 to 4
1.	2.	3.	4.	5.	6.	7.
Taxes on Agricultural Income	494	10	504	-	504	-

4.1.6 Evasion of Tax

The details of cases of evasion of tax detected, cases finalised and demands for additional tax raised in 2011-12, as reported by the Departments concerned are mentioned in the following table:

Table: 4.8

Name of tax/duty	Cases pending as on 31 March 2012	Cases detected during 2011-12	Total	Number of cases in which assessments/ investigation completed and additional demand including penalty etc., raised during the year 2011-12		Number of pending cases as on 31 March 2012
				No. of cases	(₹ in lakh)	
Sales Tax/VAT	607	1549	2156	1429	195.74	727

Source: State Departments

4.1.7 Refunds

The information on refunds in case of Sales Tax/VAT and Stamp Duty and Registration Fee during 2011-12 is mentioned in the following table:

Table: 4.9

(₹ in lakh)

Sl. No.	Particulars	Sales Tax/VAT	
		No. of cases	Amount
1.	Claims outstanding at the beginning of the year	03	0.74
2.	Claims received during the year	01	1.50
3.	Refunds made during the year	-	-
4.	Balance outstanding at the end of the year	04	2.24

4.1.8 Response of the Departments/Government towards audit

Transactions and maintenance of important accounts and other records of the departments are test checked and Inspection Report containing audit findings is issued to the Head of the Office so audited for comments and/or compliance. Audit findings of serious nature are processed into draft paragraphs and forwarded to the Administrative Head of the concerned Department through demi-official letter drawing their attention to the audit findings with a request to furnish their response within six weeks. The response of the Departments/Government towards audit is discussed in succeeding paragraphs.

4.1.8 (a) Failure of senior officials to enforce accountability and protect the interest of the State Government

The Accountant General (Audit), Tripura (AG) conducts periodical inspection of the Government Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the Heads of the Offices inspected with copies to the next higher authorities for taking prompt corrective action. The Heads of the Offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG within one month from the date of issue of the IRs. Serious financial irregularities are reported to the Heads of the Departments and the Government.

Inspection Reports issued upto June 2012 disclosed that 559 paragraphs involving ₹ 115.96 crore relating to 215 IRs remained outstanding at the end of November 2012 as mentioned in the following table along with the corresponding figures for the preceding two years.

Table: 4.10

	June 2010	June 2011	June 2012
Number of outstanding IRs	156	208	215
Number of outstanding audit observations	390	539	559
Amount involved (₹ in crore)	92.46	100.12	115.96

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2012 and the amounts involved are mentioned in the following table:

Table: 4.11

Sl. No.	Name of Department	Nature of Receipts	No. of Outstanding IRs	No. of Outstanding Audit Observations	Money Value involved (₹ in crore)
1.	Finance	Taxes/VAT on Sales, Trade, etc	69	221	14.18
		Professional Tax	07	08	0.13
		Agricultural Income Tax	02	02	-
		Amusement Tax	07	16	0.30
		Luxury Tax	-	-	-
2.	Forest	Forest Receipts	32	100	6.28
3.	Industries and Commerce	Mines and Minerals	-	-	-
4.	Revenue	Land Revenue	37	53	1.01
		Stamp Duty and Registration Fees	18	27	0.90
5.	Excise	State Excise	19	55	7.78
6.	Transport	Taxes on Vehicles/Taxes on Goods and Passengers	24	77	85.38
Total:			215	559	115.96

Even the first replies required to be received from the Heads of Offices within one month from the date of issue of the IRs were not received for 148 IRs issued upto June 2012. This large pendency of the IRs due to non-receipt of the replies is indicative of the fact that the Heads of Offices and Heads of the Departments failed to initiate action to rectify the defects, omissions and irregularities pointed out by Audit in the IRs.

It is recommended that the Government may take suitable steps to install an effective procedure for prompt and appropriate response to audit observations and may also take action against officials/officers who fail to send replies to the IRs/paragraphs as per the prescribed time schedules and also fail to take action to recover loss/outstanding demand in a time bound manner.

4.1.8 (b) Departmental Audit Committee Meetings

In order to expedite settlement of the outstanding audit observations contained in the IRs, Departmental Audit Committees are constituted by the Government. These committees are chaired by the Secretaries of the concerned administrative Department and attended by the concerned officers of the State Government and officers of the Accountant General (AG). The audit committees need to meet regularly in order to expedite clearance of the outstanding audit observations.

The number of Audit Committee Meetings (ACMs) held and settlement of IRs and Paras during the year (2011-12) is given below:

Table: 4.12

No. of ACMs	Discussed		Settled	
	IRs	Paras	IRs	Paras
17	117	490	106	468

The Government may ensure holding of frequent meetings of these Committees for effective action on the audit observations leading to their settlement.

4.1.8 (c) Response of the Departments to the draft audit paragraphs

Two draft paragraphs proposed for inclusion in the Audit Report of the Comptroller and Auditor General of India for the year ended March 2012 were forwarded (07-09-2012 & 12-09-2012) to the Secretaries/Commissioners of the respective Departments through demi-official letters.

The administrative Secretary/Commissioner did not furnish replies in respect of one draft paragraph.

4.1.8 (d) Follow up on Audit Reports – summarised position

As per recommendations made by the High Powered Committee (HPC) which were also accepted by the State Government in October 1993, *suo motu* explanatory notes on corrective/remedial measures taken on all paragraphs included in Audit Reports are required to be submitted by the Departments duly vetted by the Accountant General to PAC within three months from the date of placing of Audit Reports in the Legislature.

However, as of September 2012, *suo motu* explanatory notes pertaining to 12 paragraphs/reviews for the Audit reports for the years 2001-02 to 2010-11 were not received within the stipulated period of three months either from the Departments or through the Tripura Legislative Assembly Secretariat.

4.1.8 (e) Compliance with the earlier Audit Reports

In the Audit Reports 2006-07 to 2010-11 cases of under assessments, evasion, non/short levy of taxes/penalty, loss of revenue, failure to raise demands etc. involving ₹ 108.11 crore were reported. As of March 2012, the Departments concerned have accepted observations of ₹ 38.74 crore and recovered ₹ 7.91 crore. Audit Report wise details of cases accepted and recovered are given in the following table:

Table: 4.13

(₹ in crore)			
Year of Audit Report	Total money value	Accepted money value	Recovery made
2006-07	14.71	14.15	6.42
2007-08	17.74	17.74	0.14
2008-09	68.43	2.34	0.62
2009-10	1.78	1.16	0.37
2010-11	5.45	3.35	0.36
Total:	108.11	38.74	7.91

4.1.9 Analysis of the mechanism for dealing with the issues raised by Audit

In order to analyse the system of addressing the issues highlighted in the Inspection Reports/Audit Reports by the Departments/Government, the action taken on the paragraphs and Performance Audits included in the Audit Reports of the last 10 years in respect of one Department is evaluated and included in each Audit Report.

The succeeding paragraphs 4.1.9 (a) to 4.1.9 (b) (ii) discuss the performance of Taxation Department in dealing with the cases detected in the course of local audit conducted during the last 10 years and also the cases included in the Audit Reports for the years 2002-03 to 2011-12.

4.1.9 (a) Position of Inspection Reports

The summarised position of Inspection Reports issued during the last 10 years, paragraphs included in these Reports and their status as on 30 June 2012 in respect of Sales Tax, State Excise are given in the following table:

Table: 4.14

(₹ in crore)

Year	Opening balance			Addition during the year			Clearance during the year			Closing balance during the year		
	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value
2002-03	03	05	0.28	-	-	-	-	-	-	03	05	0.28
2003-04	03	05	0.28	05	15	0.09	-	-	-	08	20	0.37
2004-05	08	20	0.37	06	17	1.01	-	-	-	14	37	1.38
2005-06	14	37	1.38	04	14	0.10	-	-	-	18	51	1.48
2006-07	18	51	1.48	07	16	1.03	-	-	-	25	67	2.51
2007-08	25	67	2.51	10	43	2.15	-	-	-	35	110	4.66
2008-09	35	110	4.66	06	18	1.73	-	02	0.08	41	126	6.31
2009-10	41	126	6.31	04	12	0.36	02	09	0.15	43	129	6.52
2010-11	43	129	6.52	19	78	7.85	-	19	1.47	62	188	12.90
2011-12	62	188	12.90	12	48	5.36	-	-	-	74	236	18.26

We reminded the Department periodically to furnish replies to the outstanding audit observations.

4.1.9 (b) Assurances given by the Department/Government on the issues highlighted in the Audit Reports

4.1.9 (b) (i) Recovery of accepted cases

The position of paragraphs included in the Audit Reports of the last 10 years and those accepted by the Department and the amount recovered are mentioned in the following table:

Table: 4.15

Year of Audit Report	No. of paragraphs included	Money value of the paragraphs (₹ in crore)	No. of paragraphs accepted	Money value of accepted paragraphs (₹ in crore)	Amount recovered during the year (₹ in crore)	Cumulative position of recovery of accepted cases (₹ in crore)
2001-02	5	0.68	3	0.17	-	0.15
2002-03	5	0.56	4	0.50	0.35	0.40
2003-04	2	0.15	2	0.15	0.11	0.15
2004-05	-	-	-	-	-	-
2005-06	1	0.05	1	0.05	-	-
2006-07	1 ¹	0.06	-	-	-	-
2007-08	1	0.34	1	0.34	-	0.14
2008-09	3 ²	6.76	1	1.15	0.003	0.07
2009-10	3	1.74	2	1.16	-	0.37
2010-11	3 ³	3.14	3	3.14	0.05	0.36
Total:	24	13.48	17	6.66	0.513	1.64

From the above table it is seen that for the period from 2001-02 to 2010-11, 24 paragraphs involving ₹ 13.48 crore featured in the Audit Reports, of which 17 paragraphs involving ₹ 6.66 crore had been accepted by the State Government. Of the accepted amount ₹ 1.64 crore had been recovered till date.

The Departments need to evolve a strong mechanism to monitor and ensure recovery of accepted cases.

4.1.9 (b) (ii) Action taken on the recommendations accepted by the Departments/ Government

The draft Performance Audits (PAs) conducted by the AG are forwarded to the concerned departments/Government for their information with a request to furnish their replies. These PAs are also discussed in an exit conference and the Department's/Government's views are included while finalising the PAs for the Audit Reports.

During the period from 2001-02 to 2010-11, two Performance Audit Reports in respect of Finance (Excise and Taxation) Department were featured in the Audit Report – 2008-09 and 2010-11. Details of the Performance Audits are given below:

¹ One Para (Para No. 6.15) has been referred to the State Government

² Including one Review

³ Including one Review

Table: 4.16

Year of Audit Report	Name of the Performance Audit	No. of recommendations	Details of the recommendations accepted
2008-09	Performance Audit on Transition from Sales Tax to Value Added Tax	Nine	Yet to be discussed in PAC.
2010-11	Performance Audit on 'Cross Verification of declaration forms used in Inter-State Trade'	Five	-do-

4.1.10 Results of audit

4.1.10 (a) Position of local audit conducted during the year

Test check of the records of 55 units of Sales Tax, Excise, Registration, Agricultural Tax, Professional Tax, Land Revenue, Forest, Motor Vehicles and other Departments conducted during the year 2011-12 revealed underassessment/short levy/loss of revenue/non-realisation of outstanding revenue aggregating ₹ 4.87 crore in 45 cases, amount of which are yet to be recovered.

4.1.10 (b) This Report

This Report contains two paragraphs (selected from the audit detections made during the local audit referred to above and during earlier years which could not be included in earlier reports) and one Performance Audit on Computerisation in the Transport Department involving financial effect of ₹ 7.88 crore. The Departments/Government have accepted audit observations involving ₹ 7.30 crore out of which only ₹ 0.02 crore had been recovered. The replies in the remaining cases have not been received (March 2013). These are discussed in succeeding paragraphs.

TRANSPORT DEPARTMENT

4.2 Computerisation of Transport Department in Tripura

The Government of India had embarked upon a scheme for creation of a National Database network by introduction of Information Technology in the Road Transport Departments. Thus, the Central Government has been encouraging the States to work on standardised application formats and to undertake computerisation of backend processing, based on such standardised formats and inter operatable software so that the Registration Certificates/National Permits/Driving Licences are readable throughout the country. The National Informatic Centre (NIC) designed two softwares viz. (1) VAHAN-1 (1st version)/ VAHAN-2 (2nd version) for registration, assessment of taxes/fees and fitness of the vehicles and (2) SARATHI for issue/renewal of the driving licences. The softwares were made operational by the State Government in 2004 for VAHAN and in 2006 for SARATHI. The achievement of the implementation of the project vis-a-vis the objectives of the project was reviewed in audit and several deficiencies were noticed which are discussed in the succeeding paragraphs.

Highlights

The Departmental employees handle entire data entry at the Departmental counters but the issue of smart cards is handled by outsourced agency. The Department did not develop technical expertise to handle the database and issue of smart cards.

(Paragraph 4.2.7 and 4.2.12.3)

No central database had been established and all the DTOs were operating on standalone servers thereby no interlink network had been created. In the absence of interlink the intended objectives of computerisation such as online transmission of data to all other offices, cross verification, elimination of duplicate registration of vehicles, elimination of duplicate licences etc. could not be achieved in full.

(Paragraph 4.2.7)

Department did not implement the Enforcement Module available in the VAHAN software which was supposed to capture the details of offending vehicles including fines collected or penalty imposed. Thus, the implementation of the project remained incomplete and the objective of tracking offending vehicles remained unfulfilled.

(Paragraph 4.2.8.1)

Existence of same Engine/Chassis number in more than one Registration number was noticed (two to six times) and mandatory fields were either left blank or filled with invalid data in 7760 cases mainly due to inadequate supervision controls and lack of adequate validation checks. Existence of same Engine/Chassis number among different DTOs was also noticed.

(Paragraph 4.2.8.2)

Due to lack of input controls instances of incorrect capturing of Registration dates before purchase dates were noticed against 916 vehicles in VAHAN software while in SARATHI, the system accepts data for issuance of more than one driving licence to same person for same type or multiple type of vehicle.

(Paragraphs 4.2.8.3 and 4.2.9.1)

The back-log data was not captured properly in the system resulting in absence of road tax data of 36800 vehicles in the VAHAN database. Thus, the State Register and National Register were incomplete to that extent.

(Paragraph 4.2.8.4)

The Department executed agreement with an agency (a PSU) for implementation of Smart Cards System with a condition of 10 per cent sharing of revenue to the Government and with variable rates without any analysis.

(Paragraph 4.2.12.3)

Tripura Registration Mark was not assigned to 1287 vehicles transferred from other States causing a revenue loss of ₹ 3.06 lakh to the Government in the form of registration fees and the database also remained incomplete for those vehicles.

(Paragraph 4.2.13.1)

There was a potential loss of revenue of ₹ 88.86 lakh from the owners of vehicles (both commercial and non-commercial) awaiting renewal. Besides, due to improper mapping of business process rules there was a revenue loss of ₹ 1.01 lakh on account of short collection of tax and ₹ 6.02 crore remained un-realised from the defaulting vehicle owners.

(Paragraphs 4.2.13.2, 4.2.13.3 and 4.2.13.4)

4.2.1 Introduction

Due to increasing road network and phenomenal growth of vehicles in the past decades, the Government of India (GOI) felt an urgent need to create a National Database of registration of vehicles, driving licences, national permits etc. to serve as a reliable planning tool both for the Central Government and State Governments. Accordingly, the GOI, Ministry of Road Transport and Highways (MoRTH) had come up with a scheme to introduce Information Technology (IT) in the Road Transport Sector for creation of a National Database by developing and providing a uniform software which could be used by all the States for computerisation of Transport Offices responsible for issuing vehicle registration certificates and driving licences to the citizens at large. For this purpose, GOI, MoRTH approached the National Informatics Centre (NIC) in 2002 for development of a standardised software and creation of a National Database. The Ministry had been stressing on common specifications for the software, to ensure that documents issued by any State are readable throughout the country. Apart from aiming at computerisation of all Transport Offices across the country, the scheme also aimed at interconnectivity amongst Transport Offices in the State and a National Register of Motor

Vehicles. For such purpose, two softwares viz. 'VAHAN' and 'SARATHI' were developed by the NIC, Delhi.

Features of VAHAN and SARATHI:

VAHAN serves all activities related to vehicle registration, tax, permits etc. Following is a list of these services to be delivered through VAHAN:

- New Vehicle Registration, Renewal of Registration, Transfer of Ownership, Change of Address etc.;
- Issue of National & Inter-State Permits, Renewal of Permits;
- Tax calculation and Payment;
- Issue of Fitness Certificates, Renewal of Fitness Certificates; and
- Issue of Challans, Settlement of Penalty Amounts.

Services to be offered through SARATHI include:

- Issuing of Driving Licence;
- Issuing of Conductor's Licence;
- Issuing of Driving School Licence; and
- Charging fees.

A central database was to be created at State level with interconnectivity amongst all District Transport Offices (DTOs) and a secured network infrastructure was to be placed having adequate bandwidth to support data transfer between individual DTOs and State Register/National Register.

In Tripura, the Transport Department implemented the 'VAHAN' and 'SARATHI' in all the five¹ Transport Offices in a standalone server which facilitates services like issuing of Vehicle Registration Certificates, Driving Licence, Road Permits, etc.

4.2.2 Organisational set up

The Department was headed by one Special Secretary who was assisted by one Joint Transport Commissioner (JTC) in West Tripura District, two District Transport Officers (DTOs) in North Tripura District, one DTO each in Dhalai District and in South Tripura District. Sr. Motor Vehicle Inspector/Motor Vehicle Inspector (MVI) of each office were acting as System Administrators.

4.2.3 Audit objectives

The audit objectives were to ascertain whether

- the systems implemented were complete (module wise) and the data captured by the District Transport Offices (DTOs) were correct and complete;

¹JTC, Agartala; DTO, Udaipur; DTO, Kailashahar; DTO, Dharmanagar and DTO, Ambassa.

- connectivity was established between the DTOs in the State for creation of State Register of vehicles and licences, and with Central Server to access the National Registers;
- the software adequately addressed the business needs to ensure the correctness of the realisation of tax etc.;
- there were sufficient validation checks and security controls were in place;
- the available applications were efficiently used to control tax evasion, irregular issue of licences, registration and tracking of other irregularities under motor vehicle Act and Rules; and
- internal control mechanism was in place and was functioning properly.

4.2.4 Audit criteria

The sources of audit criteria for the performance audit were the following:

- ✓ The Motor Vehicles Act, 1988;
- ✓ The Central Motor Vehicles Rules, 1989;
- ✓ The Tripura Motor Vehicles Tax Act, 1972;
- ✓ Tripura Motor Vehicles Rules, 1991;
- ✓ The Tripura Motor Vehicle Tax (Amendment) Act, 1994 and 2009;
- ✓ General Financial Rules, 2005;
- ✓ Notifications/instructions issued by the State Government from time to time; and
- ✓ Circulars/instructions issued by the Central Government from time to time.

4.2.5 Scope of Audit and Methodology

The Performance Audit was conducted between August 2011 and December 2011 and again updated during August-September 2012 covering the period from April 2007 to March 2012. The scope of audit includes examination of database pertaining to the registration of vehicles and its allied activities and collection of fees, road tax, issue of driving licences etc. with a broader objective of evaluating the accuracy and integrity of data and the effectiveness of its application in management of various functions of the Department. The Information Technology (IT) database of all DTO offices had been analysed by using Computer Assisted Audit Technique namely IDEA for its correctness, completeness and reliability. The application software was also examined for its correctness, suitability and availability of controls. The IT system (Application software) of two DTO offices² (out of five in the State) had been physically checked. Entry conference and exit conference were held on 27 July, 2011 and 30 April 2012 respectively with Special Secretary to the Government of Tripura, Transport Department.

² JTC, Agartala and DTO, Udaipur

Further, the draft report had been updated during August-September 2012 based on latest database (August 2012) and replies furnished (May 2012) by the Department have been suitably incorporated in the report.

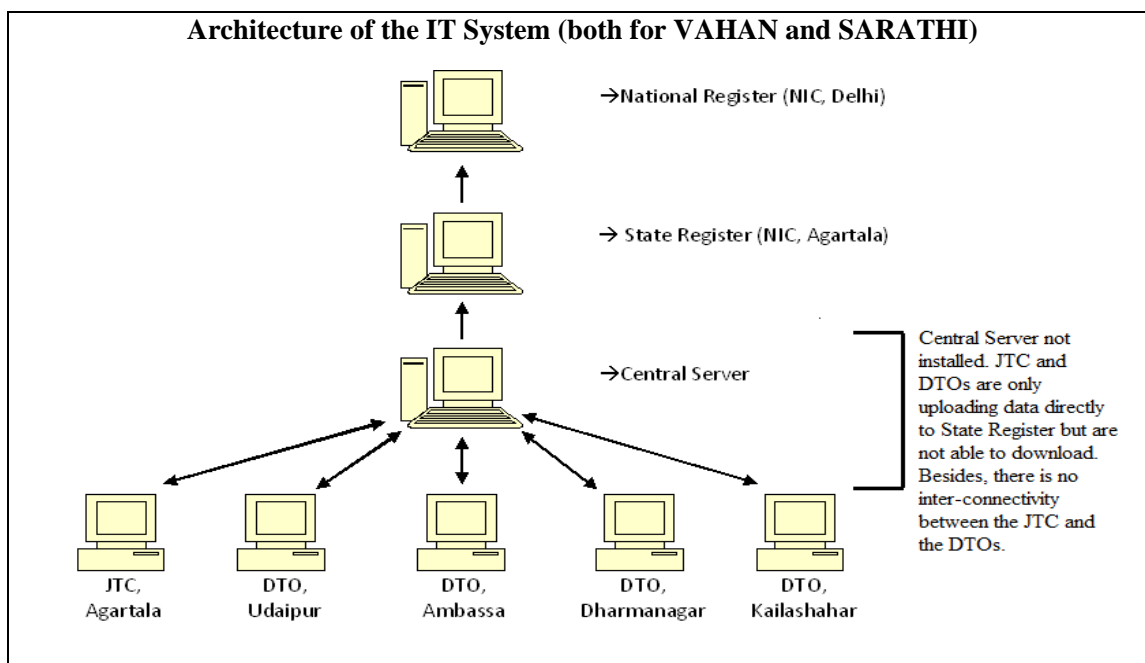
4.2.6 Acknowledgement

We acknowledge the co-operation extended by the Transport Department, Government of Tripura and their field formations in providing necessary information and records during the conduct of audit. We also acknowledge the assistance provided by the NIC, Tripura in terms of providing technical information.

4.2.7 Status of Computerisation in the State

There were five Transport Offices in Tripura. One Office, headed by Joint Transport Commissioner was at Agartala and remaining four offices were headed by District Transport Officers operating in their respective jurisdiction. The 'VAHAN' application software was implemented in all the offices during January-February 2004 while 'SARATHI' was implemented during May to July 2006.

The Architecture of IT system of VAHAN and SARATHI is given in the following diagram:



Initially, the computerisation started in one District Transport Office (Joint Transport Commissioner, Agartala) with an application known as TISLine (Transport Information System Line) developed locally by NIC, Tripura in 2000 which was subsequently replaced (January 2004) by a software named 'VAHAN' developed by the NIC, Delhi on Windows operating system using visual basic 6.0 for front end application programme and SQL Server 7.0 for the backend database. Subsequently, the 'VAHAN' application

had been implemented in the remaining four District Transport Offices in February 2004 in standalone servers.

The platform of 'VAHAN' application was changed from SQL to Oracle with 'VAHAN version-2' and put to use in all five DTOs from January-February 2010.

The SARATHI application software developed by NIC, Delhi for issuance of driving licences had been initially implemented in May 2006 in one District Transport Office (JTC, Agartala) and it was subsequently implemented in the remaining four DTOs during June-July 2006 in standalone servers.

The Vehicle Registration Certificates as well as the driving licences were issued in the form of Smart Cards by engaging a private agency named Webel Technology Ltd. (WTL), a Government of West Bengal undertaking. National permits were being issued by using online web based system. An agreement was executed (December 2005) between Transport Department and the WTL on computerisation of the Transport Department in Tripura and also on implementation of the Smart Card Project for driving licences and registration certificates. The agreement authorised WTL to execute the Project and provide all financial support and technical knowhow with regard to commissioning, operation and implementation of the Project on Build, Own, Operate and Transfer (BOOT) basis. All the equipment and facilities were to be provided by the State Government and WTL was to provide the requisite number of trained technical and non-technical personnel.

As per the Agreement, WTL would be entitled to charge and receive from the customers directly the following amount against services rendered. These charges are in addition to the fees payable to the Government for registration of vehicles and issue of driving licences, permits etc.

(a)	Services for computerised learner's driving licence on good quality paper	₹ 20.00 each
(b)	Permanent driving licence on smart card	₹ 100.00 each
(c)	Permanent Registration Certificate on smart card	₹ 375.00 each
(d)	Issuance of permanent permit	₹ 50.00 each

As the scheme envisaged that all the DTOs need to be connected with the respective State Data Centre (Central Database) for establishing inter-connectivity amongst the DTOs, a suitable and secured network infrastructure was to be placed having adequate bandwidth to support data transfer between individual DTOs and State Register/National Register.

However, in Tripura, no Central Database had been established for providing interconnectivity amongst the DTOs and the computerised system was in operation in all the DTOs through standalone servers.

Therefore, the objective of creation of interconnectivity amongst the DTOs could not be achieved.

Though there was no Central Database with interconnectivity amongst the DTOs, a State Consolidated Register (SCR) had been created at NIC, Tripura through a software called Oracle Data Integrator (ODI) configured at each of the VAHAN and SARATHI database for carrying out the transmission and replication process. The data of all four DTOs and one JTC³ had been transmitted to NIC, Tripura for consolidation in the State Register through Oracle Data Integrator (ODI) and further replication (transmission) from NIC, Tripura to NIC, Delhi for National Register. The integration of data pertaining to all DTOs had been completed fully and a State Consolidated Register had been created at the State level. National Consolidated Register had also been created at the National level.

Year-wise total number of vehicles registered and revenue collected during the period from 2007-08 to 2011-12 are given in the following table:

Table: 4.2.1

Year	Number of vehicles registered	Number of Licences issued	Revenue collected (₹ in crore)
2007-08	11,174	8,035	23.20
2008-09	12,789	12,065	29.82
2009-10	19,421	23,164	37.14
2010-11	27,471	41,835	21.91
2011-12	27,895	36,578	25.18

Source: VAHAN and SARATHI database and Finance Accounts.

Though revenue growth was not among the objectives of the computerisation project a substantial growth was noticed in the number of vehicles registered and licence issue during the past five years. The revenue collection marginally grew in 2011-12 compared to 2007-08 while a significant growth was noticed in 2008-09 and 2009-10. The drop in revenue collection in 2010-11 was mainly due to short realisation of penalty against section 194 of the Motor Vehicle Act owing to a judgment of the Supreme Court which prohibits plying of vehicles with excess load after imposition of penalty. Even then there was a prima facie mis-match of growth in revenue which does not commensurate with the growth of number of vehicles registered and number of licences issued during the past years.

The Department needs to analyse the disproportionate growth in revenue collection for corrective action, if required.

³ There are 4 (four) DTOs, each in Ambassa, Dharmanagar, Kailashahar and Udaipur and one JTC office is in operation in Agartala.

Audit Findings

4.2.8. Deficiencies noticed in implementation of VAHAN application software

4.2.8.1 Non-implementation of Enforcement Module

There are nine⁴ modules in the 'VAHAN ver.-2' application software. Out of nine modules, eight modules were in operation. One module (Enforcement Module), however, was not put in operation (August 2012) by any of the DTOs. This module was to capture offending vehicles, details of fine collected and penalties imposed. As a result of non-operation of the module, such details were not captured. The details of offending vehicles including fine collected/penalty imposed were required to be captured in the database through enforcement module provided in the application.

The Government stated (May 2012) that Enforcement Module would be implemented after introduction of hand held terminals which are electronic devices to be used by the enforcement officers to capture the details of offending vehicles, including fine collected or penalty imposed. It also provides connectivity with the database. It was further stated that as per agreement dated 11 March 2011 (clause 16) Webel Technology Ltd, a Government of West Bengal undertaking, would provide hand held terminals along with software. The prototype of hand held terminal had been approved and the software was being developed. The matter was taken up with WTL and they assured that hand held terminals along with software would be provided shortly.

However, provision already exists in the VAHAN application enabling post data entry of the details of offending vehicles including fees collected or penalty imposed etc.

The reply of the Department is not convincing as the Enforcement Module already exists in the system, which could have been utilised for post data entry.

4.2.8.2 Existence of same Engine/Chassis number against more than one Registration Number

As per Rule 122 of Central Motor Vehicle (Amendment) Rules, 1993, every motor vehicle including agricultural tractor and construction equipment vehicle other than trailer and semi-trailer shall bear the identification number including month and year of manufacture, embossed or etched or punched on it.

It was noticed that there were no validation checks in the Computerised System (VAHAN version 2) to ensure that a vehicle with same engine number was not re-registered without cancellation of the previous registration. However, for chassis number, validation check had been provided at the Data Entry Level, but in the edit module {role

⁴ Registration, Fee, Fitness, Permits, Taxation, Verify/Approval, Administration, Enforcement and Reports.

assigned to Motor Vehicle Inspector (MVI)/Administrator} the validation check had not been provided.

Scrutiny of database of four DTOs and one JTC revealed that out of 2,19,000 records of registered vehicles, same engine number had been captured two to six times against 3486 different Registration numbers, same chassis number had been captured two to three times against 378 different Registration numbers. Out of 378 cases, both same engine and chassis numbers had been captured twice against 218 different Registration numbers. The numbers of cases registered prior to implementation of VAHAN ver-1, during operation of VAHAN-1 and after implementation of VAHAN ver-2 are shown in the following table:

Table: 4.2.2

Sl. No.	Period of Registration	Number of Registered Vehicles	Cases of Registration No. with same Engine number assigned two to six times	Cases of Registration No. with same Chassis number assigned two to three times	Cases of Registration No. with same Engine and Chassis number assigned twice
1	Registered prior to implementation of VAHAN- 1 (i.e. prior to January 2004)	74,651	3,028	226	107
2	Registered between 1-1-2004 to 31-12-2009 (during operation of VAHAN-1)	73,986	349	103	79
3	Registered from 1-1-2010 (after implementation of VAHAN ver-2)	70,363	109	49	32
	Total:	2,19,000	3,486	378	218

Thus, due to non-availability of proper validation checks, same engine/chassis number appeared against more than one registration number even after implementation of VAHAN ver-2. Moreover, manual records submitted by the owners in respect of vehicles registered after implementation of computerised system were not shown to Audit by the DTOs. Therefore, the correctness of data in the system could not be verified by Audit.

Government stated (May 2012) that on receipt of audit observation validation check had also been provided in Edit Module of the VAHAN ver-2 which was provided in VAHAN application to perform necessary correction/changes, if any found/required later on. Moreover, validation of registration records was being done during regular transaction. Government also stated that as per the list having same chassis number provided by audit, 16 cases had already been corrected in West Tripura District and the list was also sent to other DTOs for necessary action in the case of other Districts. However, necessary correction is yet to be done in 3486 cases mentioned above (August 2012).

Further, scrutiny of the database revealed that in 7760 cases (out of 219000 cases) valid data was not captured in mandatory fields like Purchase date, Engine Number, Chassis Number, Vehicle class, Fitness date etc. The number of cases where mandatory fields were either left blank or captured with invalid data are given in the following table:

Table: 4.2.3

Sl. No.	Name of field	No. of cases where mandatory fields are either blank or with invalid data			
		Cases during back log data entry (i.e. prior to January 2004)	Cases during operation of VAHAN ver-1 (i.e. from January 2004 to December 2009)	New cases after implementation of VAHAN ver-2 (i.e. from January 2010)	Total
1	Purchase date	3,484	42	0	3,526
2	Engine Number	508	20	1	529
3	Chassis Number	95	4	0	99
4	Vehicle Class	326	3	0	329
5	Fitness Date	3,252	25	0	3,277
	Total:	7,665	94	1	7,760
Few instances are given below:					
	Regd. No.	Regd. date	Chassis number	Engine number	Remarks
1	TR01C 4341	17/05/2010	MC1D4DDA9AP005945	LTPUNKIRAIDEB BARMA	Invalid engine no.
2	TR02A 0766	1/7/2006	PEW127904		Engine no. blank
3	TR03B 0378	15/10/2007			Engine and Chassis No. blank

During field visit of the IT system (VAHAN ver-2) implemented at JTC, Agartala and DTO, Udaipur, it was noticed that only 'Not null' validation checks (i.e. records could not be stored in the database unless the 'Not null' fields were filled up with any data which may or may not be relevant to the required information) are available in all mandatory fields in front end.

Hence due to failure of data entry controls, invalid data were being captured in the database even after implementation of VAHAN version-2.

The Government stated (May 2012) that the manual data was digitised as per information recorded in Form No. 24 (Registration Register). Due to lack of information in the original Registers from which information was collected for digitisation, some data could not be captured. However, at the time of renewal of registration and issuance of fitness certificates, data was being re-validated and updated. Recently, Transport Department, Government of Tripura had made it mandatory to convert all paper based Registration Certificates into smart cards. At the time of conversion, all the data would be collected and updated.

However, no time frame had been fixed for conversion of all paper based Registration Certificates into smart cards.

4.2.8.3 Acceptance of Purchase date later than Registration date

As per Rule 47 of Central Motor Vehicles Rules 1989, registration of a motor vehicle shall be made by the registering authority on or after the date of taking the delivery of such vehicle by the owner.

The scrutiny of database revealed that in 916 cases, the date of purchase of vehicles was shown later than the registration dates. The JTC/DTO-wise position are given in the following table:

Table: 4.2.4

Sl. No.	Name of office	Number of cases having purchase date later than registration date			
		Regd. before computerisation (back-log data)	Regd. after implementation of VAHAN ver-1	Regd. after implementation of VAHAN ver-2	Total
(1)	JTC, Agartala	201	57	4	262
(2)	DTO, Ambassa	78	8	1	87
(3)	DTO, Udaipur	185	10	0	195
(4)	DTO, Kailashahar	111	15	2	128
(5)	DTO, Dharmanagar	173	63	8	244
	Total:	748	153	15	916

During field visit of the IT system (VAHAN ver-2) implemented at JTC, Agartala and DTO, Udaipur, it was seen that though the validation check of purchase date field was available in front end, no validation checks were available in edit module. Edit module is used by the MVIs (administrator) the competent authority for making corrections, if any, required during validation of data entry or for rectifying any wrong data, noticed at any later stage.

After implementation of VAHAN ver-2, there was no scope to capture purchase date later than registration, except through edit module where no validation check had been provided in 'Purchase date' field. Hence, the possibility of misuse of edit module in the above 15 cases of those registered after implementation of VAHAN ver-2 cannot be ruled out.

The Government while agreeing with the audit observation on the deficiency in the edit module stated (May 2012) that the NIC, Tripura had been approached for providing necessary validation checks in the edit module.

However, necessary validation check had been provided in edit module but correction had not been done in above 916 cases (August 2012).

4.2.8.4 Tax records of 36,800 (Private and Commercial) vehicles not captured in the current database

Tripura Motor Vehicles Tax Act, 1972, as amended from time to time, and the Rules made there under, stipulate that every owner of the vehicle was required to pay road tax at the rate specified in schedule I and II of the Act.

During scrutiny of the database of VAHAN Ver. 2 of all the five⁵ DTOs it was observed that Road Tax records of 36,800 registered vehicles (excluding Government vehicles) were not captured in the database. The number of vehicles against which tax information were not available in the database of different DTOs are given in the following table:

Table: 4.2.5

Sl. No.	Period of Registration	Number of vehicles for which tax records not available					Total
		JTC, Agartala	DTO, Ambassa	DTO, Udipur	DTO, Kailashahar	DTO, Dharma-nagar	
1	Registered prior to implementation of VAHAN Ver 1	26,319	792	3,375	1,858	1,706	34,050
2	Registered from 01-01-2004 to 31-12-2009 (VAHAN ver-1)	403	164	1157	464	553	2,741
3	Registered from 01-01-2010 (VAHAN ver-2)	05	01	01	01	01	9
	Total:	26,727	957	4,533	2,323	2,260	36,800

During physical visit of the IT system being implemented at JTC, Agartala and DTO, Udaipur, it was seen that in the 'VAHAN' ver.2 application, two options either registration with 'fees only' or registration with both 'fees and tax' option had been provided in the Registration Module for registration of vehicles, so that if necessary a vehicle could be registered without receiving any road tax.

In most of the cases, the option 'Registration with both fees and tax' was required for collection of fees and road tax. However, in certain cases, where exemption from paying road tax may be given by the State Government, the second option 'Registration with fees only' was required for registration.

If the registrations process of above nine cases which were registered after implementation of VAHAN ver-2, had been carried out through option 'Registration with both fees and tax', then the tax records should have also been found in the database. But, in the instant cases, the tax records were not found in the database.

Therefore, the possibility of misuse of 'fees only' option while registering nine private vehicles (as detailed in the following table) registered after implementation of VAHAN ver-2 cannot be ruled out.

⁵ JTC, Agartala, DTO, Udaipur; DTO, Kailashahar; DTO, Dharmanagar and DTO, Ambassa

Table: 4.2.6

Sl. No.	Regd. No.	Regd. Date	Owner Name	Address	Category
1	TR01B 1328	27/10/2010	S.P PROCUREMENT	A D NAGAR AGARTALA	Bus
2	TR01L 6360	09/08/2010	SRI MANARANJAN BHOWMIK	KOBRA KHAMAR DURGANAGAR RANIRBAZAR	Motor Cycle (MC)
3	TR01L 7182	15/09/2010	MR. CHANDAN DAS	C/O-SRI SUBAL DAS V S PALLY	MC
4	TR01M 9935	31/05/2011	MR. NANDALAL MAJUMDER	JUMERDHEPA MELAGHAR	MC
5	TR01N 6807	09/08/2011	MR. DIPANKAR CHOWDHURY	OLD CHOWDHURY BARI EAST SHIBNAGAR	MC
6	TR02B 7180	10/08/2010	MD HABIBUR RAHMAN	NAYAPATHAR	MC
7	TR02D 1891	18/10/2011	MRS. BABY SAHA	PACHARTHAL BAZAR	Goods carrier
8	TR03 7094	18/10/2010	SEKHAR CH. DATTA	BHATTAPUKUR, AGARTALA	MC
9	TR04 4721	16/10/2022	SUKANTA DAS	KALACHARI	MC

The road tax records of 34,050 and 2,741 vehicles registered before implementation of 'VAHAN ver.-2' could not have been captured in the current database due to migration of records of those vehicles to VAHAN ver-2.

The Government stated (May 2012) that the data migration from VAHAN ver.-1 to VAHAN ver.-2 was combined with the process of data cleaning which separated insufficient/incomplete data into a separate table termed as 'Error Table' with the objective to correct/update the information whenever the owner presents himself/herself with the complete data. Revalidation of tax records was being done during normal renewal of registration/tax etc. and will also be done during smart card conversion process.

However, no fixed time frame had been given in the notification issued (December 2011) by the Transport Department for conversion of all paper based Registration Certificates into smart cards.

Hence, though insufficient/incomplete data was kept separately in the 'Error Tables', the updating/correcting of the said 36,800 tax records would not be completed unless the owners of vehicles present themselves for revalidation of tax or conversion of registration into smart cards.

4.2.8.5 Lack of interconnectivity amongst the DTOs with State Register

One of the objectives of the scheme was establishment of State Register (Central Server) with interconnectivity amongst the DTOs in the State. In Tripura, the computerised

system (VAHAN) was implemented in all the DTOs by using stand alone servers in each DTO.

It was also observed that due to non-establishment of central server and lack of interconnectivity amongst the database of all the five⁶ DTOs, the possibility of the same vehicle getting registered in different DTOs cannot be ruled out.

The existence of same Engine number and Chassis number in different DTOs as noticed during audit are detailed in the following table:

Table: 4.2.7

Sl. No.	Name of Office	Regd. Number	Regd. date	Chassis number	Engine number
1	JTC, Agartala	TR01E 1065	06/10/2010	MAT445051AZC16166	275IDI05CZYS32338
2	DTO, Dharmanagar	TR02D 1542	17/07/2010	MAT445051AZC16166	275IDI05CZYS32338
3	DTO, Dharmanagar	TR02F 0213	28/05/2011	MAT611233APK81942	310A66007075405
4	DTO, Ambassa	TR04A 0447	08/08/2011	MAT611233APK81942	310A66007075405
5	JTC, Agartala	TR01L 7907	05/10/2010	ME135B047A2010531	35B4010491
6	DTO, Ambassa	TR04 7172	02/11/2010	ME135B047A2010531	35B4010491
7	JTC, Agartala	TR01R 1506	12/05/2011	MAT448046B2B03085	B591803111A62983427
8	DTO, Dharmanagar	TR02D 1792	17/10/2011	MAT448046B2B03085	B591803111A62983427
9	JTC, Agartala	TR01S 1817	10/01/2012	MA1ZP2GLKB1L61155	GLB1L54158
10	DTO, Kailashahar	TR02E 1592	31/12/2011	MA1ZP2GLKB1L61155	GLB1L54158
11	JTC, Agartala	TR01N 8470	30/09/2011	MBLJA05EGB9D14071	JA05EBB9D13615
12	DTO, Udaipur	TR03C 9090	30/05/2011	MBLJA05EGB9D14071	JA05EBB9D13615
13	JTC, Agartala	TR01P 6502	06/01/2012	MD2DDJKZZTPD03401	JKUBTD30628
14	DTO, Dharmanagar	TR02A 9099	30/09/2010	MD2DDJKZZTPD03401	JKUBTD30628
15	JTC, Agartala	TR01Q 7720	04/08/2012	MD2DSJZZZUPD00439	JZUBUD89262
16	DTO, Udaipur	TR03D 6489	01/02/2012	MD2DSJZZZUPD00439	JZUBUD89262
17	JTC, Agartala	TR01D 4197	24/04/2012	MD6M12PK2B4G12838	OK2GB1033475
18	DTO, Dharmanagar	TR02A 2916	19/03/2012	MD6M12PK2B4G12838	OK2GB1033475

The Government stated (May 2012) that during the 1st and 2nd phases, network condition at the DTO level was very poor, due to which decentralised VAHAN and SARATHI were introduced. However, after establishment of State Consolidated Register (SCR), State Register (SR) and National Register (NR) and after provision of proper connectivity, each DTO shall be using the Centralised database which would overcome the problem of duplicate chassis and engine numbers.

Unless a Central Server connected with all DTOs are established (for which no target date had been fixed), the target to overcome the problem of duplicate chassis/engine numbers would not be solved.

⁶ JTC, Agartala, DTO, Udaipur; DTO, Kailashahar; DTO, Dharmanagar and DTO, Ambassa

4.2.9 Deficiencies noticed in implementation of SARATHI application software

4.2.9.1 Issuance of two or more driving licences to same persons

As per Section 6(1) of the Motor Vehicles Act, 1988, no person shall, while he holds any driving licence for the time being in force, hold any other driving licence. In case a person having a driving licence, applies for issuance of licence to drive any other type of vehicle in addition to existing type of vehicle(s), he may be issued a new driving licence (smart card) by updating his original driving licence instead of issuing another driving licence with new driving licence number.

One of the shortcomings of the SARATHI application was that there was no validation check/alarm message to show existence of driving licence of the same person whose data was being entered for issuing a new driving licence or a system to refuse the data of same person against whom driving licence data already exists in the database for any type of vehicle.

Scrutiny of SARATHI database of five DTOs revealed that in 66 cases as detailed in **Appendix 4.1** more than one driving licence had been issued to the same person either for same type of vehicle or for different types of vehicles. The JTC/DTO wise number of cases is given in the following table:

Table: 4.2.8

Sl. No.	Name of Office	Total No. of driving licence issued	No. of persons having two driving licences for same type of vehicles	No. of persons having two driving licences for different types of vehicles	Total cases of licence holders having more than one driving licence	Total No. of licences
1.	JTC, Agartala	78382	15	23	38	76
2.	DTO, Udaipur	33437	3	5	8	16
3.	DTO, Ambassa	10787	3	2	5	10
4.	DTO, Dharmanagar	10899	4	3	7	14
5.	DTO, Kailashahar	10983	5	3	8	16
Total:		144488	30	36	66	132
Note: Name of the licence holder, Father's/Husband name, date of birth and blood group were taken into account to find out such cases excluding duplicate and renewal cases.						

Thus, due to absence of proper validation checks in the application software, the data of same person had been accepted more than once by the system. Hence, the provision of Motor Vehicles Act, 1988 that no person shall hold more than one driving licence could not be strictly enforced by the Department.

The Government stated (May 2012) that Sl. No. 19 of CMVR Form 04⁷, instructs the applicant to specify whether any other driving licence was held by him/her. However,

⁷ Serial 19 of Central Motor Vehicle Rules Form-04 *i.e.* Application Form for Driving License where applicants need to specify the details of driving license, if any, held with him/her.

necessary checks shall be provided in SARATHI. NIC, Tripura had been asked to take-up the matter with appropriate authority.

4.2.10 Data safety and security (Physical and Logical Access Controls)

Though the Department did not have any documented policy for physical and logical access controls, but all security measures like installation of server in a separate room, installation of air conditioner, regular updating of antivirus software, role-based access to users for restricting use of all modules by only authorised personnel etc. had been followed in all the five DTOs.

4.2.11 Business continuity Plan

Though the Department had no documented business continuity and disaster recovery plan, the database backups were being stored regularly on a daily basis in a separate server in the same building where the system was installed. Further, NIC, Tripura also kept data backup of VAHAN regularly for Consolidated State Register and National Register.

4.2.12 Implementation of other computerisation plans

4.2.12.1 Creation of State and National Register

As provided in the computerisation plan, though there was no Central Database with interconnectivity amongst the DTOs, a State Consolidated Register (SCR) had been created at NIC, Tripura through a software called Oracle Data Integrator (ODI) configured at each of the VAHAN and SARATHI database for carrying out the transmission and replication process. The data of all five DTOs had been transmitted to NIC, Tripura for State Register through ODI and further replicated (transmitted) from NIC, Tripura to NIC, Delhi for National Register. The connectivity between SCR, VAHAN and SARATHI Servers of DTOs at Tripura had been made by using Virtual Private Network over Broad Band (VPNoBB), Tripura Satellite Wide Area Network (TSWAN), Agartala City Area Network (ACAN) and WiMax (WiMax is a type of Wireless Internet connection which enables wireless data transfer over long distances). The data of SCR was further uploaded to State Register as well as National Register. The details of data pertaining to Tripura could be identified in the National Register through Web page of the Ministry of Road Transport and Highways (MoRTH)-‘National Register e-Services’. The updating of the data of SCR was being done regularly on a daily basis by the NIC, Tripura.

However, the objective of the scheme was to make interconnectivity amongst DTOs in the State and National Register. Since the Central Server connectivity with all the DTOs had not been done, the objective of the scheme was not completely fulfilled.

4.2.12.2 Implementation of on-line National Permit System

As per decision of the GOI to implement the new electronic system of grant of National Permit from 15 September, 2010, the State of Tripura was issuing the National Permits through web based Online National Permit System from October 2010.

4.2.12.3 Outsourcing for implementation of Smart Cards System

In order to implement the Smart Card Project for Driving Licence and Registration Certificates, a Memorandum of Undertaking (MoU) was signed (6 December 2005) between the Government of Tripura and WEBEL Technology Ltd. (WTL), a State Government Undertaking of West Bengal. As per the agreement, WTL was authorised to execute the project for a period of five years and provide all financial support and technical know-how with regard to commissioning, operation and implementation of the project on Build, Own, Operate and Transfer (BOOT) basis. The Firm (WTL) would collect a fixed rate of ₹ 100 and ₹ 375 directly from the customers for rendering services to provide Smart cards for Driving licences and Registration certificates respectively. Subsequently, the agreement was renewed with the agency for a further period of five years *w.e.f.* 1 April 2011 with a condition to pay 10 *per cent* of the gross collection at the prescribed rates to the State Government on monthly basis as revenue sharing effective from April 2011. As regards fees and penalty for issuing of Driving licences and Registration certificates, it had been collected separately by the DTOs during receipt of application from the customers.

However, no analysis was found on records for considering the 10 *per cent* of the collection as Government share. The execution of second agreement (renewal) with the same firm with a condition to pay 10 *per cent* of the gross collection to the State Government (against Government proposal of 15 *per cent*) without going through any open tender or obtaining rate quotation from the interested firms was also arbitrary.

The trends of issuing of Smart cards for driving licence and registration of vehicles are given in the following table:

Table: 4.2.9

Year	No. of Smart Card (Registration Certificates)	No. of Smart Card (Driving Licences)	Fees collected for issue of Smart Cards (₹ in lakh)		
			RC @ ₹ 375	DL @ ₹ 100	Total
2007-08	15,117	8,035	56.69	8.03	64.72
2008-09	18,444	12,065	69.16	12.07	81.23
2009-10	26,610	23,164	99.79	23.16	122.95
2010-11	34,871	41,835	130.77	41.84	172.61
2011-12	39,890	36,578	149.59	36.58	186.17
Total:	1,34,932	1,21,677	506	121.68	627.68

Note: No. of RC calculated based on 'OP_DT_DATE' of 'SMART_CARD' Table of VAHAN and DL calculated based on 'DLISSUEDT_DATE' of 'DDLICENCE' Table of SARATHI

It was seen from the information furnished by the JTC, Agartala that during the period from April 2011 to March 2012, ₹ 18.74 lakh had been collected by the Government from the WTL as against total amount of ₹ 186.17 lakh collected by the WTL from the customers.

The Joint Secretary to the Government of Tripura, Transport Department stated (10 February 2012) that the agreement was renewed for a further period of five years as they had implemented the project successfully. The Supply Advisory Board (SAB) had examined the project and approved the proposal for the renewal of the agreement with the WTL subject to sharing of 10 *per cent* of gross collection with the State Government in view of increased volume of business. The Government share had been collected monthly from the WTL.

However, the reply is not convincing as Government could have insisted for 15 *per cent* of collection in order to earn additional revenue or could have gone for open tender for obtaining market rate. Further, there was no analysis for fixing of ₹ 375 for registration smart card and ₹ 100 for driving licence smart card.

4.2.13 Loss/Non-realisation of Road Tax and fees for renewal of Registration/Fitness

4.2.13.1 Non-Assignment of new Registration number to vehicles transferred from other States

As per Section 47 of the Motor Vehicles Act, 1988, when a motor vehicle registered in one State has been kept in another State, for a period exceeding twelve months, the owner of the vehicle shall apply to the registering authority, within whose jurisdiction the vehicle is presently used, for assignment of a new registration mark.

From an analysis of the IT database of all DTOs, it was noticed that road taxes in respect of 1287 such vehicles were collected for a period beyond 12 months of their transfer, but the vehicles were not assigned any Registration number of Tripura. The category-wise number of vehicles registered in other States and transferred to this State are given in the following table:

Table: 4.2.10

Sl. No.	Category of Vehicles	Rate of Registration fees (in ₹)	No. of other State vehicles against which road tax realised for a period beyond twelve months (in Nos)	Registration fees to be realised (in lakh ₹)
1	Motor cycle	60	224	0.13
2	Private car (LMV)	200	526	1.05
3	Commercial (LMV)	300	2	0.01
4	Medium Passenger/Goods	400	47	0.19
5	Heavy Passenger/Goods	600	251	1.51
6	Other category of vehicles	300	237	0.71
	Total:		1,287	3.60

Thus, though the road tax was realised against above 1,287 vehicles transferred from other States, but non-assignment of new registration number led to a loss of revenue ₹ 3.60 lakh on one hand and on the other the database remained incomplete to that extent.

4.2.13.2 Non renewal of fitness certificate

Sec 41 (7) of the Motor Vehicles Act, 1988 provides that a certificate of registration in respect of a motor vehicle, other than a transport vehicle, shall be valid only for a period of 15 years from the date of issue of such certificate and shall be renewable. Further as per provisions of Rule 52 (3) of Central Motor Vehicle Rules 1989, a motor vehicle shall not be deemed to be fit for plying after the expiry of the period of validity entered in the certificate of registration and no such vehicle shall be used in any public place until its certificate of registration was renewed. Further, as per Section 56 of Motor Vehicle Act, 1988, in case of transport vehicles like goods and passenger carriers, the registration certificate was valid till certificate of fitness was valid.

Analysis of IT data of all DTOs revealed that, out of 2,01,760 vehicles registered on or after 1-1-1990, registration/fitness validity of 46,160 vehicles had expired till August 2012, but the owner had neither renewed the certificate of registration/fitness nor surrendered the same. Category-wise number of vehicles registered, expiry of validity of registration/fitness and fees for renewal of registration/fitness validity due to be realised are given in the following table:

Table: 4.2.11

Sl. No.	Category of Vehicles	Number of vehicles Registered	Expiry of validity of Registration/ Fitness	Rate of fees to be realised for renewal (in ₹)	Total amount to be realised (in lakh ₹)
(A) Vehicles Registered between 1-1-1990 and 31-12-1999					
1	Motor cycle	17,089	11,888	60	7.13
2	Private car (LMV)	3,256	2,345	200	4.69
3	Commercial (LMV)	1,962	1,270	300	3.81
4	Medium Passenger/Goods	208	123	400	0.49
5	Heavy Passenger/Goods	1,399	981	600	5.89
6	Other category of vehicles	2,941	1,664	300	4.99
	Sub Total	26,855	18,271		27.00
(B) Vehicles Registered on or after 1-1-2000					
1	Motor cycle	1,18,444	10,588	60	6.35
2	Private car (LMV)	22,590	1,895	200	3.79
3	Commercial (LMV)	4,189	7,533	300	22.60
4	Medium Passenger/Goods	1,205	529	400	2.12
5	Heavy Passenger/Goods	3,166	1,659	600	9.95
6	Other category of vehicles	25,263	5,685	300	17.05
	Sub Total:	1,74,857	27,889		61.86
	Grand Total:	2,01,712	46,160		88.86

Thus, non-renewal of validity of registration/fitness of above 46,160 vehicles led to a potential loss of revenue of ₹ 88.86 lakh.

The Government stated (May 2012) that Transport Department had recently introduced issuance of computerised fitness certificates. The manual fitness records would also be digitised. The Government also stated that during the conversion process of paper based registration certificates to smart cards, registration expiry date would also be updated. Regular enforcement drives were also being carried out to identify the defaulters. However, necessary updation of above 46,160 cases had not been completed (August 2012).

4.2.13.3 Non-realisation of road tax

Under section 4 of the Tripura Motor Vehicle Tax Act, 1972 and subsequent amendments, tax in respect of a vehicle is payable annually or quarterly within 30 days of the commencement of the year or quarter as the case may be. Further, under Section 4 (B) of the Tripura Motor Vehicle Tax (Amendment) Act 2009, if a vehicle fails to pay the tax in time, a penalty is recoverable and Taxing Officer is required to issue demand notices against the defaulter vehicles and initiate certificate proceedings in case demand notice fails to effect recovery.

Scrutiny of the IT database of all DTOs of the State revealed that validity of Road Tax of 17,631 vehicles (excluding Government vehicles) registered during or after the year 1990 had expired between November 1990 and March 2012. The amount un-realised on this account was ₹ 4.02 crore. Further, in accordance with Section 4 (B) of the Tripura Motor Vehicles Tax (Amendment) Act, 2009, penalty of ₹ 2.00 crore, was also to be realised from the defaulters till July 2012.

The details of the road tax due along with penalty to be realised are shown in the following table:

Table: 4.2.12

(₹ in lakh)

Sl. No.	Type of vehicles	Road tax validity expired against vehicles registered on or after 1-1-1990			
		Nos.	Tax due	Penalty	Total
1	Two wheelers	8,857	106.47	53.23	159.70
2	Light Motor Vehicles (Private)	1,765	36.56	18.22	54.78
3	Goods carrier	2,756	141.44	70.16	211.60
4	Commercial	4,032	86.44	42.99	129.43
5	Special category	174	17.54	8.53	26.07
6	Tourist Cab	47	13.32	6.66	19.98
	Total:	17,631	401.77	199.79	601.56

The Government stated (May 2012) that all old manual tax records would be digitised. The Department was also issuing demand notices against road tax defaulters.

4.2.13.4 Incorrect mapping of business process rules for one time and quarterly/yearly road tax

As per the Tripura Motor Vehicles Tax Act, 1972, amended provisions (Notification No. F. 7(2)/ Trans/ 2010 dated 24th October 2011), revised road tax was to be levied *w.e.f.* 1st November 2011.

Analysis of the database of all the DTOs revealed that during the period from November 2011 to August 2012 road tax of ₹ 1.01 lakh was short realised due to incorrect mapping of business process rules. Category wise short realisation was as under:

Table: 4.2.13

Sl. No.	Category of vehicles	No. of Vehicles	One time Road Tax to be realised (in ₹.)	Tax actually realised (in ₹)	Short realised (in ₹)
One time Road tax (Appendix 4.2)					
1	Two wheeler	10	22,000	10,600	11,400
2	Private car	08	40,500	32,812	7,688
	Sub total:	18	62,500	43,412	19,088
Annual/Quarterly road tax (Appendix 4.3)					
1	Goods	52	243,033	170,185	72,848
2	Private Car	19	36630	27,868	8,762
	Sub total:	71	2,79,663	1,98,053	81,610
	Grand total:				1,00,698

The short realisation had not been addressed.

4.2.14 Inadequate documentation

Only the user manual, system installation manual were prepared by NIC. The Department had no documentation on other aspects like troubleshooting, system management, hardware maintenance, disaster management policy, security policy, training policy etc. The Department did not also maintain any records for system halts, if any, due to hardware or software problems. Lack of documentation may affect the smooth and efficient operation of the application.

4.2.15 Monitoring

A proper monitoring system is required for better and effective implementation of any IT system. 'VAHAN' application software was implemented in January 2004 and 'SARATHI' in May 2006 in all DTOs in standalone servers. However, no monitoring system exists at State Level in implementation to ensure accountability. Besides, no mechanism exists in the Department for reviewing the reports that are inbuilt in the application.

The Government stated (May 2012) that monthly monitoring meetings would be held by the respective DTOs involving NIC and WEBEL and also at the State level to discuss and monitor various issues on quarterly basis.

4.2.16 Conclusion

The computerisation through 'VAHAN' and 'SARATHI' application software had been implemented in the Department between January 2004 and May 2006. But no inter-connectivity amongst the DTOs had been established. Thus, the intended objectives of computerisation of Transport Department could not be achieved in full. The details of offending vehicles could not be captured in the computer due to non-operation of the Enforcement module and therefore, the objective of the project remained unfulfilled. The existence of same engine/chassis number against more than one registration number and invalid data in mandatory fields made the database unreliable. Besides, there were cases of non-assignment of registration number to the vehicles transferred from other States. There were cases of non-renewal of registration/fitness certificates and non-realisation of road tax. Further, the enforcement module was also not established.

4.2.17 Recommendations

The Government may consider implementation of the following recommendations:

- a Central database with interconnectivity should be established amongst the DTOs and the Police Department in the State;
- appropriate input controls should be urgently incorporated within the system to prevent entry of duplicate and improbable data;
- the system should have inbuilt validation checks to detect duplicate engine/chassis number and licence number;
- data integrity should be ensured and data capture should be complete and utilised to monitor vehicles on road and increase revenue collection;
- exception report should be generated to detect inaccurate data or data which violates the Motor Vehicles Act and Rules and necessary rectification of inconsistent data should be carried out to clean up the database;
- the validity checks available at data entry stage should also be available in Edit module so that there shall not be any data inconsistency; and
- training of the staff to reduce dependency on the outsourcing agency should be undertaken which would ensure data integrity and plug the leakage of revenue as well.

**FINANCE (EXCISE & TAXATION) DEPARTMENT
(SALES TAX /VALUE ADDED TAX)**

4.3 Short levy of tax

Concealment of turnover by the dealers and incorrect application of rates which escaped notice of the assessing authorities and erroneous computation of sales/purchase/opening stock, irregular adjustment of ITC by the assessing authorities resulted in short levy of tax of ₹ 43.54 lakh and leviable interest of ₹ 27.52 lakh and penalty of ₹ 16.19 lakh.

According to Section 25(3) of the Tripura Value Added Tax Act, 2004 read with Section 13 of the Tripura Sales Tax Act, 1976, if the Commissioner is satisfied that the return furnished by a dealer in respect of any year is correct and complete, he shall by order in writing assess the dealer. If the Commissioner in the course of any proceedings is satisfied that any dealer has concealed particulars of his turnover he may direct that such dealer shall pay by way of penalty in addition to the tax and interest at the rate of one and half *per cent* per month from the date tax is payable to the date of its payment or to the date of order of assessment, whichever is earlier payable by him, a sum not exceeding one and a half times that amount (but it shall not be less than 10 *per cent* of that amount).

Further, Section 31 of Tripura Value Added Tax Act, 2004, provides that where the Commissioner is not satisfied with the correctness of any return filed under section 24, or bona fides of any claim of exemption, deduction, concession, input tax credit or genuineness of any declaration, evidence furnished by a registered dealer in support thereof, the Commissioner may serve on such dealer a notice to produce the books of account and all evidences on which the dealer relies in support of his returns including tax invoice. The Commissioner shall, after giving reasonable opportunity of being heard, direct the dealer to pay, in addition to the tax and interest payable by him, a penalty not exceeding one and a half times the tax due (but it shall not be less than 10 *per cent* of that amount).

On test check of records (April 2011 to April 2012) of 10 Superintendent of Taxes¹ it was noticed that in 88 assessment cases relating to 35 dealers for the period from 2005-06 to 2010-11 finalised during financial year 2009-10 and 2010-11, there were 66 cases of concealment of turnover and incorrect application of rates by 29 dealers which escaped notice of the assessing authorities and 22 cases of erroneous computation of sales/purchase/opening stock, irregular adjustment of ITC by the assessing authorities in

¹ (1) Superintendent of Taxes, Charge-I, Agartala; (2) Superintendent of Taxes, Charge-II, Agartala; (3) Superintendent of Taxes, Charge-III, Agartala; (4) Superintendent of Taxes, Charge-V, Agartala; (5) Superintendent of Taxes, Charge-VI, Agartala; (6) Superintendent of Taxes, Charge-VIII, Agartala; (7) Superintendent of Taxes, Ambassa; (8) Superintendent of Taxes, Belonia; (9) Superintendent of Taxes, Teliamura; and; (10) Superintendent of Taxes, Udaipur.

respect of 6 dealers. This resulted in short levy of tax of ₹ 43.54 lakh (VAT) and leviable interest of ₹ 27.52 lakh and penalty of ₹ 16.19 lakh, as detailed in **Appendix 4.4** and **Appendix 4.5**

The Government stated (September 2012) that in case of 9 dealers (Sl. No. 4, 22, 24, 25, 26, 27 and 28 of **Appendix 4.4**, and Sl. No. 4 and 5 of **Appendix 4.5**) ₹ 1.99 lakh (out of ₹ 6.09 lakh after re-assessment against ₹ 7.51 lakh pointed out by Audit) had been recovered and recovery of balance amount of ₹ 4.10 lakh would be intimated in due course; in case of 23 dealers review had been taken up by the Revisional authority; in case of 2 dealers the cases are Sub-Judice in the Court of the Revisional authority and in case of one dealer the assessment period (2005-06) had become time barred. Further development was awaited (February 2013).

FOREST DEPARTMENT

4.4 Suspected misappropriation

Out of revenue of ₹ 10,50,461 collected by the Shibbari Beat Officer during 1 April 2007 to 8 September 2010, ₹ 5,48,573 was neither deposited into the Government Account nor was found lying in cash and was suspected to have been misappropriated.

The revenue realised by Beat Officers on sale of timber and other forest produces through GP² Books is remitted to the Treasury/Sub-Treasury through challans and the records of realised revenue are entered in their cash book. The counterfoils of the GP Books and receipt copy of the challans are retained in the Beat Office, which are to be periodically inspected by the Range Officer concerned.

As per the detailed instructions pursuant to the provisions of Account Code Volume III, issued by Forest Department *vide* Memorandum dated 23 June 1989, the Beat Officers are to submit every month detailed monthly account to the Range Officer along with copy of his cash account with all valid expenditure vouchers/muster rolls, copies of GPs/ other revenue fetching permit etc and copies of challans in support of remitting forest revenue to the Bank/Treasury. The Range Officer after scrutiny of the accounts of the Beat Officers under his jurisdiction is to incorporate their accounts in the Range Office cash book in details in respect of revenue receipts, revenue remitted to the Treasury/Sub-Treasury and the expenditure incurred on execution of works after countersigning the vouchers. The Range Officer in turn closes his monthly accounts with due incorporation of the accounts of his subordinate officers and then submit detailed monthly accounts to the Divisional Forest Officer (DFO).

During test check (December 2011) of records of the DFO, Manu Forest Division, some records of the Shibbari Beat Office³ *viz.*, Cash Books (prior to 3 November 2010), GP Books (7 Nos.) and TP⁴ Books (2 Nos.) relating to the period from April 2007 to September 2010 could not be produced to Audit as those were reportedly stolen (17-18 October 2010) from the custody of the Shibbari Beat Officer.

Audit of available records⁵ of the Shibbari Beat Office relating to the period from April 2007 to September 2010 revealed that out of forest revenue of ₹ 10,50,461⁶ (including Sales Tax/VAT, Income Tax and Surcharge) actually collected by the Shibbari Beat Officer during 1 April 2007 to 8 September 2010, only ₹ 5,01,888 was deposited into the

² General Permit –a receipt book for realisation of revenue on sale of forest produces

³ Under Range Officer, Manu

⁴ Transit Pass

⁵ 141 GP Books (2007-08: 25 Nos., 2008-09: 26 Nos., 2009-10: 61 Nos. and 2010-11: 29 Nos.); Remittance Challans; Bank Scrolls; Remittance Registers and other relevant records

⁶ Out of total revenue of ₹ 10,54,002 due to be collected, there was short realisation of ST of ₹ 3,541 and thus actual collection was ₹ 10,50,461

Government Account during April 2007 to September 2010. The balance amount of ₹ 5,48,573 was neither deposited into the Government Account nor was found lying in cash and was suspected to have been misappropriated (details are given in **Appendix 4.6**).

It was seen that no inspection of records of the Shibbari Beat Office was conducted by the Range Officer/DFO, Manu during April 2007 to November 2011 which is indicative that occurrence of misappropriation could have been avoided if there had been timely inspection.

The Shibbari Beat Officer had been placed under suspension with effect from 4 January 2012 and a disciplinary proceeding against him was initiated.

Scrutiny also revealed that out of Civil Advance of ₹ 17,15,715 paid⁷ to the Shibbari Beat Officer during 6 July 2007 to 11 October 2010 by the Range Officer, Manu for executing various works/programmes, recovery of ₹ 15,99,515 only was made through submission of adjustment during September 2007 to August 2010. The balance amount of ₹ 1,16,200 was unauthorisedly retained by the Shibbari Beat Officer since October 2010, misappropriation of which also can not be ruled out.

The Principal Chief Conservator of Forests stated (October 2012) that (i) on subsequent departmental inspection (December 2011) of the Shibbari Beat office total unremitted amount misappropriated stood at ₹ 7,17,976; (ii) inspection of the Shibbari Beat office was not done since April 2007 and was taken up only in November 2011 and due to failure on the part of the Range Officer and DFO, Manu to take up the inspection in time ultimately led to misappropriation of Government money; (iii) a charge sheet against the then Shibbari Beat Officer (now under suspension) is under process and (iv) all necessary action are being taken to recover the Government money. Further developments were awaited (February 2013).

The matter was reported to the Government in September 2012; reply had not been received (February 2013).

⁷ In Cash: ₹ 9,56,634 and by Cheque: ₹ 7,59,081