

CHAPTER – IV : OTHER TAX RECEIPTS

4.1 Results of Audit

Test check of assessment records of the offices dealing with the following revenue receipts during 2003-04 disclosed variation in value of land, non-levy/non-realisation of professional tax, short levy of tax on specified lands, short/non-realisation of motor vehicle tax, etc. amounting to Rs.162.50 crore in 135 cases under the following categories:

(Rupees in crore)

Sl. No.	Particulars	No. of cases	Amount
1.	Stamps and Registration Fees	21	0.78
2.	Professional Tax	7	0.07
3.	Taxes on Specified Land	1	0.01
4.	Taxes on Motor Vehicles	105	4.18
5.	Review on Stamp Duty	1	157.46
	Total:	135	162.50

The Department accepted 22 cases of observations involving Rs.52.08 lakh during 2003-2004 and recovered Rs.2.00 lakh in 4 cases for the year 2003-2004 and Rs.13.96 lakh in 17 cases prior to 2003-2004 during the year. A few illustrative cases involving Rs.7.42 lakh and a review on **Stamp Duty**, involving financial effect of Rs.157.46 crore are mentioned in the following paragraphs :

4.2 Review on Stamp Duty

Highlights

- There was short supply of stamps valued Rs.404.75 crore compared to indents for the state for the years 1997-98 to 2002-2003

(Paragraph 4.2.5)

- Between 1993-94 and 2002-2003, Stamps valued Rs.5.09 crore were found registered with the sub-registries in excess over the value of stamps sold from the concerned treasuries in six test checked districts.

(Paragraph 4.2.7)

- Control of the Authorities over the activities of the vendors was completely lacking in the State.

(Paragraph 4.2.8)

- There was a loss of stamps worth Rs.146.66 crore in transit in two treasuries (Kamrup and Nagaon) during the period 1993-94 to 2002-03.

(Paragraph 4.2.10)

- Stamps worth Rs.10.80 crore received from CSSD, Nasik without any indent at Nagaon Treasury were lying idle for 4 years ending June 2004.

(Paragraph 4.2.11)

Introduction

4.2.1 Indian Stamp Act 1899, as applicable to Assam, lays down various provisions for levy of stamp duties on registration of different categories of instruments. Stamps are sold by licensed vendors and treasuries. In the state, the Superintendent of Stamps (SOS), Assam, Guwahati, places annual indents for all categories of stamps with the Central Stamp Store Depot (CSSD), Nasik, as per demands of all the 24 treasuries in the state. Of the 24 treasuries, seven¹ treasuries have been categorized as nodal treasuries grouping 17 other treasuries under the respective nodal treasury. These seven nodal treasuries submit consolidated demands of all the treasuries under them to SOS and

¹ Bongaigaon, Kamrup (Guwahati), Sonitpur (Tezpur), Jorhat, Tinsukia, Cachar (Silchar) and Nagaon.

receive the stamps from CSSD. However, all the consignments are received initially in Kamrup Treasury and six other nodal treasuries collect their respective consignments in boxes from the said treasury after due verification. On receipt of consignments, each nodal treasury distributes sealed packets of stamps as contained in consignment to the respective treasuries under its group. Stamps having denomination upto Rs.2,000 are sold by the treasuries to the licensed vendors collecting the sale value through treasury challans. Stamps exceeding denomination of Rs.2,000 are sold to individuals obtaining proceeds through treasury challans. Licensed vendors are appointed by the Deputy Commissioners of the respective districts. All the treasuries including vendors are responsible for accounting of receipt, issue and sale of stamps.

Organisational Set-up

4.2.2 Director of Land Revenue, Assam, is the ex-officio Superintendent of Stamps, Assam. He is assisted by 24 Treasury Officers of the districts regarding procurement, receipt, issue and sale of stamps. Deputy Commissioner(s) of the district(s) are responsible for issue of licenses to the vendors and exercising necessary control over their activities. Different categories of instruments are registered in 71 Sub-Registrar's office in the state including one Senior Sub-Registrar's office at Guwahati.

Audit Objectives

4.2.3 Detailed scrutiny of records maintained in the offices of the Superintendent of Stamps, Assam, Guwahati, Treasury Officer, Deputy Commissioner and Senior Sub/ Sub-Registrar of the selected districts in respect of procurement, receipt, issue, sale and utilisation of stamps for the period 1993-94 to 2002-2003 were examined with a view to-

- ascertain how demand for supply of stamps were projected and budget estimates in respect of revenues from stamp duty were prepared ;
- ascertain whether action was taken to ensure adequate supply of stamp papers to/from various treasuries ;
- examine flaws in the system of assessment of requirement, indenting, accountal of stock, sale, etc ;
- analyse trends in activities, which required stamp paper, specially in the housing sector ; and
- ascertain leakage of revenue under stamp duty.

Scope of Audit

4.2.4 Records maintained in the Office of the Deputy Commissioner (DC), Treasury Officer (TO) and Senior Sub- Registrar / Sub-Registrar of eight² districts out of total 24 districts in the state for the period 1993-94 to 2003-2004 were selected for test check.

Projection of demand for supply of stamps

4.2.5 As per Assam Stamp Manual, 1944, the CSSD, Nasik, shall regulate the supply of stamps to the State Government. The State Government is required to send a consolidated annual forecast of demand for stamp to the CSSD for providing adequate stock of materials to the printing press. The forecast shall show in separate columns for each denomination of stamps (whether a supply is required or not) the actual issues during each of the preceding three years, the average annual consumption based on the issues of the preceding three years, the balance in hand on 1 April of the year, the estimated issues for the current financial year and the forecasts of stamps which the central stamp store will be required to supply during the ensuing year.

The position of annual demand for stamp, placement of indent for the state to CSSD and receipt of stamps thereagainst as per information available from CSSD, Nasik for the years 1997-98 to 2002-2003 are shown below:

(Rupees in crore)					
Year	Annual forecast for stamps sent to CSSD, Nasik by the department	Indent for stamps placed by the State as per CSSD	Percentage variation (Excess (+)/ Less (-)) between Col. (2) & (3)	Supply of stamps by CSSD	Percentage variation (Excess (+)/ Less (-)) between Col. (3) & (5)
(1)	(2)	(3)	(4)	(5)	(6)
1997-1998	69.17	73.99	(+) 7	43.77	(-) 41
1998-1999	105.12	66.62	(-) 37	13.84	(-) 79
1999-2000	73.65	87.76	(+) 19	26.95	(-) 69
2000-2001	177.20	39.09	(-) 78	18.70	(-) 52
2001-2002	187.35	160.39	(-) 14	0.00	(-) 100
2002-2003	62.56	162.36	(+) 160	82.20	(-) 49
Total:	675.05	590.21		185.46	(-) 69

- The SOS, Assam did not furnish figures for annual forecast for stamps for the years 1993-94 to 1996-97. The Department also did not furnish figures for indents for stamps placed with the CSSD, Nasik and receipts thereagainst during 1993-94 to 2002-2003 for the State as a whole. As a result, variation, if any, between the departmental figure with that of figures available from

² Kamrup (Guwahati), Jorhat, Bongaigaon, Sonitpur, Tinsukia, Nagaon, Golaghat and Morigaon

CSSD, Nasik in respect of annual forecast, indent and receipt of stamps for the years 1997-98 to 2002-2003 could not be ascertained in audit.

- There were wide variation between the annual forecast for stamps and indents placed by the state as per information available from CSSD, Nasik which ranged between (-) 14 to (+) 160 *per cent* during 1997-98 to 2002-2003. This indicates that annual forecast was not made on realistic basis. Even there was overall short supply of stamps by (-) 69 *per cent* compared to indents placed by the state as per CSSD which worked out to Rs.404.75 crore (Rs.590.21 – Rs.185.46 crore) for the year 1997-98 to 2002-2003. This is indicative of the fact that indents were also not placed considering the actual requirement for stamps in the state during 1997-98 to 2002-2003. The Department also neither pursued the matter regarding short supply with the CSSD, Nasik nor cancelled the concerned indent related to short supply resulting in unnecessary piling up of demands for stamps with the CSSD, Nasik.

Injudicious procurement of stamps

4.2.6 Under provisions of Supply and Distribution of Stamps Rules, all the treasuries (local depot) are required to send indents for all categories of stamps for the year to the CSSD, Nasik on quarterly basis (15th of December, March, June and September of the year) which shall be prepared based on three months estimated consumption.

Test check of records in the office of the SOS, Assam, Treasury Officers (TO) and Sub-Registrars in the eight test checked districts revealed the position of indent for NJ Stamps placed to CSSD, Nasik, stamps received, stamps sold/issued by the treasuries and value of stamps used during registering of documents during 1993-94 to 2002-2003 as shown below:

(Rupees in crore)							
Year	Value of NJ stamp indented	Opening balance	Stamp received from CSSD	Value of NJ stamp sold	Closing balance	Value of stamp paper used during registering of documents	Percentage of under utilisation (+) or excess utilisation (-) in use over stamp sold
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1993-1994	46.49	NA	11.93	4.17	7.76	2.81	(+) 33
1994-1995	64.94	7.76	4.94	4.63	8.07	4.06	(+) 12
1995-1996	71.35	8.07	82.29	9.04	81.32	4.62	(+) 49
1996-1997	53.01	81.32	33.56	6.05	108.83	6.26	(-) 3
1997-1998	36.81	108.83	36.03	10.25	134.61	6.89	(+) 33
1998-1999	15.61	134.61	16.45	13.18	137.88	7.56	(+) 43
1999-2000	28.88	137.88	15.57	22.38	131.07	10.46	(+) 53
2000-2001	51.78	131.07	19.92	16.67	134.32	15.84	(+) 5
2001-2002	80.66	134.32	6.01	19.36	120.97	12.63	(+) 35
2002-2003	110.74	120.97	25.29	21.36	124.90	14.60	(+) 32

From the table it is clear that every year the treasuries were indenting huge quantity of stamps far in excess of what was required. This was not necessary since the closing balances were more than adequate to meet the requirement.

Trend of utilisation of NJ stamps

4.2.7 As detailed in the table above, between 1993-94 and 2002-03 as against sale of stamps valued at Rs.127.09 crore in eight treasuries as test checked, stamp papers of Rs. 85.73 crore were utilised on documents registered in 29 sub-registrars office of eight districts. Under utilisation of stamp papers with reference to sales by the treasuries ranged between five and 53 per cent (Col 8 of the table above) during 1993-94 to 2002-2003, whereas during 1996-97, there was excess utilisation of stamps by three per cent over the issue.

- In six districts³ as test checked, stamps valued Rs.5.09 crore were utilised in the districts over the value of stamps sold from the concerned treasuries between 1993-94 to 2002-2003 as shown below:

(Rupees in lakh)

Name of the district/treasury and year	Value of stamp paper on registered documents	Value of stamps sold by treasury	Value of excess utilisation of stamps
Kamrup			
2000-2001	1,141.20	864.31	276.89
Nagaon			
1993-1994	97.66	35.50	62.16
1994-1995	99.37	69.10	30.27
1996-1997	78.20	77.57	0.63
1999-2000	157.77	135.22	22.55
2001-2002	167.19	153.81	13.38
2002-2003	172.87	168.84	4.03
Morigaon			
1993-1994	7.49	0.69	6.80
1994-1995	8.38	4.98	3.40
1995-1996	8.16	1.38	6.77
1996-1997	7.08	5.76	1.32
1997-1998	8.34	5.65	2.69
1998-1999	12.10	10.32	1.78
1999-2000	12.21	4.84	7.38
2000-2001	12.69	11.80	0.89
Golaghat			
1996-1997	77.41	22.94	54.47
2001-2002	43.36	38.45	4.91
Jorhat			
1993-1994	41.10	33.93	7.17
1996-1997	52.89	52.33	0.56
Bongaigaon			
1995-1996	24.19	23.00	1.19
Grand Total:	2,229.66	1,720.42	509.24

In the absence of any system of reconciliation between the Sub-Registrar's office and the treasury, reasons for such wide variation and source of procurement of excess stamp papers so utilised could not be examined in audit. In reply to an audit query, SOS, Assam stated that variation between the treasury sale of stamps with those used for registration of documents could

³ Kamrup, Nagaon, Morigaon, Golaghat, Jorhat and Bongaigaon.

be there since there was no bar on use of stamps outside the district. In addition, there was no validity period prescribed for use of stamps. So, stamps purchased in earlier years or in other districts could be used in the later years by the parties. But fact remains that steps were not taken to ascertain the actual reason for such variation.

Absence of control over the activities of vendors

4.2.8 Indian Stamp Act, 1899 empowered the State Government to make rules for regulating inter alia, the persons by whom alone such sale of stamps is to be conducted. With this delegated power, the District officers in Assam issue licence to vendors for sale of stamps under certain terms and conditions. As per terms and conditions of licence issued to the vendors, they are required to maintain Sale Register of Stamp, where in, the concerned vendor shall record details of sales such as serial number of stamp paper, date of sale, name and address of purchaser and the value of stamp sold. The vendor, shall, in the beginning of the year, and subsequently in every three months, submit the register to the District officer/sub-divisional officer concerned for the purpose of being examined or signed by the Authority concerned. At the end of the year, the vendor shall have to deposit the register to the Authority concerned for record. Each vendor is required to note on the back of every stamp embossed or engraved on the stamp paper the serial number, the date of sale, name and address of the purchaser, the value of stamp in full in words and affix his signature thereon. The terms and conditions also envisage that the vendor shall maintain and render such accounts as may be prescribed by the local government. The District Officer or any officer duly authorised by such district officer or by the local government may inspect such account/sale register and may also examine the stock of stamps.

Test-check of records of the Sub-Registrars and District Officers in the eight districts revealed that the above terms and conditions were neither adhered to by the vendors nor by the District officers as detailed below:

- As per information furnished by the Branch officer, Personal branch of the Deputy Commissioner in eight districts, vendors did not maintain sale register of stamps and submit the same containing details of sales made by the vendor concerned during a financial year to the District officer concerned. Thus, sale of stamps made by the vendor during the period under review could not be ascertained in audit.
- Details of sales including other particulars required to be noted on the back of the stamp papers were not recorded by the vendors. The stamp paper contained only the initial and date of sale and that too were illegible in majority of the cases. In the absence of the clarity of the facts of sale in the used stamp paper, chances of fake use of stamp paper could not be ruled out.

- The District officers of eight Districts never inspected the accounts or examined the stock of stamps, as envisaged, of any of the licensed vendors of the district. Sub-Registrars and Treasury officers never received any list of Licensed vendors from the License Issuing Authority (DC). Thus, control over the activities of the vendors by the District Authority/Registering Authority was absent.

Purchase of Insurance Policy Stamps from unregistered vendor

4.2.9 Licenses for stamp vending are granted under Stamp Rules which are of statutory nature.

As per information available, Life Insurance Corporation of India, Jorhat purchased Insurance Policy Stamps valued at Rs.10 lakh in February 1995 and June 1995 from M/s Stampex (India), Jamshedpur. But, license for stamp vending was neither granted by the Authority concerned in Assam nor in Bihar in favour of the above mentioned firm. Instead, licenses were issued in favour of two individuals who were the partners of M/s Stampex (India), Jamshedpur. Thus, both purchase and sale of Insurance Policy Stamp by the unregistered vendor were irregular.

Short receipt/loss of stamps in transit

4.2.10 As per Assam Stamp Manual, 1944 as amended from time to time, once stamps are dispatched from CSSD, Nasik it becomes property of the State and any loss in transit is to be dealt with by the State Government concerned with the Railway Authority for recovery etc. under the provision of the Railway Amendment Act, 1989. The Rule stipulates that compensation from Railway Authority for the loss, destruction, damage, deterioration or non-delivery of goods may be claimed by serving a notice within a period of six months from the date of entrustment of goods in the prescribed proforma -

(a) to the railway administration to which goods were entrusted for carriage; or

(b) to the railway administration on whose railway the destination station lies, or the loss, destruction, damage or deterioration occurred.

Scrutiny revealed short receipt/transit loss of stamps worth Rs.146.66 crore in Nagaon and Kamrup Treasury as shown in the table below:

Sl. No.	Name of the Treasury	Indent for stamps placed to CSSD, Nasik with category of stamps	Actual receipt of stamps from CSSD, Nasik by the treasury	Transit loss (short receipt) of stamps and value involved	Period	Remarks
1.	Nagaon	70,000 sheets of “Non-Judicial Impress Stamps”	38,478 sheets	31,522 sheets worth Rs.1.52 crore	1995-96 & 1996-97	Compensation claim was not directly taken up with Railway Authority by the T.O. No complaint was also lodged with RPA. Matter lying unsettled.
2.	Kamrup	28,000 sheets of India Special Adhesive stamp & Share Transfer Stamps	16,000 sheets	12,000 sheets worth Rs.8 crore (share transfer stamps)	1997-98	TO submitted compensation claim in June 1999. Due to lack of persuasion, the matter remained unsettled.
3.	Kamrup	Insurance Policy stamps worth Rs.141.76 crore	Stamps worth Rs.29.60 crore	Stamps worth Rs.112.16 crore	1993-94 to 2002-03	Matter was taken up with both Rly. Authority and CSSD, Nasik. Due to lack of persuasion, it remained unsettled.
4.	Kamrup	Share Transfer Stamps worth Rs.45.70 crore	Stamps worth Rs.19.92 crore	Stamps worth Rs.25.38 crore (Rs.0.40 crore included in Col.5 of Sl.2 above)	1993-94 to 2002-03	Matter was taken up with both Rly. Authority and CSSD, Nasik. Due to lack of persuasion, the matter remained unsettled..

- On 24 June and 26 June 1993, CSSD, Nasik despatched two consignments of 70,000 sheets of “Non-Judicial Impress Stamps” having denominations of Rs.100 and Rs.500 to the Nagaon Treasury. The Railway Authority at Guwahati delivered them in July 1995 and November 1996, 38,478 sheets of stamps, the balance 31,522 sheets of stamps worth Rs.1.52 crore remained undelivered till June 2004. The TO, Nagaon reported the matter to the Controller of Stamps, Mumbai, who in turn informed the matter to NF Railways, Maligaon. But, the TO concerned did neither lodge any complaint with Railway Police Authority (RPA) nor claimed compensation with the Railway as per rule. Due to lack of proper action on the part of TO, the State Government sustained loss of revenue to the tune of Rs.1.52 crore.

Similarly, against two invoices of December 1997, CSSD, Nasik despatched one consignment to Kamrup Treasury in December 1997 containing 28,000 sheets of stamps of various denominations worth Rs.16.24 crore. Out of this, the Railway Authority at Guwahati did not deliver 12,000 sheets of stamps worth Rs.8 crore for which Kamrup Treasury claimed compensation from Railway Authority once in June 1999. Thereafter due to non persuasion of the case, the matter remained unsettled (August 2004) resulting in a loss of revenue of Rs.8 crore.

- As per information furnished, the TO, Kamrup Treasury placed indent for “Insurance Policy Stamps” for Rs.141.75 crore with the CSSD, Nasik, during 1993-94 to 2002-2003. Out of this, the treasury received stamps worth Rs.29.59 crore during the years. Although, the matter relating to short receipt of stamps worth Rs.112.16 crore was stated to have been taken up with the Railway Authorities and CSSD, Nasik, no complaint was found to have

been lodged with RPA. Non-persuasion of the matter, thus led to loss of revenue to the tune of Rs.112.16 crore.

- Again, as against indent for “Share Transfer Stamps” worth Rs.45.70 crore during 1993-94 to 1999-2000, Kamrup Treasury received stamps worth Rs.19.92 crore from CSSD, Nasik during the years. While, the matter was taken up with the Railway Authority and CSSD, Nasik, no complaint was found to have been lodged with RPA. Lack of adequate action on the part of the TO and the Department concerned, thus led to loss of Rs.25.38⁴ crore.

Receipt of Stamps from CSSD, Nasik without any indent

4.2.11 As per circular dated July 1983 issued by CSSD, Nasik all the treasuries (local depot) are required to send indents for all categories of stamps for the year to CSSD, Nasik on quarterly basis i.e. on 15 of December, March, June and September of the year.

As recorded, the TO, Nagaon received a consignment of “Share Transfer Stamps” of 4,000 sheets worth Rs.10.80 crore in June 2000 as per their indent for July – September 1999 as communicated by CSSD, Nasik in their invoice of July 1999. But, in November 2001, the TO, Nagaon intimated the SOS, Assam that no indent was placed for supply of such stamps with the CSSD, Nasik during July – September 1999 quarter. In the meantime, the SOS, Assam, made payment to CSSD Nasik, against the above consignment without verifying the relevant indent. Stamps worth Rs.10.80 crore, thus, remained unused till June 2001.

As the TO, Nagaon did not place any indent, the receipt of the consignment and retention of the quantity in hand was not only irregular but also unjustified. The TO did not take up the matter with the CSSD, Nasik. Due to inaction of the TO, stamps worth Rs.10.80 crore were lying idle for 4 years ending June 2004 which was highly irregular.

Recommendations

4.2.12 Absence of adequate monitoring by the Department with regard to projection for demand, placement or indent and utilisation of Stamp Papers, gave rise to several shortcomings and irregularities as mentioned in the foregoing paragraphs. Adequate control over the activities of the vendors was completely absent in the State. As a result, possibilities of using fake Stamp Papers and consequent loss of revenue could not be ruled out.

The State Government may consider taking following steps in consultation with the Union Government, where necessary, to improve the system of procurement, utilisation and sale of Stamp Papers in the State.

⁴ Rs.0.40 crore included in Col 5 of Sl.2 of the table of the Para 4.2.10

- The procedure for procurement of stamps need to be streamlined. The past trend of utilisation and the closing stock should be taken into account at the time of indenting.
- It may be ensured that compensation from Railway Authority for transit loss is claimed within a period of six months from the date of entrustment of goods as provided in Assam Stamp Manual and pursued at regular intervals till settlement of the claim.
- System of reconciliation between issue of stamp papers by the treasury and their utilisation during registration with the Registering Authorities may be adopted.
- Adequate steps as envisaged by the acts and rule should be taken for maintenance of proper sale records by vendors and their submission to Authorities concerned be ensured.
- In order to avoid leakage of revenue, all Stamp Papers sold by the treasuries should contain the serial number, date of sale, name of the vendor/individual along with signature with seal of the issuing authorities.

Matters were reported to the Department and the Government in July and September 2004; replies have not been received (December 2004).

A. PROFESSIONAL TAX

4.3 Non-realisation of professional tax

Under the Assam Professions, Trades, Callings and Employments Taxation Act, 1947, every person who carries on a trade, or who follows a profession or calling, or who is in employment, within the State is liable to pay for each financial year a tax at the prescribed rates. Further, as amended from April 1992, if a non- Government employer or 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 remains unpaid.

Test check of assessment records of the Superintendent of Taxes (ST), Golaghat revealed in August 2001 that in eight cases the Assessing Officer (AO) did not levy professional tax of Rs.1.12 lakh including the interest of Rs.0.58 lakh for non-payment for the period from 1998-99 to 2000-2001.

The matter was reported to the Department and the Government in March 2002; their replies have not been received (December 2004).

B. TAXES ON SPECIFIED LAND

4.4 Application of lower rate of tax

Under the Assam Taxation (on specified lands) Act, 1990, Government of Assam enhanced the rate of tax from 27 paise to 29 paise per kg on tea with effect from 1 April 1998, in respect of specified lands exceeding forty hectares in the Barak valley.

Test check of assessment records of the ST, Silchar revealed that while finalising assessments of two dealers for the year 1998 between September 2000 and February 2002, the AO levied tax at the rate of 27 paise instead of 29 paise per kg on 59.50 lakh kg of tea produced from 1 April 1998 to 31 December 1998. This resulted in short levy of tax of Rs.1.19 lakh.

The matter was reported to the Department and the Government in July 2003; their replies have not been received (December 2004).

C. TAXES ON MOTOR VEHICLES

4.5 Short realisation of tax

Rates of one time payment of road tax in respect of two / four wheelers was revised vide Assam Government notification dated 9 May 2002.

The rates of two wheelers having unladen weight of 65 to 90 kgs and 90 to 135 kgs were revised to Rs.2,500/- and Rs.3,500/- respectively and revised rates from two to seven *per cent* were chargeable on the original cost of the four wheelers as per slabs prescribed in the notification *ibid*.

Test check of records of the District Transport Officer (DTO), Kamrup revealed in January 2003 that during May and June 2002, the Department levied tax on 157 two wheelers and 6 four wheelers at the pre-revised rates instead of the prescribed revised rate. This resulted in short realisation of road tax of Rs.2.60 lakh.

The matter was reported to the Department and Government in April 2003; their replies have not been received (December 2004).

4.6 Short levy of tax

Under the provision of Assam Passengers and Goods (APG) Taxation Act, 1962, owners of vehicles holding permits for carriage of goods and passengers are to pay A.P.G. Tax on lump sum rates. The rates effective from 15 November 2001 were revised on 7 November 2001. The rates for truck, mini truck and bus were raised to Rs.804, Rs.550 and Rs.585 respectively from Rs.250, Rs.110 and Rs.195 respectively.

Test check of records of the DTO, Dhubri revealed in January 2003 that the Department levied pre-revised rates on 454 vehicles instead of revised rates during the period 15 November 2001 to 24 November 2001. The application of incorrect rates resulted in short realisation of tax of Rs.2.51 lakh.

The matter was reported to the Department and Government in March 2003; their replies have not been received (December 2004).