

**Immediate Release**



## **Press Brief**



# **Report of the Comptroller and Auditor General of India on Revenue Sector For the year ended 31 March 2019**

**Government of Bihar**  
***Report No. 1 of the year 2021***



## **Press Brief**

**Immediate Release**



सत्यमेव जयते



### **C&AG's Audit Report on Revenue Sector Bihar State for the year 2018-19**

The Audit Report (Revenue Sector) of the Comptroller and Auditor General of India for the year ended 31 March 2019, Government of Bihar, prepared under Article 151 of the Constitution of India was presented to the Bihar Legislature on 29.07.2021.

#### **Coverage of this Report**

This Report contains 12 paragraphs and one detailed compliance audits on '**Levy and collection of Motor Vehicles Taxes and Fees**' with financial implication of ₹ 2,389.53 crore.

#### **Arrears of revenue**

The arrears of revenue as on 31 March 2019 in respect of the principal heads of revenue amounted to ₹ 4,107.32 crore of which ₹ 521.07 crore was outstanding for more than five years.

#### **Audit findings: General**

- The total receipts of the Government of Bihar for the year 2018-19 amounted to ₹ 1,31,793.45 crore, of which, revenue raised by the State Government from its own sources was ₹ 33,538.70 crore (25.45 per cent). The share of receipts from the Government of India amounting to ₹ 98,254.75 crore



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(74.55 per cent of the total receipts) comprised of State's share of divisible Union taxes of ₹ 73,603.13 crore (55.85 per cent of the total receipts) and grants-in-aid of ₹ 24,651.62 crore (18.70 per cent of the total receipts).

- Audit observed underassessment/ short levy/loss of revenue aggregating to ₹ 3,658.11 crore in 629 cases. The departments concerned accepted ₹ 1,336.65 crore in 1,648 cases, out of which, 55 cases involving ₹ 366.27 crore were pointed out during 2018-19 and the rest in earlier years. The departments reported (between April 2018 and April 2020) recovery of ₹ 8.90 crore in 196 cases.

### **Audit findings: Commercial Taxes Department**

- Assessing Authorities did not detect suppression of turnover of ₹ 5.64 crore, in case of three dealers which resulted in under-assessment of ₹ 2.36 crore including leviable penalty and interest.
- Assessing Authorities failed to detect availing of inadmissible deductions by dealers which resulted in short levy of tax of ₹ 1.60 crore.
- Assessing Authorities did not detect short/delayed payment of admitted tax, which resulted in short realisation of tax of ₹ 2.88 crore and non-levy of interest of ₹ 4.38 crore.
- Assessing Authorities did not levy interest of ₹ 1.91 crore on delayed payment of entry tax.

### **Audit findings: Revenue and Land Reforms Department**

- Four District Land Acquisition Officers (DLAOs) failed to remit establishment charges of ₹ 91.03 crore into the Consolidated Fund of the State though the fund was available with them.
- Four DLAOs either failed to calculate additional compensation from the date of notification to the date of award or date of taking possession of the land, whichever is earlier or committed calculation mistakes. These irregularities resulted in incorrect calculation of additional compensation of ₹ 24.56 crore.
- The DLAO, Khagaria failed to make payment to beneficiaries despite the availability of funds of ₹ 2.24 crore.



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- Application of old rates of rehabilitation and resettlement by the DLAO/Collector, while finalising the estimates for payment of compensation, resulted in the short payment of compensation of ₹ 1.23 crore to the displaced families.
- Two DLAOs did not exercise due diligence and paid compensation to ineligible person without verification of relevant documents, violating the prescribed conditions, which resulted in fraudulent payments of ₹ 1.18 crore.

### **Audit findings: Transport Department**

Detailed compliance audit on levy and collection of Motor Vehicles Taxes and Fees including data analysis of VAHAN and SARATHI software of the Transport Department revealed the following:

- Irregular notification leading to short levy of Road Safety Cess on one-time tax paying commercial vehicles.
- Irregular notification for levy of surcharge on various fees caused undue burden of ₹18.52 crore on the driving licence and learning licence holders.
- Due to incorrect mapping of provision of fine for delayed payment of tax from owners of personalised vehicles, the Department collected fine of ₹ 2.83 crore
- Despite availability of information in VAHAN database, the DTOs neither initiated action to cancel the registration/permit of these vehicles whose fitness certificate had expired nor issued any notice to defaulting vehicle owners which resulted in forgoing of revenue of ₹187.01 crore.
- The DTOs concerned did not ensure realisation of due tax of ₹ 1.19 crore at the time of signing and approving the RCs.
- Due to absence of guidelines/supporting documents for registration of tractor and tractor trailer, seven DTOs registered 8,969 tractors or tractor-trailer combination under agriculture category in arbitrary manner leading to loss of revenue of ₹ 25.22 crore.
- Despite availability of information of non-payment of motor vehicle taxes by defaulter vehicle owners with the DTOs in VAHAN database, they did not monitor or review tax table of



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VAHAN to generate tax defaulter list through MIS. As a result, no demand notice was issued by the DTOs to the tax defaulters and consequently tax of ₹ 22.79 crore (Road tax: ₹ 7.56 crore and RSC: ₹9.58 lakh) including penalty of ₹15.13 crore remained unrealised.

- Penalty for belated payment of tax was not calculated/levied by the DTOs either through VAHAN software or manually, which resulted in non-levy of ₹ 1.54 crore.
- The National Permit Register was neither updated nor physically checked by the concerned RTAs. As a result, composite fee and authorization fee amounting to ₹ 6.29 crore was not realised.
- Permits were issued to 29,625 Goods Carriage, 1,165 Stage Carriage and 5,571 Contract Carriage vehicles without realising processing fee of ₹ 1,000 which resulted in loss of revenue of ₹ 3.64 crore.
- Due to ineffective follow-up of Act and Rules, arrears of revenue amounting to ₹ 7.01 crore could not be recovered.
- Three weigh bridges could not be made operational till 2019 after handing over of these weigh bridges to the Transport Department in December 2015/January 2016, despite incurring of expenditure ₹ 8.00 crore. Besides, Government incurred expenditure of ₹ 75.98 lakh in the form of payment of pay and allowances to officials, originally posted for weigh bridges sites but were deployed at STC/DTO Patna offices.

### **Audit findings: Stamps and Registration fee:**

- The Registration Department illegally made provision for collection of service charge in the Bihar Registration Rules, 2008 and consequently not only collected service charge of ₹ 31.73 crore during 2018-19 by putting undue burden on stakeholders but also kept them in bank account instead of the Consolidated Fund of the State.

### **Audit findings: Mining Receipts**

- Mining Officers failed to ensure non-payment of the works contractors' bills submitted without forms M and N, and they also failed to levy a penalty of ₹ 46.42 crore on works contractors for procurement of minerals from unauthorised sources.



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- During brick seasons 2017-18 and 2018-19, 260 brick kilns were operated without valid permit resulting in non-realisation of ₹ 3.85 crore including leviable royalty and penalty.

**For any further information on these subjects; please contact us at the following address:**

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