

Immediate Release



Press Brief



**Compliance Audit Report
of the
Comptroller and Auditor General of India
on Revenue Sector
for the year ended 31 March 2021**

**Government of Bihar
Report No. 2 of the year 2022**

C&AG's Compliance Audit Report (Revenue Sector) on Bihar State for the year 2020-21

The Compliance Audit Report (Revenue Sector) of the Comptroller and Auditor General of India for the year ended 31 March 2021-Government of Bihar, prepared under Article 151 of the Constitution of India, was presented to the Bihar Legislature on 16 December, 2022.

Coverage of this Report

This Report contains 10 paragraphs, one Detailed Compliance Audit on "Levy and Collection of penalty/fine after implementation of e-challan through electronic devices" and one Compliance Audit on "Transitional Credits".

The major audit findings are:

Chapter-1: General

- The total receipts of the Government of Bihar for the year 2020-21 amounted to ₹ 1,28,294.13 crore, of which revenue raised by the State Government from its own sources was ₹ 36,543.01 crore (28.48 *per cent*). The share of receipts from the Government of India amounted to ₹ 91,751.12 crore (71.52 *per cent* of the total receipts).

(Paragraph 1.1)

- The arrears of revenue, as on 31 March 2021, in respect of the principal heads of revenue, amounted to ₹ 3,180.63 crore, of which ₹ 1,056.31 crore was outstanding for more than five years.

(Paragraph 1.2)

- Audit observed underassessment/short levy/loss of revenue aggregating to ₹ 486.29 crore in 669 cases. The departments concerned accepted underassessment and other deficiencies of ₹ 187.28 crore in 679 cases, which were pointed out during previous years. The departments reported recovery of ₹ 9.69 crore in 164 cases.

(Paragraph 1.5)

Chapter-2: Taxes on Vehicles

Detailed Compliance Audit on "Levy and Collection of penalty/fine after implementation of e-challan through electronic devices", including data analysis of the VAHAN and SARATHI softwares of the Transport Department, revealed the following:

- ₹ 6.27 crore, realised through e-challan, by Hand Held Devices, was not remitted to the Government account. Remittance of ₹ 7.03 crore in Government account could not be verified due to non-maintenance of account/cash book.

(Paragraph 2.3.6)

- 3,061 challans, worth ₹ 1.97 crore, were irregularly modified and fines unpaid were reduced by ₹ 90.96 lakh.

(Paragraph 2.3.7)

- 71,274 e-challans, for ₹ 24.17 crore, were issued to defaulting vehicle owners/drivers, but neither was any action initiated against them, nor were any efforts made for seizure of vehicles or documents.

(Paragraph 2.3.9)

- Receipts from fine on vehicles for ₹ 9.33 crore, were remitted under an improper head, which deprived the Road Safety Council of its share of Road Safety Cess Fund of ₹ 93.30 lakh.

(Paragraph 2.3.12)

- Only 11.86 *per cent* of the total amount realised was digitally transferred to designated banks in eight districts.

(Paragraph 2.3.14)

Chapter-3: Commercial Taxes

Compliance Audit on “Transitional Credits” of Commercial Taxes Department revealed the following:

- The proper officer did not initiate any action to recover ₹ 15.95 crore due for recovery.

(Paragraph 3.3.6.1)

- Two taxpayers of two circles incorrectly claimed TDS of ₹ 1.69 crore as transitional Input Tax Credit (ITC) in GST TRAN-1.

(Paragraph 3.3.6.2)

- Three taxpayers of two circles incorrectly claimed transitional ITC of ₹ 1.58 crore in GST TRAN-1 on closing stock.

(Paragraph 3.3.6.4)

Legacy Issues

- The Assessing Authorities did not levy tax of ₹ 94.63 lakh on the closing stock on discontinuance of business.

(Paragraph 3.4.1)

- The Assessing Authorities failed to detect suppression of turnover of ₹ 3.51 crore, which resulted in under-assessment of tax of ₹ 1.18 crore including leviable penalty and interest.

(Paragraph 3.4.2)

- The Assessing Authorities failed to detect Irregular/excess claim of ITC of ₹ 1.39 crore, which resulted in under-assessment of tax of ₹ 6.68 crore including leviable penalty and interest.

(Paragraph 3.4.4)

- The Assessing Authorities failed to detect the application of incorrect rate of tax, which resulted in short levy of tax of ₹ 2.12 crore including interest.

(Paragraph 3.4.5)

Chapter-4: Revenue and Land Reforms

- Application of incorrect calculation method resulted in short levy of solatium of ₹ 2.22 crore, leading to short payment to 17 land owners.

(Paragraph 4.3.1)

- Incorrect calculation of additional compensation of ₹ 8.60 crore led to shortpayment to land owners.

(Paragraph 4.3.2)

Chapter-5: Stamps and Registration fees

- Five Registering Authorities failed to detect undervaluation of land in nine instruments, executed during June 2016 to August 2021, which resulted in short realisation of Stamp duty and Registration fee of ₹ 2.08 crore.

(Paragraph 5.3)

- Failure of the Registering Officer, to detect misclassification of mining lease of stone resulted in short realisation of stamp duty and registration fee of ₹ 6.95 crore.

(Paragraph 5.4)

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

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