

OVERVIEW

This Report contains 41 paragraphs including one review relating to non/short levy of tax, interest etc involving ₹ 269.74 crore. Some of the major findings are mentioned below:

I. General

Total receipts of the Government of Bihar for the year 2012-13 were ₹ 59,566.66 crore. The revenue raised by the State Government amounted to ₹ 17,388.35 crore comprising tax revenue of ₹ 16,253.08 crore and non-tax revenue of ₹ 1,135.27 crore. The receipts from the Government of India were ₹ 42,178.31 crore (States' share of divisible Union taxes: ₹ 31,900.39 crore and grants in aid: ₹ 10,277.92 crore). Thus, the State Government's own contribution to tax revenue was only 29 *per cent* of total revenue.

(Paragraph 1.1.1)

The number of inspection reports (IRs) and paragraphs issued up to December 2012 but not settled by June 2013 stood at 4,165 and 23,327 respectively involving ₹ 10,847.46 crore. We are yet to receive even first replies for 1,598 IRs though these were required to be furnished within four weeks of their receipt.

(Paragraph 1.7.1)

We conducted test-check of the records of commercial taxes, State excise, taxes on vehicles, land revenue, non-ferrous mining and metallurgical industries and other departmental offices during the year 2012-13 and observed underassessment/short levy of revenue of ₹ 1,066.92 crore in 2,673 cases. During the year 2012-13, the concerned departments accepted underassessment and other deficiencies of ₹ 50.20 crore involved in 288 cases.

(Paragraph 1.9.3)

II. Commercial Taxes

In six commercial taxes circles, suppression of sales/purchase turnover of ₹ 42.53 crore by nine dealers resulted in underassessment of tax of ₹ 18.07 crore including leviable penalty and interest.

(Paragraph 2.10)

Non-detection of application of incorrect rates of tax in 17 commercial taxes circles resulted in short levy of tax of ₹ 56.81 crore including interest and leviable penalty.

(Paragraph 2.11)

Irregular claim of Input Tax Credit (ITC) by the 17 dealers in nine commercial taxes circles resulted in excess allowance of ITC of ₹ 31.06 crore including leviable penalty and interest.

(Paragraph 2.12)

Suppression of import value of goods of ₹ 219.81 crore by 12 dealers in nine commercial taxes circles resulted in short levy of entry tax of ₹ 86.88 crore including leviable penalty and interest.

(Paragraph 2.25)

III. State Excise

Non-verification of the amount deposited by licensee from the records of treasury and non-observance of condition of sale notification by the Excise officers resulted in defalcation of Government Revenue in two Excise offices.

(Paragraph 3.8)

IV. Taxes on vehicles

In 19 District Transport Offices, tax dues of ₹ 1.19 crore pertaining to 671 transport vehicles for the period between February 2008 and April 2013 were neither paid by the vehicle owners nor action was taken towards realisation of dues of ₹ 3.48 crore (including penalty) by the concerned District Transport Officers.

(Paragraph 4.8)

V. Other Tax Receipts

Due to failure of the Department to evict the encroachers and resettle the land resulted in non-realisation of *Salami* and rent to the tune of ₹ 1.55 crore.

(Paragraph 5.12)

Short realisation of ₹ 4.44 crore due to short-levy of Stamp duty and Registration fees on conveyance treating them as development agreements.

(Paragraph 5.15)

VI. Non-Tax Receipts

A review on 'Receipts from Mines and Minerals' indicated the following deficiencies :

The State of Bihar has not framed a State Mineral Policy along the lines of the Model State Mineral Policy, 2010 circulated by the Central Government.

(Paragraph 6.4.2)

Internal control mechanism was weak due to absence of internal audit, non-maintenance of vital basic registers and inadequate inspection by the departmental officers.

(Paragraph 6.4.9)

Penalty of ₹ 12.26 crore for illegal procurement of minerals against the works contractors in four districts, though leviable, was not levied.

(Paragraph 6.4.12)

Penalty of ₹ 16.45 crore for mineral excavation without approval of Mining Plan was not levied.

(Paragraph 6.4.13)

Royalty of ₹ 64.86 lakh was short realised for excess dispatch of stone in three districts.

(Paragraph 6.4.18.3)