

TABLE OF CONTENTS

	Reference to	
	Paragraph	Page
Preface	--	v
Overview	--	vii to x
CHAPTER I : GENERAL		
Trend of revenue receipts	1.1	1
Analysis of arrears of revenue	1.2	3
Arrears in assessments	1.3	5
Evasion of Tax	1.4	5
Pendency of refund cases	1.5	6
Response of Department / Governments towards Audit	1.6	6
Department-wise details of the IRs and audit observations	1.6.1	7
Departmental Audit Committee (DAC) meetings	1.6.2	8
Non-production of records to Audit for scrutiny	1.6.3	8
Response of Departments to draft Audit Paragraphs	1.6.4	8
Follow up on Audit Reports-summarised position	1.6.5	9
Analysis of the mechanism for dealing with the issues raised by Audit	1.7	9
Audit planning	1.8	11
Results of Audit	1.9	12
Coverage of this Report	1.10	12
CHAPTER II : VALUE ADDED TAX, CENTRAL SALES TAX, ENTRY TAX ETC.		
Tax Administration	2.1	13
Internal Audit	2.2	13
Results of Audit	2.3	13
Audit of System of Assessments under Value Added Tax	2.4	15
Audit of Levy and Collection of Entertainment Tax from Cable Television and Direct to Home Broadcasting Service Operators	2.5	24
Other Audit Observations	2.6	30
Non-observance of the provisions of the Act and Rules read with Government notifications	2.7	30

	Reference to	
	Paragraph	Page
Short levy of tax and penalty due to application of lower rate of tax	2.7.1	31
Short levy of tax and penalty due to irregular allowance of input tax credit	2.7.2	31
Short levy of tax and penalty due to irregular deduction towards labour and service charges	2.7.3	32
Short levy of tax due to irregular allowance of input tax credit	2.7.4	33
Non-levy of purchase tax on goods transferred otherwise than by way of sale	2.7.5	34
Non-initiation of action against dealers for default in submission of Certified Annual Audited Accounts / statements of closing stock	2.7.6	34
Non-observance of the provisions of the Central Sales Tax Act / Rules read with Government notifications / executive orders	2.8	37
Short levy of tax and penalty due to application of lower rate of tax	2.8.1	37
Short levy of tax and penalty due to acceptance of tampered declaration forms	2.8.2	38
Short levy of tax and penalty due to irregular allowance of concession under Central Sales Tax Act	2.8.3	39
Non-observance of the provisions of Odisha Entry Tax Act / Rules and Government notifications	2.9	41
Non-levy of Entry Tax on carbon black	2.9.1	41
Non-levy of Entry Tax on Minor Minerals	2.9.2	42
Non-levy of Entry Tax on generator sets	2.9.3	43
Irregular exemption of Entry Tax	2.9.4	43
CHAPTER III : STATE EXCISE		
Tax Administration	3.1	45
Internal Audit	3.2	45
Results of Audit	3.3	45
Audit Observations	3.4	47
Non-observance of provisions of the Act / Rules / Annual Excise Policies and instructions of Government	3.5	47
Non-realisation of differential State Excise Duty on closing stock of India Made Foreign Liquor / Beer sold during 2013-14	3.5.1	48

	Reference to	
	Paragraph	Page
Non-levy of fine on expired IMFL	3.5.2	48
Non-realisation of extra hour operation charges and overtime fees	3.5.3	49
Non-realisation of establishment cost	3.5.4	50
Non-realisation of revenue due to trading of molasses without licence	3.5.5	50
Non-realisation of differential Excise Adhesive Label fee	3.5.6	51
Non-realisation of State Excise Duty on less production of spirit	3.5.7	52
CHAPTER IV : STAMP DUTY AND REGISTRATION FEE		
Tax Administration	4.1	53
Internal Audit	4.2	53
Results of Audit	4.3	53
Audit Observations	4.4	55
Non-observance of the provisions of the Acts / Rules and Government instructions	4.5	55
Short realisation of Stamp Duty and Registration Fee on Sale Certificates	4.5.1	56
Short realisation of Stamp Duty and Registration Fee due to misclassification of instrument of conveyance as cancellation deeds	4.5.2	57
Short realisation of Stamp Duty and Registration Fee due to undervaluation of buildings	4.5.3	58
Short realisation of Stamp Duty and Registration Fee due to registration of documents as General Power of Attorney	4.5.4	59
CHAPTER V : MOTOR VEHICLE TAX		
Tax Administration	5.1	61
Internal Audit	5.2	61
Results of Audit	5.3	61
Audit Observations	5.4	63
Non-compliance of the provisions of the Acts / Rules	5.5	63
Non-realisation / short realisation of motor vehicle tax and additional tax	5.5.1	64
Non-realisation / short realisation of motor vehicle tax from private service vehicles	5.5.2	65

	Reference to	
	Paragraph	Page
Non-disposal of Vehicle Check Reports	5.5.3	66
Non-levy / short levy of penalty for belated payment of tax and additional tax	5.5.4	66
Plying of Goods Vehicles with expired fitness	5.5.5	67
CHAPTER VI : MINING RECEIPTS		
Non-tax revenue Administration	6.1	69
Internal Audit	6.2	69
Results of Audit	6.3	69
Performance Audit of “ Implementation of the Integrated Mines and Minerals Management System (i3MS) ”	6.4	71
Other Audit Observations	6.5	98
Non-observance of the provision of Act / Rules	6.6	98
Short levy of royalty on bauxite	6.6.1	98
GLOSSARY		
		101