

OVERVIEW

This Report contains 35 draft paragraphs relating to non/short levy of taxes/duties/royalty, interest and penalty etc., loss of revenue, irregular exemption and other irregularities. It also contains a Performance Audit on ‘Working of Geology and Mining Department, Assam’. Some of the major findings are mentioned below:

I. GENERAL

- The total receipts of the State for the year 2016-17 were ₹ 49,219.81 crore against ₹ 42,457.68 crore in the previous year. Of this, 33 *per cent* was raised by the State Government through tax revenue (₹ 12,079.56 crore) and non-tax revenue (₹ 4,353.13 crore). The balance 67 *per cent* was received from the Government of India in the form of State’s share of net proceeds of divisible Union taxes (₹ 20,188.64 crore) and grants-in-aid (₹ 12,598.48 crore)

(Paragraph 1.1)

- During the year 2016-17, only one Audit Committee meeting in respect of State Excise Department was held in which 27 paragraphs were settled

(Paragraph 1.6.2)

- Test check of records of 92 offices conducted during the year 2016-17 revealed under assessment/short levy/loss of revenue having financial implication of ₹ 404.68 crore

(Paragraph 1.9.1)

II. FINANCE (TAXATION) DEPARTMENT

- A dealer declared a portion of the taxable turnover as exempted sales resulting in non-levy of tax of ₹ 28.46 lakh on which interest of ₹ 14.70 lakh was additionally leviable

(Paragraphs 2.5)

- Failure of the Assessing Officer (AO) to assess the dealers at correct rate of tax resulted in short levy of tax of ₹ 59.52 lakh including interest of ₹ 30.98 lakh

(Paragraphs 2.6)

- Failure of the AO to take into account all available information at the time of assessment resulted in non-detection of escapement of turnover with evasion of tax of ₹ 28.41 lakh

(Paragraphs 2.7)

- Assessment done at incorrect rate of tax resulted in short determination of remission amount by ₹ 6.46 crore to an industrial unit

(Paragraphs 2.8)

- Excess allowance of remission of tax of ₹ 12.99 lakh to an industrial unit and unrealised interest of ₹ 3.90 lakh

(Paragraphs 2.9)

- Grant of concessional rate of tax against fraudulent 'C' forms resulted in short levy of tax of ₹ 1.03 crore and on which interest of ₹ 85.13 lakh was leviable

(Paragraphs 2.10)

- Three dealers were incorrectly allowed concessional rate of tax against invalid 'C' forms furnished by the purchasing dealers which resulted in short levy of tax of ₹ 96.28 lakh and on which interest of ₹ 46.21 lakh was leviable

(Paragraphs 2.11)

- Incorrect grant of concession in respect of two dealers against invalid and obsolete 'C' forms led to revenue of ₹ 24.68 lakh not being realised

(Paragraphs 2.12)

- Failure of the AO to timely issue arrear certificates for ₹ 2.16 crore inspite of issuance of demand notices allowed the dealers to take the benefit of the Assam Taxation (Liquidation of Arrear Dues) (Amendment) Act, 2016, which resulted in non-realisation of government revenue to the tune of ₹ 67.18 lakh

(Paragraphs 2.13)

- Failure of the AO to co-relate records led to non-detection of concealment of taxable import resulted in short levy of Entry Tax of ₹ 32.55 lakh

(Paragraphs 2.14)

- Non-registration of a dealer under the Assam Entry Tax Act resulted in loss of revenue of ₹ 8.60 lakh

(Paragraphs 2.15)

III. EXCISE DEPARTMENT

- Excess allowance of godown wastage over the permissible limit led to non-realisation of revenue of ₹ 1.98 crore

(Paragraph 3.4)

- Non-initiation of action by the Superintendent of Excise (SE) against a contractor resulted in potential loss of revenue of ₹ 91.58 lakh

(Paragraph 3.5)

- Failure of the SE to realise establishment charges of ₹ 63.55 lakh from three licensees
(Paragraph 3.6)
- Non-realisation of annual renewal licence fees amounting to ₹ 56.50 lakh from seven licensees
(Paragraph 3.7)
- Loss of revenue of ₹ 33.53 lakh due to failure of officers to realise the duty coupled with wrong interpretation of Executive Instruction
(Paragraph 3.8)
- Short realisation of licence fees of ₹ 25.35 lakh from six licensees
(Paragraph 3.9)
- ₹ 5.50 lakh short realised as brewery and bottling licence fees
(Paragraph 3.10)
- Non-accountal of consignment in stock register leading to possibility of evasion of government revenue of ₹ 5.35 lakh
(Paragraph 3.11)

IV. TRANSPORT DEPARTMENT

- Failure in raising demands of Motor Vehicle tax amounting to ₹ 53.23 lakh and fine of ₹ 13.02 lakh from 239 commercial vehicle owners
(Paragraph 4.4)
- Non-assignment of local/new registration marks to vehicles entering Assam from other states resulted in non-realisation of ₹ 60.36 lakh from 49 vehicle owners
(Paragraph 4.5)
- Non-realisation of fitness fees of ₹ 39.41 lakh from 1,714 vehicle owners
(Paragraph 4.6)
- Undue financial benefit of ₹ 18.63 lakh to 27 employees due to non-realisation of house rent and payment of House Rent Allowance despite occupying government quarters
(Paragraph 4.7)

V. ENVIRONMENT AND FORESTS DEPARTMENT

- Loss of government revenue amounting to ₹ 56.96 lakh due to non-collection of 'other charges'
(Paragraph 5.4)

- Collection of royalty at pre-revised rate resulted in short realisation of ₹ 11.20 lakh

(Paragraph 5.5)

- Non-realisation of reserve price of ₹ 37.11 lakh on the unauthorised extraction of minor minerals

(Paragraph 5.6)

VI. MINES AND MINERALS DEPARTMENT

A Performance Audit on ‘Working of Geology and Mining Department, Assam’ revealed the following:

- Adequate exploration and mineral investigation was not carried out by the Department to assess the quality and quantity of mineral reserves in the State

(Paragraph 6.2.10)

- Production of petroleum commenced prior to grant of Petroleum Mining Lease (PML) as the Department neither followed nor monitored any timeline for application and grant of PML

(Paragraph 6.2.11.1(i))

- There was short payment of stamp duty of ₹ 158.99 crore for 16 mining leases. Further, there was loss of revenue of ₹ 14.99 lakh due to non-registration of 32 lease deeds

(Paragraphs 6.2.11.7 (i) & (ii))

- The Department did not detect the short/ non-payment of licence fee for 13 Petroleum Exploration Licences (PELs) amounting to ₹ 5.97 crore and did not levy interest of ₹ 38.06 lakh in respect of 16 licensees for delayed payment of licence fee

(Paragraph 6.2.11.8)

- Short deposit of statutory fees in respect of 17 PMLs amounting to ₹ 1.15 crore was not realised

(Paragraph 6.2.11.9)

- Department did not cross check returns for production with annual accounts/other reports resulting in acceptance of lower quantity of production of crude oil and natural gas reported by Oil India Limited and Oil and Natural Gas Corporation Limited which lead to short payment of royalty of ₹ 351.79 crore

(Paragraph 6.2.12.1 (i) & (ii))

- Surface rent of ₹ 20.34 crore in respect of 39 PMLs was not realised

(Paragraph 6.2.12.4)

- The Department did not levy dead rent amounting to ₹ 14.24 crore in respect of non-operation of mining leases

(Paragraph 6.2.12.7 (i))

