

OVERVIEW

This Report contains 27 paragraphs including 2 reviews, relating to non-levy/short levy/loss of tax involving Rs.289.37 crore which is 11.87 per cent of revenue receipts of 2001-02. Some of the major findings are mentioned below:-

1 General

The total receipts of the Government of Jharkhand for the year 2001-2002 were Rs.4495.02 crore. The revenue raised by the State Government amounted to Rs 2437.36 crore comprising tax revenue of Rs 1585.48 crore and non-tax revenue of Rs 851.88 crore. The receipts from Government of India were Rs.2057.66 crore (State's share of divisible Union taxes Rs.1603.19 crore and grants-in-aid Rs 454.47 crore). Thus, the State Government could raise only 54 per cent of total revenue. Taxes on Sales, Trade etc. (Rs.1238.70 crore) and Non-ferrous Mining and Metallurgical Industries (Rs.709.13 crore) were the major source of tax and non-tax revenue respectively during the year 2001-02.

[Paragraph 1.01(i) and (ii)]

The percentage of cost of collection in respect of State Excise and Stamps and Registration fee during the year 2001-02 was notably higher than that of all India average for the year 2000-01.

[Paragraph 1.03]

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 conducted during the year 2001-02 revealed under-assessment/short levy/loss of revenue amounting to Rs.922.19 crore in 1349 cases. During the course of the year 2001-02, the concerned departments accepted under-assessments etc of Rs.363.39 crore involved in 319 cases of which 106 cases involving Rs.337.50 crore had been pointed out in audit during 2001-2002 and the rest in earlier years.

[Paragraph 1.10]

The number of inspection reports and audit observations issued upto December 2001 but not settled by June 2002 stood at 3347 and 14996 respectively involving Rs 2617.59 crore. In respect of 1131 inspection reports, even the first replies have not been received although these were required to be furnished within one month of their receipts.

[Paragraph 1.11]

2 Taxes on Sales, Trade etc.

A review, 'Internal control mechanism in Sales Tax of Commercial Taxes Department', revealed as under: -

- In 6 Circles, non-adherence to provisions for granting registration within one month resulted in pendency of registration of 90 to 295 applications for more than 1 month during the period 1996-97 to 2000-01.

[Paragraph 2.02.06(ii)]

- Non-adherence to internal control mechanism for watching the payment of admitted tax resulted in non-levy of minimum penalty of Rs.14.34 lakh for delay in payment of admitted tax by 2 dealers in 2 Circles.

[Paragraph 2.02.07(b)]

- Non-adherence to the internal control measure for cross verification of data/information collected from different Central/State Government/ departments resulted in non/short levy of tax of Rs.14.36 crore including penalty in case of 46 dealers of 12 Circles.

[Paragraph 2.02.08(A) & (B)]

- In cases of 3 dealers of a Circle the assessing officers failed to institute certificate proceedings for the actual amount resulting in short institution of proceedings by Rs.5.78 crore.

[Paragraph 2.02.09 (C)]

- Failure of the assessing officer to cross verify declarations with reference to certificate of registration of a dealer in a circle resulted in short levy of tax amounting to Rs. 9.08 crore.

[Paragraph 2.02.10(ii)]

In 7 Circles, suppression of purchase/sale turnover of Rs. 121.47 crore by 12 dealers resulted in short levy of tax amounting to Rs. 22.63 crore (including additional tax, surcharge and minimum penalty leviable).

[Paragraph 2.03(a)]

In 2 Circles, incorrect determination/escapement of turnover by the assessing officers in case of 2 dealers resulted in short levy of tax amounting to Rs. 15.31 crore.

[Paragraph 2.04 (a)&(b)]

In 2 Circles, tax was levied at lower rates on fertilizer and cement in case of 2 dealers resulting in short levy of tax of Rs. 41.45 lakh (including additional tax and surcharge).

[Paragraph 2.05]

In case of 4 dealers of 3 Circles, mistake in computation of tax resulted in short levy of tax amounting to Rs. 12.91 lakh.

[Paragraph 2.08]

In case of 2 dealers of a Circle, non-levy of penalty for collection of tax in excess of their tax liability resulted in loss of revenue amounting to Rs. 11.84 lakh.

[Paragraph 2.09]

3 State Excise

Non-settlement of 168 excise shops in 6 excise districts and failure of the department to run them departmentally resulted in loss of excise revenue amounting to Rs.8.82 crore.

[Paragraph 3.02(a)]

In an excise district, incorrect classification of 6 hotels/restaurants and bars resulted in short realisation of licence fee of Rs. 6.20 lakh.

[Paragraph 3.03]

4 Taxes on Vehicles

In 6 District Transport Offices, no tax was realised in case of 72 motor vehicles even after expiry of period of surrender resulting in non-realisation of tax amounting to Rs. 12.35 lakh.

[Paragraph 4.03]

5 Land Revenue

In 6 Revenue Anchal Offices, no action was taken either to regularise or evict 28.3195 acres of land encroached upon by 172 persons resulting in non-realisation/fixation of *salami* and residential/ commercial rent of Rs.5.34 crore.

[Paragraph 5.02]

6 Other Tax Receipts

In the office of a District Sub-Registrar, misclassification of 6 instruments resulted in short levy of Stamp duty and Registration fees amounting to Rs. 11.99 lakh.

[Paragraph 6.02]

In one Circle, incorrect levy of surcharge by the assessing authority on energy sold by a licensee resulted in short levy of surcharge amounting to Rs. 1.03 crore.

[Paragraph 6.03]

7 Mineral concession, Fees and Royalties

A review, "Mineral Receipts", revealed as under:

- In a district, a private sector coal company did not pay royalty of Rs. 2.47 crore for consumption of coal during March 1999 to February 2001.

[Paragraph 7.02.06 A (a)(1)]

- In 3 District Mining Offices, 22.03 lakh tonnes of coal remained undisposed of for various periods from 8 months to 4 years resulting in non-levy of royalty of Rs.18.12 crore.

[Paragraph 7.02.07]

- In 11 District Mining Offices, works contractors used minerals procured illegally in works, for which royalty and price were recoverable, but the Works Department deducted only royalty, which resulted in non-recovery of price of Rs.9.32 crore.

[Paragraph 7.02.10]

- Certificate cases covering Rs.7.12 crore in respect of 7 District Mining Offices remained undisposed of due to lack of initiative and promptness on the part of Requiring Officers.

[Paragraph 7.02.14(c)]

Failure on the part of assessing officer to exercise proper checks resulted in non-levy of royalty amounting to Rs. 82.86 lakh in case of 2 collieries.

[Paragraph 7.03]

In 13 District Mining Offices, in case of 639 brick kilns penalty of Rs. 74.28 lakh was either not levied or short levied for operation of brick kilns without payment of royalty and valid permit.

[Paragraph 7.04]

In 10 District Mining Offices, settlement of 350 sand bearing areas without executing proper deeds of settlement resulted in loss of Stamp duty amounting to Rs. 34.41 lakh.

[Paragraph 7.05]

8 Other Non-Tax Receipts

Non-utilisation of powers conferred on Divisional Forest Officers to evict the encroached forest land in 6 Forest Divisions resulted in blockage of revenue of Rs. 72.28 crore.

[Paragraph 8.02(A)(i)]

Failure of the department to check unauthorised utilisation of forest land by a user agency in a Forest Division resulted in loss of revenue amounting to Rs. 27.83 crore.

[Paragraph 8.02(B)]

Unauthorised use/supply of water by 3 institutions of a Waterways Division resulted in non-realisation of water rates amounting to Rs. 4.97 crore.

[Paragraph 8.03]