

## OVERVIEW

This Report contains 19 paragraphs including two reviews relating to underassessment/short levy/loss of revenue etc. involving ₹ 99.21 crore. Some of the major findings are mentioned below.

### I. General

The total receipts of the State during the year 2009-10 amounted to ₹ 18,153.65 crore of which the revenue raised by the State Government was ₹ 10,166.25 crore and receipts from the Government of India were ₹ 7,987.40 crore. The revenue raised constituted 56 *per cent* of the total receipts of the State.

(Paragraph 1.1.1)

At the end of June 2010, 7,462 audit observations involving ₹ 3,313.41 crore relating to 1,990 inspection reports issued upto December 2009 remained outstanding.

(Paragraph 1.2.1)

Test check of the records of the Departments of Commercial tax, Stamp duty and Registration fee, Electricity and safety, State excise, Entertainment, Transport, Land revenue and other non-tax revenue etc. conducted during the year 2009-10 revealed underassessment/short levy/loss of revenue etc. aggregating ₹ 189.79 crore in 7,437 cases. During the course of the year 2009-10, the Departments concerned accepted underassessments and other deficiencies of ₹ 56.54 crore in 5,421 cases. Of these, the Department recovered ₹ 5.04 crore in 535 cases during the year 2009-10.

(Paragraph 1.5.1)

### II. Commercial Tax

Short levy of tax of ₹ 2.05 crore due to incorrect application of rate of tax.

(Paragraph 2.15.1 and 2.15.2)

Non-levy of tax of ₹ 1.11 crore due to incorrect exemption.

(Paragraph 2.16.1 to 2.16.3)

Non-realisation of tax of ₹ 11.43 lakh due to incorrect deduction from taxable turnover.

(Paragraph 2.17)

Non-realisation of revenue of ₹ 4.56 lakh due to non-levy of entry tax and penalty.

(Paragraph 2.18)

Short levy of tax of ₹ 4.37 lakh due to application of concessional rates on invalid declarations.

(Paragraph 2.19)

### **III. Stamp duty and registration fee**

Revenue unrealised due to inordinate delay in disposal of referred cases and realisation of demand.

**(Paragraph 3.9)**

### **IV. Taxes on Vehicles**

A review on “**Levy and collection of taxes on Motor Vehicles**” revealed the following:

- The arrears of revenue as on 31<sup>st</sup> March 2010 amounted to ₹ 8.57 crore of which ₹ 1.77 crore were outstanding for more than five years. In 2009-10, there was huge accumulation of arrears with a sharp increase of 114 *per cent*.

**(Paragraph 4.4)**

- The Transport Department did not have any Departmental manual. In the absence of manual, various checks and balances to be exercised by the various functionaries of the Department for registration of vehicles, levy of taxes, etc. could not be ensured.

**(Paragraph 4.8.4)**

- Improper maintenance of cash book and inadequacy in the internal control system led to fraud, misappropriation and embezzlement of Government revenue besides manipulation of challans.

**(Paragraph 4.8.5 & 4.8.6)**

- Non-fixation of rate of tax for sleeper buses led to non-levy of tax.

**(Paragraph 4.8.8)**

- Non-maintenance of records and lack of monitoring mechanism led to delay in encashment of bank drafts of ₹ 36.15 lakh.

**(Paragraph 4.8.9)**

- Failure on the part of the Department to take action against the defaulting vehicle owners resulted in non-levy of tax of ₹ 5.04 crore. Besides penalty for delay in payment of tax was also leviable.

**(Paragraph 4.8.11)**

- Non-verification of fitness of the vehicles which are due, led to non-recovery of fitness fee apart from endangering the lives of the passengers.

**(Paragraph 4.8.12)**

- Collection of taxes without taking into account the actual distance resulted in short levy of vehicle tax of ₹ 15.73 lakh. Besides penalty was also leviable as per provisions.

**(Paragraph 4.8.14)**

- Irregular Exemption of ₹ 5.73 lakh of vehicle tax on purchase of tractor/trolley for agriculture purpose.

**(Paragraph 4.8.16)**

## V. Land Revenue

Non-levy of interest of ₹ 39.70 lakh on delayed payment of one year of premium and land rent by the South Eastern Coal Fields Limited (SECL) Raigarh.

(Paragraph 5.8)

Non-levy of development and environmental cess of ₹ 5.95 lakh on the royalty of ₹ 59.51 lakh.

(Paragraph 5.10)

## VI. State Excise

Non-levy of penalty of ₹ 3.68 crore for failure to maintain the minimum stock of spirit in warehouses.

(Paragraph 6.10)

Non-levy of duty of ₹ 47.52 lakh on excess wastage in transportation.

(Paragraph 6.11)

## VII. Forest Receipts

A review on “**Assessment and collection of Forest Receipts**” revealed the following:

- The practice of depositing CT/VAT into forest receipts was in contravention to the fundamental accounting principles. This practice not only overstated the receipts of Forest Department by ₹ 114.64 crore in last five years but also understated the receipts of Commercial Tax Department.

(Paragraph 7.4.6.2)

- The arrears of revenue as on 31<sup>st</sup> March 2010 amounted to ₹ 2.396 crore of which ₹ 0.194 crore were outstanding for more than five years and had not been recovered.

(Paragraph 7.4.6.3)

- Non-maintenance of depot sale register, improper maintenance of cash book and issue of work order prior to realisation of revenue led to embezzlement of Government revenue of ₹ 2.18 lakh as well as non-realisation of interest of ₹ 1.71 lakh thereon.

(Paragraph 7.4.7.1)

- Deficiencies in the system of auction and inordinate delay in disposal of forest produce resulted in non-realisation of revenue due to deterioration of the forest produce.

(Paragraph 7.4.8)

- Delay in preparation of Working Plan in two test checked divisions resulted in non-realisation of revenue besides adversely affecting the growth and regeneration of the forest.

(Paragraph 7.4.9)

- Non-recovery of transit fee on the extraction and transport of minerals extracted from forest lands led to non-realisation of transit fee amounting ₹ 76.90 crore.

**(Paragraph 7.4.12)**

- Non-adherence to the Working Plan of the Department/Divisions resulted in loss of revenue as well as reduction in control over the production. Work plans prepared were not realistic or the Departmental Machinery had not taken necessary efforts to execute the work plans.

**(Paragraph 7.4.13)**

- There was loss of revenue due to variation in the estimated and actual yield of forest produces.

**(Paragraph 7.4.14)**

- There were deficiencies in transportation of forest produce due to delay by the transport contractors, no action taken against defaulting contractors, less receipt of forest produce in depots and shortages found in physical verification of the produce.

**(Paragraph 7.4.15)**

- Lack of Internal Audit Wing resulted in weak Internal Controls in the Department.

**(Paragraph 7.4.17)**

## **VIII. Geology and Mining**

Short realisation of royalty and interest of ₹ 1.05 crore.

**(Paragraph 8.10)**

Short levy/recovery of Stamp duty and Registration fee of ₹ 39.89 lakh on mining lease deeds.

**(Paragraph 8.11)**

Non-realisation of dead rent and interest of ₹ 4.29 lakh.

**(Paragraph 8.12)**