

## OVERVIEW

This Report contains 35 paragraphs including two reviews relating to non/short levy of taxes, royalty, fees, rent, interest and penalty etc., involving ₹ 385.66 crore. Some of the major findings are mentioned below:

### I. General

- The total receipts of the State for the year 2009-10 were ₹ 19,884.50 crore against ₹ 18,077.04 crore in the previous year. Of this, 39 *per cent* was raised by the Government through tax revenue (₹ 4,986.72 crore) and non-tax revenue (₹ 2,752.95 crore). The balance 61 *per cent* was received from the Government of India in the form of State's share of net proceeds of divisible Union taxes (₹ 5,339.53 crore) and grants-in-aid (₹ 6,805.30 crore).

**(Paragraph 1.1)**

- Failure of senior officials to enforce accountability resulted in non-settlement 4,033 paragraphs involving ₹ 767.23 crore at the end of June 2010.

**(Paragraph 1.2.1)**

- During the year 2009-10, only one Audit Committee meeting in respect of Taxation Department was held wherein 287 paragraphs involving ₹ 69.90 crore, were settled.

**(Paragraph 1.2.2)**

- Test check of records of 205 units of salestax/value added tax, motor vehicles, state excise, forest, other tax and non-tax receipts conducted during the year 2009-10 revealed under assessment/short levy/short demand and loss of revenue amounting to ₹ 466.58 crore in 573 cases. The concerned departments accepted under assessment, short levy etc., of ₹ 301.82 crore pointed out in 2009-10 and earlier years and recovered ₹ 60.16 crore.

**(Paragraph 1.5.1)**

### II. Sales Tax/Value Added Tax

Incorrect grant of exemption on export resulted in short/non-levy of tax of ₹ 3.68 crore including interest.

**(Paragraph 2.13.1)**

Irregular and excess allowance of exemption to industrial units resulted in non-levy of tax of ₹ 1.42 crore including interest.

**(Paragraph 2.13.2)**

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Against the leviable interest of ₹ 39.42 lakh, the assessing officers levied interest of ₹ 7.35 lakh leading to short levy of interest of ₹ 32.07 lakh.

**(Paragraph 2.13.3)**

Incorrect allowance of exemption/concession against Form-E-I resulted in short levy of tax of ₹ 62.17 lakh including interest.

**(Paragraph 2.13.5)**

Turnover of ₹ 4.62 crore escaped assessments resulting in short levy of tax of ₹ 99.37 lakh including interest.

**(Paragraph 2.13.6)**

Incorrect allowance of excess deduction of ₹ 5.33 crore on labour charges resulted in short levy of tax of ₹ 77.65 lakh.

**(Paragraph 2.13.7)**

Incorrect grant of concession/exemption against Form A on turnover of ₹ 9.36 crore resulted in non/short levy of tax of ₹ 85 lakh.

**(Paragraph 2.13.8)**

Incorrect grant of concessional rate of tax on sale of goods against Form B resulted in short levy of tax of ₹ 1.74 crore including interest.

**(Paragraph 2.13.13)**

Irregular grant of exemption on account of branch transfer of goods valued at ₹ 152.18 crore resulted in non-levy of tax of ₹ 30.65 crore including interest.

**(Paragraph 2.14.1)**

Incorrect grant of concessional rate of tax against sales supported by invalid Form C resulted in short levy of tax of ₹ 3.12 crore including interest.

**(Paragraph 2.14.2)**

### **III. State Excise**

Short lifting of rectified spirit by the licensees resulted in non-levy of excise duty of ₹ 39.70 lakh.

**(Paragraph 3.9)**

Licensees of wholesale bonded warehouses and foreign liquor "Off" and "On" were allowed to function without realisation of licence fee of ₹ 16.10 lakh.

**(Paragraph 3.10)**

Establishment charges/availability fees of ₹ 9.09 lakh against excise officials deployed in the distilleries/bonded warehouses were not realised.

**(Paragraph 3.11)**

## IV. Land Revenue

A review on **Recovery of dues treated as arrears of land revenue** revealed the following:

- Recovery of arrears ranged between 2.56 and 8.18 *per cent* during the five years from 2004-05 to 2008-09. 1,08,027 certificate cases involving recovery of ₹ 350.76 crore were pending at the end of 31 March 2009.

**(Paragraph 4.7.6)**

- Absence of guidelines was fraught with the risks of gaps in documentation resulting in difficulty in verifying the occurrences and genuineness of public demand cases.

**(Paragraph 4.7.7)**

- Non-recording and inordinate delay in instituting certificate cases led to delay in recovery of certified dues of ₹ 45.38 crore.

**(Paragraph 4.7.9)**

- Certified dues of ₹ 23.91 crore remained unrealised due to non-execution of 259 certificate cases.

**(Paragraph 4.7.10)**

- Due to non-pursuation of certificate cases pending in Civil Courts/High Court, certified dues amounting to ₹ 3.16 crore remained unrealised.

**(Paragraph 4.7.15)**

- The Government sustained loss of revenue of ₹ 1.71 crore due to non-levy of interest on the dues realised.

**(Paragraph 4.7.18)**

Lack of follow up action on the instructions contained in the Land Laws of Assam resulted in unauthorised retention of revenue of ₹ 41.40 lakh by the *Mouzadars* outside the Government account.

**(Paragraph 4.8.1)**

## V. Other-Tax Receipts

Non-reviewing the combined registers and non-issue of demands by the DTOs resulted in non-realisation of road tax of ₹ 58.99 lakh including fine.

**(Paragraph 5.4)**

Incorrect application of rate of tax resulted in short levy of entry tax of ₹ 4.02 lakh.

**(Paragraph 5.5)**

Against the leviable stamp duty of ₹ 3.29 lakh, the Senior Sub-Registrar, Silchar levied duty of ₹ 66,000 leading to short levy of stamp duty of ₹ 2.63 lakh.

**(Paragraph 5.7)**

## **VI. Non-Tax Receipts**

A review on **Mining receipts-assessment, levy and collection of royalty, fees and rent** revealed the following:

- Annual budget estimates were prepared without reference to past trends and future potential.

**(Paragraph 6.2.6)**

- Suppression of production of crude oil, condensate and natural gas by Oil India Limited and Oil and Natural Gas Corporation Limited led to short payment of royalty and interest of ₹ 168.48 crore.

**(Paragraph 6.2.8.1)**

- Non-payment of royalty (April 2008 to March 2009) on deducted discount on well head prices of crude oil distributed to oil marketing companies deprived the State of revenue of ₹ 525.04 crore.

**(Paragraph 6.2.8.2)**

- Differential royalty of ₹ 10.48 crore, payable by the Central Government from Oil Industry Development Board Fund, was not claimed and realised by the State Government.

**(Paragraph 6.2.8.3)**

- Due to computation of oil price at lower side during 2004-05 and 2008-09, ONGCL evaded royalty of ₹ 119.01 crore including interest.

**(Paragraph 6.2.8.4)**

- Failure of the department to enforce payment of royalty on natural gas at well head price resulted in short realisation of ₹ 24.56 crore including interest.

**(Paragraph 6.2.12)**

- Adoption of incorrect method for determination of royalty payable on natural gas resulted in loss of revenue of ₹ 11.97 crore.

**(Paragraph 6.2.13)**

- Payment of royalty on the quantity of coal dispatched from the leased area instead of actual quantity extracted at pit mouth resulted in short payment of royalty of ₹ 6.45 crore.

**(Paragraph 6.2.15)**

### **Forest Receipts**

Non-realisation of residual *mahal* fee from the defaulter *mahaldar* resulted in loss of revenue of ₹ 37.23 lakh.

**(Paragraph 6.3.1)**