

OVERVIEW

I General

This Report contains 42 paragraphs including a review highlighting non-levy or short levy of tax, interest, penalty, revenue foregone, etc., involving ₹ 304.94 crore¹. Some of the major findings are mentioned below:

(Paragraph 1.5.2)

The Government's total revenue receipts for the year 2009-10 amounted² to ₹ 26,430.21 crore against ₹ 24,610.01 crore in the previous year. Of this, 46.14 *per cent* was raised by the State through tax revenue (₹ 8,982.34 crore) and non-tax revenue (₹ 3,212.20 crore). The balance 53.86 *per cent* was received from the Government of India in the form of State's share of divisible Union taxes (₹ 8,518.65 crore) and grants-in-aid (₹ 5,717.02 crore).

(Paragraph 1.1.1)

As on 30 June 2010, 3,251 inspection reports issued up to 31 December 2009 containing 9,285 audit observations involving ₹ 4,685.50 crore were outstanding for want of comments/final action by the concerned departments.

(Paragraph 1.2.1)

Test check of the records of sales tax/value added tax (VAT)/entry tax, motor vehicles tax, land revenue, state excise, forest receipts, mining receipts and other departmental offices conducted during the year 2009-10 revealed underassessment/short levy/loss of revenue, etc., amounting to ₹ 1,164.78 crore in 2,47,648 cases. During the year 2009-10, the concerned departments accepted underassessment and other deficiencies of ₹ 306.08 crore involved in 84,399 cases which were pointed out in 2009-10 and earlier years. The departments also recovered ₹ 23.04 crore during the year in 32,136 cases.

(Paragraph 1.5.1)

II Sales Tax, Value Added Tax and Entry Tax

Penalty of ₹ 47.45 lakh being twice the tax assessed was not levied although tax of ₹ 23.72 lakh was assessed in respect of five dealers in audit assessments.

(Paragraph 2.3.2.1)

Penalty of ₹ 1.24 crore being 10 times of the input tax credit (ITC) was not levied at the assessment stage, although ITC of ₹ 12.40 lakh claimed and availed by two dealers were found inadmissible.

(Paragraph 2.3.2.2)

1 It does not include the paragraphs on blocking and loss of revenue.

2 Chapter-I figures in the overview have been rounded off to the nearest crore

Claim for levy of tax at concessional rates were accepted although 13 dealers had either not furnished valid declarations or furnished invalid, defective, duplicate, photocopied and manipulated declarations in respect of their sales turnover of ₹ 18.92 crore, which resulted in non/short levy of tax of ₹ 1.28 crore.

(Paragraph 2.4.1.1)

Penalty of ₹ 21.66 crore equal to twice the tax of ₹ 10.83 crore assessed in audit assessment or turnover escaping assessment was not levied against four dealers.

(Paragraph 2.4.3)

Suppression of taxable purchase turnover of ₹ 2.30 crore by a dealer resulted in short levy of entry tax of ₹ 27.61 lakh and penalty up to ₹ 41.41 lakh.

(Paragraph 2.5.1)

Penalty of ₹ 16.40 crore leviable against 18 dealers on different counts was not levied at the assessment stage.

(Paragraph 2.5.3)

The departmental authorities of 19 commercial tax circles failed to levy profession tax of ₹ 3.14 crore and penalty of ₹ 13.73 crore for non-enrolment under the Professional Tax Act against 23,075 assesseees.

(Paragraph 2.6)

III Motor Vehicles Tax

Motor vehicles tax and additional tax of ₹ 68.82 crore including penalty was either not realised or short realised in respect of 31,077 different categories of vehicles.

(Paragraph 3.3.1)

Differential tax of ₹ 16.20 lakh including penalty of ₹ 10.80 lakh was not realised from the owners of 170 stage carriages who used them as contract carriages.

(Paragraph 3.3.3)

Process/countersignature fee in respect of 1.35 lakh cases amounting to ₹ 1.44 crore was non/short realised from the vehicle owners.

(Paragraph 3.4.1)

IV Land Revenue, Stamp Duty and Registration Fee

A review on "Alienation, lease and encroachment of Government land" revealed the following:

- There was blocking of revenue in the shape of premium, ground rent, cess and interest of ₹ 347.25 crore due to non-finalisation of 17 alienation cases in which Government land measuring 928.616 acres was unauthorisedly occupied.

(Paragraph 4.2.6.3.1 and 4.2.6.3.2)

- There was blocking of revenue of ₹ 90.31 crore due to non-regularisation of advance possession of Government land measuring 340.760 acres in 16 cases which were allowed by the Government during 1965 to 2004-05 for public utility purposes.

(Paragraph 4.2.6.3.3)

- There was non-realisation of ground rent, cess and interest of ₹ 2.67 crore from seven lessees who were leased out 384.78 acres of Government land.

(Paragraph 4.2.6.4)

- There was short levy of premium, ground rent, cess and interest of ₹ 2.30 crore due to assessment of premium on buildable area of 73.629 acres against the assessable area of 92.781 acres of Government land.

(Paragraph 4.2.6.5)

- There was non/short levy of capitalised value of ₹ 25.07 crore including interest in respect of 1,439.598 acres of Government land alienated to five Central Government organisations in eight cases.

(Paragraph 4.2.6.6)

- There was non/short levy of incidental charges of ₹ 13.56 crore while sanctioning 4,096.175 acres of land to projects covering 500 acres and above to nine industries for industrial and commercial purposes.

(Paragraph 4.2.6.7)

- There was non-levy of interest of ₹ 3.74 crore for belated payment of Government dues.

(Paragraph 4.2.6.8)

- Revenue of ₹ 7.33 crore was blocked in 42 encroachment cases pending for regularisation due to inaction of departmental authorities.

(Paragraph 4.2.8.1)

- There was blocking of revenue of ₹ 1.09 crore in case of lease of 13.94 acres of land to an industrial unit who violated the conditions of the sanction of lease.

(Paragraph 4.2.8.2)

V State Excise Duty

Excise duty of ₹ 27.11 lakh was not levied against seven licensees who shortlifted the minimum guaranteed quantity of liquor.

(Paragraph 5.3.1)

Penalty of ₹ 20 lakh was not levied against a licensee who failed to supply the quantity of country spirit demanded.

(Paragraph 5.3.4)

The department sustained loss of revenue of ₹ 20.05 crore due to non-settlement of 23 liquor shops.

(Paragraph 5.3.9)

VI Forest Receipt

Interest of ₹ 4.96 crore for delayed payment of royalty was not levied against the Orissa Forest Development Corporation (OFDC).

(Paragraph 6.3.1)

Short demand of ₹ 5.93 lakh was detected due to delivery of lots of standing trees to OFDC at lower rates than the uniform rate fixed by the Government.

(Paragraph 6.3.3)

VII Mining Receipt

Levy of royalty on processed iron ore instead of unprocessed iron ore resulted in short levy of royalty of ₹ 3.01 crore.

(Paragraph 7.3.1)

VIII Other Departmental Receipts

Electricity duty of ₹15.48 crore including interest on the auxiliary consumption of electricity by M/s. National Aluminium Company (NALCO) Ltd. was not levied at the prescribed rates.

(Paragraph 8.3.1)

Escapement of electricity duty of ₹ 31.68 lakh on the deemed self consumption of 15.838 MU of electricity by the Orissa Hydro Power Corporation Ltd. (OHPCL) was detected due to acceptance of the erroneous exhibition of the transformation loss over and above the norm fixed by the Chief Electrical Inspector of the State for the years 2007-08 and 2008-09.

(Paragraph 8.3.3)

The revised demand for ₹ 29.97 crore towards differential cost of the deployment of police personnel in 80 borrowing agencies was not raised for the period January 2006 to March 2009.

(Paragraph 8.4.1)

Short realisation of ₹ 2.22 crore towards lease value and royalty of 45 reservoirs for the period 2004-05 to 2008-09 as per the State Reservoir Fishery (SRF) Policy was detected.

(Paragraph 8.5.1)