

OVERVIEW

This Report contains 58 paragraphs and two Performance Audits (PAs) relating to non/short levy of tax, interest, penalty, revenue foregone, etc., involving ₹ 737.71 crore. Some of the major findings are mentioned below:

I General

The total revenue receipts of the Government for the year 2013-14 amounted to ₹ 48,946.85 crore against ₹ 43,936.91 crore in the previous year. Of this, 51.63 *per cent* was raised by the State through tax revenue (₹ 16,891.59 crore) and non-tax revenue (₹ 8,378.60 crore). The balance 48.37 *per cent* was received from the Government of India in the form of State's share of divisible Union taxes (₹ 15,247.24 crore) and Grants-in-aid (₹ 8,429.42 crore).

(Paragraph 1.1.1)

Test check of the records of assessment/ collection of Value Added Tax including Sales Tax, Entry Tax, Profession Tax etc., Motor Vehicles Tax, Stamp Duty and Registration Fees, State Excise Duty, Mining Receipts during the year 2013-14 revealed under assessment/short-levy/loss of revenue and other observations amounting to ₹ 4,713.63 crore in 5,10,147 cases.

(Paragraph 1.9)

II Value Added Tax, Central Sales Tax, and Entry Tax etc.

Audit on “Scrutiny of returns under VAT regime by Commercial Tax Department” revealed the following:

- Input Tax Credit of ₹ 2,247.38 crore availed by 26,511 dealers under the Odisha Value Added Tax Act, 2004 remained unverified due to non-scrutiny or ineffective scrutiny of returns.

(Paragraph 2.4.3.1)

- Less payment of tax of ₹ 18.89 crore by a dealer under Odisha Value Added Tax Act, 2004 remained undetected due to non-scrutiny or ineffective scrutiny of returns.

(Paragraph 2.4.4.2)

- Claim of concession/ exemption of Central Sales Tax of ₹ 1,684.26 crore availed by 4,973 dealers remained unverified.

(Paragraph 2.4.7.1)

- Genuineness of concession/ exemption of tax of ₹ 191.45 crore availed by 954 dealers without submitting declarations/ certificates remained unverified by the AAs was fraught with risk of possible loss of Government revenue as assessment of the tax periods became time-barred.

(Paragraph 2.4.7.2)

Action for levy of penalty under Odisha Value Added Tax Act, 2004 was not initiated against 6,111 dealers for non-submission of statements of closing stock in trade.

(Paragraph 2.6.5)

Action for levy of penalty under Odisha Value Added Tax Act, 2004 was not initiated against 7,262 dealers for non-submission of certified reports on annual audited accounts.

(Paragraph 2.6.6)

Central Sales Tax and penalty of ₹ 0.39 crore was short levied against six dealers due to incorrect application of tax rate.

(Paragraph 2.7.1)

Mandatory penalty of ₹ 11.76 crore was not levied against 39 dealers on audit assessments finalised under Central Sales Tax Act, 1956.

(Paragraph 2.7.2)

Penalty of ₹ 1.94 crore was not imposed against a dealer for misuse of declaration forms under Central Sales Tax Act, 1956.

(Paragraph 2.7.4)

Tax and penalty of ₹ 25.41 lakh was short levied against a dealer due to irregular acceptance of declarations in form 'C' which were not genuine.

(Paragraph 2.7.6)

Penalty of ₹ 44.76 lakh was not levied against two dealers on audit assessments under Odisha Entry Tax Act, 1999.

(Paragraph 2.8.3)

Tax and penalty of ₹ 6.21 lakh was short levied against a dealer due to excess allowance of entry tax set-off under Odisha Entry Tax Act, 1999.

(Paragraph 2.8.4)

Action was not initiated against four dealers to levy interest and penalty for delayed payment of Entry Tax as per the provisions.

(Paragraph 2.8.5)

III State Excise Duty and Fees

Differential State Excise Duty of ₹ 4.04 crore on annual closing stock of 2012-13 was not realised from Odisha State Beverage Corporation (OSBC).

(Paragraph 3.5.1)

Demand for State Excise Duty of ₹ 41.74 lakh was not raised against 56 Country Spirit licensees for short lifting of minimum guaranteed quantity of spirit.

(Paragraph 3.5.2)

Depot Licence Fee of ₹ 40 lakh was not realised from OSBC in respect of three Country Spirit depots and one Beer depot.

(Paragraph 3.5.3)

Label Registration Fee of ₹ 20.15 lakh on liquor stored/sold at a depot of OSBC was not realised.

(Paragraph 3.5.5)

Licence Fee of ₹ 38 lakh was short-realised from two bottling units.

(Paragraph 3.5.7)

Trading Licence Fee, application fee and penalty of ₹ 14.8 lakh was not realised from four sugar factories.

(Paragraph 3.5.8)

IV Stamp Duty and Registration Fee

Performance Audit on “e-Registration system in Revenue and Disaster Management Department” and test check revealed the following:

- Selection of concessionaire was made without competitive bidding process and without considering existing NIC software “ORIS” for the project.

(Paragraph 4.4.9.1)

- Non-adherence to service level agreement led to delay in delivery of e-Governance services to the citizens. Penalty of ₹ 49.57 lakh for delay in rendering services as per the service level metrics was not imposed on the concessionaire.

(Paragraph 4.4.10.9)

- Irregular fixation of user charges for additional pages of deeds beyond six pages resulted in undue burden of ₹ 1.26 crore over the citizens.

(Paragraph 4.4.11.3)

- Non-mapping of business process Rules in case of Leases, Sale Certificates instruments resulted in short realisation of Stamp Duty and Registration Fees of ₹ 47.98 lakh.

(Paragraph 4.4.12)

- In absence of system for generating alerts/ warnings, there was risk of fraudulent multiple sale of same property by seller to different buyers.

(Paragraph 4.4.14.1)

- Partial capture of data for important fields like ID proof and number, Boundary details led to generation of incomplete information affecting quality of data. Besides, there was lack of validation control for important fields like PAN Number, Market value etc.

(Paragraphs 4.4.14.2, 4.4.14.4 and 4.4.14.5)

Stamp Duty and Registration Fee of ₹ 4.69 crore was short realised due to registration of documents under Agreement for sale instead of conveyance.

(Paragraph 4.6.1)

There was short realisation of Stamp Duty and Registration fee amounting to ₹ 3.10 crore due to registration of documents on less consideration money.

(Paragraph 4.6.2)

Stamp Duty and Registration Fee of ₹ 34.52 lakh was short realised on lease of private land to industries by IDCO.

(Paragraph 4.6.3)

Stamp Duty and Registration Fee of ₹ 22.52 lakh was short realised due to under valuation of property.

(Paragraph 4.6.4)

V **Motor Vehicles Tax**

Performance Audit on “**Classification, Assessment and Collection of tax and Road Safety measures in Transport Department**” and test check revealed the following:

- The distance slabs prescribed in the Taxation Schedule of OMVT Act, 1975 require revision taking into consideration the long route coverage of stage carriages.

(Paragraph 5.4.8.1)

- Motor Vehicle tax and additional tax of ₹ 3.34 crore remained unrealised from 956 goods carriages of other States/ Regions. Besides, penalty of ₹ 6.68 crore was also leviable.

(Paragraph 5.4.9.1)

- Irregular fixation of seating capacities less than that prescribed in the Schedule under Odisha Motor Vehicle Rules, 1993 for stage carriages/ contract carriages/deluxe stage carriages according to wheel-base, led to loss of ₹ 17.76 lakh.

(Paragraph 5.4.9.2)

- Non-renewal of Certificates of Registration of 1,77,651 non-transport vehicles led to non-realisation of fitness and renewal fees of ₹ 6.63 crore.

(Paragraph 5.4.9.4)

- Non-issue of Permanent Permits to tractor trailer combinations at the time of registration led to non-realisation of application fee and permit fee of ₹ 3.40 crore.

(Paragraph 5.4.9.5)

- Due to non-renewal of certificates of fitness of 164 School buses, 10,541 Auto-Rickshaws and 2,843 omnibuses, the road safety of the students and passengers could not be ensured and also resulted in non-realisation of fees and penalty of ₹ 43.75 lakh.

(Paragraph 5.4.9.6)

- Certificates of fitness to 1,20,939 vehicles were issued without ensuring Pollution under Control Certificates.

(Paragraph 5.4.9.8)

- Enforcement of the provisions of Acts and Rules regarding mandatory third party insurance of 9,96,543 motor vehicles including of 12,320 transport vehicles in the State was not ensured by the Department.

(Paragraph 5.4.9.10)

- There was shortfall in achievement of targets which affected road safety activities.

(Paragraph 5.4.10.7)

Motor Vehicles tax and additional tax of ₹ 101.79 crore including penalty was not /short realised in respect of vehicles under different categories.

(Paragraphs 5.6.1.1 and 5.6.1.2)

Vehicle Check reports in respect of 427 vehicles carrying load beyond permissible limit were not disposed off resulting in non-realisation of compounding fee of ₹ 0.26 crore.

(Paragraph 5.6.3)

Penalty of ₹ 0.37 crore was non/short realised in 148 cases for belated payment of tax and additional tax.

(Paragraph 5.6.4)

Process Fee of ₹ 1.05 crore in respect of 1.05 lakh cases was not realised from the vehicle owners.

(Paragraph 5.7.1)

VI Mining Receipts

An amount of ₹ 33.02 crore was not realised from Mahanadi Coal Fields Limited towards cost of coal extracted beyond the approved plan.

(Paragraph 6.5.1)

Royalty of ₹ 7.01 crore was short assessed on 38.79 lakh tonne of bauxite.

(Paragraph 6.5.2)

Royalty of ₹ 8.07 crore was not levied on 3.34 lakh tonne chrome ore.

(Paragraph 6.5.4)

Royalty of ₹ 4.99 crore was short levied by the Department while computing royalty on steam coal.

(Paragraph 6.5.6)