

OVERVIEW

This Report contains 27 paragraphs including four detailed Compliance Audits. Some of the major findings are mentioned below:

I General

The total revenue receipts of the Government for the year 2016-17 amounted to ₹ 74,299.39 crore against ₹ 68,941.44 crore in the previous year. Of this, 41.58 *per cent* was raised by the State through tax revenue (₹ 22,852.39 crore) and non-tax revenue (₹ 8,043.10 crore). The balance 58.42 *per cent* was received from the Government of India in the form of State's share of divisible Union taxes (₹ 28,321.50 crore) and Grants-in-aid (₹ 15,082.40 crore).

(Paragraph 1.1.1)

During the year 2016-17, as many as 1,869 assessment files, returns, refund registers and other relevant records involving tax effect of ₹ 1,654.66 crore relating to Commercial Tax wing of Finance Department were not made available to audit for scrutiny.

(Paragraph 1.6.3)

Test check of records of tax and non-tax receipts revealed under assessment / short-levy / loss of revenue and other observations amounting to ₹ 2,087.44 crore in 1,36,144 cases in the year 2016-17.

(Paragraph 1.9)

II Value Added Tax and Entry Tax etc.

Advance receipts of ₹ 26.60 crore were not included in the gross receipts of the dealer which resulted in short levy of tax and penalty of ₹ 4.56 crore.

(Paragraph 2.5.3)

No action was initiated for levy of penalty of ₹ 3.81 crore against the dealers who had not submitted the Certified Annual Audited Accounts (CAAA).

(Paragraph 2.5.4)

Minor minerals were not assessed for Entry Tax which resulted in non-levy of tax and penalty of ₹ 2.59 crore.

(Paragraph 2.6.4)

III State Excise

Audit of "Offences and Penalties for unlawful import, export, transport, manufacture, possession and sale of intoxicants" revealed the following deficiencies:

- Excise offence cases were showing increasing trend from 2014-15 to 2016-17.

(Paragraph 3.4.4)

- Percentage of conviction was low due to non-production of seized materials, documents etc. by the investigating officer.

(Paragraph 3.4.5)

- Confiscated goods could not be disposed off by the Department, despite being ordered by the Court.

(Paragraph 3.4.6)

- Department did not dispose off the goods seized in unclaimed cases after expiry of stipulated period.

(Paragraph 3.4.7)

- Special Courts were not created to clear heavy pendency of offence cases.

(Paragraph 3.4.8)

- Illicit cultivation of Hemp plant could not be stopped in eight districts.

(Paragraph 3.4.9)

- Public awareness programmes on dangers of drinking alcohol were not organised in spite of availability of funds.

(Paragraph 3.4.10)

A fine of ₹ 4.45 crore was not levied for retention of expired stock of IMFL.

(Paragraph 3.6.1)

State Excise Duty on short lifted Minimum Guaranteed Quantity of IMFL/Beer was not realised from the concerned licensees which resulted in loss of ₹ two crore.

(Paragraph 3.6.2)

Prescribed rate of excise duty for IMFL and Beer as per Annual Excise Policy 2015-16 was not adopted which resulted in short realisation of excise duty of ₹ 1.44 crore.

(Paragraph 3.6.3)

IV Stamp Duty and Registration Fee

Stamp Duty and Registration Fee of ₹ 42.61 lakh on registration of Sale Certificates was not realised.

(Paragraph 4.5.1)

V Motor Vehicle Tax

Motor Vehicle tax and additional tax of ₹ 55.26 crore including penalty were not realised/ short realised in respect of 27,078 vehicles under different categories.

(Paragraph 5.5.1)

VI Mining Receipts

Audit of “Exploration and Development of Mineral Resources by Directorate of Geology, Odisha” revealed the following deficiencies:

- Final reports on investigation/ exploration were not submitted/ or submitted with delay.
(Paragraph 6.4.4.1)
- Increase of mineral reserves were not significant during 2012-16 despite expenditure of ₹ 77.53 crore.
(Paragraph 6.4.4.2)
- Drilling targets fixed for different stages of exploration of projects were not achieved during 2014-15 to 2016-17.
(Paragraph 6.4.4.3)
- Exploration of projects were discontinued without completion of approved targeted items of works.
(Paragraph 6.4.4.4)
- There was delay in completion and non-programming of projects in violation of High Level Committee decision.
(Paragraph 6.4.4.6)
- Shortage of manpower of 100 *per cent* in respect of 19 technical posts impeded the achievement of targeted objective of mineral exploration.
(Paragraph 6.4.5.1)
- Delay in procurement of exploration related machinery and equipment affected the pace of exploration work.
(Paragraph 6.4.5.2)

Charges for limiting the top size of coal to 100mm and realised by the lessee from the buyers was not included in the Run-of-Mine (ROM) price of coal in assessment of royalty. This resulted in short levy of royalty of ₹ 72.24 crore.

(Paragraph 6.6.1)

The lessee carried out unlawful excess extraction of coal beyond approved mining plan. However, a penalty of ₹ 51.90 crore towards price of excess coal was not demanded.

(Paragraph 6.6.2)

VII Miscellaneous

Audit of “Delivery of services under Odisha Right to Public Services (ORTPS) Act” revealed the following deficiencies:

- Departments as well as Designated Officers did not provide required information about Public services by way of display in notice boards in Odia language or by displaying in the official website.

Acknowledgements intimating the deficiency in documents submitted by applicants were also not issued.

(Paragraph 7.1.3)

- Services were not provided within the prescribed time limit under ORTPS Act. The reasons for delay in providing the services, the period within which an appeal can be preferred against such delay were also not communicated to applicants.

(Paragraph 7.1.4)

- Departments did not utilise Central Monitoring System web portal in providing services under ORTPS Act.

(Paragraph 7.1.6)

Audit of Recovery of Arrear revenue

Audit of “Recovery of Arrear revenue in Steel & Mines, Excise and Commerce and Transport (Transport) Departments” revealed the followings deficiencies:

❖ Steel & Mines

- Certificate (a written requisition in a prescribed form sent by a person to the Certificate Officer for recovery of public demand) was not filed with the Certificate Officers defined under Orissa Public Demands Recovery (OPDR) Act, 1962. This resulted in non-realisation of mining arrear revenue of ₹ 7.16 crore.

(Paragraph 7.2.4.1)

- Department did not submit information in respect of cases pending under Revisionary Authority (RA), involving arrear of ₹ 112.02 crore. There was also delay in submitting the departmental comments in cases involving ₹ 5,103.43 crore.

(Paragraph 7.2.4.2)

- Amount demanded was not entered in the Demand Collection Balance (DCB) register, resulting in understating of the arrear.

(Paragraph 7.2.4.3)

❖ Excise

- Demand Collection Balance register was not maintained for arrears of revenue.

(Paragraph 7.2.5.1)

- Lack of follow up action resulted in non-realisation of recoverable dues of ₹ 3.27 crore in 26 cases. In another case, required measures were also not taken for realisation of arrear revenue of ₹ 5.59 crore, not stayed by the Court.

(Paragraph 7.2.5.2)

- Non pursuance of cases for vacation of stay of Courts resulted in non recovery of Excise arrear revenue of ₹ 9.39 crore and certificate cases instituted during 1997-98 to 2003-04 in 25 cases involving ₹ 1.11 crore were yet to be disposed off.

(Paragraph 7.2.5.3)

❖ **Transport**

- Targeted collection of arrears could not be achieved due to lack of effort in realisation of revenue on motor vehicle.

(Paragraph 7.2.6.1)

- There was discrepancy in arrear figures reported by State Transport Authority and the figure worked out from the *VAHAN* database.

(Paragraph 7.2.6.2)

- Demand Collection Balance register was not maintained by any of the test checked units either manually or in the form of database which resulted in defective reporting of arrears.

(Paragraph 7.2.6.3)

- *VAHAN* database system failed to keep a check on management of arrear revenue.

(Paragraph 7.2.6.4)

- Authenticity and accuracy of data in *VAHAN* database was not ensured due to non-updataion of address of vehicle owners.

(Paragraph 7.2.6.5)

- Recovery of arrear revenue in 8,713 Tax Recovery (TR) cases involving ₹ 55.52 crore could not be made for want of appropriate action.

(Paragraph 7.2.6.7)