

OVERVIEW

This Report contains 29 paragraphs relating to non/short levy of taxes/duties/royalty, interest and penalty etc., loss of revenue, irregular exemption and other irregularities. It also contains a Performance Audit on ‘Collection of arrears of revenue in Finance (Taxation) Department’. Some of the major findings are mentioned below:

I. GENERAL

- The total receipts of the State for the year 2017-18 were ₹ 54,130.94 crore against ₹ 49,219.81 crore in the previous year. Of this, 32 *per cent* was raised by the State Government through tax revenue (₹ 13,215.52 crore) and non-tax revenue (₹ 4,071.97 crore). The balance 68 *per cent* was received from the Government of India in the form of State’s share of net proceeds of divisible Union taxes (₹ 22,301.54 crore) and grants-in-aid (₹ 14,541.91 crore).

(Paragraph 1.1)

- During the year 2017-18, two Audit Committee meetings in respect of Environment and Forests Department were held in which 146 paragraphs were settled.

(Paragraph 1.6.2)

- Test check of records of 100 offices conducted during the year 2017-18 revealed under-assessment/short levy/loss of revenue having financial implication of ₹ 986.64 crore in 931 cases.

(Paragraph 1.9.1)

II. FINANCE (TAXATION) DEPARTMENT

Performance Audit on ‘Collection of arrears of revenue in Finance (Taxation) Department’ revealed the following:

- The amount of arrear increased from ₹ 2,027.08 crore as on 1 April 2012 to ₹ 5,079.35 crore as on 31 March 2017, registering an increase of 151 *per cent*.

(Paragraph 2.4.6)

- Out of selected 142 cases pending in Hon’ble High Court/Assam Board of Revenue (ABR), in 35 cases amounting to ₹ 129.72 crore the Department continued reporting of arrear even though the Hon’ble High Court/ABR disposed of those cases.

(Paragraph 2.4.9)

- Out of selected 136 cases pending with Revision Authority/Appellate Authority, audit observed that, in 18 cases involving ₹ 29.83 crore, the Revision Authority/Appellate Authority has disposed of the cases with direction to re-assess or set aside the assessment order. However, Department continued to report those cases as arrear pending with Revision Authority/Appellate Authority.

(Paragraphs 2.4.10.1 & 2.4.11)

- Demands of ₹ 1,700.27 crore in respect of M/s. OIL and M/s. ONGC for the assessment year 2009-10 to 2012-13 were pending with the Revision Authority since August 2015 as no timeframe was fixed for disposal of revision petition by the Department.

(Paragraph 2.4.10.2)

- Inaction in pursuing the cases with the Assam Industrial Development Corporation resulted in non-realisation of arrear dues of ₹ 25.21 crore against closed Government Companies/ Corporations.

(Paragraphs 2.4.12.1 & 2.4.12.2)

- Arrear of ₹ 252.17 crore was locked up as either the warrant of arrest were not executed or the police authorities did not send any action taken report and Recovery Officers (RO) also failed to take up the matter with the higher authority of the Police Department despite instruction of the CT, Assam.

(Paragraph 2.4.14)

- An arrear of ₹ 16.81 crore remained un-realised from a dealer due to non-initiation of action as per provision of the Bengal Public Demands Recovery (BPDR) Act, 1913.

(Paragraph 2.4.15.2)

- Certificate proceedings were closed in respect of five assesseees without levy of interest of ₹ 38.64 lakh under the provisions of the BPDR Act, 1913.

(Paragraph 2.4.15.3)

- Loss of revenue of ₹ 12.95 crore due to dropping of 15 certificate cases.

(Paragraph 2.4.15.4)

- Delay in issue of requisition of arrear certificate by Assessing Officers (AOs) in 82 cases resulted in non-realisation of arrear amounting to ₹ 74.66 crore.

(Paragraph 2.4.16.1)

- Non-renewal of bank guarantee on time resulted in loss of government revenue of ₹ 1.38 crore.

(Paragraph 2.4.17)

- There was no system for monitoring progress of recovery of arrears due to non-maintenance of Instalment Register, Demand, Collection and Balance Register and Bank Guarantee Register.

(Paragraph 2.4.19)

Compliance audit observations

- The failure of the Assistant Commissioner of Taxes (ACT), Bongaigaon to detect the actual turnover of ₹ 54.52 lakh of a dealer resulted in evasion of tax of ₹ 7.36 lakh alongwith interest of ₹ 5.79 lakh which was also additionally leviable.

(Paragraph 2.6)

- Failure of the Superintendent of Taxes (ST), Silchar to reduce the Input Tax Credit (ITC) availed by a dealer against schemes/discount/incentive claimed by the dealer on intra-State purchase resulted in excess allowance of ITC of ₹ 11.28 lakh on which interest of ₹ 10.77 lakh was also leviable.

(Paragraph 2.7)

- Irregularly permission of exemption on stock transfer by the ST, Central VAT Audit Team resulted in non-levy of tax of ₹ 1.15 crore on which interest of ₹ 60.14 lakh was also leviable.

(Paragraph 2.8)

- STs, Guwahati Unit-D and Guwahati Unit-C failed to detect invalid 'C' Forms submitted by three dealers which resulted in short levy of tax of ₹ 12.89 lakh on which interest of ₹ 14.56 lakh was also leviable against which only tax amount of ₹ 6.79 lakh was recovered from a dealer.

(Paragraph 2.9)

III. EXCISE DEPARTMENT

Compliance audit observations

- Inaction on the part of the Superintendent of Excise (SE) resulted in non-realisation and short realisation of licence fees of ₹ 7.83 crore of distillery licence, brewery licence and botting licence from five licensees having Distillery, Brewery and Bottling plant.

(Paragraph 3.4)

- Short realisation of security deposit of ₹ 71.05 lakh against distillery and brewery licensees as the SE, Kamrup, Guwahati failed to realise the same at revised rate.

(Paragraph 3.5)

- Excise Department failed to renew brand names and label of potable India Made Foreign Liquor (IMFL) which resulted in non-realisation of renewal fee of ₹ 19 lakh.

(Paragraph 3.6)

- SE, Kamrup, Guwahati failed to realise establishment charges of ₹ 18.57 lakh from two licensees against which an amount of ₹ 5.38 lakh was realised from one licensee.

(Paragraph 3.7)

- Loss of revenue of ₹ 1.11 crore due to failure of the Excise Department to realise the duty coupled with wrong interpretation of Executive Instructions.

(Paragraph 3.8)

- Collection of licence fee of bonded warehouse at lower/pre-revised rate in respect of 26 bonded warehouse licensees resulted in short realisation of ₹ 1 crore.

(Paragraph 3.9)

- Non-realisation of licence fees of bonded warehouse and wholesale licences to the tune of ₹ 9.50 lakh from a Bonded Warehouse licensee by SE, Kamrup, Guwahati.

(Paragraph 3.10)

- Godown wastage allowed in excess of permissible limit on which excise duty of ₹ 29.18 lakh was not realised by the SEs, Kamrup and Sivasagar. Against this an amount of ₹ 16.76 lakh was reported realised from two licensees after audit observation.

(Paragraph 3.11)

- SE, Karimganj failed to detect the concealment of stock by a bonded warehouse which resulted in evasion of payment of ₹ 9.42 lakh against which an amount of ₹ 5.22 lakh was realized.

(Paragraph 3.12)

- SE, Kamrup failed to realise annual licence renewal fees of retail 'OFF'/'ON' licences amounting to ₹ 80 lakh from 18 licensees.

(Paragraph 3.13)

IV. TRANSPORT DEPARTMENT

Compliance audit observations

- Failure of the District Transport Officers (DTOs), North Lakhimpur and Kamrup (Metro) to review Fitness Expiry Report generated from 'VAHAN' software resulted in non-realisation of fitness fee and fine of ₹ 16.97 crore from 73,072 motor vehicles.

(Paragraph 4.4)

- DTO, Golaghat failed to issue demand notices to the 178 owners of Commercial Vehicles for collection of MV tax amounting to ₹ 97.20 lakh and fine of ₹ 16.09 lakh. An amount of ₹ 13.83 lakh and fine of ₹ 1.98 lakh was reportedly realised from 26 commercial vehicle owners at the instance of Audit.

(Paragraph 4.5)

- DTO, Kamrup (Metro) failed to realise inspection fee of ₹ 10.27 lakh on arrival of vehicles at dealer's point against which ₹ 2.36 lakh only was realised from three dealers.

(Paragraph 4.6)

- DTO, Goalpara failed to realise permit fee and fine of ₹ 8.01 lakh in respect of 304 vehicles which were plying without valid permit against which ₹ 0.47 lakh was realised.

(Paragraph 4.7)

- DTO, Goalpara calculated MV tax in Tax Defaulter Report incorrectly due to lack of validation check.

(Paragraph 4.8)

V. ENVIRONMENT AND FORESTS DEPARTMENT

Compliance audit observations

- Divisional Forest Officers (DFOs) failed to collect ₹ 1.14 crore as 'other charges' at the rate of 10 *per cent* of forest royalty towards Mines and Minerals Development, Restoration and Rehabilitation Fund.

(Paragraph 5.4)

- DFOs, Dhemaji and Kamrup divisions failed to collect forest royalty at revised rate which resulted in short realisation of ₹ 28.28 lakh.

(Paragraph 5.5)

- DFOs, Goalpara and Dhubri divisions failed to register mining leases/contracts which require registration with Registrar which resulting in non-realisation of stamp duty of ₹ 7.23 lakh and registration fee of ₹ 4.82 lakh.

(Paragraph 5.6)

- Lack of initiation on the part of the DFO, Nagaon division to renew the licences of forest produce trading depot resulting in non-realisation of licence renewal fee of ₹ 9.01 lakh.

(Paragraph 5.7)

