

## OVERVIEW

This Report contains 21 paragraphs including three reviews, relating to non-levy/short levy of taxes, duties, interest and penalty etc. involving Rs.413.82 crore. Some of the major findings are mentioned below:

### I. GENERAL

- Total receipts of the State during 2003-2004 amounted to Rs.7,765.10 crore of which revenue raised by the State Government was Rs.3,016.12 crore. The revenue raised by the State Government constituted 39 *per cent* of the total receipts of the State and showed no increase over 2002-2003.

(Paragraph 1.1)

- The arrears of revenue as on 31 March 2004 in respect of some principal heads of revenue amounted to Rs.744.95 crore of which Rs.184.45 crore were outstanding for more than 5 years.

(Paragraph 1.6)

- In respect of the taxes administered by the Finance Department such as sales tax and other taxes, 78,289 assessments were completed during 2003-2004 leaving balance of 95,259 cases pending for assessments as on 31 March 2004.

(Paragraph 1.7)

- Test check of records of sales tax, taxes on vehicles, state excise, forest receipts, other tax and non-tax receipts conducted during the year 2003-2004 revealed under assessment/short levy/short demand and loss of revenue amounting to Rs.513.61 crore in 521 cases. The concerned Department accepted under assessment, short levy etc., of Rs.55.78 crore pointed out in 2003-2004 and earlier years and recovered Rs.0.36 crore.

(Paragraph 1.10)

### II. SALES TAX

- (a) The review on **Working of Sales Tax Check-Posts**, revealed the following:

- As against required norms of physical verification of 10 *per cent* goods vehicles at Check-posts, actual verification conducted during 1998-99 to 2002-2003 ranged between 0.76 and 1.14 *per cent*.

(Paragraph 2.2.5)

- Short determination of turnover of coal led to short levy of tax of Rs.3.32 crore including interest Rs.0.96 crore.

(Paragraph 2.2.8)

- Failure to pass on the information collected at the Check-post to the Assessing Authorities resulted in non-verification of turnover of goods leading to evasion of tax of Rs.2.98 crore.

**(Paragraph 2.2.9)**

- Absence of control over the transit of goods by road through the state resulted in loss of revenue of Rs.26.28 crore including penalty of Rs.19.71 crore.

**(Paragraph 2.2.11)**

- (b) Nine dealers evaded tax of Rs.1.70 crore due to concealment of turnover from assessment involving interest and penalty of Rs.3.87 crore leviable for non-payment of tax.

**(Paragraph 2.3)**

- Irregular grant of exemption from payment of tax in case of three dealers by the Assessing Officers resulted in non-levy of tax of Rs.1.76 crore and interest of Rs.1.37 crore.

**(Paragraph 2.4)**

- Incorrect allowance of deduction from turnover of sale of goods to five dealers resulted in under-assessment of tax of Rs.22.59 lakh and interest of Rs.3.54 lakh.

**(Paragraph 2.5 and 2.6)**

- Allowance of concessional rate of tax to five dealers against invalid declaration Forms resulted in short levy of tax of Rs.44.39 lakh and interest of Rs.39.25 lakh.

**(Paragraph 2.8)**

- Failure of Assessing Officers to re-assess/assess three dealers as per particulars available on records facilitated the dealers to evade tax of Rs.38.56 lakh alongwith interest and penalty of Rs.47.31 lakh.

**(Paragraph 2.9)**

- Levy of incorrect rates to three dealers resulted in short levy of tax of Rs.8.24 lakh and interest of Rs.6.89 lakh.

**(Paragraph 2.10)**

- 741 paragraphs involving Rs.3.62 crore relating to 78 Audit Notes raised in internal audit by the Department remained outstanding for settlement as of 31 March 2004

**(Paragraph 2.12)**

### **III. OTHER TAX RECEIPTS**

(a) The review on **Stamp Duty**, revealed the following:

- There was short supply of stamps valued Rs.404.75 crore compared to indents for the state for the years 1997-98 to 2002-2003.

**(Paragraph 4.2.5)**

- Between 1993-94 and 2002-2003, Stamps valued Rs.5.09 crore were found registered with the sub-registries in excess over the value of stamps sold from the concerned treasuries in six test checked districts.

**(Paragraph 4.2.7)**

- Control of the Authorities over the activities of the vendors was completely lacking in the State

**(Paragraph 4.2.8)**

- There was a loss of stamps worth Rs.146.66 crore in transit in two treasuries (Kamrup and Nagaon) during the period 1993-94 to 2002-2003.

**(Paragraph 4.2.10)**

- Stamps worth Rs.10.80 crore received from CSSD, Nasik without any indent at Nagaon Treasury were lying idle for 4 years ending June 2004.

**(Paragraph 4.2.11)**

(b) Application of incorrect rates of Road tax and Assam Passenger and Goods Tax on Vehicles led to short realisation of tax of Rs.5.11 lakh.

**(Paragraph 4.5 and 4.6)**

### **IV. NON-TAX RECEIPTS**

(a) The review on **Receipts from Mines and Minerals**, revealed the following:

- Non-payment of royalty on the crude oil extracted by Oil and Natural Gas Corporation Limited (ONGCL) and Oil India Limited (OIL) during 1999-2000 to 2001-2002 as reflected in Indian Mineral Year Book against production shown in the returns to the State Government resulted in short receipt of revenue of Rs.35.28 crore.

**(Paragraph 5.2.6)**

- Adoption of incorrect formula by OIL for determining royalty payable on natural gas during 2001-2002 and 2002-2003 led to short payment of royalty of Rs.23.56 crore.

**(Paragraph 5.2.7)**

- Royalty to the tune of Rs.46.09 crore on crude oil extracted by OIL and ONGCL between December 1999 and March 2003 was lying outstanding for payment. The units were also liable to pay additional amount of Rs.86.25 crore for non-payment of royalty within specified period.

**(Paragraph 5.2.8)**

- Three units did not pay royalty to the tune of Rs.1.78 crore on coal extracted during 1998-99 to 2002-2003. The Department also did not levy interest of Rs.0.63 crore for non-payment of royalty in time.

**(Paragraph 5.2.9)**

- Government sustained loss of revenue to the tune of Rs.15.64 crore due to transportation loss of crude oil and excess utilisation of gas during mining operation.

**(Paragraph 5.2.10)**