

OVERVIEW

This Report contains 26 paragraphs including two reviews relating to non-levy/short levy of tax etc. involving Rs 175.15 crore. Some of the major findings are mentioned below:

I. GENERAL

The total receipts of the Government of Bihar for the year 2002-2003 were Rs 10,968.42 crore. The revenue raised by the State Government amounted to Rs 3,021.87 crore comprising tax revenue of Rs 2,761.05 crore and non-tax revenue of Rs 260.82 crore. The receipts from the Government of India were Rs 7,946.55 crore (State's share of divisible Union taxes Rs 6,549.23 crore and grants-in-aid Rs 1,397.32 crore). Thus, the State Government could raise only 28 per cent of total revenue. Taxes on Sales, Trade etc. (Rs 1,647.62 crore) and Non-ferrous Mining and Metallurgical Industries (Rs 61.20 crore) were the major source of tax and non-tax revenue respectively during the year 2002-2003.

(Paragraph 1.1.1, 1.1.2 and 1.1.3)

The percentage of cost of collection in respect of State Excise and Stamps and Registration fee during the year 2002-2003 was notably higher than that of all India average for the corresponding period.

(Paragraph 1.3)

Test check of the records of Commercial Taxes, State Excise, Taxes on Vehicle, Land Revenue, Non-ferrous Mining and Metallurgical Industries and other departmental offices conducted during the year 2002-2003 revealed under assessment/short levy/loss of revenue amounting to Rs 292.74 crore in 13,180 cases. During the course of the year 2002-2003, the concerned departments accepted under assessments etc. of Rs 0.48 crore involved in 37 cases pointed out in audit prior to 2002-2003.

(Paragraph 1.10)

The number of Inspection Reports and audit observations issued upto December 2002 but not settled by June 2003 stood at 7,052 and 30,989 respectively involving Rs 2,589.57 crore. In respect of 1,948 Inspection Reports, even first replies have not been received although these were required to be furnished within six weeks of their receipts.

(Paragraph 1.11)

II. Taxes on Sales, Trade etc.

A review, **Accountal and utilisation of declaration forms/certificates** revealed as under:

- * There was discrepancy in maintenance of stock registers of various declaration forms.

(Paragraph 2.2.4)

- * Use of defective declaration forms by dealers resulted in under assessment of tax of Rs 2.97 crore.

(Paragraph 2.2.10)

- * Suppression of purchase/sales turnover resulted in under assessment of tax of Rs 9.81 crore.

(Paragraph 2.2.14)

- * Incorrect utilisation of declaration form resulted in under assessment of tax of Rs of 26.78 lakh.

(Paragraph 2.2.17)

Cross verification of the records of Customs Department in five circles revealed suppression of taxable turnover of Rs 21.68 crore by 47 dealers resulting in short levy of tax of Rs 6.82 crore.

(Paragraph 2.3)

In nine circles, suppression of sales/purchase turnover of Rs 11.76 crore by 13 dealers resulted in short levy of tax of Rs 3.24 crore .

(Paragraph 2.4)

III. State Excise

A review, **Working of State Excise Department** revealed as under;

- * There was a loss of revenue of Rs 4.13 crore due to low recovery of alcohol from molasses.

(Paragraph 3.2.5)

- * There was loss of revenue of Rs 10.22 crore due to non-settlement of excise shops.

(Paragraph 3.2.7)

- * Due to non-filing of certificate proceedings interest of Rs 32.91 crore was foregone.

(Paragraph 3.2.18)

IV. Other Tax Receipts

Taxes on Vehicles

In 29 District Transport Offices, there was non-recovery of tax amounting to Rs 11.80 crore in respect of 1,448 transport vehicles that stopped payment of tax.

(Paragraph 4.2)

Delay in remittance to government account resulted in loss of government revenue in the shape of interest amounting to Rs 38.91 lakh.

(Paragraph 4.5.2)

Land Revenue

In 37 Revenue Anchals, 1,954 raiyats (tenants) converted 286.19 acres of agricultural land into land for commercial purposes but department recovered rent at agriculture rate which resulted in short realisation of revenue of Rs 2.58 crore.

(Paragraph 4.6)

In three Revenue Anchals, 4.19 acres of public land was encroached by 29 persons, resulting in non-realisation of salami and residential/commercial rent of Rs 19.81 lakh

(Paragraph 4.7)

Stamps and Registration Fees

A deed of conveyance for transfer of land was under valued resulting in short levy of stamp duty and registration fee of Rs 24.29 crore

(Paragraph 4.10)

V. Other Non-Tax receipts

Mineral Concession, Fees and Royalties

Supply of 1,11,479 cubic metre of stone ballast in works of Railway Department was made by illegal extraction/removal of minor minerals. Thus, contractors were liable to pay a sum of Rs 2.92 crore in the shape of price of minerals and royalty.

(Paragraph 5.2.1)

Supply of 80,748 cubic metre of stone ballast was made by unauthorised extraction/removal of minor mineral and as such the lessees were liable to pay Rs 1.87 crore as price of mineral and royalty.

(Paragraph 5.2.2)

Penalty amounting to Rs 14.33 crore for unauthorised operation of 4,418 brick kilns in 15 District Mining Offices was either not levied or levied short.

(Paragraph 5.3)

Settlement of 143 sand bearing areas without executing proper deeds of settlement resulted in loss of stamp duty of Rs 1.06 crore

(Paragraph 5.4)

Water Rates

Khatianis in respect of 5.56 lakh acres of irrigated land was not prepared which resulted in non-raising of demand of water rates amounting to Rs 3.75 crore.

(Paragraph 5.7)

