

# OVERVIEW

## I **General**

This report contains 62 paragraphs relating to non levy/short levy of tax, penalty, loss of revenue, interest including one review on "Interest Receipts". The findings involve revenue to the tune of Rs.560.81 crore. Some of the major findings are mentioned below:

The Government's total revenue receipts for the year 2004-05 amounted\* to Rs.11,850 crore against Rs.9,440 crore in the previous year. Of this 46.60 *per cent* was raised by the State - Rs.4,177 crore through tax revenue and Rs.1,345 crore through non-tax revenue and 53.40 *per cent* was received from the Government of India, Rs.3,978 crore in the form of State's share of divisible Union taxes and Rs.2,350 crore as grants in aid.

*{Para 1.1}*

Test check of records of sales tax, motor vehicles tax, state excise, mines and minerals, land revenue, forest and other departmental offices conducted during the year 2004-05, revealed underassessment, short levy/loss of revenue etc. amounting to Rs.936.51 crore in 20,81,333 cases. During the year 2004-05, the concerned departments accepted underassessment etc. of Rs.109 crore, involved in 17,38,232 cases pointed out during 2004-05 and earlier years, of which the departments recovered Rs.6 crore in 16,421 cases.

*{Para 1.9}*

As on 30 June 2005, 3,653 inspection reports issued upto December 2004 containing 11,067 audit observations involving Rs.1,789 crore were outstanding for want of comments/final action by the concerned departments.

*{Para 1.10}*

## II **Sales Tax**

Grant of irregular exemption towards export sales resulted in under assessments of tax of Rs.2.17 crore

*{Para 2.3}*

Determination of transaction between the two dealers of Orissa as inter state sale instead of intra state sale led to underassessment of tax of Rs.3.90 crore.

*{Para 2.5.1}*

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\* Chapter-I figures in overview have been rounded off to nearest crore.

Cross verification of records of FCI with the assessment records of three registered rice millers revealed that there was evasion of tax of Rs.77.67 lakh due to suppression of sale turnover of rice.

*{Para 2.7}*

Short levy of entry tax of Rs.18.07 lakh due to application of incorrect rate.

*{Para 2.20}*

### **III Motor Vehicles Tax**

Motor vehicle tax and additional tax including penalty amounting to Rs.30.83 crore was not realised in respect of 15,746 vehicles which had valid route permits.

*{Para 3.2}*

Non realisation of various fees at the revised rates led to loss of Rs.2.01 crore in 1,65,833 cases for the period between 28 January 2003 and 31 March 2004.

*{Para 3.3}*

Short realisation of one time tax of Rs.51.89 lakh on advalorem basis in respect of 323 vehicles registered between February 2003 and 31 March 2004.

*{Para 3.5}*

### **IV Land Revenue, Stamp Duty and Registration Fees**

An organisation after taking over the possession of Government land on lease basis, sub-leased the land to other third parties after realisation of cost of land, but did not deposit Government's share which resulted in non realisation of revenue of Rs.11.19 crore.

*{Para 4.2}*

Although lease for Government land was sanctioned and land was in possession of the lessees, yet demand for Rs.65.97 lakh was not raised against lessees towards premium, ground rent, cess and interest for the years between 1999-2000 and 2003-04.

*{Para 4.4}*

Cross verification of records of Tahasil offices with reference to 149 documents revealed that kissam of land was incorrectly set forth with lower value due to which there was short realisation of stamp duty and registration fees of Rs.25.64 lakh.

*{Para 4.7}*

## V **State Excise**

Non observance of the prescribed procedure in settlement of IMFL off shops resulted in loss of revenue of Rs.10.17 crore.

*{Para 5.2.1}*

Non realisation of revenue of Rs.9.26 lakh due to non affixture of excise adhesive labels on beer bottles imported from out side the State.

*{Para 5.5}*

## VI **Forest Receipts**

Bamboo coupes in the bamboo potential forest divisions of the State were not worked leading to loss of Rs.8.66 crore of revenue towards royalty.

*{Para 6.2}*

Non levy of interest of Rs.86.06 lakh on belated payment of royalty on timber.

*{Para 6.5}*

## VII **Mining Receipts**

Loss of revenue of Rs.16.29 crore due to non raising of demand for royalty and cost of ore for illegal extraction/removal of chromite ore.

*{Para 7.3.1}*

Non execution of lease deed within the specified period and delay in grant of revocation of renewal order resulted in loss of revenue of Rs.6.23 crore towards cost of ore.

*{Para 7.4}*

Unauthorised extraction/removal of iron ore in forestland without prior approval of Central Government led to loss of revenue of Rs.5.11 crore towards cost of ore and royalty.

*{Para 7.5}*

## VIII **Departmental Receipts**

Review on “**Interest Receipts**” revealed the following:-

- ◆ Sanction of interest free loan to 30 organisations without adhering to the principles of loan policy and general financial rules resulted in loss of interest of Rs.11.47 crore.

*{Para 8.2.8}*

- ◆ Due to computation error there was short levy of interest amounting to Rs.72.92 crore against one organisation and non levy of interest of Rs.8.44 crore against another organisation.

*{Para 8.2.9}*

- ◆ Release of fresh grants/assistance to five organisations without making any recovery towards outstanding principal and interest resulted in non realisation of interest of Rs.215.53 crore which was inclusive of penal interest of Rs.57.70 crore.

*{Para 8.2.10}*

- ◆ Delay in disbursement of loan released by Government of India to the implementing agencies led to loss of Rs.56.81 crore towards interest.

*{Para 8.2.11}*

- ◆ Non finalisation of terms and conditions of loan granted to one Corporation led to non realisation of interest of Rs.8.45 crore.

*{Para 8.2.13}*

Non levy of inspection fees against the three distribution companies resulted in non realisation of Government revenue of Rs.5.87 crore.

*{Para 8.3}*

Raising of demand for inspection fees at the pre revised rate for the years 2002-03 and 2003-04 resulted in short levy of inspection fees of Rs.2.34 crore.

*{Para 8.4}*

Non levy of electricity duty of Rs.1.86 crore for the year 2003-04 against two companies engaged in generation and distribution of electricity.

*{Para 8.5}*