

OVERVIEW

I **General**

This report contains 53 paragraphs including two reviews pointing out non levy or short levy of tax, interest, penalty, revenue foregone, etc., involving Rs.136.70 crore. Some of the major findings are mentioned below:

Government's total revenue receipts for the year 2005-06 amounted* to Rs.14,085 crore against Rs.11,850 crore in the previous year. Of this 46.39 *per cent* was raised by the State – Rs.5,002 crore through tax revenue and Rs.1,531 crore through non tax revenue and 53.61 *per cent* was received from Government of India, Rs.4,877 crore in the form of State's share of divisible Union taxes and Rs.2,674 crore as grants in aid.

{Para 1.1}

Test check of records of sales tax, motor vehicles tax, land revenue, State excise, forest, mines and minerals and other departmental offices conducted during the year 2005-06 revealed underassessment/short levy/loss of revenue etc. amounting to Rs.628.23 crore in 2,56,619 cases. During the year 2005-06, the concerned departments accepted underassessment etc. of Rs.241.86 crore involved in 78,621 cases which were pointed out in 2005-06 and earlier years. Of these, the departments recovered Rs.40.12 crore in 21,546 cases.

{Para 1.9}

As on 30 June 2006, 3,115 inspection reports issued upto December 2005 containing 9,190 audit observations involving Rs.2,112.96 crore were outstanding for want of comments/final action by the concerned departments.

{Para 1.10}

II **Sales Tax**

An industrial unit covered under package scheme of incentives under the industrial policy was allowed to defer collected tax of Rs.1.77 crore beyond its eligibility period.

{Para 2.2.1}

A unit did not disclose its purchases against declarations and was allowed excess benefit to an extent of Rs.41.78 lakh under the industrial policy. The unit, also, was liable to pay penalty for Rs.62.67 lakh.

{Para 2.2.2}

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

A dealer dealing in electrical goods and executing works contract was incorrectly allowed tax exemption for Rs.5.26 crore towards irregular transit sale.

{Para 2.7}

Sale on high sea was not taxed though the importer of goods failed to show documentary evidence of sale in course of import resulting in non levy of tax for Rs.2.01 crore.

{Para 2.8}

An exporter of iron ore was allowed an exemption of Rs.3.40 crore though the export sales could not be authenticated.

{Para 2.9}

Purchase tax for Rs.96.64 lakh was not levied on an exporter of prawns whose purchases were not effected in course of export.

{Para 2.11}

III Motor Vehicles Tax

Review on “**Receipts from Motor Vehicles Department**” revealed the following:

- ◆ Arrears amounting to Rs.131.50 crore were pending collection, out of which, demand for Rs.112.97 crore was not raised at all; while in respect of remaining arrears of Rs.18.53 crore, raising of demand could not be confirmed.

{Para 3.2.6.1}

- ◆ Inadequate pursuance/non institution of tax recovery proceedings led to non realisation of Rs.9.55 crore.

{Para 3.2.6.5, 3.2.6.6 and 3.2.6.7}

- ◆ In STA, Orissa and nine RTOs, 3,973 VCRs involving Rs.2.42 crore were not disposed of resulting in blockade of revenue to that extent.

{Para 3.2.7.1}

- ◆ Non issue of permits resulted in non realisation of Rs.38.81 lakh in seven regions.

{Para 3.2.8}

IV Land Revenue, Stamp Duty and Registration Fees

Non raising of demand towards interest and incidental charges against NTPC on sanction of lease resulted in non realisation of Rs.1.87 crore.

{Para 4.4}

In a tahasil Government revenue for Rs.21.60 lakh was misappropriated due to supervisory lapse.

{Para 4.7}

Stamp duty and registration fee for Rs.45.15 crore in respect of deeds registered prior to December 2003 and booked under 47A of Indian stamp Act could not be realised.

{Para 4.12}

V State Excise

Renewal of IMFL off shops/country spirit shops at a lesser rate of increase caused revenue loss for Rs.4.31 crore.

{Para 5.2}

The department could not realise Rs.19.73 lakh towards transport fee of mohua flower.

{Para 5.4}

VI Forest Receipts

Interest of Rs.82 lakh was not levied on belated payment of royalty on timber.

{Para 6.2}

Timber and poles could not be disposed by the department resulting in possible loss of revenue for Rs.48.31 lakh.

{Para 6.3}

VII Mining Receipts

Interest was not levied on delayed payment of mining dues for Rs.1.99 crore.

{Para 7.2}

VIII **Departmental Receipts**

Review on “**Recoveries under Orissa Public Demands Recovery Act**” revealed the following:

- ◆ Government revenue amounting to Rs.99.77 crore was pending collection for more than one year in four departments.

{Para 8.2.6.1}

- ◆ Certificate cases for Rs.22.46 crore were instituted by certificate officers in 13 districts. But no further action was taken for realisation of the amount.

{Para 8.2.9.1}

- ◆ Five certificate cases involving Rs.11.92 crore were pending disposal in departmental certificate courts for more than one year.

{Para 8.2.10}

The department did not levy electricity duty and interest for Rs.3.32 crore on two industrial consumers resulting in non realisation of Government revenue to that extent.

{Para 8.3}

