

OVERVIEW

1 General

This report contains 43 paragraphs and 2 reviews relating to under-assessment/short-levy/non-levy etc. involving Rs.260.18 crore. Some of the major findings are mentioned below:

- (i) The Government's total revenue receipts for the year 2001-2002 amounted to Rs.7047.99 crore. Of this, 44.82 *per cent* was raised by the State, Rs.2466.88 crore through tax revenue and Rs.691.75 crore through non-tax revenue and 55.18 *per cent* was received from the Government of India, Rs.2648.72 crore in the form of State's share of divisible Union taxes and Rs.1240.64 crore as grants-in-aid.

{Para 1.1}

- (ii) 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 2001-2002 revealed under-assessment, short-levy/loss of revenue etc. amounting to Rs.422.44 crore in 114026 cases. During the year 2001-2002, the concerned departments accepted under-assessment etc. of Rs.21.47 crore involved in 13147 cases pointed out during 2001-2002 and earlier years.

{Para 1.7}

- (iii) As on 30 June 2002, 3636 inspection reports issued up to December 2001 containing 11643 audit observations involving Rs.1375.38 crore were outstanding for want of comments/final action by the concerned departments.

{Para 1.8}

2 Sales Tax

- (i) A review on "Exemption to industries under Orissa Sales Tax Act" revealed the following:

- (a) 10 industrial units had defaulted in payment of their dues to the Orissa State Financial Corporation. But they were allowed irregular exemption of Rs.4.74 crore.

{Para 2.2.8}

- (b) There was grant of excess exemption of sales tax of Rs.7.77 crore to 8 industrial units due to enhancement of installed capacity in the eligibility certificate issued by District Industries Centre without fulfilment of the expansion criteria.

{Para 2.2.9}

- (c) There was loss of Sales Tax revenue of Rs.5.67 crore due to excess allowance of exemption to 5 units under IPR, 1992 and IPR, 1996.

{Para 2.2.11}

- (ii) Failure of the department to conduct market survey resulted in non-realisation of tax estimated at Rs.69.45 lakh.

{Para 2.4}

- (iii) Underassessment of purchase turnover led to short assessment of purchase tax of Rs.14.31 lakh.

{Para 2.7}

- (iv) There was evasion of tax of Rs.10.53 lakh due to undervalued sales to favoured buyer.

{Para 2.8}

- (v) Grant of concessional sales to the dealers who were neither engaged in manufacturing activities nor registered, resulted in inadmissible concessional tax of Rs.21.33 lakh.

{Para 2.9}

- (vi) There was evasion of tax of Rs.39.80 lakh due to short accountal of goods or closure of units or fraudulent use of statutory declaration.

{Para 2.10}

- (vii) Application of incorrect rate led to short levy of tax of Rs.27.92 lakh.

{Para 2.11}

3 Motor Vehicles Tax

- (i) Motor vehicles tax and additional tax including penalty amounting to Rs.3.33 crore was not realised in respect of 2305 contract carriages which had valid route permits.

{Para 3.2}

- (ii) Tax and penalty of Rs.1.20 crore was either not realised or short realised in respect of 367 stage carriages.

{Para 3.3}

- (iii) Motor vehicles tax, additional tax and penalty of Rs.15.94 crore was not realised in respect of 8530 goods vehicles/Tractor-trailor combination as they were neither covered by off-road declaration nor tax was paid in other regions.

{Para 3.4}

4 Land Revenue, Stamp Duty and Registration Fees

- (i) Interest on belated payment of premium etc. of Rs.3.25 crore was short levied.

{Para 4.3}

- (ii) A review on "Levy and collection of Stamp duty and Registration fees" revealed the following:

- (a) There was short levy of stamp duty and registration fee of Rs.2.09 crore in 2035 documents on account of non-adherence to the Government notification as well as instructions issued by the Inspector General of Registration (Orissa).

{Para 4.6.6}

- (b) Cross verification of records of Tahasil offices with reference to 379 documents revealed that kissam of land was incorrectly set forth with lower value for which there was loss of Stamp Duty and Registration Fees of Rs.39.35 lakh and fine of Rs.18.95 lakh.

{Para 4.6.7(a)}

- (c) There was loss of Registration fee of Rs. 49.72 lakh due to allowance of irregular exemption.

{Para 4.6.8(ii)}

- (d) Short levy of Stamp duty of Rs.67.13 lakh was noticed due to incorrect computation of Stamp duty.

{Para 4.6.8(iii)}

5 **State Excise**

- (i) There was loss of Excise Duty of Rs.2.46 crore on account of lower outturn of rectified spirit from molasses due to non-adoption of Chemical Examiner's reports.

{Para 5.2}

- (ii) There was non levy of excise duty and penalty of Rs.0.52 crore due to short production of India Made Foreign Liquor in bottling plants with reference to Minimum Guaranteed Quantity.

{Para 5.3}

6 **Forest Receipts**

- (i) Interest amounting to Rs.98.89 lakh on belated payment of royalty was not levied.

{Para 6.2}

- (ii) There was loss of forest revenue of Rs.14.07 lakh due to non-institution of certificate proceedings within the time limit of 30 years before the cases were barred by limitation.

{Para 6.4}

- (iii) There was loss of forest revenue of Rs.7.01 lakh due to non-disposal of minor forest produce.

{Para 6.5}

7 **Mining Receipts**

- (i) There was non-payment of royalty of Rs.1.04 crore due to suppression of stock of coal reported to the Mining Department with reference to the measured stock of the lessee as on 31 March 2000.

{Para 7.2}

- (ii) Non levy of dead rent, surface rent and interest of Rs.1.00 crore due to non-identification of exact area occupied by the lessee resulted in blockage of Government revenue.

{Para 7.3}

- (iii) Non raising of royalty and cost of ore due to illegal mining amounted to Rs.0.46 crore.

{Para 7.4}

8 **Departmental Receipts**

- (a) Demand of Rs. 144.90 crore was not raised against Orissa Hydro Power Corporation and erstwhile Orissa State Electricity Board for drawing water from Hirakud Dam Project for generation of electricity. Further, demand of Rs. 2344.26 crore raised between March 2002 and July 2002 against the Corporation remained unrealised resulting blockage of revenue to that extent.

{Para 8.2.2}

- (b) There was loss of revenue of Rs.2.11 crore due to irregular adjustment against advance deposit of Rs.3 crore for improvement of canal works.

{Para 8.2.3}

- (ii) Non realisation of electricity duty of Rs.61.39 lakh including interest of Rs.19.24 lakh led to blockage of Government revenue.

{Para 8.3}