

# OVERVIEW

## 1 General

This report contains 57 paragraphs including 3 reviews relating to under-assessment/short-levy/non-levy etc. involving Rs.281.31 crore. Some of the major findings are mentioned below:

- (i) The Government's total revenue receipts for the year 2002-2003 amounted to Rs.8,438.77 crore. Of this 45.42 *per cent* was raised by the State - Rs.2,871.84 crore through tax revenue and Rs.961.18 crore through non-tax revenue and 54.58 *per cent* was received from the Government of India - Rs.2,805.58 crore in the form of State's share of divisible Union taxes and Rs.1,800.17 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 2002-2003 revealed under-assessment, short-levy/loss of revenue etc. amounting to Rs.447.09 crore in 1,10,933 cases. During the year 2002-2003, the concerned departments accepted under-assessment etc. of Rs.39.24 crore, involving 43,107 cases pointed out during 2002-2003 and earlier years.

*{Para 1.11}*

- (iii) As on 30 June 2003, 3,655 inspection reports issued upto December 2002 containing 11,081 audit observations involving Rs.1,446.54 crore were outstanding for want of comments/final action by the concerned departments.

*{Para 1.12}*

## 2 Sales Tax

- (i) A review, "**Levy, collection and remittance of sales tax by Public Works Departments**", revealed the following:

- (a) Award of work to unregistered contractors by splitting up of each work into less than Rs.1.00 lakh led to non-deduction of tax at source and loss of revenue of Rs.8.46 crore.

*{Para 2.2.8}*

- (b) Cross verification of records of Sales Tax office with that of Public Works Divisions revealed escapement of tax of Rs.2.86 crore including penalty due to concealment of gross turnover.

*{Para 2.2.9}*

- (c) Penalty of Rs.30.26 crore was not levied against the defaulting Divisional officers for the delayed payment of tax deducted in 6758 cases.

*{Para 2.2.10(b)}*

- (ii) There was short levy of tax of Rs.4.08 crore due to incorrect exemption granted to 7 small scale units and one large scale unit.

*{Para 2.3}*

- (iii) Irregular exemption from payment of Central Sales Tax to an assessee on his inter-State sale without any purchase particulars as to proof of tax-suffered material, led to short levy of tax of Rs.1.10 crore including penalty.

*{Para 2.5}*

- (iv) Incorrect determination of intra-state sale as inter-state sale led to under-assessment of tax of Rs.1.04 crore.

*{Para 2.6}*

- (v) Contravention of provision by utilising goods for sale as raw material for manufacture led to under-assessment of tax of Rs.65.77 lakh.

*{Para 2.7}*

- (vi) Short determination of taxable turnover resulted in short levy of tax of Rs.33.19 lakh including penalty.

*{Para 2.9(1)}*

- (vii) Short determination of purchase turnover led to under-assessment of purchase tax of Rs.26.46 lakh.

*{Para 2.11}*

### **3 Motor Vehicles Tax**

- (i) Non-adherence to financial provisions by the Regional Transport Officer led to short accountal/misappropriation of Government revenue of Rs.26.20 lakh.

*{Para 3.2}*

- (ii) Motor vehicles tax and additional tax including penalty amounting to Rs.14.43 crore was not realised in respect of 6,076 goods vehicles which had valid route permits.

*{Para 3.3}*

- (iii) Tax and penalty of Rs.3.33 crore was not realised in respect of 1,728 contract carriages.

*{Para 3.4}*

- (iv) Motor vehicles tax, additional tax and penalty of Rs.2.76 crore was not realised in respect of 3,508 Tractor-trailor combination as they were neither covered by off-road declaration nor tax was paid in other regions.

*{Para 3.5}*

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

- (1) A review, "**Arrears in assessment and collection of land revenue**", revealed the following:-

- (a) Adoption of lower market value resulted in short assessment of premium and ground rent of Rs.1.24 crore.

*{Para 4.2.7(a)}*

- (b) Rs.28.07 crore was not realised due to non finalisation of alienation cases.

*{Para 4.2.7(b)}*

- (c) Government land valued at Rs.1.23 crore was encroached upon by Satya Sai Medical College Hospital since 1993-94.

*{Para 4.2.8}*

- (d) Premium and ground rent of Rs.5.58 crore was not realised for conversion of agriculture land for non-agriculture purpose.

*{Para 4.2.9(a)}*

- (e) Salami rent of Rs.3.08 crore was not realised due to non settlement of bebondobasta land.

*{Para 4.2.9(b)}*

- (f) Royalty on unauthorised lifting of minor minerals valued at Rs.14.89 crore was not realised.

*{Para 4.2.10(a)}*

- (ii) Cross-verification of records of Tahasil offices with reference to 232 documents revealed that Kissam of land was incorrectly setforth with lower value for which there was loss of stamp duty and registration fees of Rs.87.98 lakh and fine of Rs.11.60 lakh.

*{Para 4.3}*

## **5 State Excise**

- (i) Delay in issuing licences due to non-finalisation of modalities for supply of country spirit resulted in loss of revenue of Rs.5.12 crore on account of licence fee.

*{Para 5.2}*

- (ii) There was non-levy of excise duty/fine of Rs.2.61 crore on short production of India Made Foreign Liquor in bottling plants with reference to Minimum Guaranteed Quantity.

*{Para 5.4(a)}*

## **6 Forest Receipts**

- (i) There was a loss of revenue of Rs.28.06 crore by way of royalty due to non-working of bamboo coupes in the bamboo potential Forest Divisions of the State.

*{Para 6.2}*

- (ii) Demand of royalty of Rs.3.78 crore was not raised.

*{Para 6.3}*

- (iii) Interest amounting to Rs.90.91 lakh on belated payment of royalty was not levied.

*{Para 6.4}*

## **7 Mining Receipts**

- (i) There was non-levy of interest of Rs.94.20 lakh on belated payment of mining dues.

*{Para 7.3}*

- (ii) Delay in disposal of seized minerals led to blocking of revenue of Rs.89.00 lakh.

*{Para 7.4}*

## 8 **Departmental Receipts**

(i) A review, "**Non-realisation of house licence fee, room rent and service charges**", revealed the following:

(a) Non-realisation of house licence fee from residential quarters and non-residential buildings under the control of General Administration (Rent) Department led to blocking of revenue of Rs.9.12 crore by way of rent.

*{Para 8.2.7(ii)(iii)}*

(b) House licence fee of Rs.6.66 crore remained unrealised due to un-authorised grant of rent free quarters by the Irrigation Department.

*{Para 8.2.8}*

(c) There was blocking of Government revenue of Rs.3.94 crore due to non-realisation of house licence fee by the Roads & Buildings Department.

*{Para 8.2.9}*

(ii) Allowance of concessional rate to M/s Indian Metal & Ferro Alloys Ltd. led to loss of electricity duty of Rs.4.85 crore and interest of Rs.2.09 crore.

*{Para 8.3}*

(iii) Rs.4.05 crore of electricity duty on auxiliary consumption of energy was not realised from M/s Indian Charge Chrome Ltd

*{Para 8.4}*

(iv) Failure to realise electricity duty at the revised rate from M/s Indian Charge Chrome Ltd. resulted in loss of Rs.2.47 crore.

*{Para 8.5}*

(v) There was suppression of realisable electricity duty of Rs.19.00 crore due to adoption of adhoc rate of increase of arrears and non-reconciliation of ED accounts with private Distribution Companies by the Chief Electrical Inspector.

*{Para 8.7}*