

## OVERVIEW

### I. General

This Report contains 31 paragraphs including three Performance Audits relating to under-assessment/non-realisation/loss of revenue etc. involving ₹ 530.97 crore. Some of the major findings are mentioned in the following paragraphs:

The total receipts of the Government for the year 2011-12 increased to ₹ 58,755.04 crore against ₹ 47,264.20 crore in the previous year. Of this, 45 *per cent* was raised by the Government through tax revenue (₹ 24,938.16 crore) and non-tax revenue (₹ 1,340.25 crore). The balance 55 *per cent* was received from the Government of India as the State's share of net proceeds of divisible Union taxes (₹ 18,587.81 crore) and grants-in-aid (₹ 13,888.82 crore).

(Paragraph 1.1.1)

As on 30 June 2012, 673 inspection reports issued upto December 2011 containing 2,780 audit observations involving ₹ 832.52 crore were outstanding for want of response or final action by the concerned departments.

(Paragraph 1.2.1)

Test check of the records of sales tax, land revenue, state excise, stamp duty and registration fees, profession tax, electricity duty, amusement tax, other tax and non-tax receipts conducted during the year 2011-12 indicated under-assessment/short levy/loss of revenue amounting to ₹ 1,037.55 crore in 1,409 audit observations. During the course of the year, the departments accepted underassessment of ₹ 187.02 crore in 716 audit observations pointed out in 2011-12 and recovered ₹ 83.15 lakh at the instance of audit.

(Paragraph 1.5.1)

### II. Sales Tax/Value Added Tax

A Performance Audit on 'e-Services in the Directorate of Commercial Taxes' indicated the following:

- Lack of input and validation controls led to capturing of incomplete/invalid/duplicate data in the system.

(Paragraphs 2.10.12 and 2.10.17)

- Absence of validation control also led to manipulation of tax amount in e-return by the dealers.

(Paragraph 2.10.20)

- Non-integration of return module with the registration module resulted in irregular claim of ITC on purchases from unregistered dealers.

**(Paragraph 2.10.21)**

- Non-mapping of business rules resulted in irregular issue of H forms and issue of declaration form H in excess of the purchases declared in the e-return.

**(Paragraphs 2.10.22 and 2.10.24)**

- Non-submission of utilisation of e-transit declarations by transporters.

**(Paragraph 2.10.29)**

Determination of turnover of sales (TOS) at ₹ 1,413.57 crore instead of ₹ 1,472.31 crore led to short determination of TOS by ₹ 58.74 crore resulting in short levy of tax of ₹ 5.34 crore in 23 cases.

**(Paragraph 2.12)**

Due to failure on the part of the Assessing Authorities (AA), additional sales tax of ₹ 23.18 crore though leviable on inter-State sales to unregistered dealers was not levied in two cases.

**(Paragraph 2.14)**

Non-compliance of the provisions of the Act/Rules and lack of internal control mechanism resulted in irregular allowance of deferment and non-realisation of deferred tax of ₹ 3.21 crore in four cases.

**(Paragraph 2.16)**

Irregular allowance of remission of tax resulted in underassessment/irregular remission of tax of ₹ 2.33 crore in four cases.

**(Paragraph 2.17)**

Excess/irregular allowance of deduction of labour charges and payments to sub-contractors led to short levy of tax of ₹ 18.66 crore on contractual transfer price (CTP) in three cases.

**(Paragraph 2.21)**

Mistake in computation of output tax on the part of AAs led to short levy of output tax of ₹ 3.30 crore in 10 cases.

**(Paragraph 2.24)**

### III. Land Revenue

A Performance Audit on ‘**Management of Government Land**’ indicated the following:

- The department failed to check illegal transfer of vested land and subsequently lost rights over 1,898.20 acres of land due to improper maintenance of Record of Rights.

(Paragraph 3.7.8.1, 3.7.8.2 and 3.7.8.3)

- Non-initiation of action to realise land rent from defaulting raiyats led to non-realisation of rent, cess and surcharge of ₹ 2.07 crore.

(Paragraph 3.7.12)

- Department did not realise/short realised the transfer value of ₹ 7.53 crore for 70.23 acres of vested land in possession of Body Corporate.

(Paragraph 3.7.14)

- Due to delay in settlement of Government land measuring 397.84 acre on long term lease led to non-realisation of *salami* and annual rent.

(Paragraph 3.7.15)

- The department failed to resume/settle 2,337.11 acres of *Khasmahal* land occupied by the ex-lessees after the expiry of their leases.

(Paragraph 3.7.16)

- Deficient data management of Government land and absence of provision for periodicity of reconnaissance survey led to failure of the Government to monitor the status of land and its utilisation.

(Paragraph 3.7.17.1 and 3.7.17.2)

- Non-monitoring of encroachments resulted in non-settlement of 176.41 acres of land.

(Paragraph 3.7.18)

### IV. Motor Vehicles Tax

Lack of internal control mechanism to watch receipt and remittance of composite fees resulted in short realisation of revenue of ₹ 2.13 crore.

(Paragraph 4.8)

Lack of monitoring by registering authorities in absence of electronic Tax Demand Register (TDR) led to non-realisation of special tax and penalty of ₹ 89.31 lakh from the owners of 1,370 vehicles.

(Paragraph 4.9)

## V. Stamp Duty and Registration Fees

Absence of time limit for issuance of demand notice for payment of deficit stamp duty and registration fees in the Act/Rules and delay in referring the cases to the higher authorities for determination of market value of properties resulted in non-realisation of revenue of ₹ 3.15 crore.

**(Paragraph 5.8)**

Additional stamp duty of ₹ 17.53 lakh was avoided by the purchasers on purchase of high value properties by splitting the property due to absence of provision in the Act/Rules prohibiting such splitting.

**(Paragraph 5.9)**

## VI. Other Tax Receipts

Absence of a mechanism for cross-verification by the profession tax officers with the license granting authorities to bring the tax evaders in the tax net led to non-realisation of profession tax of ₹ 59.84 lakh.

**(Paragraph 6.5)**

## VII. Mines and Minerals

A Performance Audit on 'Receipts from Major Minerals' indicated the following:

- Involvement of four departments in assessment and collection of receipts from major minerals and operation of two major heads of accounts led to mismanagement, delay and resultant evasion of receipts.

**(Paragraph 7.5.8)**

- Incorrect gradation of coal resulted in short assessment of Rural Employment and Primary Education cess of ₹ 50.15 crore.

**(Paragraph 7.5.8.1)**

- Absence of timely disposal of appeal cases have rendered 13 cases with money value of ₹ 2,201.16 crore still under litigation.

**(Paragraph 7.5.10)**

- Failure to initiate certificate proceeding by the Cess Deputy Collector, Asansol even after a delay of 18 to 139 months of its assessment resulted in non-realisation of revenue of ₹ 31.36 crore.

**(Paragraph 7.5.12)**

- Due to non-revision of royalty in coal, which is a major revenue generating mineral for the state, revenue realisation has been adversely affected.

**(Paragraph 7.5.13)**

- Due to short payment of Rural Employment and Primary Education cess, Eastern Coalfields Ltd is required to pay ₹ 31.20 crore.

**(Paragraph 7.5.16)**

- Surface rent and cess thereto of ₹ 1.18 crore remained unrealised.

**(Paragraph 7.5.20)**

- Absence of checkpost, weighbridge, transit pass, inspection and internal audit led to ineffective internal control.

**(Paragraph 7.5.23)**