

OVERVIEW

I. General

This Report contains 50 paragraphs including three reviews relating to under-assessment/non-realisation/loss of revenue etc. involving Rs. 784.58 crore. Some of the major findings are mentioned in the following paragraphs:

The total receipts of the Government for the year 2008-09 increased to Rs. 36,904.39 crore against Rs. 30,167.38 crore in the previous year. Of this, 53 *per cent* was raised by the Government through tax revenue (Rs. 14,419.15 crore) and non-tax revenue (Rs. 4,966.39 crore). The balance 47 *per cent* was received from the Government of India as the State's share of net proceeds of divisible Union taxes (Rs. 11,321.78 crore) and grants-in-aid (Rs. 6,197.07 crore).

(Paragraph 1.1)

As on 30 September 2009, 1,145 inspection reports issued upto March, 2009 containing 3,161 audit observations involving Rs. 4,179.03 crore were outstanding for want of response or final action by the concerned departments.

(Paragraph 1.12)

Test check of the records of sales tax, land revenue, stamp duty and registration fees, motor vehicles tax, state excise, electricity duty, other tax and non-tax receipts conducted during the year 2008-09 indicated under-assessment/short levy/loss of revenue amounting to Rs. 1,529.27 crore in 723 audit observations. During the course of the year, the departments accepted underassessment of Rs. 565.51 crore in 292 audit observations pointed out in 2008-09 and recovered Rs. 17.87 crore at the instance of audit. No replies have been received in respect of the remaining cases.

(Paragraph 1.15)

II. Sales Tax

Review on “**Transition from Sales Tax to Value Added Tax**” indicated the following deficiencies:

- Failure of the assessing authority to scrutinise the returns resulted in short payment/determination of tax of Rs. 23.99 lakh.

(Paragraph 2.2.8.4, 2.2.8.5 and 2.2.8.6)

- Incorrect determination of average annual growth rate resulted in excess claim for compensation of Rs. 25.60 crore.

(Paragraph 2.2.14.1)

- Incorrect determination of tax revenue from non-VAT items resulted in excess claim for compensation of Rs. 113.13 crore.

(Paragraph 2.2.14.2)

Determination of gross turnover (GT)/taxable balance (TB) at Rs. 2,709.54 crore instead of Rs. 2,772.54 crore led to short determination of GT/TB by Rs. 63 crore resulting in short levy of tax of Rs. 5.85 crore in 33 cases.

(Paragraph 2.4)

Allowance of exemption on fake claim for sale of locally purchased tax paid schedule IV goods of Rs. 4.44 crore resulted in non-levy of tax and penalty of Rs. 88.90 lakh.

(Paragraph 2.5.2)

Irregular allowance of stock transfers by the assessing authorities on the basis of 'F' forms covering transaction beyond one calendar month/transactions not related to the period of assessment and incorrect exemption on transfer of goods resulted in underassessment of tax of Rs. 1.25 crore in 15 cases.

(Paragraph 2.10)

Incorrect allowance of concessional rate of tax on sales not supported by requisite declaration forms resulted in short levy of tax of Rs. 50.78 lakh in 9 cases.

(Paragraph 2.12)

Allowance of remission of tax of Rs. 3.50 crore instead of Rs. 3.27 crore resulted in incorrect remission of tax of Rs. 22.90 lakh.

(Paragraph 2.15)

Allowance of tax benefit to three dealers whose eligibility certificates were liable for termination for using logo/brand name of other industrial units resulted in inadmissible tax benefit of Rs. 2.45 crore.

(Paragraph 2.17)

Allowance of set-off of tax of Rs. 18.18 lakh instead of Rs. 7.28 lakh resulted in short levy of tax of Rs. 10.90 lakh.

(Paragraph 2.21)

III. Land Revenue

Failure of the department to monitor the land comprised in mills, factories etc. and restore/resume the unused/excess land of 103.88 acres led to non-realisation of revenue of Rs. 36.29 crore.

(Paragraph 3.3)

Failure of the department to settle 4.97 acres of land with six unauthorised occupiers resulted in non-realisation of rent and salami of Rs. 44.50 lakh.

(Paragraph 3.4)

Failure to initiate action by the department to realise annual rent and cess from 12 *raiya*s using 237.83 acres of land for commercial purpose resulted in non-realisation of rent and cess of Rs. 35.14 lakh.

(Paragraph 3.5)

IV. State Excise

Failure of the officer-in-charge of a brewery to enforce minimum yield of wort from malt, flake and sugar resulted in short yield of beer leading to non-realisation of excise duty of Rs. 18.39 crore.

(Paragraph 4.3)

Failure of the Excise Department to realise the requisite renewal fee for distillery license from a licensee resulted in non-realisation of late fee of Rs. 24.06 lakh.

(Paragraph 4.7)

Allowance of excess wastage of spirit during redistillation beyond the allowable limit by the excise authority to four licensees resulted in short realisation of excise duty of Rs. 17.51 lakh.

(Paragraph 4.8)

V. Motor Vehicles Tax

Lack of proper monitoring on the part of taxing authorities resulted in non-realisation of tax, additional tax and penalty of Rs. 10.08 crore from the owners of 10,330 vehicles.

(Paragraph 5.3)

Failure of the taxing authority to auction/call for second auction of 31 seized vehicles resulted in non-realisation of revenue of Rs. 23.35 lakh.

(Paragraph 5.4)

Difference of life time tax and one time tax including penalty of Rs. 21.75 lakh was not realised from the owners of 532 motor cycles.

(Paragraph 5.5)

VI. Stamp Duty and Registration Fees

Review on “Assessment, levy and collection of Stamp Duty and Registration Fees” indicated the following deficiencies:

- Non-determination of market value in referred cases resulted in non-realisation of revenue of Rs. 3.29 crore.

(Paragraph 6.2.10.2)

- Delay in referring the cases to the Collector for determination of market value resulted in non-realisation of deficit stamp duty and registration fees of Rs. 43.24 crore.

(Paragraph 6.2.12.1)

- Short realisation of revenue of Rs. 1.26 crore due to under valuation of property.

(Paragraph 6.2.13.1)

- Short realisation of revenue due to non-levy of additional stamp duty of Rs. 21.24 lakh.

(Paragraph 6.2.14)

- Short levy of stamp duty and registration fee of Rs. 20.32 lakh due to irregular allowance of discount on the value of the property.

(Paragraph 6.2.16.2)

Review on “**Information Technology – Computerisation of Registration of Documents (CoRD)**” indicated the following deficiencies:

- Database in four ADSR offices revealed that market rate in Market Value Monitoring Register was not updated between 1 April 2007 and 31 March 2008 for which there was short levy of stamp duty and registration fees of Rs. 2.43 crore in 14,977 sale deeds.

(Paragraph 6.3.6)

- In three ADSR offices, user charges of Rs. 75.56 lakh was realisable from 38,422 documents registered between 7 November 2006 and 31 March 2008 but no record of its realisation and remittance in Government account was available in data base.

(Paragraph 6.3.7)

Execution of lease agreement on a non-judicial stamp paper instead of registering the same resulted in non-realisation of stamp duty and registration fees of Rs. 1.02 crore.

(Paragraph 6.4)

VII. Other Tax Receipts

The assessing authority did not include rental/hire charges for banquet halls in assessing luxury tax of three hotels which resulted in non-levy of luxury tax of Rs. 39.95 lakh.

(Paragraph 7.3)

Non-raising of demand of entertainment tax on entrance fee, subscription and entry money received by Royal Calcutta Turf Club resulted in non-realisation of entertainment tax of Rs. 9.39 lakh.

(Paragraph 7.4)

VIII. Mines and Minerals

Department’s failure to initiate action to recover the price of 1.45 crore cft. of minerals extracted unauthorisedly in 180 cases resulted in non/short realisation of revenue of Rs. 94.04 lakh.

(Paragraph 8.3)

Failure of the department to levy interest for delayed payment of royalty of Rs. 1.86 crore resulted in non-realisation of interest of Rs. 7.72 lakh.

(Paragraph 8.7)

IX. Other Non-Tax Receipts

Disbursement of loans to four corporations and a company by the transport department without fixing the terms and conditions for their repayment in 492 cases resulted in non-levy of interest of Rs. 126.99 crore.

(Paragraph 9.3.1)

Sanction of loans to three corporations which were subsequently closed without making payment of single instalment and further disbursement of loan after their closure resulted in non-realisation of principal and interest of Rs. 26.98 crore and 31.78 crore respectively.

(Paragraph 9.3.3)

Three departments did not charge/charged short guarantee commission for guarantees given for raising loans to six corporations/organisations which resulted in non/short charging and non-realisation of guarantee commission of Rs. 215.94 crore.

(Paragraph 9.4)