

Annexure-I

(Refer Paragraph No. 1.2.5)

Position of paragraphs which appeared in the Audit Reports and those pending discussion/replies not received as on 30 June 2010.

Name of tax		2004-05	2005-06	2006-07	2007-08	2008-09	Total
Taxes on Sales, Trade etc.	Paras appeared in the AR/pending discussion in the PAC	8	9	8	9	13	47
	Paras replies not received	0	9	1	0	13	23
Taxes on Motor Vehicles	Paras appeared in the AR/pending discussion in the PAC	1	3	4	8	2	18
	Paras replies not received	0	0	0	5	2	7
Stamp duty and Registration fee	Paras appeared in the AR/pending discussion in the PAC	4	3	3	5	5	20
	Paras replies not received	4	3	3	5	5	20
State Excise	Paras appeared in the AR/pending discussion in the PAC	4	1	2	2	4	13
	Paras replies not received	0	1	2	0	4	7
Others	Paras appeared in the AR/pending discussion in the PAC	4	4	4	7	4	23
	Paras replies not received	0	2	3	6	4	15
Total	Paras appeared in the AR/pending discussion in the PAC	21	20	21	31	28	121
	ATNs to Paras included in AR not received	4	15	9	16	28	72

Annexure-II

(Refer Paragraph No. 1.2.5)

Details of outstanding recommendations of Public Accounts Committee on which the Government is yet to take final decision.

Sr. No.	PAC Report No.	Total number of outstanding recommendations	Period of Audit Report
1.	19	1	1977-78
2.	22	5	1979-80
3.	23	5	1980-81
4.	25	4	1981-82
5.	26	3	1982-83
6.	28	2	1983-84
7.	29	8	1984-85
8.	32	6	1985-86
9.	34	13	1986-87
10.	36	7	1987-88
11.	38	15	1988-89
12.	40	26	1989-90
13.	42	32	1990-91, 1991-92
14.	44	43	1990-91, 1991-92
15.	46	10	1993-94
16.	48	10	1994-95
17.	50	43	1995-96
18.	52	31	1996-97
19.	54	46	1997-98
20.	58	64	1998-99, 1999-2000
21.	60	42	2000-01
22.	62	46	2001-02
23.	63	54	2002-03
24.	64	57	2003-04
Total		573	

Annexure-III
(Refer Paragraph No. 1.3.1)

Details of outstanding Inspection Reports as on 31 March 2010.

Year	Number of outstanding IRs	Para	Amount (` in crore)
1991-92	3	4	0.02
1992-93	2	3	0.08
1993-94	4	4	0.03
1994-95	3	5	0.08
1995-96	1	5	0.03
1996-97	6	15	0.94
1997-98	6	10	0.32
1998-99	5	9	0.32
1999-2000	10	18	22.90
2000-01	13	28	1.56
2001-02	10	13	3.16
2002-03	19	39	5.59
2003-04	16	48	3.40
2004-05	18	83	7.72
2005-06	25	137	12.61
2006-07	24	172	243.65
2007-08	26	242	47.77
2008-09	31	326	115.99
2009-10	7	47	4.42
Total	229	1,208	470.59

Annexure-IV

(Refer Paragraph No. 1.3.2.2)

Details of reviews and recommendations included in the Audit Reports for the year 2002-03 to 2008-09.

Year of Audit Report	Name of the Review	Details of recommendations made
2002-03	Pendency of appeals at various levels and its impact on revenue collection	To improve the effectiveness of the system, the State Government may consider: <ul style="list-style-type: none"> ➤ Taking suitable measures to dispose off appeal cases promptly and to clear the accumulated arrears; ➤ Monitoring the receipts and disposal of appeals and remand cases at the apex level through periodical returns; ➤ Prescribing time limit for communication of orders passed by the appellate authority to enable timely finalisation by the assessing authority (AAs); and ➤ Developing a internal control system to ensure compliance with instructions issued by the Government/Department.
2003-04	Delay in assessments and their impact on revenue and collection of sales tax demands	To improve the effectiveness of the system, the State Government may consider: <ul style="list-style-type: none"> ➤ Inserting the provisions in the Act/Rules for time bound assessment of cases; ➤ Prescribing time limit for communication of orders passed by the AAs and demand notices to enable timely realisation of Government dues; and ➤ Developing a strong internal control system to ensure compliance with instructions issued by the Government/Department.
2004-05	Delay in disposal of remand and revision cases	For speedy settlement of cases and to improve the effectiveness of the system, the State Government may consider: <ul style="list-style-type: none"> ➤ Maintaining the records like appeal register of remand cases essential for monitoring the remand cases at Joint Excise and Taxation Commissioner (Appeals) {JETC (Appeals), DETC, AA – wise as per the provision of the Act. ➤ Prescribing time limit for finalisation of remand cases as well as for communication of orders passed by the appellate authority to the AA.
2005-06	Evasion in sales tax	With a view to curb the incidence of evasion, the State Government may consider: <ul style="list-style-type: none"> ➤ Ensuring adequate and regular survey every year to bring unregistered dealers into tax net, ➤ Ensuring cross verification of transactions against declaration forms with other circles/States before finalising the assessment; ➤ Ensuring before allowing exemptions/ concessional rate of tax the transactions are supported by prescribed statutory declaration forms properly filled in and with evidence; and

Year of Audit Report	Name of the Review	Details of recommendations made
		<ul style="list-style-type: none"> ➤ Developing internal control system to monitor proper functioning of the field office of department to plug leakage of revenue.
2006-07	Levy and collection of sales tax	<p>For proper and effective assessments and collection of sales tax, the State Government may consider:</p> <ul style="list-style-type: none"> ➤ Fixing norms for monthly disposal of sales tax assessment cases as HGST Act has been repealed since April 2003; and ➤ Brining about amendments in the Act/Rules to fix time limit for initiation of recovery proceedings.
2007-08	Exemptions and concessions under Sales Tax/VAT Act	<p>The State Government may consider:</p> <ul style="list-style-type: none"> ➤ Inserting similar provisions regarding tax deposited in the declaration form VAT C-4 as contained in declaration form ST-14 and authentication/issuance of these forms by the department to ensure genuineness and correctness of tax deposited by the selling dealers while allowing input tax credit (ITC); ➤ Ensuring cross verification of transactions against declaration forms with other circles/State before finalising the assessments and also prescribing reporting to the superior authorities of the results of such cross verification; ➤ Prescribing submission of list of sales along with evidence/proof of sales of PVC pipes and related goods for claiming exemption/tax free sales; and ➤ Setting up an internal audit wing in the Sales Tax Department to ensure timely detection and correction of errors in assessment, levy and collection of sales tax revenue and refund cases.
2008-09	Recovery of sales tax/VAT in arrears	<p>For proper and effective collection of arrears of sales tax/VAT, the State Government may consider:</p> <ul style="list-style-type: none"> ➤ Strengthening internal audit wing to ensure timely detection and correction of arrears in assessment, levy and collection of sales tax/VAT revenue; ➤ Evolving a suitable mechanism for the collection of dues by closely monitoring their initiation and completion of recovery proceedings; ➤ Prescribing a time limit for (i) initiating recovery proceedings for attachment and disposal of attached property (ii) the issue of revenue recovery certificate and adherence to such time limit should be closely monitored to avoid pendency of revenue collection; ➤ Evolving a suitable mechanism to ensure proper co-ordination between the departmental officers within the State to facilitate early realisation of the arrears locked up under revenue recovery proceeding; and ➤ Fixing target for the collection of arrears and closely monitoring the performance of both the AAs and the Collectors against such target.

Annexure-V
(Refer Paragraph No. 1.4)

Audit plan for the year 2009-10.

Sr. No.	Nature of receipts	Total no. of auditable units	A-Annual B-Biannual T-Triennial Q-Quadrille				No. of units planned during the year 2009-10				Total unit planned during the 2009-10
			A	B	T	Q	A	B	T	Q	
1.	0039-State Excise	36	36	-	-	-	36				36
2.	0030- Stamp duty and Registration fee	182	182	-	-	-	182	-	-	-	182
3.	0041-Taxes on vehicles	72	72	-	-	-	72	-	-	-	72
4.	0042-Passengers and Goods tax	23	23	-	-	-	23	-	-	-	23
5.	0045-purchase tax on sugar cane	13	13	-	-	-	13	-	-	-	13
6.	0853-Mines and minerals	16	16	-	-	-	16	-	-	-	16
7.	0217-Town & Country Planning	1	1	-	-	-	1	-	-	-	1
8.	0040-Sales Tax	63	33	30	-	-	33	15	-	-	48
9.	0406-Forestry and wild life	48	25	19	4	-	25	8	1	-	34
10.	0055-Police	48	-	48	-	-	-	-	-	-	-
11.	0043-Electricity duty	4	-	4	-	-	-	-	-	-	-
12.	0045-Entertainment	22	-	22	-	-	-	11	-	-	11
13.	0425-Cooperation	33	-	33	-	-	-	17	-	-	17
14.	0701-Irrigation	89	-	-	89	-	-	-	30	-	30
15.	0215-Public Health	46	-	-	46	-	-	-	15	-	15
16.	0029- Land Revenue	136	-	-	136	-	-	-	43	-	43
17.	0039-Pharmacy	20	-	-	20	-	-	-	7	-	7
18.	0059-PWD (B&R)	59	-	-	-	59	-	-	-	15	15
19.	0851-Industry	41	-	-	-	41	-	-	-	10	10
20.	0401-Agriculture	19	-	-	-	19	-	-	-	5	5
	Total	971	401	156	295	119	401	51	96	30	578