

## OVERVIEW

This Report contains 57 paragraphs including two reviews relating to non/short levy of tax, interest, penalty, etc. involving ₹ 1,469.91 crore. Some of the major findings are mentioned below:

### I. General

The total receipts of the State Government for the year amounted to ₹ 41,394.67 crore against ₹ 33,577.21 crore for the previous year. Fifty seven *per cent* of this was raised by the State through tax revenue (₹ 17,272.77 crore) and non-tax revenue (₹ 6,382.04 crore). The balance 43 *per cent* was received from the Government of India as State share of divisible union taxes (₹ 11,076.99 crore) and grants-in-aid (₹ 6,662.87 crore).

(Paragraph 1.1)

Test check of records of commercial tax, state excise, motor vehicles tax, stamp duty and registration fee, land revenue, other tax receipts, forest receipts and other non-tax receipts conducted during the year 2009-10 revealed under-assessment/short levy/loss of revenue amounting to ₹ 3,366.12 crore in 28,674 cases.

(Paragraph 1.5.1)

### II. Commercial Tax

Non-recovery of tax of ₹ 102.28 crore from closed units.

(Paragraph 2.11)

Short-realisation of tax of ₹ 94.50 lakh due to application of incorrect rates of tax.

(Paragraph 2.12)

Non/Short levy of tax resulted in short realisation of tax of ₹ 2.26 crore.

(Paragraph 2.13)

Non-levy of tax on sales incorrectly treated as tax-free resulted in non-realisation of tax of ₹ 2.20 crore.

(Paragraph 2.14)

Non/Short levy of entry tax resulted in non-realisation of revenue of ₹ 92.81 lakh.

(Paragraph 2.15)

### **III. State Excise**

Non-realisation of excise duty of ₹ 11.69 crore on unacknowledged export/transport of foreign liquor/beer.

**(Paragraph 3.7)**

Non-realisation of excise duty and penalty of ₹ 1.35 crore in inadmissible wastage of spirit, liquor and beer.

**(Paragraph 3.8)**

Non-realisation of excise duty due to non-disposal of spirit/foreign liquor-₹ 2.52 crore.

**(Paragraph 3.9)**

Non-levy of penalty of ₹ 1.15 crore for non-maintenance of minimum stock of spirit at distilleries.

**(Paragraph 3.10)**

### **IV. Taxes on Vehicles**

Tax and penalty of ₹ 14.93 crore was not realised on 3,893 vehicles.

**(Paragraph 4.7)**

Levy of tax at incorrect rate on private service vehicles resulted in non-realisation of revenue of ₹ 87.58 lakh including penalty.

**(Paragraph 4.8)**

Failure of detect delay in payment of tax resulted in non-realisation of penalty of ₹ 25.24 lakh.

**(Paragraph 4.11)**

### **V. Land Revenue**

A review of “**Land revenue receipts in Madhya Pradesh**” revealed the following:

- Absence of cross verification between Tahsil and Collectorate records in diversion cases, resulted in non-raising/short raising of demand and consequential non-realisation of revenue of ₹ 82 crore.

**(Paragraph 5.2.7)**

- Non-realisation of revenue of ₹ 66.09 crore due to absence of time limit for instituting RRCs after demands have been established.

**(Paragraph 5.2.8)**

- Non-realisation of lease rent of ₹ 1.51 crore due to lack of provision of time limit for executing of lease deed after allotment of *nazul* land.

**(Paragraph 5.2.9)**

- Non-realisation of revenue of ₹ 6.63 crore due to non-recovery of provisional premium and ground rent and non-finalisation of the cases of allotment of land.

**(Paragraph 5.2.10)**

- Non-existence of monitoring mechanism for execution of sanctions resulted in loss of ground rent of ₹ 6.89 lakh.

**(Paragraph 5.2.11)**

- Absence of any monitoring mechanism at Collectorate level resulted in non-realisation of process expense of ₹ 5.03 crore.

**(Paragraph 5.2.13)**

- There was loss of revenue of ₹ 59.13 crore due to allotment of land at throw away prices in contravention of Revenue Code guidelines.

**(Paragraph 5.2.16)**

- Non-raising of demand of installment of premium resulted in non-realisation of ₹ 132.50 crore.

**(Paragraph 5.2.17)**

- Non-levy of interest resulted in non-realisation of ₹ 2.70 crore.

**(Paragraph 5.2.18)**

- Land diverted for commercial purposes was treated as residential resulting in short realisation of rent/premium of ₹ 1.38 crore.

**(Paragraph 5.2.20)**

- The exchequer was deprived of revenue of ₹ 28.09 crore due to non-levy/deposit of service charge and interest.

**(Paragraph 5.2.26)**

## **VI. Stamp duty and registration fee**

Incorrect determination of market value/delay in disposal of cases referred to the Collector resulted in short levy/non-realisation of revenue of ₹ 8.51 crore.

**(Paragraph 6.2)**

Evasion of duty of ₹ 2.23 crore on instruments executed by the colonisers/developers.

**(Paragraph 6.3)**

Short levy of stamp duty and registration fee of ₹ 1.60 crore on lease/sub-lease.

**(Paragraph 6.4)**

Short levy of stamp duty and registration fee of ₹ 1.46 crore on instruments of power of attorney due to incorrect application of rates.

**(Paragraph 6.5)**

Non-realisation of stamp duty and registration fee of ₹ 1.29 crore due to non-reimbursement by NVDA.

**(Paragraph 6.6)**

## **VII. Entertainment duty**

Non-recovery of entertainment duty from cable operators resulted in non-realisation of revenue of ₹ 32.77 lakh.

**(Paragraph 7.2)**

Non-levy of entertainment duty on cinema houses resulted in non-realisation of revenue of ₹ 29.15 lakh.

**(Paragraph 7.3)**

## **VIII. Electricity duty**

A review of “Levy and collection of electricity duty, fees and cess” revealed the following:

- Blocking of revenue due to irregular retention of Government money by DISCOMs ₹ 997.39 crore.

**(Paragraph 8.2.8.1)**

- Inaction of the department resulted in non-levy of electricity duty of ₹ 3.73 crore.

**(Paragraph 8.2.8.2)**

- Absence of provision for submission of check list to verify the electrical consumption resulted in short realisation of duty of ₹ 10.97 crore.

**(Paragraph 8.2.9)**

- Absence of any time limit for periodical assessment of dutiable and non-dutiable consumption resulted in non-levy of duty and cess of ₹ 6.92 crore.

**(Paragraph 8.2.11)**

- Lack of provision for security deposit resulted in non-levy of duty of ₹ 3.15 crore.

**(Paragraph 8.2.12)**

**Non-Tax Revenue**

**IX. Mining receipts**

Non/Short realisation of revenue of ₹ 295.35 crore on account of rural infrastructure and road development tax from holders of mining lease.

**(Paragraph 9.10)**

Tax collected but not deposited in Government account- ₹ 133.18 crore.

**(Paragraph 9.11)**

Short realisation of royalty of ₹ 7.74 crore.

**(Paragraph 9.12)**

Short payment of contract money on due date resulted in short realisation of revenue of ₹ 3.62 crore.

**(Paragraph 9.14)**