

## OVERVIEW

### I. General

This Report contains 27 paragraphs including one review relating to under-assessment/non-realisation/loss of revenue etc. involving ₹ 222.56 crore. Some of the major findings are mentioned in the following paragraphs:

The total receipts of the Government for the year 2009-10 increased to ₹ 36,921.65 crore against ₹ 36,904.39 crore in the previous year. Of this, 52 *per cent* was raised by the Government through tax revenue (₹ 16,899.98 crore) and non-tax revenue (₹ 2,438.11 crore). The balance 48 *per cent* was received from the Government of India as the State's share of net proceeds of divisible Union taxes (₹ 11,648.16 crore) and grants-in-aid (₹ 5,935.40 crore).

**(Paragraph 1.1.1)**

As on 30 June 2010, 1,109 inspection reports issued upto December 2009 containing 3,012 audit observations involving ₹ 4,253.42 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 2009-10 indicated under-assessment/short levy/loss of revenue amounting to ₹ 540.26 crore in 951 audit observations. During the course of the year, the departments accepted underassessment of ₹ 136.20 crore in 386 audit observations pointed out in 2009-10 and recovered ₹ 1.92 crore at the instance of audit.

**(Paragraph 1.5.1)**

### II. Sales Tax/Value Added Tax

Determination of gross turnover (GT)/taxable balance (TB) at ₹ 661.38 crore instead of ₹ 908.85 crore led to short determination of GT/TB by ₹ 247.47 crore resulting in short levy of tax of ₹ 45.63 crore in 22 cases.

**(Paragraph 2.11.1 and 2.11.2)**

Irregular allowance of exemption/concession on account of transfer of goods/sale of declared goods to registered dealers resulted in underassessment of tax of ₹ 16.46 crore in 15 cases.

**(Paragraph 2.12.1 and 2.12.2)**

Application of incorrect rate of tax on the turnover of ₹ 12.66 crore by the assessing authorities resulted in short levy of tax of ₹ 33.56 lakh in eight cases.

**(Paragraph 2.16.1 and 2.16.2)**

Irregular allowance of exemption of sales of ₹ 286.17 crore to 37 eligibility certificate (EC) holders contravening the conditions of EC resulted in short levy of tax and interest of ₹ 33.83 crore.

**(Paragraph 2.18)**

Non-imposition of minimum penalty on concealed sales of ₹ 83.35 crore resulted in non-realisation of revenue of ₹ 10.51 crore.

**(Paragraph 2.23)**

Irregular allowance of compounded rate of tax on the turnover of ₹ 2.24 crore resulted in short levy of tax of ₹ 17.06 lakh in four cases.

**(Paragraph 2.24)**

Allowance of input tax credit of ₹ 45.92 lakh instead of ₹ 15.51 lakh by the assessing authorities resulted in short levy of tax of ₹ 30.41 lakh in five cases.

**(Paragraph 2.25)**

### **III. Land Revenue**

Failure of the department to settle 18.45 acres of land with six unauthorised occupiers (four firms, one municipality and one individual) resulted in non-realisation of rent, *salami* and interest of ₹ 79.56 lakh.

**(Paragraph 3.8)**

Failure of the department to realise *salami*, rent and interest from the lessees occupying 36.50 acres of land resulted in non-realisation of *salami*, rent and interest of ₹ 46.67 lakh.

**(Paragraph 3.9)**

### **IV. State Excise**

Failure of three district excise authorities to realise excise duty on 49,656.96 London Proof Litre (LPL) of unsold stock of foreign liquor resulted in non-realisation of revenue of ₹ 91.54 lakh.

**(Paragraph 4.9.1)**

Failure of three district excise authorities to initiate action to destroy 20,962.44 LPL of unregistered/unsold stock of foreign liquor resulted in non-realisation of excise duty of ₹ 39.58 lakh

**(Paragraph 4.10)**

## V. Other Tax Receipts

Failure of the registering authorities to raise demand for deficit stamp duty and registration fees after determination of market value of properties resulted in non-realisation of revenue of ₹ 1.32 crore.

**(Paragraph 5.4.1)**

Inaction of the department in raising demand in respect of 216 enrolled persons, employers and traders resulted in non-realisation of profession tax of ₹ 52.70 lakh

**(Paragraph 5.5)**

## VI. Other Non-Tax Receipts

A Review on 'Management of Forest Receipts' indicated the following deficiencies:

- Absence of a system to watch realisation of arrears of revenue resulted in non-realisation of revenue of ₹ 51.04 crore from the West Bengal Forest Development Corporation (WBFDC).  
**(Paragraph 6.3.8.1 and 6.3.8.2)**
- Absence of a system for monitoring the deductions made by the WBFDC resulted in excess deduction of administrative cost and service charges of ₹ 38.63 crore.  
**(Paragraph 6.3.9.1 and 6.3.9.2)**
- Non-implementation of the working plan in five forest divisions resulted in non-harvesting of 364.91 hectares and led to blocking of revenue of ₹ 37.96 crore.  
**(Paragraph 6.3.13.1)**
- Sale of timber and cashew nuts below the reserve price resulted in loss of revenue of ₹ 51.28 lakh.  
**(Paragraph 6.3.17)**
- Delay in disposal of a proposal for diversion of forest land resulted in non-realisation of revenue of ₹ 22.26 crore.  
**(Paragraph 6.3.21)**
- Inaction of the department against contravention of the provisions of the Forest (Conservation) Act and Rules resulted in non-realisation of revenue of ₹ 17.14 crore.  
**(Paragraph 6.3.22.1)**

Absence of a system for cross verification of records with the railways led to non/short realisation of price of earth of ₹ 3.43 crore.

**(Paragraph 6.5.2)**