

## OVERVIEW

This Report contains 68 paragraphs including three performance audits relating to non/short levy of tax, interest, penalty, etc. involving ₹ 291.79 crore. Some of the major findings are mentioned below:

### I General

The total receipts of the State Government for the year amounted to ₹ 51,854.18 crore against ₹ 41,394.67 crore for the previous year. Fifty two *per cent* of this was raised by the State through tax revenue (₹ 21,419.33 crore) and non-tax revenue (₹ 5,719.77 crore). The balance 48 *per cent* was received from the Government of India as State's share of divisible union taxes (₹ 15,638.52 crore) and grants-in-aid (₹ 9,076.56 crore).

(Paragraph 1.1.1)

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 2010-11 revealed under-assessment/short levy/loss of revenue amounting to ₹ 1,955.06 crore in 4,36,829 cases.

(Paragraph 1.5.1)

### II Commercial Tax

A performance audit on "**Working of Commercial Tax Check Posts in Madhya Pradesh**" revealed that :

- Absence of any provision to report penalty cases to circle offices resulted in loss of revenue of ₹ 12.77 lakh.  
(Paragraph 2.9.9)
- Absence of any provision for verification of TINs of dealers contained in Form 49 furnished by the transporters at the check posts resulted in loss of revenue of ₹ 1.18 lakh.  
(Paragraph 2.9.13)
- Non/short levy of penalty resulted in loss of revenue of ₹ 35.91 lakh.  
(Paragraph 2.9.17)
- Non-levy of tax on transporters who failed to give information about the consignor, consignee or the goods or who furnished forged documents resulted in loss of revenue of ₹ 38.67 lakh.  
(Paragraph 2.9.18)
- Deficient monitoring over movement of goods under transit pass resulted in non-realisation of penalty of ₹ 62.25 crore.  
(Paragraph 2.9.20.2)

A performance audit on "**Utilisation of declaration forms in inter-state trade and commerce**" revealed that:

- 181 declaration forms were not returned by the dealers whose registration certificates were cancelled.

**(Paragraph 2.10.7)**

- There was irregular grant of concession of ₹ 7.29 crore on incomplete declarations.

**(Paragraph 2.10.9)**

- There was short levy of tax of ₹ 11.36 crore on sale without declarations.

**(Paragraph 2.10.11.1)**

- There was short levy of tax of ₹ 47.37 lakh due to application of incorrect rate of tax.

**(Paragraph 2.10.12)**

There was non/short levy of entry tax of ₹ 1.97 crore against 33 dealers in 38 cases in 24 offices.

**(Paragraph 2.11)**

Tax of ₹ 1.52 crore was short realised from 32 dealers due to application of incorrect rate of tax in 34 cases in 19 offices.

**(Paragraph 2.12)**

Tax of ₹ 1.51 crore was short realised from 13 dealers in 13 cases due to irregular allowance of input tax rebate in 12 offices.

**(Paragraph 2.13)**

There was short levy of purchase tax of ₹ 1.26 crore in case of one dealer in one office.

**(Paragraph 2.14)**

There was non-levy of tax and interest of ₹ 88.69 lakh on sales of taxable commodities as the same were incorrectly treated as tax-free by 13 assessing authorities in 17 cases of 15 dealers.

**(Paragraph 2.16)**

Tax of ₹ 91.13 lakh was short realised due to irregular grant of exemption in three cases of three dealers in three offices.

**(Paragraph 2.17)**

### III State Excise

Excise duty of ₹ 24.07 crore was not realised on unacknowledged export/transport of foreign liquor/beer against 338 permits by 12 units in six districts.

**(Paragraph 3.6.1)**

Excise duty/penalty of ₹ 6.71 crore was not realised on inadmissible wastage in transport/export of foreign liquor/beer in 3,160 cases from 15 units in 10 districts.

**(Paragraph 3.7.1)**

Penalty of ₹ 2.06 crore was not realised in case of one distillery on shortage of spirit/foreign liquor.

**(Paragraph 3.8)**

Excise duty of ₹ 50.30 lakh was not realised from 22 licensees on irregular issue of liquor in two districts.

**(Paragraph 3.11)**

### IV Taxes on Vehicles

A performance audit on "**Computerisation in Motor Vehicles Department**" revealed that :

- 11,991 Registration certificates were issued for validity periods beyond the permissible period.

**(Paragraph 4.7.7)**

- Driving licences to drive a transport/other than transport vehicle were issued for a period beyond permissible period.

**(Paragraph 4.7.11)**

- Driving licence to drive motor vehicle with gear or light motor vehicle was issued to applicants who were minors.

**(Paragraph 4.7.12)**

- In key fields either data was not entered or invalid data was entered.

**(Paragraph 4.7.15)**

- In absence of validation checks duplicate insurance cover notes were used for 1,66,987 vehicles.

**(Paragraph 4.7.19)**

- PAN data not given due importance as it was not entered in the database in respect of 26,07,756 vehicles.

**(Paragraph 4.7.20)**

- The locally developed application did not capture information relating to enforcement, insurance updation, applicant's biometrics for learner's licence etc. leaving scope for issue of improper driving licences or other misuses.

**(Paragraph 4.7.21)**

Tax and penalty of ₹ 8.94 crore was not realised from 2,771 vehicles owners in 26 offices.

**(Paragraph 4.8)**

Levy of tax at incorrect rate in cases of 68 private service vehicles by one office resulted in non-realisation of revenue of ₹ 87.98 lakh including penalty.

**(Paragraph 4.9)**

There was non-realisation of penalty of ₹ 23.56 lakh on belated payment of vehicle tax from 535 vehicles in 24 offices.

**(Paragraph 4.11)**

## **V Land Revenue**

In 23 *Tahsil* offices land revenue and *upkar* was deposited in *Panchayat Nidhi* instead of under the head 'Land Revenue'. This resulted in misclassification of receipts of ₹ 2.22 crore.

**(Paragraph 5.6)**

Irregular exchange of *Nazul* land with the agricultural land of a trust contrary to the provisions of Revenue Book Circular (RBC) was noticed during verification of records in three offices.

**(Paragraph 5.7)**

Premium and ground rent of ₹ 70.50 lakh was not realised in two cases of advance possession in Collectorate (*Nuzul*), Umaria.

**(Paragraph 5.9)**

Diversion rent, premium and *upkar* were underassessed in four Collectorates and one *Tahsil* resulting in short realisation of revenue of ₹ 20.84 lakh in 30 cases.

**(Paragraph 5.10)**

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

There was short levy of stamp duty and registration fees of ₹ 14.87 crore on agreement to lease in 46 cases in 19 offices.

**(Paragraph 6.7)**

Incorrect determination of market value/non finalisation of 621 cases in 24 offices resulted in short/non-realisation of stamp duty and registration fee of ₹ 12.98 crore.

**(Paragraph 6.8)**

Lack of provision in schedule 1-A to the Indian Stamp Act, 1899, resulted in loss of revenue of ₹ 3.96 crore in two cases, in one office.

**(Paragraph 6.9)**

There was short levy of stamp duty and registration fee of ₹ 2.69 crore due to misclassification of documents in 32 cases in seven offices.

**(Paragraph 6.10)**

Non-registration of instruments resulted in non-realisation of revenue of ₹ 1.40 crore in three offices in 102 cases.

**(Paragraph 6.11)**

## **VII Entertainment duty**

In case of 129 cable operators, penalty was not levied by three offices for breach of rules resulting in non-realisation of revenue of ₹ 96.55 lakh.

**(Paragraph 7.2)**

There was non-levy of entertainment duty of ₹ 24.04 lakh on 58 cinema houses.

**(Paragraph 7.3)**

Entertainment duty of ₹ 17.29 lakh was not recovered by 14 offices from 574 cable operators and 11 hotels/lodges.

**(Paragraph 7.4)**

## **VIII Electricity duty**

Penalty of ₹ 2.24 crore was not imposed on 74,541 owners of electrical installations for breach of rules.

**(Paragraph 8.6)**

Due to not carrying out periodic inspections of medium and high voltage electrical installations, inspection fee of ₹ 1.25 crore was not realised.

**(Paragraph 8.7)**

Incorrect application of rates of duty on mines resulted in short recovery of electricity duty of ₹ 2.23 crore in cases of 47 consumers.

**(Paragraph 8.8)**

## **X Mining receipts**

There was short realisation of royalty of ₹ 4.95 crore on major minerals from six lessees in five offices.

**(Paragraph 10.7)**

In two offices Government money of ₹ 81.78 crore was unauthorisedly retained by two lessees of major minerals.

**(Paragraph 10.11)**

There was non-realisation of revenue of ₹ 18.96 crore on account of rural infrastructure and road development tax from holders of 271 mining leases in 14 offices.

**(Paragraph 10.12)**