REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDED 31 MARCH 2011

(REVENUE RECEIPTS)

GOVERNMENT OF MAHARASHTRA

TABLE OF CONTENTS

PARAGRAPH HEADINGS	PARA	PAGE		
Preface		v		
Overview		vii - xvi		
CHAPTER I				
GENERAL				
Trend of revenue receipts	1.1	1		
Response of the Departments/Government towards audit observations	1.2	6		
Failure of senior officials to enforce accountability and protect the interest of the State Government	1.2.1	6		
Departmental audit committee meetings	1.2.2	7		
Non-production of records to Audit for scrutiny	1.2.3	8		
Response of the Departments to draft audit paragraphs	1.2.4	9		
Follow-up on Audit Reports-summarised position	1.2.5	9		
Compliance to the earlier Audit Reports	1.2.6	11		
Analysis of the mechanism for dealing with the issues raised by Audit	1.3	11		
Position of Inspection Reports	1.3.1	11		
Recovery of accepted cases	1.3.2	12		
Audit Planning	1.4	12		
Results of Audit	1.5	13		
Position of local audit conducted during the year	1.5.1	13		
This Report	1.5.2	13		
CHAPTER II				
SALES TAX				
Introduction	2.1	14		
Tax revenue administration	2.1.1	14		
Trend of receipts	2.1.2	14		
Analysis of arrears of revenue	2.1.3	15		
Arrears in assessment	2.1.4	15		
Returns filed under VAT	2.1.4.1	16		
Assessee Profile	2.1.5	17		

PARAGRAPH HEADINGS	PARA	PAGE
Cost of collection	2.1.6	17
Analysis of collection	2.1.7	17
Impact of Audit Reports	2.1.8	18
Results of audit	2.1.9	19
"Cross verification of Declaration forms used in Inter-State Trade" (A Performance Audit)	2.2	20
Other audit observations	2.3	38
Non-observance of the provisions of Acts/Rules	2.4	38
Excess grant of set-off under MVAT Act	2.4.1	38
Non-levy of interest u/s 30(4) of the MVAT Act	2.4.2	39
Irregular grant of exemption from payment of tax against form 'H'	2.4.3	40
Incorrect grant of set-off under the BST Act	2.4.4	41
Short levy of sales tax due to incorrect determination of taxable turnover	2.4.5	43
Acceptance of invalid declaration for stock transfer	2.4.6	43
Loss of revenue due to non-finalisation of assessment within prescribed time limit	2.4.7	44
Short levy of sales tax due to suppression of sales	2.4.8	45
Incorrect grant of exemption from payment of tax on intra-State sales	2.4.9	46
Incorrect/excess grant on interest on refund	2.4.10	47
Short levy of interest	2.4.11	48
CHAPTER III		
STAMP DUTY AND REGISTRATI	ON FEES	
Introduction	3.1	49
Tax administration	3.1.1	49
Trend of receipts	3.1.2	49
Cost of collection	3.1.3	49
Impact of Audit Reports	3.1.4	50
Results of audit	3.1.5	51
Audit observations	3.2	52
Non-compliance of provisions of Acts/Rules	3.3	52
Short levy of stamp duty due to under valuation of property	3.3.1	52

PARAGRAPH HEADINGS	PARA	PAGE
Short levy of stamp duty due to non-consideration of value of movable property	3.3.2	54
Short levy of stamp duty due to misclassification of instrument	3.3.3	54
Irregular remission of stamp duty	3.3.4	55
Short levy due to non-follow of the Departmental instructions	3.3.5	56
Incorrect grant of exemption of stamp duty	3.3.6	56
Short levy of stamp duty due to incorrect classification of instrument	3.3.7	57
CHAPTER IV		
LAND REVENUE		_
Introduction	4.1	58
Tax administration	4.1.1	58
Trend of receipts	4.1.2	58
Impact of Audit Reports	4.1.3	58
Results of audit	4.1.4	59
"Sale/Allotment of land and levy and collection of conversion charges" (A Performance Audit)	4.2	60
Development of Hill Station at Lavasa, Pune	4.3	90
Audit observations	4.4	108
Non-observance of provisions of Acts/Rules	4.5	108
Short levy of unearned income	4.5.1	108
CHAPTER V		
TAXES ON MOTOR VEHICE	LES	
Introduction	5.1	110
Tax revenue administration	5.1.1	110
Trend of revenue	5.1.2	110
Cost of collection	5.1.3	110
Impact of Audit Reports	5.1.4	111
Results of audit	5.1.5	112
"Computerisation in the Motor Vehicle Department" (A Performance Audit)	5.2	113
Audit observations	5.3	143
Non-compliance of the provisions of the Acts/Rules	5.4	143

PARAGRAPH HEADINGS	PARA	PAGE		
Non-recovery of motor vehicle tax and One Time Tax (OTT)	5.4.1	143		
Non-recovery of motor vehicle tax	5.4.1.1	143		
Short levy of One Time Tax (OTT) on imported vehicle	5.4.1.2	144		
CHAPTER VI				
STATE EXCISE				
Results of Audit	6.1	145		
"Levy and collection of State Excise Duty, Licence Fees, Fines etc."	6.2	146		
(A Performance Audit)				
CHAPTER VII				
OTHER TAX AND NON TAX RECEIPTS				
Results of audit	7.1	175		
SECTION A				
ENTERTAINMENTS DUT	Y			
Audit observations	7.2	176		
Non/short recovery of entertainment duty	7.3	176		
Non-recovery of entertainment duty from cable operators	7.3.1	176		
SECTION B ELECTRICITY DUTY				
Electricity Duty	7.4	178		
Non-levy of interest on delayed remittance of electricity duty	7.4.1	178		
Non-remittance of electricity duty	7.4.2	179		
Tax on sale of electricity	7.5	179		
Non-levy of interest on delayed remittance of tax on sale of electricity	7.5.1	179		
Non-recovery of inspection fees	7.6	180		