

OVERVIEW

The Report contains 28 paragraphs including three performance audits relating to non/short levy of taxes, interest, penalty, etc., involving ₹ 742 crore. Some of the major findings are mentioned below:

I General

The total receipts of the State during 2010-11 were ₹ 70,187.62 crore, comprising tax revenue of ₹ 47,782.17 crore and non-tax revenue of ₹ 4,651.45 crore. ₹ 10,913.98 crore was received from the Government of India as State's share of divisible union taxes and ₹ 6,840.02 crore as grants-in-aid. The revenue raised by the State Government in 2010-11 was 75 *per cent* of the total revenue receipts as compared to 74 *per cent* in 2009-10. Sales tax (₹ 28,614.23 crore) formed a major portion (60 *per cent*) of the tax revenue of the State. Interest receipts, dividends and profits (₹ 1,689.78 crore) accounted for 36 *per cent* of the non-tax revenue.

(Paragraph 1.1)

Test check of the records relating to commercial taxes, land revenue, motor vehicles tax, stamp duty and registration fees, electricity duty and mines and minerals during the year 2010-11 revealed underassessments, short levy, loss of revenue and other observations amounting to ₹ 1,173.24 crore in 2,150 cases.

(Paragraph 1.5.1)

II Sales Tax / Value Added Tax

A performance audit on “Utilisation of declaration forms in inter-state trade” revealed the following:

- Delay in uploading details regarding utilisation of declaration forms in TINXSYS hampered the effective monitoring of inter state trade.

(Paragraph 2.13.8.2)

- There was incorrect exemption on consignment sales of cardamom involving tax of ₹ 33.14 lakh.

(Paragraph 2.13.10.1)

- There was absence of mechanism to monitor the implementation of extract verification reports of ISIC.

(Paragraph 2.13.10.1)

- There was evasion of tax due to misuse of declaration forms to an extent of ₹ 1.85 crore.

(Paragraph 2.13.11.1)

- Incorrect allowance of concessional rate of tax resulted in short levy of tax amounting to ₹ 2.10 crore.

(Paragraph 2.13.11.4)

- 8,322 'C' and 1,060 'F' declaration forms were issued to 792 dealers after the cancellation of the registration certificates/stoppage of business.

(Paragraph 2.13.13.1)

Other observations

There was incorrect availment of input tax credit amounting to ₹ 38.90 lakh.

(Paragraph 2.15.1)

Suppression of purchase turnover resulted in short levy of tax of ₹ 1.47 crore.

(Paragraph 2.16.3.1)

There was excess availment of deferral of sales tax amounting to ₹ 80.42 lakh.

(Paragraph 2.16.5)

Failure to cross verify the records of other Departments with that of the Commercial Taxes Department resulted in escapement of taxable turnover involving tax and penalty of ₹ 3.24 crore.

(Paragraph 2.17.1)

There was non-levy of penalty on the purchase suppression to the extent of ₹ 1.38 crore.

(Paragraph 2.17.2)

III Land Revenue

A performance audit on “**Land administration and collection of land revenue**” revealed the following:

- Non-renewal of leases/non-revision of lease rent resulted in non-realisation of lease rent of ₹ 39.69 crore.

(Paragraph 3.5.9)

- Land cost amounting to ₹ 35.33 crore in respect of Government lands alienated was not collected.

(Paragraph 3.5.10)

- Delay in alienation of Government lands after grant of 'enter upon permission' resulted in non-collection of land cost of ₹ 440.79 crore.

[Paragraph 3.5.11]

- 6,772.54 acres of Government lands, valuing ₹ 189.89 crore were encroached in 55 cases.

(Paragraph 3.5.12.1 & 3.5.12.2)

- 7,065 acres of land meant for water courses valuing ₹ 901.76 crore and 685.70 acres of land noted in 'Prohibitive Order Book' valuing ₹ 129.12 crore were encroached in 19,369 and 1,116 cases respectively.

(Paragraph 3.5.12.3 & 3.5.12.4)

- Non-resumption of Government land for violation of conditions of assignment/lease resulted in land valued at ₹ 14.30 crore remaining with the offenders.

(Paragraph 3.5.14.1)

IV Stamp duty and Registration fees

23 sale deeds conveying lands in favour of two co-operative housing societies were exempted from stamp duty though the executants were not members of the societies for a continuous period of two years resulting in non-levy of stamp duty of ₹ 1.49 crore.

(Paragraph 4.9.2)

There was excess allocation of transfer duty surcharge to local bodies amounting to ₹ 1.65 crore.

(Paragraph 4.9.5)

V Taxes on vehicles

A performance audit on "Computerisation of Transport Department" revealed the following:

- Failure to clearly frame up user requirements resulted in continued and repeated updation of software.

(Paragraph 5.8.8.1)

- Lack of periodical and continuous backup resulted in loss of information in two offices.

(Paragraph 5.8.8.2)

- Non-mapping of business rules resulted in non/short levy of tax.

(Paragraph 5.8.9)

- Lack of validation controls in the key fields affected the reliability of the information apart from wrong calculation of tax.

(Paragraph 5.8.10.2)

- Non utilisation of modules resulted in short collection of tax of ₹ 20.90 lakh in respect of 167 vehicles.

(Paragraph 5.8.11.1)

VI Other Tax Receipts

Electricity Taxes

Incorrect exemption of consumption of electricity resulted in non/short collection of electricity tax of ₹ 9.85 crore.

(Paragraph 6.8.2)

Interest payable for the belated payment of electricity tax was short adjusted to the tune of ₹ 260.03 crore.

(Paragraph 6.8.3)

VII Non-Tax Receipts

Mines and Minerals

Brick mineral annual fees amounting to ₹ 28.56 lakh was not collected.

(Paragraph 7.3.2)

Interest receipts

Demand towards interest and penal interest on loans/advances sanctioned to various Departments was not raised and collected to the extent of ₹ 360.02 crore.

(Paragraph 7.4)