

Report of the Comptroller and Auditor General of India for the year ended March 2012



Union Government
Department of Revenue - Direct Taxes
No. 15 of 2013

Table of Contents

Contents	Pages
Preface	i
Highlights	iii-iv
Chapter I: Direct Tax Administration	1-15
Resources of the Union Government	1
Nature of Direct Taxes	1-2
 Growth of Direct Taxes - Trends and composition 	2-5
Budgeting of Direct Taxation	5-6
 Incorrect accounting of interest on refunds 	6
Tax Expenditure	6-8
 Widening and Deepening of Tax Base 	8-9
 Tax Debt – Uncollected demand 	10-11
 Disposal of Scrutiny assessments 	11
Demand under dispute	12
ITD's IT initiative	13
Effectiveness of Internal Audit	14-15
Chapter II: Audit Mandate, Products and Impact	17-22
Authority of the C&AG for audit of receipts	17
Legislative impact	18
Recovery at the instance of audit	19
 Incidence of errors 	19
Response to audit	20
 Pendency of audit observations 	21
Remedial action time barred	21
 Non-production of records 	21-22
Chapter III: Analysis of assessments relating to Corporation Tax	23-33
Quality of assessments	23-27
 Administration of tax concessions/ exemptions/deductions 	27-31
 Income escaping assessments due to omissions 	31-33
 Over-charge of tax/Interest 	33
Chapter IV: Analysis of assessments relating to Income Tax and Wealth Tax	35-41
Quality of assessments	35-37
 Administration of tax concessions/ exemptions/deductions 	37-38
 Income escaping assessments due to omissions 	39-40
Over-charge of tax/Interest	40
Non-levy/short levy of Wealth Tax	41
Appendices	43-84