

OVERVIEW

I. General

This Report contains 25 paragraphs including two Performance Audits relating to under-assessment/ non-realisation/ loss of revenue etc. involving ₹ 954.70 crore. Some of the major findings are mentioned in the following paragraphs:

The total receipts of the Government for the year 2012-13 increased to ₹ 68,295.75 crore from ₹ 58,755.04 crore in the previous year. 51 *per cent* of the total revenue collected in 2012-13 was raised by the Government through tax revenue (₹ 32,808.49 crore) and non-tax revenue (₹ 1,918.15 crore). The balance 49 *per cent* was received from the Government of India as the State's share of net proceeds of divisible Union taxes (₹ 21,226.27 crore) and Grants-in-aid (₹ 12,342.84 crore).

(Paragraph 1.1.1)

As on 30 June 2013, 757 inspection reports issued upto December 2012 containing 3,595 audit observations involving ₹ 1,313.57 crore were outstanding for want of response or final action by the concerned departments.

(Paragraph 1.2.1)

Test check of records of sales tax/value added tax, land revenue, transport, state excise, stamp duty and registration fees, profession tax, electricity duty, amusement tax, other tax and non-tax receipts conducted during the year 2012-13 indicated under-assessment/ short levy/ loss of revenue amounting to ₹ 571.86 crore in 1,533 audit observations. During the course of the year, the departments accepted under-assessment of ₹ 119.96 crore in 864 audit observations and recovered ₹ 2.80 crore at the instance of audit.

(Paragraph 1.5.1)

II. Sales Tax/Value Added Tax

A Performance Audit on 'Efficiency of the Administration of Value Added Tax in West Bengal' revealed the following:

- Absence of a system of cross verification of information of other departments as well as within the department resulted in evasion of tax of ₹ 115.97 crore by 190 dealers.

(Paragraphs 2.10.8.3, 2.10.8.4, 2.10.8.5 and 2.10.9.1)

- Lack of a system of monitoring compliance of the findings of the preventive wings resulted in non-assessment and non-realisation of ₹ 3.14 crore.

(Paragraph 2.10.11)

- Non-initiation of recovery proceedings resulted in evasion of tax of ₹ 642.62 crore in 1,620 cases by 1,570 dealers.

(Paragraphs 2.10.19.1, 2.10.19.2, 2.10.19.3 and 2.10.19.4)

- Absence of monitoring of certificate cases by the department and inaction of the Tax Recovery Officers resulted in non-realisation of ₹ 43.08 crore in 697 cases.

(Paragraphs 2.10.20.1, 2.10.20.2 and 2.10.20.3)

- Inefficiency of administration in monitoring transit declarations resulted in evasion of tax of ₹ 91.73 crore by transporters in 3,689 cases.

(Paragraph 2.10.22)

- Non-disposal of appeal cases within the specified time limit resulted in allowance of claims of disputed amount of ₹ 63.16 crore to the appellants in 139 appeal cases without any hearing.

(Paragraph 2.10.23)

- Deficiencies in the internal control mechanism like non-maintenance of database of preventive wing's findings, non-existence of working manual of Internal Audit Wing and poor maintenance of records were noticed.

(Paragraph 2.10.24)

Due to short determination of turnover of sales there was short levy of tax of ₹ 6.62 crore in 22 cases.

(Paragraph 2.12)

Penalty of ₹ 6.25 crore was not levied on evaded tax of ₹ 3.32 crore by the Assessing Authorities in seven cases.

(Paragraph 2.14)

The AAs determined short CTP which resulted in short levy of tax of ₹ 9.41 crore in 26 cases.

(Paragraph 2.16)

Application of incorrect rate of tax resulted in short levy of tax of ₹ 3.01 crore in 21 cases.

(Paragraph 2.17)

Computation mistakes/omissions on the part of AAs resulted in short levy of tax of ₹ 68.71 lakh in nine cases.

(Paragraph 2.21)

III. Land Revenue

Non-initiation of any action to realise the dues from defaulting *raiya*s and application of rates lower than the prescribed rates resulted in non/short realisation of rent, cess and surcharge of ₹ 5.26 crore in 2,623 cases.

(Paragraph 3.8)

Failure of the Department to realise annual lease rent from seven lessees resulted in non-realisation of rent and interest of ₹ 15.88 lakh.

(Paragraph 3.10)

IV. Motor Vehicles Tax

Non-maintenance of Tax Demand Registers led to non-realisation of tax, additional tax, special tax and penalty of ₹ 199.57 crore from the owners of 2,54,185 vehicles.

(Paragraph 4.8)

Penalty of ₹ 1.16 crore was not realised from owners of vehicles for delayed payment of taxes in 4,334 cases.

(Paragraph 4.9.1)

Realisation of fee for Certificate of Fitness at incorrect rates resulted in short realisation of ₹ 98.45 lakh in cases of 72,698 vehicles.

(Paragraph 4.9.2)

Showroom inspection fee of ₹ 50.35 lakh was not realised in 40,766 cases.

(Paragraph 4.9.6)

Tax and penalty of ₹ 42.18 lakh in respect of 9,254 newly registered vehicles were not realised from the dealers.

(Paragraph 4.9.7)

Assessment of additional tax in 6,498 cases of goods vehicles of other states at rates below the prescribed rate resulted in short realisation of additional tax by ₹ 46.17 lakh.

(Paragraph 4.9.8)

Owners of 2,240 vehicles did not pay special fee of ₹ 80.72 lakh.

(Paragraph 4.10)

V. Stamp Duty and Registration Fees

A Performance Audit on 'Evasion of Stamp Duty and Registration Fees' revealed the following:

- Absence of a system of sharing of information between the Public Offices and the Registration Offices relating to execution/submission of documents in the Public Offices led to avoidance/ evasion of tax of ₹ 60.21 crore.

(Paragraphs 5.6.5.1 to 5.6.5.4)

- Absence of provision in the Acts/Rules to prevent splitting of properties led to avoidance of additional stamp duty of ₹ 4.73 crore.

(Paragraph 5.6.6)

- Incorrect mapping of the business rules in the CORD software resulted in short-levy of stamp duty of ₹ 23.77 crore.

(Paragraph 5.6.7.1)

- Undervaluation of properties by furnishing incorrect property details led to evasion of stamp duty and registration fees of ₹ 23.73 crore.

(Paragraphs 5.6.8.1 to 5.6.8.3)

- Misclassification of instruments by registering authorities resulted in short-levy of stamp duty by ₹ 1.05 crore.

(Paragraphs 5.6.9.1 and 5.6.9.2)