

## OVERVIEW

This Report contains 31 paragraphs including two Performance Audits relating to non/short levy of tax, interest, penalty, revenue foregone, etc. involving ₹ 337.65 crore. Some of the major findings are mentioned below:

### I General

Total revenue receipts of the State Government for the year 2014-15 amounted to ₹ 1,04,142.15 crore against ₹ 89,542.53 crore for the previous year. 72 *per cent* of this was raised by the State through tax revenue (₹ 70,180.21 crore) and non-tax revenue (₹ 4,688.24 crore). The balance 28 *per cent* was received from the Government of India as State's share of divisible Union taxes (₹ 14,654.25 crore) and grants-in-aid (₹ 14,619.45 crore).

**(Paragraph 1.1)**

A total of 4,022 Inspection Reports issued up to December 2014 containing 9,573 observations involving money value of ₹ 2,061.05 crore were pending for settlement at the end of June 2015.

**(Paragraph 1.5)**

Test check of the records of 459 units of Sales Tax/Value Added Tax, State Excise, Motor Vehicles, Goods and Passengers, and other Departmental offices conducted during the year 2014-15 showed under assessment/short levy/loss of revenue aggregating ₹ 331.99 crore in 1471 cases.

**(Paragraph 1.8)**

### II Taxes/VAT on Sales, Trade, etc.

Additional tax liability of ₹ 3.37 crore determined by the Auditors in the audited statement of accounts was not paid by 59 dealers.

**(Paragraph 2.4)**

Non-levy of penalty under Section 72(1) of the KVAT Act for delay in payment of monthly taxes amounted to ₹ 3.68 crore in respect of 54 dealers.

**(Paragraph 2.5)**

The non/short levy of interest under Section 36(2) of the KVAT Act for delay in payment of tax by 54 dealers amounted to ₹ 2.33 crore.

**(Paragraph 2.6)**

Input tax credit of ₹ 36.62 crore against admissible credit of ₹ 34.41 crore was brought forward by 54 dealers, resulting in excess adjustment of credit amounting to ₹ 2.31 crore.

**(Paragraph 2.7)**

### III State Excise

Non-levy of penalty for short lifting of 7,47,957 bulk litres of IML by 113 licensees amounted to ₹ 7.47 crores.

(Paragraph 3.4)

Levy of fee applicable to transfer of licences at the pre-revised rate in respect of 51 cases resulted in short levy of fees of ₹ 2.11 crore.

(Paragraph 3.5)

### IV Stamp Duty and Registration Fees

Undervaluation of properties in respect of 58 sale deeds due to adoption of incorrect rates of market value guidelines or misclassification of instruments resulted in short levy of Stamp Duty of ₹ 1.47 crore and Registration Fee of ₹ 0.25 crore.

(Paragraph 4.4)

### V Taxes on Motor Vehicles

**Performance Audit Report on “Levy and collection of Motor Vehicles Tax” revealed that:**

Control lapses resulted in 4,281 transport vehicles escaping the tax net, with a revenue loss of ₹ 13.17 crore, at the time of their migration between jurisdictions.

(Paragraph 5.4.2.1)

Only 21.01 *per cent* of transport vehicles and 19.38 *per cent* of non-transport vehicles have complied with periodical fitness test and certification. Failure to ensure compliance in respect of other vehicles, had the additional consequence of depriving Government of revenue of ₹ 74.07 crore between April 2010 and March 2015.

(Paragraph 5.4.2.2)

Arrears of revenue amounting to ₹ 141.65 crore from 68,653 transport vehicles were not booked in DCB and followed up by the Department.

(Paragraph 5.4.3.1)

Lack of adequate controls in respect of collection of quarterly tax led to 22,002 transport vehicles skipping payment of tax for one to 16 quarters resulting in non-realisation of ₹ 45.31 crore.

(Paragraph 5.4.3.2)

Lack of adequate controls in respect of collection of Life Time Tax from battery operated vehicles and construction equipment vehicles resulted in failure to recognise the arrears of revenue of ₹ 4.61 crore.

(Paragraph 5.4.4)

Non-realisation of Green Tax amounting to ₹ 23.52 crore from 4,02,666 transport vehicles and ₹ 29.01 crore from 9,69,706 non-transport vehicles.

(Paragraph 5.4.5)

## **VI Mines and Geology**

**Performance Audit Report on “Computerisation of the Department of Mines and Geology” revealed that:**

ILMS does not have provision to generate receipts for payments received resulting in continuation of manual processes and duplication of work.

**(Paragraph 6.4.2.1)**

DMG had failed to re-establish the m-pass service which was disrupted due to technical incompatibility since February 2015 thereby depriving the generation of sms based tripsheets for the leaseholders, particularly those of minor minerals which are located in remote places.

**(Paragraph 6.4.2.2)**

Modification of an existing mining plan results in creation of new mining plan without deactivating the earlier plan and consequently monitoring the production and despatch of mineral based on the aggregate of both the plans.

**(Paragraph 6.4.3.2)**

Transport of mineral through rail by issue of RAKE permits in ILMS is not integrated with Railway data for complete monitoring of mineral movement.

**(Paragraph 6.4.3.5)**

Objective of real time monitoring of mineral carrying vehicles not achieved due to incomplete implementation of RFID surveillance systems at all leases and DMG not obtaining RFID data and absence of computerisation at all the checkposts.

**(Paragraphs 6.4.4.1 and 6.4.4.2)**

### **Compliance Audit**

Non/incorrect adoption of sale prices published by Indian Bureau of Mines for levy of royalty resulted in short levy of royalty of ₹ 1.14 crore in respect of minerals like limestone, manganese and magnesite.

**(Paragraph 6.7)**

## **VII Land Revenue**

Adoption of incorrect market value resulted in short collection of cost of government land to the extent of ₹ 1.57 crore.

**(Paragraph 7.3)**