

OVERVIEW

I. General

This Report contains 27 paragraphs including two Performance Audits relating to under-assessment/ non-realisation/ loss of revenue etc. involving ₹ 752.64 crore. Some of the major findings are mentioned in the following paragraphs:

- The total receipts of the Government for the year 2014-15 increased to ₹ 86,514.21 crore from ₹ 72,881.79 crore in the previous year. 47 *per cent* of the total revenue collected in 2014-15 was raised by the Government through tax revenue (₹ 39,411.98 crore) and non-tax revenue (₹ 1,626.66 crore). The balance 53 *per cent* was received from the Government of India as the State's share of net proceeds of divisible Union taxes (₹ 24,594.93 crore) and Grants-in-aid (₹ 20,880.64 crore).

(Paragraph 1.1.1)

- As on 30 June 2015, 918 inspection reports issued upto December 2014 containing 4,695 audit observations involving ₹ 2,311.57 crore were outstanding for want of response or final action by the concerned departments.

(Paragraph 1.6)

- 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/entertainment tax and other tax and non-tax receipts conducted during the year 2014-15 indicated under-assessment/ short levy/ loss of revenue amounting to ₹ 1,444.73 crore in 1,837 audit observations. During the course of the year, the departments accepted under-assessment etc. of ₹ 341.25 crore in 715 audit observations and recovered ₹ 2.14 crore at the instance of audit.

(Paragraph 1.10)

II. Value Added Tax

- A Performance Audit on 'System of Assessment under Value Added Tax' revealed the following :

- Failure on the part of Directorate of Commercial Taxes (DCT) to utilise information available in the returns of dealers registered under DCT to identify and bring in potential assessee into tax net resulted in non-levy of tax of ₹ 1.35 crore from 113 unregistered dealers.

(Paragraph 2.4.7)

- Absence of a system for pooling of information available with DCT regarding Sales Tax Deducted at Source (STDS), way bills and dealers registration profile during assessment of 63 dealers resulted in non/short levy of tax of ₹ 12.78 crore in 68 assessment cases.

(Paragraph 2.4.8)

- Deficiency at serial number 30 in the format of VAT return in Form-14 resulted in allowance of irregular claims of exempt sales in deemed assessment cases of 28 dealers with consequent short levy of ₹ 4.54 crore.

(Paragraph 2.4.9.1)

- Absence of proper provisions in the IT system of scrutiny of returns, like calculation of interest on delayed payment of tax, cross checking of brought forward Input Tax Credit (ITC) from previous years and cross checking of applicable rates of tax with commodities resulted in non/short levy of interest and tax and irregular carry forward of ITC of ₹ 1.67 crore in assessment cases of 73 dealers.

(Paragraphs 2.4.10.1, 2.4.10.2 and 2.4.10.4)

- In assessing 33 cases of 28 dealers for the assessment periods between 2007-08 and 2011-12, the Assessing Authorities (AAs) incorrectly determined turnover of sales (TOS) at ₹ 12,286.51 crore instead of at ₹ 14,520.79 crore resulting in short determination of TOS by ₹ 2,234.28 crore and consequent short levy of tax of ₹ 90.93 crore.

(Paragraph 2.4.14)

III. Land Revenue

- Non-initiation of any action to realise the dues from defaulting *raiyyats* resulted in non/short realisation of rent, cess and surcharge of ₹ 1.19 crore in 2,314 cases.

(Paragraph 3.4)

IV. Motor Vehicles Tax

- Non-maintenance of Tax Demand Registers led to non-realisation of tax, additional tax, penalty and special fee of ₹ 202.22 crore from the owners of 92,136 vehicles.

(Paragraph 4.3)

- Non-mapping of provisions in the VAHAN software regarding realisation of fee for Certificate of Fitness at the rate of 150 *per cent*, resulted in short realisation of fitness fee of ₹ 1.26 crore in cases of 78,383 vehicles.

(Paragraph 4.8)

V. Stamp Duty and Registration Fees

- Incorrect mapping of business rules in the CORD software resulted in short-levy of stamp duty of ₹ 11.73 crore in 7,400 cases.

(Paragraph 5.4)

VI. Mines and Minerals

➤ A Performance Audit on ‘**Assessment and Collection of revenue from Minor Minerals**’ revealed the following:

- Absence of provision in the Rules about inspection and checking of minor minerals at the place of excavation resulted in non-realisation of price of minerals worth ₹ 64.59 crore.

(Paragraph 6.4.9)

- Failure to prescribe a system of intra/inter departmental cross-verification of data resulted in non-detection of extraction of minerals and consequent non-realisation of revenue of ₹ 54.63 crore.

(Paragraph 6.4.10)

- Due to absence of related provision in the Rules, Department could not levy interest of ₹ 37.74 crore for delayed payment of mining dues.

(Paragraph 6.4.11)

- Failure to initiate proceedings by the Department even after a lapse of one to 14 years of assessment resulted in non-realisation of revenue of ₹ 7.31 crore.

(Paragraph 6.4.12)

VII. Other Tax Receipts

➤ Non-initiation of any action against a licensee by the Excise authority led to non-realisation of fee of ₹ 1.79 crore on unsold stock of foreign liquor.

(Paragraph 7.3)