

OVERVIEW

This Report contains 15 illustrative audit paragraphs relating to non/short levy of taxes, interest, penalty, non/short levy of excise duty, stamp duty etc. with revenue implications of ₹ 99.36 crore.

1. Chapter-I

General

The total revenue receipts of the State Government for the year 2019-20 were ₹ 67,858.13 crore as compared to ₹ 65,885.12 crore during the year 2018-19. Out of this, 74 *per cent* was raised through tax revenue (₹ 42,824.95 crore) and non-tax revenue (₹ 7,399.74 crore). The balance 26 *per cent* was received from the Government of India as State's share of divisible Union taxes (₹ 7,111.53 crore) and Grants-in-aid (₹ 10,521.91 crore). There was an increase in revenue receipts over the previous year by ₹ 1,973.01 crore (2.99 *per cent*).

(Paragraph 1.1.1)

Test check of the records of 163 units pertaining to Sales Tax/Value Added Tax, State Excise duty and Stamp Duty and Registration fees conducted during the year 2019-20 brought out under assessment/short levy/loss of revenue aggregating to ₹ 1,422.55 crore in 2,805 cases. During the year, the concerned Departments accepted under assessment and other deficiencies of ₹ 298.46 crore in 1,029 cases. The Departments recovered ₹ 1.17 crore (0.39 *per cent*) in 55 cases during 2019-20. Out of which ₹ 0.78 crore recovered in 24 cases pertain to this year and balance for previous financial years.

(Paragraph 1.10)

2. Chapter-II

Taxes/Value Added Tax on sales, trade

Assessing Authority failed to levy tax on interstate purchases, importing goods and purchases from unregistered dealers, resulting in under assessment of tax amounting to ₹ 4.98 crore. In addition, an interest of ₹ 3.62 crore was also leviable.

(Paragraph 2.3)

Assessing Authority allowed benefit of Input Tax Credit without verification of purchases from selling dealers, resulting in incorrect grant of Input Tax Credit of ₹ 9.27 crore.

(Paragraph 2.5)

The Assessing Authority did not take action to assess cases of suppressed turnover on inter-state purchases, resulting in loss of revenue of ₹ 27.89 crore, including penalty of ₹ 20.92 crore.

(Paragraph 2.6)

The Assessing Authorities did not verify/cross verify sale/purchase, which resulted in evasion of tax of ₹ 4.61 crore. In addition, penalty of ₹ 13.83 crore was also not levied.

(Paragraph 2.8)

Assessing Authority allowed concessional rate of tax without verification of statutory forms, which resulted in under assessment of tax of ₹ 5.55 crore. In addition, penalty of ₹ 16.66 crore was also not levied.

(Paragraph 2.9)

3. Chapter-III

State Excise

The Deputy Excise and Taxation Commissioners (Excise) neither initiated any action to seal the vends for non-deposit of monthly instalment in time nor levied interest of ₹ 1.61 crore for delayed payment of the license fee.

(Paragraph 3.3)

4. Chapter-IV

Stamp Duty

Misclassification of sale deeds as collaboration agreements instead of agreement to sell in case of five agreements resulted in short levy of stamp duty and registration fees of ₹ 0.45 crore.

(Paragraph 4.3)

Registering Authorities assessed 16 sale deeds of plots falling within municipal limits with an area less than 1,000 square yards at rates fixed for agricultural land instead of residential land, resulting in short levy of stamp duty and registration fees of ₹ 0.39 crore.

(Paragraph 4.6)