

Overview

OVERVIEW

This Report contains 18 paragraphs relating to non/short levy of VAT/CST, State excise, stamp duty and registration fee and passenger and goods tax with revenue implication of ₹168.27 crore.

I General

The total revenue receipts of the Government for the year 2019- 20 was ₹30,745.36 crore as compared to ₹30,950.28 crore during the previous year. Out of this, 33 per cent was raised through tax revenue (₹7,626.78 crore) and non-tax revenue (₹2,501.50 crore). The balance 67 per cent was received from the Government of India as State's share of divisible Union taxes (₹4,677.56 crore) and Grants-in-Aid (₹15,939.52 crore). There was a decrease in Revenue Receipts over the previous year by ₹204.92 crore.

(Paragraph 1.1)

Test check of the records of 204 units of Sales Tax/Value Added Tax, State Excise, Motor Vehicles, and Goods & Passengers Tax conducted during the year 2019- 20 revealed under-assessment/short levy/loss of revenue aggregating ₹541.95 crore in 1,159 cases. During the year, the Departments concerned accepted under-assessment and other deficiencies of ₹55.70 crore in 311 cases out of which ₹0.03 crore in 11 cases was recovered. The Departments concerned also accepted and recovered an amount of ₹3.39 crore in 276 cases pertaining to audit findings of previous years.

(Paragraph 1.10)

II Taxes/VAT on Sales and Trade

Assessing Authorities did not properly take into consideration unsold local purchases in closing stock at the end of the tax period, which resulted in excess allowance of ITC by ₹8.45 crore to 333 dealers.

(Paragraph 2.3)

Failure of the Assessing Authorities to correctly classify the nature of manufactured goods led to illegitimate allowance of concessional rate of tax, which resulted in under assessment of tax of ₹2.83 crore.

(Paragraph 2.4)

Acceptance of invalid and defective statutory forms by the Assessing Authorities and allowance of concessional rate of tax on inter-state sale resulted in short levy of tax of ₹2.38 crore. In addition, interest of ₹2.36 crore was required to be levied.

(Paragraph 2.5)

Assessing Authorities assessed the Gross Turnover lesser than the actual turnover as depicted in certified accounts of the dealers, resulting in loss of revenue of ₹1.40 crore.

(Paragraph 2.6)

Allowance of inadmissible deductions and excess deductions against labour charges resulted in underassessment of tax by ₹1.33 crore. Besides, interest of ₹1.41 crore was also leviable.

(Paragraph 2.7)

Failure of Assessing Authorities to disallow ITC on branch transfer resulted in inadmissible allowance of ITC of ₹87.03 lakh. Besides, interest of ₹1.24 crore was also leviable.

(Paragraph 2.8)

Assessing Authorities levied interest of ₹ 17.38 lakh instead of leviable interest of ₹72.02 lakh on additional demand created, resulting in short levy of interest of ₹54.64 lakh.

(Paragraph 2.9)

Underreporting of sales and closing stock worth ₹4.55 crore in the annual returns enabled tax evasion of ₹32.82 lakh. Consequently, interest of ₹25.89 lakh and penalty of ₹32.82 lakh also became due on the evaded tax.

(Paragraph 2.10)

III State Excise

The Department did not levy penalty of ₹58.50 crore for short lifting of 19,13,244 proof litres of liquor against benchmark of 100 per cent by the licensees of 765 vends. Additional Penalty of ₹2.32 crore was also leviable for short lifting against benchmark of 85 per cent.

(Paragraph 3.3)

The Assessing Authorities did not take any action either to seal vends or cancel/suspend the permit for re-selling the license, to recover the short deposited license fee of ₹ 31.27 crore from 36 licensees.

(Paragraph 3.4)

Failure to undertake reconciliation of challans with treasury receipts in Government Accounts i.e. e-kosh website, and acceptance of forged challans, resulted in loss of government revenue of ₹2.72 crore.

(Paragraph 3.5)

Interest amounting to ₹89.70 lakh on delayed payment of license fee and ₹44.55 lakh on delayed payment of bottling fee was not demanded by the Department from the licensees of 282 vends & seven bottling plants/ distilleries respectively, resulting in non-levy of interest to that extent.

(Paragraph 3.6)

IV Stamp Duty

The Department does not have a mechanism in place for transparent allotment and effective monitoring of government land given on lease, resulting in revenue loss of ₹35.44 crore.

(Paragraph 4.3)

Adoption of incorrect market rates for built-up residential and non-residential structures by Sub-Registrars resulted in short realisation of Stamp Duty and Registration Fee of ₹6.44 crore.

(Paragraph 4.4)

Incorrect valuation on the basis of incorrect circle rates and false affidavits regarding distance of the land from road resulted in short realisation of Stamp Duty and Registration Fee of ₹ 6.20 crore.

(Paragraph 4.5)

Market rates were not used to calculate stamp duty and registration fees due on lease deeds resulting in short recovery of ₹ 5.12 crore.

(Paragraph 4.6)

V Taxes on Vehicles, Passengers and Goods

The passengers and goods tax amounting to ₹34.73 lakh for the period 2017- 19 was neither paid by the owners of 572 commercial vehicles nor demanded by the Department.

(Paragraph 5.3)

