

OVERVIEW

The report contains 30 paragraphs including one review relating to assessment and collection of mining dues from major minerals involving Rs.253.10 crore. Some of the major findings are mentioned below:

I. General

Government raised a total revenue of Rs.5,281.44 crore in 2005-06, comprising tax revenue of Rs.4,051.91 crore and non tax revenue of Rs.1,229.53 crore. Government also received Rs.2,507.82 crore from Government of India as its share of net proceeds of divisible Union taxes and Rs.1,049.23 crore as grants in aid. Total receipts during the year were thus, Rs.8,838.49 crore. Taxes on sale, trade, etc. (Rs.2,089.20 crore) formed a major portion (51.56 *per cent*) of tax revenue and non ferrous mining and metallurgical industries (Rs.721.12 crore) accounted for 58.65 *per cent* of non tax revenue.

(Paragraph 1.1.1 to 1.1.3)

Arrears of revenue at the end of March 2006 as reported by major departments were Rs.3,940.65 crore.

(Paragraph 1.5)

Test check of records of sales tax, land revenue, State excise, motor vehicles tax, stamps and registration fee, other tax receipts, forest receipts and other non tax receipts conducted during the year 2005-06 revealed under assessment/ short levy/ loss of revenue amounting to Rs.387.79 crore in 3,360 cases. During the course of the year, the department accepted under assessment and other losses of Rs.87.45 crore in 1,071 cases pointed out in 2005-06 and earlier years.

(Paragraph 1.9)

II. Commercial Tax

Purchase tax of Rs.16.18 lakh was not levied.

(Paragraph 2.3.1)

Irregular exemption of tax of Rs.69.83 lakh for sale of goods not specified in eligibility certificate.

(Paragraph 2.4.2)

Incorrect exemption of turnover resulted in non levy of tax of Rs.50.80 lakh.

(Paragraph 2.7.1)

Incorrect grant of refund of tax of Rs.84.54 lakh.

(Paragraph 2.9)

Incorrect deduction of credit notes from turnover resulted in short levy of tax of Rs.16.65 lakh.

(Paragraph 2.10)

Non recovery of professional tax of Rs.52.70 lakh.

(Paragraph 2.13)

Entry tax of Rs.41.39 lakh was short realised.

(Paragraph 2.14)

III. State Excise

Production of alcohol from molasses not in consonance with sugar contents resulted in short levy of penalty of Rs.51.31 lakh.

(Paragraph 3.2)

Process expenses of Rs.12.37 lakh was not demanded.

(Paragraph 3.4)

Penalty of Rs.2.40 crore on failure to maintain minimum stock of spirit was not levied.

(Paragraph 3.5)

Recovery of excise duty of Rs.97.64 lakh for balance stock handed over to new licensees was not made.

(Paragraph 3.6)

IV. Taxes on vehicles

Vehicle tax including penalty of Rs.2.11 crore in respect of different kind of vehicles was not recovered.

(Paragraph 4.2)

V. Other Tax Receipts

Stamp Duty and Registration Fee

Incorrect determination of market value of instruments resulted in short realisation of stamp duty and registration fee of Rs.13.26 lakh.

(Paragraph 5.3)

Inordinate delay in determination of market value of properties resulted in blockage of revenue of Rs.16.43 lakh.

(Paragraph 5.4)

VI. Forest Receipt

Loss of interest of Rs.10.35 crore due to non deposit of NPV in fixed deposits.

(Paragraph 6.2.2)

Shortfall in production in timber and fuel wood resulted in loss of revenue of Rs.99.49 lakh.

(Paragraph 6.3)

VII. Electrical & Safety

Development cess of Rs.46.56 lakh was not realised from producers of electrical energy.

(Paragraph 7.2)

Non inspection of electric installations resulted in loss of Rs.82.96 lakh.

(Paragraph 7.3)

VIII. Mining Receipts

Royalty of Rs.15.12 crore was realised short.

(Paragraph 8.2.7)

Incorrect gradation of coal resulted in loss of revenue of Rs.209.93 crore.

(Paragraph 8.2.9)

Cost of mineral of Rs.23.11 lakh due to unauthorised extraction of mineral was not realised.

(Paragraph 8.2.11)

Due to incorrect calculation of average royalty, stamp duty and registration fee of Rs.1.49 crore was realised short.

(Paragraph 8.2.15)