

OVERVIEW

This report contains 32 paragraphs including one review relating to non/short levy of taxes, duties, royalty, fees, interest and penalty etc., involving Rs. 82.38 crore. Some of the major findings are mentioned below:

1. General

- The total receipts of Government for the year 2006-07 were Rs. 7,835.22 crore. The revenue receipts of Rs.2,993.23 crore consisted of Rs. 1,656.38 crore from tax and Rs. 1,336.85 crore from non tax revenue. The State received Rs. 629.16 crore as its share of divisible union taxes and Rs. 4,212.83 crore as grants in aid from Government of India. Receipts under taxes on sales, trade etc. (Rs. 914.45 crore), state excise (Rs.341.86 crore), taxes on vehicles (Rs.106.35 crore), taxes on goods and passengers (Rs. 50.22 crore), stamps and registration fee (Rs. 92.47 crore) and taxes and duties on electricity (Rs. 30.43 crore) accounted for major portion of tax receipts. Under non tax revenue, the main receipts were from power (Rs. 910.08 crore), interest receipts (Rs.87.18 crore), forestry and wild life (Rs. 45.55 crore) and non ferrous, mining and metallurgical industries (Rs. 48.39 crore).

(Paragraph 1.1)

- The arrears of revenue under 13 principal heads of revenue as on 31 March 2007 amounted to Rs. 430.10 crore, of which Rs. 99.29 crore pertained to taxes on sales, trade etc.

(Paragraph 1.6)

- Test check of records of sales tax, state excise, taxes on vehicles, goods and passengers, forest receipts and other tax and non tax receipts conducted during the year 2006-07, revealed under assessments/ short levy/ loss of revenue, revenue foregone amounting to Rs. 108.19 crore, in 959 cases. During the course of the year 2006-07, the concerned departments accepted under assessments etc., of Rs. 66.67 crore in 1,329 cases which had been pointed out in audit in earlier years.

(Paragraph 1.10)

2. Sales Tax

- In AETC Una, 23 unregistered dealers sold *khair* wood valued at Rs. 6.56 crore to a firm, but sales tax of Rs. 1.48 crore was not levied. The dealers were not registered though the turnover of each dealer exceeded Rs. 4 lakh.

(Paragraph 2.3)

- Incorrect determination of taxable turnover and application of incorrect rates of taxes resulted in non/short levy of tax of Rs. 69.34 lakh including interest in four AETCs.

(Paragraph 2.4 & 2.5)

3. State Excise and Taxes on Vehicles

- Nine licensees of five districts failed to pay the monthly instalments of license fee, interest and penalty during the year 2005-06 resulting in non/short recovery of Government dues of Rs. 86.15 lakh.

(Paragraph 3.2)

- Token tax of Rs. 1.83 crore was neither paid by 2,992 vehicle owners nor was it demanded by 29 registering and licensing authorities.

(Paragraph 3.3)

- In six regional transport authorities, non/short payment of special road tax and non levy of penalty resulted in non recovery of Government dues of Rs. 0.96 crore.

(Paragraph 3.4)

- In RLA Paonta Sahib, an amount of Rs. 41.92 lakh collected on account of registration fee, token tax, license fee, etc. was deposited late. Similarly, out of permit fee of Rs. 9.71 lakh collected in Shimla office, Rs. 9.60 lakh was deposited late and Rs. 0.11 lakh was not deposited at all. The delay in deposit of Government money ranged between 2 and 289 days.

(Paragraph 3.7)

4. Forest Receipts

- In five forest divisions, non charging of cost of fence posts from the user agencies for compensatory afforestation and catchment area treatment plan in total area of 9,281.9546 hectares of forest land resulted in non realisation of revenue of Rs. 7.63 crore including sales tax.

(Paragraph 4.3)

- Non levy of net present value in seven forest divisions, resulted in non recovery of revenue of Rs. 1.29 crore.

(Paragraph 4.4)

- Compensation amounting to Rs. 21.56 crore for environmental value for diversion of forest land in favour of National Thermal Power Corporation had not been realised in two forest divisions.

(Paragraph 4.10)

- In six forest divisions, cost of 7,378 trees of *chil* species was not charged at revised rates resulting in short realisation of Government revenue of Rs. 1.98 crore.

(Paragraph 4.12)

5. Other Tax/Non Tax Receipts

A review on “**Mineral Receipts in Himachal Pradesh**” revealed the following:

- Delay in acquisition/transfer of surface rights, in favour of a lessee, resulted in postponement of commissioning of the project and consequently depriving the State exchequer of anticipated revenue of Rs. 51.47 crore.

(Paragraph 5.2.10)

- Delay in demarcation of *khud* on interstate boundary and illegal extraction of minerals resulted in loss of revenue about Rs. 8.40 crore during April 2003 to March 2006.

(Paragraph 5.2.16)

- Non implementation of feasibility reports of working in river beds/*khuds* of Hamirpur district resulted in shortfall in revenue to the extent of Rs. 6.43 crore during April 2004 to March 2006.

(Paragraph 5.2.20)

- In 22 sub registrars, incorrect determination of market value of property and incorrect preparation of *parta* resulted in short realisation of stamp duty and registration fee of Rs. 2.75 crore in 365 cases.

(Paragraph 5.5)