
OVERVIEW

This report contains 38 paragraphs, including one review, relating to non/short levy of tax, interest, penalty etc., involving Rs.41.96 crore. Some of the major findings are mentioned below:

I. General

The Government of Madhya Pradesh raised a total revenue of Rs.12,234.83 crore in 2004-2005, comprising tax revenue of Rs.7,772.97 crore and non tax revenue of Rs.4,461.86 crore. The Government also received Rs.5,076.68 crore from the Government of India as its share of the net proceeds of divisible Union taxes and grant in aid (Rs.2,431.74 crore). Total receipts during the year were thus, Rs.19,743.25 crore. Commercial tax/central sales tax (Rs.3,912.01 crore) formed a major portion (50.32 percent) of the tax revenue. Receipts from non ferrous mining and metallurgical industries (Rs.733.72 crore) accounted for 16.44 percent of the non tax revenue.

(Paragraph 1.1.1 to 1.1.3)

Test check of records of sales tax, land revenue, state excise, motor vehicles tax, stamps and registration fees, other tax receipts, forest receipts and other non tax receipts conducted during the year 2004-05 revealed underassessment/short levy/loss of revenue amounting to Rs.992.36 crore in 1,31,736 cases. During the course of the year the departments accepted underassessment and other losses of Rs.319.03 crore in 1,22,867 cases pointed out in 2004-05 and earlier years.

(Paragraph 1.9)

II. Commercial Tax

Review on **Pendency of Revenue Recovery Certificates in Commercial Tax Department** revealed the following:

- Delay in institution of Revenue Recovery Certificates (RRCs) in 99 cases ranged between 15 days to 34 months.

(Paragraph 2.2.10)

- Properties of 71 defaulters attached by the Department were not disposed of resulting in non realisation of Government dues.

(Paragraph 2.2.13)

- One hundred and sixty revenue recovery certificates were sent to other states for realisation of Government dues. No follow up action was taken for realisation of the same.

(Paragraph 2.2.14)

Application of incorrect rate of tax resulted in under assessment of tax amounting to Rs.1.43 crore.

(Paragraph 2.3)

Non recovery of commercial tax from closed units deprived the Government of revenue of Rs.2.96 crore.

(Paragraph 2.5)

Incorrect allowance of deduction on sales items treated as tax free resulted in non levy of tax of Rs.1.54 crore.

(Paragraph 2.6)

III. State Excise

Production of alcohol not in consonance with sugar contents resulted in short levy of tax of Rs.64.82 lakh.

(Paragraph 3.2.1)

Non realisation of excise duty of Rs. 4.06 crore on unacknowledged export of foreign liquor/beer.

(Paragraph 3.4)

IV. Taxes on Vehicles

Non recovery of vehicle tax and penalty on vehicles resulted in non realisation of revenue of Rs.5.80 crore.

(Paragraph 4.3)

Loss of revenue due to allotment of reserve registration numbers to vehicles without levy of fee amounting to Rs.47.12 lakh.

(Paragraph 4.5)

V. Other Tax Receipts

Stamp Duty and Registration Fee

Bonds valued at Rs.28.74 crore were executed but not registered resulting in non realisation of Rs.1.15 crore.

(Paragraph 5.3)

Incorrect classification of two instruments resulted in short realisation of stamp duty and registration fee amounting to Rs.1.80 crore.

(Paragraph 5.4)

VI. Forest Receipts

Short fall in production of timber and fuel wood resulted in loss of revenue of Rs.3.02 crore.

(Paragraph 6.2)

VII. Mining Receipts

Interest and process expenses of Rs.1.81 crore were not included in revenue recovery certificates issued to defaulters.

(Paragraph 7.2)

VIII. Other Non Tax Receipts

Public Works Department

Incorrect categorisation of Government quarters resulted in short levy of licence fee amounting to Rs.5.99 lakh.

(Paragraph 8.2)