

CHAPTER VI

RECEIPTS

6.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Union Territory of Pondicherry during the year 2003-04, grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

(Rupees in crore)

Serial number		1999-2000	2000-01	2001-02	2002-03	2003-04
I	Revenue raised by the Government					
	(a) Tax revenue	260.59	291.86	268.59	276.38	352.76
	(b) Non-tax revenue	218.47	255.13	302.31	411.90	454.34
	Total (I)	479.06	546.99	570.90	688.28	807.10
II	Receipts from Government of India-Grants-in-aid	398.43	399.74	501.69	497.21	495.42
III	Total receipts of the Government (I + II)	877.49	946.73	1072.59	1185.49	1302.52
IV	Percentage of I to III	55	58	53	58	62

6.1.1 Tax receipts

The details of tax revenue raised during the year 2003-04 alongwith the figures for the preceding four years are given below:

(Rupees in crore)

Serial number	Heads of revenue	1999-2000	2000-01	2001-02	2002-03	2003-04	Percentage of increase (+)/decrease (-) in 2003-04 over 2002-03
1	Taxes on Sales, Trade, etc.	171.42	193.50	160.42	150.09	203.19	(+) 35
2	State Excise	61.00	66.18	76.13	87.70	105.66	(+) 20
3	Stamps and Registration Fees	9.47	12.31	12.83	16.20	20.27	(+) 25
4	Taxes on Vehicles	17.65	19.16	18.54	21.95	23.19	(+) 6
5	Land Revenue	0.88	0.30	0.49	0.24	0.29	(+) 21
6	Others	0.17	0.41	0.18	0.20	0.16	(-) 20
	Total	260.59	291.86	268.59	276.38	352.76	(+) 28

Reasons for significant variation as stated by the departments concerned are given below:

Taxes on Sales, Trade, etc: The increase (35 per cent) was due to opening of new petrol pumps and general buoyancy.

State Excise: The increase (20 per cent) was due to increase in the kist amount of arrack and toddy shops and steep increase in sale of Indian Made Foreign Liquor (IMFL).

Stamp Duty and Registration Fees: The increase (25 per cent) was due to increase in the sale of stamps and stamp papers during the year 2003-04.

Land Revenue: The increase (21 per cent) was due to collection of arrears of lease amount.

6.1.2 Non-tax receipts

The details of major non-tax revenue raised during the year 2003-04 alongwith the figures for the preceding four years are given below:

(Rupees in crore)							
Serial number	Heads of revenue	1999-2000	2000-01	2001-02	2002-03	2003-04	Percentage of increase (+) / decrease (-) in 2003-04 over 2002-03
1	Power	202.32	238.79	281.24	387.93	430.30	(+) 11
2	Interest Receipts, Dividends and Profits	2.22	2.15	4.18	5.12	4.50	(-) 12
3	Medical and Public Health	2.86	2.99	3.35	3.58	5.45	(+) 52
4	Education, Sports, Art and Culture	0.80	0.61	0.33	1.28	1.04	(-) 19
5	Crop Husbandry	0.43	0.63	0.38	0.29	0.34	(+) 17
6	Public Works	0.91	1.03	1.35	1.26	1.41	(+) 12
7	Other Receipts	8.93	8.93	11.48	12.44	11.30	(-) 9
	Total	218.47	255.13	302.31	411.90	454.34	(+) 10

The reasons attributed by the departments for significant increase in receipts during 2003-04 over the receipts during 2002-03 are as under:

Power: The increase (11 per cent) was due to increase in number of consumers under Low Tension (LT) & High Tension (HT) categories and amount received as reactive charges.

Interest Receipts, Dividends and Profits: The decrease (12 per cent) was due to variation in the quantum of principal amount of loans and advances and number of beneficiaries and grant of 2.5 per cent rebate interest under House Building Advance Rules and decrease in dividends from Public Undertakings.

Medical and Public Health: The increase (52 per cent) was due to increase of hospital stoppages, licence fees collected by Foods and Drugs Administration, charges collected towards master health check-ups and receipts of share from Employees' State Insurance Corporation for insured persons.

Education, Sports, Art and Culture: The decrease (19 per cent) was due to decrease in the amount refunded by the Employees' Provident Fund Corporation in respect of staff of Government aided private schools.

Crop Husbandry: The increase (17 per cent) was due to more revenue realised on hire of agricultural machineries, implements and more sale of farm products.

Public Works: The increase (12 per cent) was due to increase in sale of tender documents, levy of compensation for failure on the part of the contractors, etc.

Reasons for variations though called for from other departments have not been received (December 2004).

6.2 Variations between budget estimates and actuals

The variations between the budget estimates and actuals of revenue receipts for the year 2003-04 in respect of the principal heads of tax and non-tax revenue are given below:

(Rupees in crore)

Serial number	Heads of revenue	Budget estimates	Actuals	Variations excess (+) or shortfall (-)	Percentage of variation
1	Taxes on Sales, Trade, etc.	144.00	203.19	(+) 59.19	(+) 41
2	State Excise	85.00	105.66	(+) 20.66	(+) 24
3	Stamps and Registration Fees	16.00	20.27	(+) 4.27	(+) 27
4	Taxes on Vehicles	24.00	23.19	(-) 0.81	(-) 3
5	Land Revenue	0.30	0.30	----	----
6	Power	390.00	430.30	(+) 40.30	(+) 10
7	Interest Receipts, Dividends and Profits	3.32	4.50	(+) 1.18	(+) 36
8	Medical and Public Health	3.54	5.45	(+) 1.91	(+) 54

9	Education, Sports, Art and Culture	0.43	1.04	(+) 0.61	(+) 142
10	Crop Husbandry	0.42	0.34	(-) 0.08	(-) 19
11	Public Works	1.18	1.41	(+) 0.23	(+) 19

Taxes on Sales, Trade, etc.: The increase (41 per cent) was due to general buoyancy and certain exempted units becoming tax paying units.

State Excise: The increase (24 per cent) was due to more production of IMFL and more export of beer, enhanced kist of arrack and toddy shops.

Stamp Duty and Registration Fees: The increase (27 per cent) was due to receipt of more number of documents for registration.

Power: The increase (10 per cent) was due to increase in the number of consumer necessitating purchase of more power and consequent more sale of power.

Interest receipts, dividends and profits: The increase (36 per cent) was due to receipt of more dividends paid by the Government Companies and Co-operative Institutions.

Public Works: The increase (19 per cent) was due to increase in sale of tender documents, levy of compensation for failure on the part of the contractors, etc.

Reasons for variations, though called for, from other departments have not been received (December 2004).

6.3 Analysis of collection

Break-up of total collection at pre-assessment stage and after regular assessment of sales tax under Pondicherry General Sales Tax Act for the year 2003-04 and the corresponding figures for the preceding two years as furnished by the Department are as follows:

(Rupees in crore)

Year	Amount collected at pre-assessment stage	Amount collected after regular assessment (additional demand)	Penalties for delay in payment of taxes and duties	Amount refunded	Net collection	Percentage of column (2) to (6) (in percentage)
2001-02	157.82	2.47	0.23	0.10	160.42	98.37
2002-03	147.71	2.21	0.20	0.03	150.09	98.41
2003-04	201.03	2.09	0.17	0.10	203.19	98.94

6.4 Collection of sales tax per assessee

Year	Number of Assesseees	Sales Tax Revenue (Rupees in crore)	Revenue/Assessee (Rupees in lakh)
1999-2000	8551	171.42	2.00
2000-01	8514	193.50	2.27
2001-02	9343	160.42	1.71
2002-03	7690	150.09	1.95
2003-04	10025	203.19	2.03

6.5 Arrears of revenue

The arrears of revenue pending collection as on 31 March 2004 under principal heads of revenue, as reported by various departments, amounted to Rs 83.04 crore as indicated below:

(Rupees in crore)

Serial number	Departments	Total arrears	Arrears outstanding for more than 5 years	Remarks
1	2	3	4	5
1	Electricity	50.67	11.86 ²²	Of the total arrears, Rs 21.11 crore relating to HT consumers, Rs 84.22 lakh was pending with Claims Commissioner, New Delhi and Rs 12.48 crore was under litigation. Action had been initiated to recover Rs 3.75 crore through Revenue Recovery Act. Of the arrears of Rs 29.56 crore from Low Tension (LT) consumers, Rs 6.14 crore relates to local bodies and Rs 3.56 crore relates to Government departments.
2	State Excise	14.56	14.56	The arrears were mainly due to non-payment of kist by lessees of arrack and toddy shops. Action had been taken to recover the arrears under Revenue Recovery Act.

²² Arrears upto 1999-2000

1	2	3	4	5
3	Commercial Taxes	10.87	0.52	Out of the total arrears of Rs 10.87 crore, demands amounting to Rs 0.07 crore were covered by revenue certificates and Rs 6.46 crore relates to cases covered by appeals with the Court. An amount of Rs 3.11 crore was under various stages of recovery. Rs 1.23 crore has since been collected.
4	Transport	2.55	0.09	The arrears of Motor Vehicle Tax were mainly due from owner of Omni Bus National permit vehicle and Goods vehicles. Action had been taken to recover Rs 2.11 crore under Revenue Recovery Act. Rs 0.44 crore was under various stages of recovery.
5	Public Works	2.79	0.22	Arrears of Rs 2.71 crore relate to water charges mainly from local bodies and Rs 7.95 lakh relates to licence fees from retired/deceased Government servants. Action is being taken to recover the arrears.
6	Government Automobile Workshop	0.47	--- ²³	Action has been initiated to stop fuel supply to the departments which failed to remit the dues.
7	Revenue	0.18	0.01	Land revenue arrears mainly related to 2002-04 and action is being taken to recover the arrears.
8	Stationery and Printing	0.14	0.02	Arrears were mainly from Government departments. Action is being taken to recover the arrears.
9	Judicial	0.11	0.09	The arrears were due to non-recovery of fines and forfeitures owing to appeals pending before the High Court, Madras. In some cases, the accused had undergone imprisonment.
10	Town and Country Planning	0.09	0.09	The arrears were due to non-payment of enhanced plot costs by the allottees. Suits were being filed in the Court against defaulters.
11	Agriculture	0.13	0.02	Arrears were mainly to be collected from Pondicherry Agro Service and Industries Corporation Limited and reminders were issued regularly.
12	Industries	0.08	0.06	Accumulation of arrears was due to non-functioning of units. Action had been initiated to recover the arrears under Revenue Recovery Act.

²³ Rs 28555 was pending for more than five years

1	2	3	4	5
13	Information and Publicity	0.08	0.05	Arrears were mainly due to non-remittance of canteen rent by Pondicherry Tourism and Transport Development Corporation Limited. Action was being taken to recover the arrears.
14	Other Departments	0.32	0.02	Arrears related to Port, Co-operation, Tourism, Health, Hindu Religious Institutions and Education departments. Action had been taken to recover the arrears.
	Total	83.04	27.61	

6.6 Frauds and evasions

Details of cases of fraud and evasion of sales tax at the end of 31 March 2004 as reported by the Department are as under:

Details		Number of cases
A	(i) Cases pending as on 1 April 2003	9
	(ii) Cases detected during the year	73
B	Cases in which investigation/assessments were completed during the year	
	(i) Out of cases in A(i) above	8
	(ii) Out of cases in A (ii) above	18
C	Cases which were pending as on 31 March 2004	
	(i) Out of cases in A(i) above	1
	(ii) Out of cases in A(ii) above	55

Moreover, in respect of cases where investigation/assessments had been completed, the amounts of additional demand raised and penalty worked out to Rs 0.89 lakh and Rs 0.44 lakh respectively.

6.7 Outstanding Inspection Reports and audit observations

6.7.1 Audit observations on incorrect assessments, under-assessments, non-levy/short-levy of taxes, duties, fees and other revenue receipts, defects in initial accounts, etc., noticed during local audit but not settled on the spot are communicated to the Heads of Offices and to the higher authorities through local audit reports. Important irregularities are also reported to the Heads of Departments and Government.

6.7.2 At the end of June 2004, 155 Inspection Reports relating to various departments issued upto 31 December 2003 containing 448 audit observations and involving receipts amounting to Rs 101.87 crore were pending settlement as detailed below:

(Rupees in crore)

Serial number	Tax Heads	Outstanding		Amount	Earliest year to which the report relates
		Inspection Reports	Audit Observations		
1	Sales Tax	39	107	91.87	1991-92
2	Land Revenue	21	48	0.95	1990-91
3	Stamp Duty and Registration Fees	53	149	1.13	1991-92
4	Taxes on Vehicles	23	103	2.23	1988-89
5	State Excise	19	41	5.69	1990-91
	Total	155	448	101.87	

6.8 Results of audit

Test check of records of the departmental offices conducted by audit during the period from April 2003 to March 2004 revealed under-assessments/non-levy of tax, etc., amounting to Rs 71.26 lakh in 44 cases.