

OVERVIEW

This report contains 25 audit paragraphs including a review relating to non levy/short levy of taxes, duties, interest and penalty etc., involving Rs.101.11 crore. Some of the major findings are mentioned below:

I. General

The total receipts of the State Government for the year 2004-2005 was Rs.13,807.48 crore. Revenue raised by the Government during the year was Rs.12,302.66 crore, comprising tax revenue of Rs. 6,944.63 crore and non tax revenue of Rs.5,358.03 crore. The State Government also received Rs.902.35 crore as State's share of divisible Union taxes and Rs.602.47 crore as grants in aid from the Government of India.

(Paragraph 1.1.1)

Tax revenue in the year 2004-2005 showed an increase of 13 *per cent* over 2003-2004. Sales tax receipts of Rs.3,816.38 crore amounted to 55 *per cent* of the tax revenue collected during the year 2004-2005.

(Paragraph 1.1.2)

Non tax revenue showed an increase of 15 *per cent* of net receipts in the year 2004-2005 over 2003-2004.

(Paragraph 1.1.3)

Arrears of revenue at the end of the year 2004-2005, as reported by some departments were Rs.964.85 crore. Of these, Rs.615.65 crore were recoverable from various dealers on account of sales tax.

(Paragraph 1.7)

Test check of records of the taxes on sales, trade etc., taxes on vehicles, state excise, stamp duty and registration fees, land revenue and other departmental offices conducted during year 2004-2005 revealed under assessments/short levy/non levy/loss of revenue amounting to Rs.122.04 crore in 3,126 cases. The departments accepted audit observations involving Rs.30.92 crore in 1,896 cases and recovered Rs.1.39 crore.

(Paragraph 1.12)

3,476 inspection reports issued upto December 2004 containing 7,073 audit observations with money value of Rs.1,153.50 crore were outstanding for want of final replies from the departments as on 30 June 2005.

(Paragraph 1.13)

II. Taxes on Sales, Trade etc.

Non verification of transit slips issued to 455 goods vehicles involving goods valued at Rs.14.52 crore at six ICCs resulted in non levy of penalty of Rs.5.80 crore.

(Paragraph 2.2.2)

Thirty three cases were decided late with delay ranging from 15 days to 25 months by imposing a penalty of Rs.46.23 lakh.

(Paragraph 2.2.3)

Government share amounting to Rs.36.73 lakh collected by the data entry contractors at computer centres between December 1999 and November 2000 was not deposited into treasury.

Government receipts amounting to Rs.6.29 crore collected at ICCs on account of data entry fee in 2002-2003 and 2003-2004 was transferred to ETTSA instead of depositing into treasury.

(Paragraph 2.2.6)

Lack/failure of internal control led to under reporting of position of arrears of surety bonds amounting to Rs.2.23 crore recoverable from 219 dealers as on 31 March 2004.

(Paragraph 2.2.8)

Additional tax of Rs.18.25 lakh on the tax assessed was not levied.

(Paragraph 2.3)

Incorrect allowance of deductions from gross turnover without production of prescribed declarations in form 'C' resulted in short levy of tax of Rs.86.29 lakh.

(Paragraph 2.11)

Incorrect allowance of deduction from turnover of sale of goods, which were liable to tax at the first stage, resulted in non levy of tax of Rs.54.10 lakh.

(Paragraph 2.12)

III. Taxes on Vehicles

Non levy of interest and penalty on delayed payment of SRT by five depots of State Transport Corporations and two depots of Punjab Roadways resulted in loss of Rs.19.21 crore.

(Paragraph 3.2)

Plying of vehicles in excess of permitted kilometres by State Roadways/private transport companies during 2002-2003 and 2003-2004, resulted in short recovery of SRT of Rs.2.55 crore including interest/penalty.

(Paragraph 3.3)

Incorrect application of rates resulted in short levy of SRT of Rs.39.56 lakh.

(Paragraph 3.7)

Non maintenance of proper records and non exercising of prescribed checks by higher authorities resulted in embezzlement of Government money of Rs.19.04 lakh.

(Paragraph 3.8)

IV Stamp Duty and Registration Fees

A review, Levy of stamp duty and registration fee revealed as under:

Stamp duty of Rs.17.57 crore was not levied on land transferred to Punjab Urban Planning and Development Authority and Agricultural Marketing Board due to non execution of conveyance deeds.

Non execution of deeds where full payments were made by the allottees, resulted in non realisation of stamp duty of Rs.4.11 crore including registration fee.

Stamp duty and registration fee amounting to Rs.2.18 crore was levied short on sale deeds executed for sale of commercial, residential and agricultural land/properties due to undervaluation.

(Paragraph 4.2.9)

Stamp duty amounting to Rs.46.47 lakh was irregularly remitted on transfer deeds executed in favour of the family members not being class-I heirs as defined under the Hindu Succession Act, 1956.

(Paragraph 4.2.11)

Levy of user charges on registered instruments without approval of legislature, resulted in unauthorised collection of Rs.6.30 crore on behalf of a society.

(Paragraph 4.2.16)

V Other Tax Receipts

Rs.21.06 crore remained outside Government account due to unauthorised retention of electricity duty by the Punjab State Electricity Board.

(Paragraph 5.2)

Due to non raising of demand, entertainment tax of Rs.1.26 crore was short collected from cinema houses.

(Paragraph 5.3)

In seven tehsils, land measuring 916 acres, two kanals and six marlas was allotted to unauthorised occupants at old rates, which resulted in loss of revenue of Rs.4.80 crore.

In 13 tehsils, rent of Rs.1.40 crore in respect of 10,809 acres, six kanals and 10 marlas of rural evacuee land was neither assessed nor recovered from unauthorised occupants.

(Paragraph 5.5.4)

Failure to achieve/enforce the norm for yield of spirit from molasses deprived the Government of excise duty of Rs.3.18 crore during 2003-2004.

(Paragraph 5.6)