

Overview

This Report contains 46 paragraphs including 3 reviews, relating to non/short levy of tax, interest, penalty *etc.* involving Rs.382.52 crore. Some of the major findings are mentioned below:

I. General

The state government's receipts for the year 2002-03 amounted to Rs.13,081.86 crore as against Rs. 12,153.29 crore for the year 2001-02. While the revenue raised by the government amounted to Rs.7,822.34 crore (tax revenue: Rs.6,253.34 crore and non-tax revenue: Rs.1,569.00 crore), the balance Rs.5,259.52 crore was received from the Government of India as the state's share of divisible Union Taxes (Rs.3,063.10 crore) and grants-in-aid (Rs.2,196.42 crore).

(Paragraph 1.1)

Arrears aggregating Rs.2,249.01 crore remained unrealised under the principal heads of revenue at the end of 2002-03. The arrears were mainly in respect of taxes on sales, trade etc., state excise, taxes on immovable property other than agricultural land, land revenue, sale of land and property and non-ferrous mining and metallurgical industries.

(Paragraph 1.5)

Test check of records of sales tax, land revenue, state excise, motor vehicles tax, stamps and registration fees, electricity duty, other tax receipts, forest receipts and other non-tax receipts conducted during the year 2002-03 revealed under-assessment/short levy/loss of revenue amounting to Rs.1,316.87 crore in 43,907 cases. During the course of the year the Departments accepted under-assessment of Rs.131.25 crore in 14910 cases. No replies have been received in respect of the remaining cases.

(Paragraph 1.10)

II. Sales Tax

Absence of a suitable system of exchange of information between central excise and sales tax department resulted in loss of sales tax of Rs.16.16 crore, due to undervaluation of goods.

(Paragraph 2.2)

Non-withdrawal of benefits on breach of condition by 40 industrial units resulted in non-recovery of tax and interest of Rs. 11.87 crore.

(Paragraph 2.3)

Application of incorrect rate of tax resulted in short levy of tax and interest of Rs.1.71 crore.

(Paragraph 2.4.1)

Excess exemption of tax of Rs.1.41 crore was allowed to small/medium scale industries.

(Paragraph 2.5)

Due to computation error tax of Rs.1.33 crore was short levied.

(Paragraph 2.6)

Incorrect determination of taxable turnover resulted in non-levy of tax of Rs.1.12 crore including interest and penalty.

(Paragraph 2.8)

III. Taxes on Motor Vehicles

Under valuation of cost of passenger vehicles resulted in short realisation of special road tax amounting to Rs.3.64 crore.

(Paragraph 3.2)

Special road tax/motor vehicles tax amounting to Rs.1.21 crore in respect of contract/stage carriages was not/short recovered.

(Paragraph 3.3)

IV. Stamp Duty and Registration fee

Review, **Evasion of stamp duty and registration fee** revealed the following points:-

- Rs.29.80 crore were pending for recovery on account of stamp duty and registration fee as on 31 March 2002

(Paragraph 4.2.5)

- Non-registration of sale/lease deeds executed by RRVPNL resulted in evasion of revenue amounting to Rs.142.40 crore.

(Paragraphs 4.2.7 and 4.2.10)

- Undervaluation of properties in 40 cases resulted in short levy of stamp duty and registration fee amounting to Rs.91.08 lakh.

(Paragraph 4.2.11)

- Monitoring was weak and irregular and there was absence of prescribed inspections of Sub-Registrars and public offices by designated authorities.

(Paragraph 4.2.18)

V. State Excise

Demand of Rs.52.94 lakh was raised short against two defaulted licensees.

(Paragraph 5.2)

Excise surcharge amounting to Rs.44.02 lakh was not recovered from a corporation.

(Paragraph 5.3)

VI. Other tax receipts

Non-valuation of entire land, resulted in short recovery of tax amounting to Rs.3.65 crore.

(Paragraph 6.4)

Luxury tax, interest and penalty aggregating to Rs.1.11 crore was not levied.

(Paragraph 6.7)

VII. Non-tax receipts

A: Home (Police) Department

Review, **Receipts of the Police Department** revealed the following points:-

- Outstandings against central government and central public sector undertakings constituted 90 per cent of over all pendencies of collection of Rs.14.06 crore

(Paragraph 7.2.5)

- Raising of claims at initial rate without prescribed annual increase of 10 per cent thereto from time to time resulted in short billing of Rs.73.83 lakh.

(Paragraph 7.2.6 and 7.2.7)

- Non-inclusion of element of pension contribution in the assessment of police cost resulted in short realisation of Rs.10.20 crore.

(Paragraphs 7.2.9)

- Deployment of police personnel to Government Railway Police without approval of Railways resulted in short reimbursement of Rs.2.15 crore.

(Paragraph 7.2.10)

B: Land Revenue

Review, **Recovery of dues treated as arrears of land revenue** revealed the following points:

Land Revenue Department

- 5,730 cases involving recoveries of Rs.68.17 crore were pending as on 31 March 2002. Annual recovery of arrears ranged only between 5.51 and 12.09 per cent during five years ending 31 March 2002, while the recoverable amount in cases returned by Collectors without recovery during the same period ranged between 12.36 and 23.22 per cent.

(Paragraph 7.3.5)

- In 61 cases involving revenue of Rs.77.90 lakh, action for attachment of properties was not taken. In another 23 cases involving recovery of Rs.28.38 lakh the attached properties were not disposed of even after lapse of 12 to 61 months.

(Paragraphs 7.3.9 and 7.3.10)

State Excise Department

- 406 cases involving demand of Rs.218.61 crore were outstanding as on 31 March 2002. Pendency of arrears had increased by 481 per cent during the period between 1997-98 and 2001-02.

(Paragraph 7.3.13)

- No action for recovery of Rs.6.63 crore in 8 cases was initiated due to non-availability of whereabouts or details of properties in defaulter's name.

(Paragraph 7.3.16)

- Attached properties of 37 defaulters involving demand of Rs.16.49 crore had neither been taken over nor disposed of by public auction even after lapse of 1 to 5 years.

(Paragraph 7.3.20)

- In two cases, recovery certificates involving demand of Rs.5.63 crore were not forwarded through respective Collectors to the Collectors of other states.

(Paragraph 7.3.21)

- Non-verification of solvency certificate by DEO resulted in loss of Rs.4.08 crore.

(Paragraph 7.3.24)

Mines & Geology Department

- Non-availability of addresses of defaulters or details of their properties resulted in non-recovery of revenue of Rs.3.11 crore

(Paragraph 7.3.29)

- Properties attached remained unauctioned leading to loss of revenue of Rs.3.53 crore due to inadequate publicity for auction.

(Paragraph 7.3.30)

C: General Administration Department

Rent aggregating Rs.30.43 crore was not recovered from commercial undertakings in occupation of government properties.

(Paragraph 7.4)

D: Mines and Petroleum Department

Demand of petroleum exploration licence fee not being raised resulted in non-realisation of Rs.1.64 crore

(Paragraph 7.5)

Unauthorised despatch of mineral cadmium resulted in loss of Rs.1.04 crore.

(Paragraph 7.7)

Unauthorised extraction of mineral resulted in non-recovery of Rs.45.10 lakh

(Paragraph 7.8)