

Overview

1. General

This Report contains 43 paragraphs and 2 reviews relating to underassessment/short levy/loss of revenue etc. involving Rs.1243.45 crore. The Government has accepted audit observations involving Rs.1205.83 crore of which Rs.39.64 lakh had been recovered up to August 2001. Some of the major findings are mentioned below:

The Government's revenue receipts for the year 2000-2001 amounted to Rs.14522.18 crore against Rs.10211.10 crore for the previous year. 49 per cent of this was raised by the State; Rs.5944.72 crore through tax revenue and Rs.1214.53 crore through non-tax revenue. 51 per cent was received from the Government of India; Rs.4208.44 crore in the form of State's share of divisible Union taxes and Rs.3154.49 crore as grants-in-aid.

Receipts from the Government of India in the form of Grants-in-aid and State's share of divisible union taxes have increased substantially by 63 per cent during the year 2000-2001 whereas the revenue raised by the State Government has increased by 26 per cent only during the same period compared to those of previous year. The revenue deficit for the year 2000-2001 is Rs.7581.27 crore whereas that of previous year was Rs.9287.34 crore i.e. the deficit has been reduced by Rs.1706.07 crore in the year 2000-2001 although the receipt from the Government of India in the shape of State's share of divisible union taxes and Grants-in-Aid has gone up by Rs.2839.88 crore during the same period.

[Paragraph 1.01]

Test check of records of Sales Tax, Land Revenue, State Excise, Motor Vehicles Tax, Taxes on Agricultural income, Forest and other departmental offices conducted during the year 2000-2001 revealed underassessment/short levy/loss of revenue etc. amounting to Rs.3502.45 crore in 1522 cases. During the course of the year 2000-2001, the concerned departments accepted underassessment etc. of Rs.2818.49 crore involved in 934 cases of which 719 cases involving Rs.2779.26 crore were pointed out in audit during 2000-2001 and the rest in earlier years.

[Paragraph 1.05]

As on 30 June 2001, 1151 inspection reports, issued up to December 2000 containing 3532 audit observations involving Rs.3545.62 crore, were outstanding for want of response or final action by the concerned departments.

[Paragraph 1.06]

2. Sales Tax

- (i) Incorrect determination of gross turnover in the case of 38 dealers resulted in short levy of tax amounting to Rs.2.65 crore.
[Paragraph 2.02]
- (ii) Excess/incorrect allowance of deduction resulted in underassessment of tax of Rs.2.35 crore
[Paragraph 2.03 (b)]
- (iii) Incorrect allowance of concessional rate of tax resulted in short levy of tax of Rs.1.48 crore
[Paragraph 2.06]
- (iv) The department failed to impose penalty of Rs. 6.02 crore on 23 dealers in Kolkata for concealment of sales or making fake claim of exemption
[Paragraph 2.08]

3. Land Revenue

- (i) A review on 'Recoveries under the Public Demands Recovery Act, 1913' revealed the following:
 - (a) Failure of the certificate organisations to pursue the certificate cases properly led to non-realisation of certificate dues amounting to Rs.12.59 crore
[Paragraph 3.02.06]
 - (b) Lack of co-ordination resulted in non-realisation of certificate dues of Rs.6.69 crore
[Paragraph 3.02.07]
- (ii) Delay in settlement of Government land under unauthorised occupation led to non-realisation of revenue of Rs.4.87 crore
[Paragraph 3.03]
- (iii) Failure to take appropriate action in time led to non-realisation of revenue of Rs.1.51 crore
[Paragraph 3.04]

4. State Excise

- (i) Failure to levy duty on rectified spirit intended to be used for manufacture of foreign liquor led to non-realisation of excise duty of Rs.355.05 crore
[Paragraph 4.02]
- (ii) Non-removal of old stock of IMFL in time by the bonders of 16 warehouses in 3 Excise offices resulted in blockage of revenue amounting to Rs.83.01 lakh
[Paragraph 4.03]

5. Motor Vehicles Tax

Failure on the part of the taxing authority to levy tax and penalty on motor cars and omnibuses which got registered temporarily by a motor car manufacturing unit resulted in evasion of revenue of Rs.75.83 lakh

[Paragraph 5.03]

6. Amusements Tax

The department failed to levy taxes of Rs.85.31 lakh on 105 cable operators in 3 districts despite prior knowledge of their existence

[Paragraph 6.02]

7. Professions Tax

- (i) Failure to enrol 4261 professional entities like cable operators, money lenders, nursing homes, video halls etc led to non-realisation of professions tax of Rs.2.62 crore

[Paragraph 7.02]

- (ii) Failure to initiate penal proceedings in respect of 101 registered employers led to non-realisation of assessed tax amounting to Rs.16.46 crore

[Paragraph 7.03]

8. Electricity Duty

Failure on the part of the department to take action led to non-assessment and non-realisation of electricity duty of Rs.3.44 crore

[Paragraph 8.02]

9. Other Tax Receipts

Value set forth in 519 transfer documents registered in Delhi and Mumbai in respect of properties situated in South 24-Parganas district at much lower than the market value resulted in evasion of stamp duty of Rs.6.96 crore

[Paragraph 9.02 (a)]

10. Other Non-Tax Receipts

A review on 'Interest Receipts from Loans and Advances' revealed the following

- (a) Demand for Rs.649.48 crore was raised short due to allowance of rebate and calculation of interest notionally on the diminishing balance of loans even though no instalment was repaid

[Paragraph 11.02.05]

- (b) The Government failed to raise demand for interest of Rs.134.29 crore despite there was settled terms and conditions of loans

[Paragraph 11.02.06]