

Overview

1. General

This Report contains 55 paragraphs including 2 reviews relating to underassessment/short levy/loss of revenue etc. involving Rs.133.89 crore. Some of the major findings are mentioned below:

The Government's total revenue receipts for the year 2001-2002 amounted to Rs.14538.42 crore against Rs.14522.18 crore for the previous year. Fifty per cent of this was raised by the State (Rs.6534.48 crore through tax revenue and Rs.775.88 crore through non-tax revenue) and fifty per cent was received from the Government of India (Rs.4289.37 crore in the form of State's share of divisible Union taxes and Rs.2938.69 crore as grants-in-aid).

[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 2001-2002 revealed underassessment/short levy/loss of revenue etc. amounting to Rs.456.59 crore in 991 cases. During the course of the year 2001-2002, the concerned departments accepted underassessment etc. of Rs.411.76 crore involved in 571 cases of which 432 cases involving Rs.389.24 crore were pointed out in audit during 2001-2002 and the rest in earlier years. A sum of Rs.1.17 crore was recovered at the instance of audit during the year 2001-2002.

[Paragraph 1.06]

As on 30 June 2002, 1243 inspection reports, issued up to December 2001 containing 3854 audit observations involving Rs.1022.59 crore, were outstanding for want of response or final action by the concerned departments.

[Paragraph 1.07]

2. Sales Tax

- (i) A review on “Working of appeal mechanism under the Sales Tax Laws” revealed the following :

Delay in disposal of appeals, revision and review cases led to huge accumulation of arrears. The cases pending in appeal/revision/review in circles and in West Bengal Commercial Tax Appellate and Revisional Board at the end of 2000-2001 stood at 26,582 and 11,343 respectively. Of the total cases of 66496 targeted only 43 per cent i.e. 28571 cases were disposed of during 2000-2001 which led to blockage of huge revenue of Rs.808.82 crore at different stages.

[Paragraph 2.02.05(a) & (b)]

Failure of the department to make fresh assessment in 9 set aside/remanded cases in 6 charge offices till October 2001 resulted the cases barred by limitation of time and consequent loss of revenue of Rs.50.71 lakh.

[Paragraph 2.02.06]

Certificate proceedings were not instituted by 53 charge offices even after a lapse of 1 and 65 months in 661 confirmed and modified cases led to blockage of revenue of Rs.44.95 crore.

[Paragraph 2.02.07(a)]

Delay ranging between 1 month and 28 months to revive 179 rejected SOD cases by the department resulted in blockage of revenue of Rs.8.03 crore.

[Paragraph 2.02.09]

- (ii) Allowances of excess deduction of Rs.21.52 crore in 69 cases of 61 dealers in 24 charge offices resulted in subsequent short levy of tax of Rs.2.48 crore.

[Paragraph 2.04(a)]

- (iii) Incorrect levy of tax at concessional rate in 14 charge offices of 29 dealers resulted in short levy of tax, surcharge and additional surcharge of Rs.2.18 crore.

[Paragraph 2.06]

- (iv) Non-imposition of minimum penalty on the concealed sales/purchases in the case of 37 dealers in Kolkata led to short levy of penalty of Rs.4.87 crore.

[Paragraph 2.07]

3. Land Revenue

- (i) Failure of the department to settle 344.38 acres of land on long-term lease or to evict the unauthorised occupiers resulted in non-realisation of revenue of Rs.1.45 crore.

[Paragraph 3.03]

- (ii) Advance possession of 23.545 acres of land was given to 7 organisations without entering into any lease agreement resulting in non-realisation of rent of Rs.1.30 crore and salami of Rs.1.15 crore.

[Paragraph 3.04]

- (iii) Non/short inclusion of establishment charges and contingent charges in the compensation award in 17 cases resulted in non/short levy of incidental charges of Rs.3.17 crore.

[Paragraph 3.10]

4. State Excise

25,41,564 quart bottles of beer were stored in a private warehouse in Nadia district by a licensee for export without payment of privilege fee resulting in evasion of revenue of Rs.15.25 lakh.

[Paragraph 4.02]

5. Motor Vehicles Tax

- (i) A review on “Assessment, levy and collection of fees and fines on motor vehicles including those on National Permits” revealed the following :

Failure of the enforcement wing in 14 regional offices to detect illegal plying of 11,425 goods carriages on road without certificate of fitness resulted in loss of revenue of Rs.3.44 crore.

[Paragraph 5.02.05]

Failure to levy fine on 2100 vehicles presented to the registering authorities for registration in 8 regional offices with lapsed Trade Certificate resulted in non-realisation of revenue of Rs.45.92 lakh.

[Paragraph 5.02.08]

Defective system of maintenance of records and absence of monitoring of bank drafts led to short account of Rs.1.03 crore, remittances

untraced for Rs.63.61 lakh, blockage of revenue due to non-remittance of Rs.98.12 lakh and less acknowledgement of remittance of Rs.21.41 lakh.

[Paragraph 5.02.14(a), (b), (c) & (d)]

Failure of the State Transport Authority (STA), West Bengal to deposit 36,016 lapsed bank drafts within stipulated period led to loss of interest of Rs.42.08 lakh.

[Paragraph 5.02.15]

- (ii) Additional tax and penalty were not realised in respect of 113 contract carriages in 10 Regional Transport Offices resulted in non-realisation of revenue of Rs.72.11 lakh.

[Paragraph 5.03]

6. Professions Tax

Failure to raise demand by 18 Range/Unit offices for payment of arrear tax against 876 persons enrolled between 1995-1996 and 1998-1999 resulted in non-realisation of professions tax of Rs.28.70 lakh.

[Paragraph 6.03]

7. Electricity Duty

Lack of initiation to get the data for assessment of electricity duty or to assess the duty to the best of judgement in respect of 4 consumers of Damodar Valley Corporation for different consumption periods between August 1999 and March 2001 resulted in non-assessment and non-realisation of electricity duty of Rs.3.16 crore.

[Paragraph 7.02]

8. Other Tax Receipts

1154 and 526 deeds were lying pending in 23 registration offices and 9 collectors' offices respectively for a long period ranging between 1 and 5 years due to non-realisation of deficit stamp duty and registration fees or non-determination of fresh market value of the instruments resulting in blockage of revenue of Rs.4.10 crore.

[Paragraph 8.02(a) & 8.02(b)]

9. Forest Receipts

- (i) Failure on the part of the Divisional Forest Officer, Kurseong Division to adopt cash and carry system resulted in non-realisation of revenue of Rs.1.37 crore.

[Paragraph 9.02]

- (ii) Incorrect deduction of service charges at the rate of 10 per cent without rendering any service by West Bengal Forest Development Corporation for harvesting operations in 3 Divisional Forest Offices resulted in short realisation of revenue of Rs.72.80 lakh.

[Paragraph 9.03]

10. Mines and Minerals

- (i) Revenue amounting to Rs.36.65 lakh on account of price of minor minerals extracted unauthorisedly in 278 cases in 6 districts was not realised/realised short between 1995-1996 and 2000-2001.

[Paragraph 10.02(a)]

- (ii) Cess of Rs.30.97 lakh on extraction and despatch of brickearth and stone was not assessed/assessed short and subsequently not realised/realised short from 1859 permit holders in 7 districts.

[Paragraph 10.03]

11. Other Non-Tax Receipts

- (i) Failure of the department to allot 275 Government flats in Kolkata from September 1997 to March 2001, although 1042 applicants awaiting allotment resulted in loss of revenue of Rs.54.01 lakh.

[Paragraph 11.03]

- (ii) Non-assessment of water rate in respect of 5,63,894.60 acres of land in 3 revenue divisions irrigated during kharif, rabi and boro seasons resulted in non-realisation of revenue of Rs.1.81 crore.

[Paragraph 11.05]

- (iii) Due to non-implementation of enhanced rate of toll tax from vehicles plying through three bridges in three districts resulted in loss of revenue of Rs.96.40 lakh.

[Paragraph 11.07]