

## Table of Contents

	Paragraph	Page
Preface		vi
Overview		vii-xii
<b>Chapter – I: General</b>		
Trend of revenue receipts	1.1	1
Response of the Departments/Government towards audit	1.2	3
Outstanding IRs and audit observations	1.2.1	4
Departmental audit committee meetings	1.2.2	5
Non-production of records to Audit for scrutiny	1.2.3	5
Response of the Departments to draft audit paragraphs	1.2.4	6
Follow up on Audit Reports - summarised position	1.2.5	6
Compliance with the earlier Audit Reports	1.2.6	7
Analysis of the mechanism for dealing with the issues raised by audit	1.3	7
Position of Inspection Reports	1.3.1	7
Assurance given by the Department/Government on the issues highlighted in the Audit Report	1.3.2	8
Recovery of accepted cases	1.3.2.1	8
Action taken on the recommendations accepted by the Departments/Government	1.3.2.2	9
Audit planning	1.4	10
Results of audit	1.5	10
Position of local audit conducted during the year	1.5.1	10
This Report	1.5.2	10
<b>Chapter – II: Commercial tax</b>		
Tax administration	2.1	11
Analysis of budget preparation	2.2	11
Trend of Revenue Receipts	2.3	11

Analysis of arrears of revenue	2.4	12
Assessee Profile	2.5	12
Cost of VAT per assessee	2.6	13
Arrears in assessment	2.7	13
Cost of collection	2.8	14
Analysis of collection	2.9	14
Impact of Audit	2.10	15
Results of audit	2.11	16
<b>Cross verification of declaration form on interstate trade (A Performance Audit)</b>	2.12	17
Audit observations on Assessments>Returns	2.13	40
Non-observance of the provisions of the Acts/Rules	2.14	40
Incorrect exemption on taxable goods	2.15	40
Incorrect deduction from taxable turnover	2.16	41
Non-levy of penalty	2.17	41
Application of incorrect rate of tax	2.18	42
Irregular exemption of entry tax	2.19	43
Non-levy of entry tax	2.20	43
Non-levy of entry tax on declaration sale	2.21	44
Incorrect allowance of input tax rebate	2.22	44
Incorrect exemption on sale of taxable goods	2.23	45
<b>Chapter – III: Stamp Duty and Registration Fee</b>		
Tax administration	3.1	47
Analysis of budget preparation	3.2	47
Trend of Revenue Receipts	3.3	47
Analysis of arrears of revenue	3.4	48
Cost of collection	3.5	48
Impact of Audit	3.6	48
Internal Audit	3.7	49

Results of audit	3.8	50
Audit observations	3.9	51
Short levy of stamp duty and registration fee due to undervaluation	3.10	51
Misclassification of instruments	3.11	53
Incorrect determination of stamp duty and registration fee	3.12	53
Short levy of stamp duty	3.13	54
<b>Chapter – IV: State Excise</b>		
Tax administration	4.1	55
Analysis of budget preparation	4.2	55
Trend of Revenue Receipts	4.3	55
Analysis of arrears of revenue	4.4	56
Cost of collection	4.5	56
Impact of Audit	4.6	57
Internal audit	4.7	58
Results of audit	4.8	58
Audit observations	4.9	59
Non-levy of penalty due to non-maintenance of minimum stock of country liquor	4.10	59
Wastage in transportation of bottled country liquor	4.11	60
Application of incorrect rate of licence fee	4.12	60
<b>Chapter – V: Land Revenue</b>		
Introduction	5.1	63
Organisational set up	5.2	63
Analysis of budget preparation	5.3	63
Trend of Revenue Receipts	5.4	64
Analysis of arrears of revenue	5.5	64
Position of Inspection Reports	5.6	65
Position of Audit Reports	5.7	65

Result of Audit	5.7.1	66
<b>Levy and collection of Land Revenue – A Performance Audit</b>	5.8	67
<b>Chapter – VI: Taxes on vehicles</b>		
Tax administration	6.1	81
Analysis of budget preparation	6.2	81
Trend of Revenue Receipts	6.3	81
Analysis of arrears of revenue	6.4	82
Cost of collection	6.5	82
Impact of Audit	6.6	83
Internal Audit	6.7	84
Results of audit	6.8	84
<b>Computerisation in Transport Department - A Performance Audit</b>	6.9	85
Audit observations	6.10	99
Non-realisation of tax from owners of goods and passenger vehicles	6.11	99
Short levy of composition fee	6.12	100
<b>Chapter – VII: Electricity Duty</b>		
Tax administration	7.1	101
Analysis of budget preparation	7.2	101
Trend of Revenue Receipts	7.3	101
Analysis of arrears of revenue	7.4	102
Impact of audit	7.5	102
Internal Audit	7.6	103
Results of audit	7.7	103
Non-realisation of cess and interest on single point connection	7.8	104
<b>Chapter – VIII: Forest and other non tax receipts</b>		
Tax administration	8.1	105

Analysis of budget preparation	8.2	105
Trend of Revenue Receipts	8.3	106
Analysis of arrears of revenue	8.4	106
Impact of audit	8.5	107
Internal Audit	8.6	107
Results of audit	8.7	108
Audit observations	8.8	108
Non-levy of transit fee	8.9	108
Shortage of forest produce in Depots	8.10	109
Short realisation of Net Present Value of diverted forest areas	8.11	110
Short recovery of royalty	8.12	110