

OVERVIEW

This Report contains 35 paragraphs including two reviews relating to non/short levy of taxes, duties, royalty, fees, interest and penalty etc., involving ₹ 1,420.98 crore. Some of the major findings are mentioned below:

1. General

- ❖ The total receipts of the Government for the year 2009-10 were ₹ 10,346.36 crore. The revenue raised by the State Government during the year was ₹ 4,358.18 crore comprising tax revenue of ₹ 2,574.52 crore and non-tax revenue of ₹ 1,783.66 crore. The State Government also received ₹ 861.63 crore as State's share of divisible Union taxes and ₹ 5,126.55 crore as grants-in-aid from the Government of India.
(Paragraph 1.1)
- ❖ Test check of the records of sales tax, state excise, taxes on vehicles, goods and passengers, forest receipts and other tax and non-tax receipts conducted during the year 2009-10, revealed under assessments/short levy/loss of revenue aggregating ₹ 1,520.93 crore in 1,198 cases. During the course of the year 2009-10, the concerned departments accepted underassessments etc., of ₹ 63.68 crore in 298 cases.
(Paragraph 1.5.1)

2. Taxes on Sales, Trade/VAT etc.

- ❖ Acceptance of defective/incomplete statutory forms by the assessing authorities and allowing exemption/concessional rate of tax in the case of 34 dealers resulted in non/short levy of tax of ₹ 27.54 crore in six districts.
(Paragraph 2.8)
- ❖ Allowing of deduction of ₹ 15.34 crore from the gross turnover of 19 contractors by the assessing authorities on account of material supplied by the departments to them for the execution of departmental works resulted in underassessment of tax of ₹ 2.54 crore in seven districts.
(Paragraph 2.9.1)
- ❖ Excess allowance of input tax credit to four dealers on the entire branch transfer of ₹ 169.36 crore instead of on proportionate basis resulted in loss of revenue of ₹ 2.08 crore.
(Paragraph 2.9.2)

3. State Excise

- ❖ Low yield of spirit from molasses in a distillery of Una district resulted in short collection of excise duty of ₹ 1.36 crore.
(Paragraph 3.7.1)

4. Taxes on Vehicles, Goods and Passengers

A review of “Levy and collection of Motor Vehicle tax” revealed as under:

- ❖ Insufficient application controls in the ‘Vahan’ application had led to inconsistent and incomplete database maintained by the registering authorities.
(Paragraph 4.6.8.1 to 4.6.8.3)
- ❖ Position of arrears of token tax pending collection as on 31 March 2009 was not available with the Department. Token tax of ₹ 4.82 crore in respect of 7,739 vehicles was found uncollected in 17 test checked registering authorities.
(Paragraph 4.6.8.3)
- ❖ Application of incorrect rate of composite fee in all the 89,805 vehicles entering the state without valid National Permit resulted in short realisation of ₹ 22.45 crore during the period April 2004 to May 2009.
(Paragraph 4.6.10.1)
- ❖ Due to not raising of the monthly demand by the RTOs, the Transport Department was not aware of the Special Road Tax of ₹ 26.83 crore recoverable from the HRTC.
(Paragraph 4.6.15.1)
- ❖ Non-payment of Special Road Tax by 190 private stage carriages (PSCs) owners out of 2,297 PSCs owners during the period 2004-05 to 2008-09 resulted in accumulation of arrears of ₹ 1.75 crore.
(Paragraph 4.6.15.2)

5. Forest Receipts

- ❖ Non/short charging of costs of 23,902/6,605 trees/saplings of different species falling in the alignment area of projects/transmission lines etc. resulted in non/short recovery of revenue of ₹ 4.69 crore in 10 forest divisions.
(Paragraph 5.6.1)
- ❖ In one forest division, departmental charges of ₹ 40.52 lakh was not included in the cost of compensatory afforestation scheme in two cases of diversion of forest land for non-forestry purpose. In 12 forest divisions, ₹ 73.35 lakh realised on account of departmental charges in 56 cases of diversion of forest land for non-forestry purpose was deposited in CAMPA account instead of depositing it in the revenue head of the department resulting in understatement of revenue to that extent.
(Paragraph 5.6.2)
- ❖ In 10 forest divisions, royalty of ₹ 7.40 crore in respect of 107 lots handed over for exploitation were paid late by the Himachal Pradesh State Forest Corporation, on which interest of ₹ 87.12 lakh was not levied by the department.
(Paragraph 5.6.3)

6. Other Tax and Non-Tax Receipts

A Review of “Receipts from Power Sector Projects” revealed as under:

- ❖ Return on equity amounting to ₹ 170.42 crore for the years 2005-06 and 2007-08 to 2009-10 due from five Hydro-electric Projects owned by Himachal Pradesh State Electricity Board (HPSEB) was not claimed by the Government.
(Paragraph 6.3.8)
- ❖ Upfront premium/charges of ₹ 707.69 crore realised during 2007-08 to 2009-10 was not treated as receipt of the department and irregularly deposited in the reserve fund.
(Paragraph 6.3.9)
- ❖ Non-claiming of the upfront premium/charges on the six hydro electric projects allotted to Satluj Jal Vidyut Nigam Ltd. (SJVNL) and Himachal Pradesh Power Corporation (HPPC) during January 2007 and October 2008 deprived the State exchequer of revenue of ₹. 196.53 crore.
(Paragraph 6.3.10)
- ❖ Non-invoking of provisions of the power policy in supplementary implementation agreements (IAs) executed with independent power producers (IPPs) in respect of two hydro electric projects resulted in loss of revenue of ₹ 114 crore.
(Paragraph 6.3.11)
- ❖ Lack of monitoring and internal control resulted in inadmissible rebate to Power Trading Corporation of India (PTC) and non-realisation of surcharge from the PTC resulting in loss of ₹ 8.79 crore.
(Paragraph 6.3.13)
- ❖ Non-transfer of power to the PTC from four hydro electric projects during February 2006 to March 2007 resulted in loss of revenue of ₹ 13.92 crore to the State Government.
(Paragraph 6.3.17)
- ❖ In 25 sub registrars, incorrect determination of the market value of property and incorrect preparation of *parta* resulted in short realisation of stamp duty and registration fee of ₹ 1.18 crore in 292 cases.
(Paragraph 6.6)