

## OVERVIEW

**This Report contains 28 paragraphs including three performance audits relating to non/short levy of taxes, royalty, fees, rent, interest and penalty etc., involving revenue implication of ₹ 236.60 crore in respect of various tax and non-tax receipts. Some of the major findings are mentioned below:**

### I. GENERAL

- The total receipts of the State for the year 2010-11 were ₹ 23,004.94 crore against ₹ 19,884.50 crore in the previous year. Of this, 36 *per cent* was raised by the Government through tax revenue (₹ 5,929.84 crore) and non-tax revenue (₹ 2,373.33 crore). The balance 64 *per cent* was received from the Government of India in the form of State's share of net proceeds of divisible Union taxes (₹ 7,968.62 crore) and grants-in-aid (₹ 6,733.15 crore).

**(Paragraph 1.1)**

- During the year 2010-11, only one Audit Committee meeting in respect of Transport Department was held in which 213 paragraphs involving ₹ 3.31 crore, were settled.

**(Paragraph 1.2.2)**

- Test check of records of 205 units of sales/value added tax, motor vehicles, state excise, forest, other tax and non-tax receipts conducted during the year 2010-11 revealed under assessment/short levy/short demand leading to loss of revenue amounting to ₹ 1,107.73 crore in 587 cases. During the course of the year 2010-11, the concerned departments accepted under assessments etc. of ₹ 25.07 crore in 250 cases.

**(Paragraph 1.5.1)**

### II. TAXES ON SALES, TRADE ETC.

A performance audit on **“Working of Sales Tax Check Posts in Assam”** revealed the following:

Though the total tax revenue of the Department showed an increasing trend during 2005-06 to 2009-10, the revenue collected at the check posts and its share in total tax revenue showed a decreasing trend, except in 2009-10.

**(Paragraph 2.11.6)**

Our verification of records of the exit check post of West Bengal revealed that more than 32 *per cent* of the vehicles entering the State with taxable goods for dealers of Assam were not found entered in the entry check post at Boxirhat.

**(Paragraph 2.11.7.4)**

Due to lack of coordination between the check posts of Taxation Department and Transport Department, there were discrepancies in total number of vehicles at Boxirhat and Damra check posts.

**(Paragraph 2.11.8)**

Due to absence of a system to monitor the status of surrender of the transit passes at the exit check posts, vehicles carrying goods meant for other States could not be watched. In 268 cases i.e. 15 *per cent* of the sample test checked, we noticed that the vehicles did not cross the exit check posts and delivered the goods within the State leading to loss of revenue of ₹ 13 crore.

**(Paragraph 2.11.9)**

Despite availability of information relating to check posts at the unit offices, the assessing officers could not detect concealment of turnover by the dealers resulting in non-realisation of tax of ₹ 20.74 crore including interest and penalty.

**(Paragraph 2.11.15)**

A performance audit on “**Utilisation of declaration forms in course of inter-state trade and commerce**” revealed the following:

Incorrect grant of concession/exemption against C/F forms issued in the name of other dealers resulted in non/short levy of tax and interest of ₹ 1.55 crore.

**(Paragraph 2.12.9.1)**

Evasion of tax by fraudulent utilisation of fake/obsolete forms resulted in short levy of tax and interest of ₹ 6.43 lakh.

**(Paragraph 2.12.9.2)**

Variation between the figures of the forms as disclosed by the issuing dealers and those disclosed by the utilising dealers resulted in short levy of tax and interest of ₹ 50.21 lakh.

**(Paragraph 2.12.9.3)**

Irregular allowance of concessional rate of tax against inter-state sale to un-registered dealers resulted in short levy of tax of ₹ 74.23 lakh.

**(Paragraph 2.12.9.4)**

### **Other audit observations**

Incorrect grant of exemption on export resulted in short/non-levy of tax of ₹ 68.10 lakh including interest.

**(Paragraph 2.14)**

Incorrect assessment of works contract resulted in short levy of tax of ₹ 71.14 lakh.

**(Paragraph 2.15)**

Irregular and excess allowance of exemption to industrial units resulted in non-levy of tax of ₹ 93.90 lakh including interest.

**(Paragraph 2.16)**

Incorrect grant of the benefit of concessional rate of tax on sale of goods against Form 'B' resulted in short levy of tax of ₹ 93.34 lakh including interest.

**(Paragraph 2.18)**

### **III. STATE EXCISE DUTY**

Excise duty of ₹ 1.45 crore recoverable from two spirit contractors for non/short lifting of country spirit was neither levied nor realised.

**(Paragraph 3.10)**

Establishment charges of ₹ 35.58 lakh towards the cost of deployment of excise officials in 17 distilleries/bonded warehouses were not realised.

**(Paragraph 3.11)**

Licensees of distilleries, wholesale bonded warehouses, foreign liquor "Off" and "On" shops and bars were allowed to function without realisation of licence fee of ₹ 20.70 lakh.

**(Paragraph 3.12)**

### **IV. MOTOR VEHICLE TAXES**

A performance audit on "**Computerisation in the Transport Department**" revealed the following:

- Lack of a well defined IT strategy/policy affected the mechanism of measuring and monitoring the progress of computerisation project, besides, hampering the implementation of revised rates.

**(Paragraph 4.8.7.2)**

- Pending backlog data entry and capture of invalidated data in the system rendered State Register and National Register incomplete.

**(Paragraph 4.8.7.3)**

- Non-mapping of and blank values in columns related to tax rates in the software led to short realisation of revenue of ₹ 4.84 crore.

(Paragraph 4.8.10.5)

- Non-development of technical expertise within the department led to over reliance on NIC for system maintenance, administration and back-up.

(Paragraph 4.8.14)

- Non-review of the ‘combined registers’ and non-issue of demands by the DTOs resulted in non-realisation of road tax of ₹ 46.75 lakh. Besides, fine at prescribed rate was also leviable.

(Paragraph 4.10)

## V. OTHER TAX RECEIPTS

### Land Revenue Department

Instead of depositing the entire receipts into the Government account except the retainable amount of ₹ 10,000, 13 *Mouzadars* collected revenue of ₹ 2.85 crore, and retained ₹ 1.03 crore therefrom unauthorisedly. Interest of ₹ 47.84 lakh leviable on the defaulting *Mouzadars* was not levied.

(Paragraph 5.3)

## VI. FOREST RECEIPTS

Issue of permits at pre-revised/lower rates led to short realisation of ₹ 1.06 crore.

(Paragraph 6.6)

Irregular reduction of *mahal* materials and amount payable after settlement of *mahal* led to loss of revenue of ₹ 91.39 lakh.

(Paragraph 6.7)