
OVERVIEW

The Part A of the Report contains one Performance Audit and 16 paragraphs involving underassessment/short payment/loss of revenue etc. of ₹ 2363.11 crore. Some of the major findings are mentioned below:

I. General

The total revenue receipts of the State Government during the year 2011-12 were ₹ 22393.18 crore. Revenue of ₹ 20432.54 crore raised by the State Government comprises of tax revenue of ₹ 19971.67 crore and non-tax revenue of ₹ 460.87 crore and receipts from the Government of India were ₹ 1960.64 crore. The increase in tax revenue was 21.20 *per cent* over the previous year and the decrease in non-tax revenue was 88.99 *per cent* over the previous year.

(Paragraph 1.1)

Test check of the records of the Departments of Trade and Taxes, State Excise and Entertainment, Transport and Revenue, etc. conducted during the year 2011-12 revealed underassessment/short levy/loss of revenue aggregating to ₹ 2706.11 crore in 1655 cases. During the year 2011-12, the Departments concerned accepted underassessment and other deficiencies of ₹ 19.14 crore in 1028 cases which have been pointed out by audit. Of these, the Departments recovered ₹ 1.23 crore in 187 cases during the year 2011-12.

(Paragraph 1.11)

II. Sales Tax/Value Added Tax

Irregular claim of exemption/concessional rate of tax without furnishing proper statutory forms resulted in short payment of tax of ₹ 2310.14 crore including interest of ₹ 404.30 crore.

(Paragraph 2.13)

Application of incorrect rate of tax resulted in short payment of tax of ₹ 1.69 crore including interest of ₹ 21.44 lakh and penalty of ₹ 74.67 lakh.

(Paragraph 2.14)

Irregular allowance of deduction on account of tax deducted at source without furnishing original copy of form DVAT-43 resulted in non-realisation of revenue of ₹ 3.50 crore including interest of ₹ 94.48 lakh.

(Paragraph 2.15)

Excess claim of input tax credit resulted in short payment of tax of ₹ 8.08 crore including interest of ₹ 1.27 crore and penalty of ₹ 3.40 crore.

(Paragraph 2.16)

Irregular deduction allowed on account of labour and services resulted in short payment of tax of ₹ 76.93 lakh including interest of ₹ 18.38 lakh.

(Paragraph 2.17)

Irregular adjustment to tax credit on account of purchase of second hand goods resulted in short payment of tax of ₹ 1.19 crore including interest of ₹ 19.59 lakh and penalty of ₹ 49.56 lakh.

(Paragraph 2.18)

Non-reversal of input tax credit in respect of goods transferred on F form resulted in non-realisation of revenue of ₹ 74.45 lakh including interest of ₹ 9.72 lakh and penalty of ₹ 33.76 lakh.

(Paragraph 2.20)

III. State Excise, Entertainment and Luxury Tax

Failure of the Department to maintain the complete record of the returns and challans submitted by the assesseees in support of payment of tax resulted in non-verification of correctness of the tax paid by assesseees.

(Paragraph 3.6.8)

Failure of the Department to collect tax and interest on belated payment of tax from cable operators amounting to ₹ 100 lakh besides interest of ₹ 11.00 lakh on late payment of tax.

(Paragraph 3.6.9.1)

Failure of the Department to recover the interest of ₹ 4.89 crore from DTH service providers on delayed deposit of tax.

(Paragraph 3.6.9.2)

Failure of the Department to pursue the arrears of entertainment tax of ₹ 1.26 crore from 12 cinema hall owners and luxury tax amounting to ₹ 9.76 crore from the hoteliers.

(Paragraphs 3.6.9.3 & 3.6.9.7)

64 appeals were filed against the assessments made by Luxury Tax Officers involving ₹ 4.64 crore between the periods 2007-08 and 2011-12 but appellate authority could decide only three cases. Moreover, the luxury tax is yet to be deposited by the hoteliers.

(Paragraph 3.6.9.8)

Short levy of luxury tax of ₹ 5.99 crore in six hotels due to non inclusion of hire charges/rent for banquet/conference halls received by the hoteliers as receipt of the hotels for the purpose of levy of luxury tax.

(Paragraph 3.6.9.9)

IV. Stamp duty and registration fee

Short levy of stamp duty and Registration fee on built up area of car parking/stilt parking resulted in short payment of stamp duty of ₹ 12.76 lakh.

(Paragraph 4.7)

Non implementation of the prescribed rates for buildings having more than four storey, resulted in short payment of stamp duty of ₹ 1.08 crore.

(Paragraph 4.8)

V. Motor Vehicle Tax

Non-observance of provisions of Acts/Rules resulted in non-transfer of revenue amounting to ₹ 8.93 crore to Government Accounts.

(Paragraph 5.7)