

**Annexure-I**  
**(Refer Paragraph No. 1.8.5)**

Position of paragraphs which appeared in the Audit Reports and those pending discussion/replies not received as on 30 September 2012.

<b>Name of tax</b>		<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>Total</b>
Taxes on Sales, Trade etc.	Paras appeared in the AR/pending discussion in the PAC	8	9	13	12	12	<b>54</b>
	Paras replies not received	0	0	0	0	12	<b>12</b>
Taxes on Motor Vehicles	Paras appeared in the AR/pending discussion in the PAC	1	8	2	2	3	<b>16</b>
	Paras replies not received	0	3	0	0	3	<b>6</b>
Stamp duty and Registration fee	Paras appeared in the AR/pending discussion in the PAC	3	5	5	1	6	<b>20</b>
	Paras replies not received	0	5	5	1	6	<b>17</b>
State Excise	Paras appeared in the AR/pending discussion in the PAC	2	2	4	2	1	<b>11</b>
	Paras replies not received	0	0	0	0	1	<b>1</b>
Others	Paras appeared in the AR/pending discussion in the PAC	2	7	4	4	1	<b>18</b>
	Paras replies not received	1	1	0	1	1	<b>4</b>
<b>Total</b>	<b>Paras appeared in the AR/pending discussion in the PAC</b>	<b>16</b>	<b>31</b>	<b>28</b>	<b>21</b>	<b>23</b>	<b>119</b>
	<b>ATNs to Paras included in AR not received</b>	<b>1</b>	<b>9</b>	<b>5</b>	<b>2</b>	<b>23</b>	<b>40</b>

**Annexure-II**  
**(Refer Paragraph No. 1.8.5)**

Details of outstanding recommendations of Public Accounts Committee on which the Government is yet to take final decision.

<b>Sr. No.</b>	<b>PAC Report No.</b>	<b>Total number of outstanding recommendations</b>	<b>Period of Audit Report</b>
1.	19	1	1977-78
2.	22	5	1978-79
3.	23	5	1979-80
4.	25	4	1980-81
5.	26	3	1981-82
6.	28	2	1982-83
7.	29	8	1983-84
8.	32	5	1984-85
9.	34	12	1985-86
10.	36	7	1986-87
11.	38	13	1987-88
12.	40	25	1988-89
13.	42	31	1989-90, 1990-91, 1991-92
14.	44	41	1990-91, 1991-92, 1992-93
15.	46	9	1993-94
16.	48	10	1993-94, 1994-95
17.	50	41	1993-94, 1994-95, 1995-96
18.	52	31	1996-97
19.	54	43	1997-98
20.	58	64	1999-2000
21.	60	38	2000-01
22.	62	46	2001-02
23.	63	54	2002-03
24.	64	57	2003-04
25.	65	51	2004-05
26.	67	52	2005-06
<b>Total</b>		<b>658</b>	

**Annexure-III**  
**(Refer Paragraph No. 1.9.1)**

Details of outstanding Inspection Reports as on 30 June 2012.

Year	Number of outstanding IRs	Para	Amount ( ` in crore)
Upto 2001-02	74	115	31.43
2002-03	16	40	2.36
2003-04	18	43	3.81
2004-05	23	82	4.26
2005-06	22	117	215.94
<b>Total</b>	<b>153</b>	<b>397</b>	<b>257.80</b>
2006-07	26	142	29.69
2007-08	31	217	55.19
2008-09	31	206	133.04
2009-10	32	293	263.70
2010-11	1	16	1.01
<b>Grand Total</b>	<b>274</b>	<b>1,271</b>	<b>740.43</b>

**Annexure-IV**

**(Refer Paragraph No. 1.9.2.2)**

Details of reviews and recommendations included in the Audit Reports for the years 2002-03 to 2010-11.

<b>Year of Audit Report</b>	<b>Name of the Review</b>	<b>Details of recommendations made</b>
2002-03	Pendency of appeals at various levels and its impact on revenue collection	To improve the effectiveness of the system; the Government may consider: <ul style="list-style-type: none"> <li>➤ The norms for disposal of appeal cases were not achieved. Remedial measures are required to clear the accumulated arrears;</li> <li>➤ The monitoring of receipts and disposal of appeals and remand cases at apex level needed to be strengthened so that procedure/system prescribed under the rules is strictly adhered to;</li> <li>➤ The State Government should prescribe time limit for communication of orders passed by the appellate authority to enable timely finalization by Assessing Authorities ; and</li> <li>➤ The State Government should develop a strong internal control system to ensure compliance with instructions issued by the Government/Department.</li> </ul>
2003-04	Delay in assessments and their impact on revenue and collection of sales tax demands	To improve the effectiveness of the system the State Government may consider: <ul style="list-style-type: none"> <li>➤ Inserting the provisions in the Act/Rules for time bound assessment of cases;</li> <li>➤ Prescribing time limit for communication of orders passed by the AAs and demand notices to enable timely realization of Government dues; and</li> <li>➤ Developing a strong internal control system to ensure compliance with instructions issued by the Government/Department</li> </ul>
2004-05	Delay in disposal of remand and revision cases	For speedy settlement of cases and to improve the effectiveness of the system, the State Government may consider: <ul style="list-style-type: none"> <li>➤ Maintaining the records like appeal register of remand cases essential for monitoring the remand cases at Joint Excise and Taxation Commissioner (Appeals) {JETC (Appeals), DETC, AA –wise as per the provision of the Act.</li> <li>➤ Prescribing time limit for finalization of remand cases as well as for communication of orders passed by the appellate authority to the AA.</li> </ul>
2005-06	Evasion in sales tax	With a view to curb the incidence of evasion, the State Government may consider; <ul style="list-style-type: none"> <li>➤ Ensuring adequate and regular survey every year to bring unregistered dealers into tax net,</li> <li>➤ Ensuring cross verification of transactions</li> </ul>

Year of Audit Report	Name of the Review	Details of recommendations made
		<p>against declaration forms with other circles/ States before finalising assessment;</p> <ul style="list-style-type: none"> <li>➤ Ensuring before allowing exemptions/ concessional rate of tax the transactions are supported by prescribed statutory declaration forms properly filled in and with evidence; and</li> <li>➤ Developing internal control system to monitor proper functioning of the field office of department to plug leakage of revenue.</li> </ul>
2006-07	Levy and collection of sales tax	<p>For proper and effective assessments and collection of sales tax, the State Government may consider:</p> <ul style="list-style-type: none"> <li>➤ Fixing norms for monthly disposal of sales tax assessment cases as HGST Act has been repealed since April 2003;and</li> <li>➤ Brining about amendments in the Act/Rules to fix time limit for initiation of recovery proceedings.</li> </ul>
2007-08	Exemptions and concessions under Sales Tax/VAT Act	<p>The State Government may consider:</p> <ul style="list-style-type: none"> <li>➤ Inserting similar provisions regarding tax deposited in the declaration form VAT C-4 as contained in declaration form ST-14 and authentication/issuance of these forms by the department to ensure genuineness and correctness of tax deposited by the selling dealers while allowing input tax credit (ITC)</li> <li>➤ Ensuring cross verification of transactions against declaration forms with other circles/ State before finalising the assessments and also prescribing reporting to the superior authorities of the results of such cross verifications;</li> <li>➤ Prescribing submission of list of sales along with evidence/ proof of sales of PVC pipes and related goods for claiming exemption/tax free sales; and</li> <li>➤ Setting up an internal audit wing in the Sales Tax Department to ensure timely detection and correction of errors in assessment, levy and collection of sales tax revenue and refund cases.</li> </ul>
2008-09	Recovery of sales tax/VAT in arrears	<p>For proper and effective collection of arrears of sales tax/VAT, the State Government may consider:</p> <ul style="list-style-type: none"> <li>➤ Strengthening internal audit wing to ensure timely detection and correction of arrears in assessment, levy and collection of sales tax/VAT revenue;</li> <li>➤ Evolving a suitable mechanism for the collection of dues by closely monitoring their initiation and completion of recovery proceedings;</li> <li>➤ Prescribing a time limit for (i) initiating recovery proceedings for attachment and disposal of attached property (ii) the issue of revenue</li> </ul>

Year of Audit Report	Name of the Review	Details of recommendations made
		<p>recovery certificate and adherence to such time limit should be closely monitored to avoid pendency of revenue collection;</p> <ul style="list-style-type: none"> <li>➤ Evolving a suitable mechanism to ensure proper co-ordination between the departmental officers with in the State to facilitate early realization of the arrears locked up under revenue recovery proceeding; and</li> <li>➤ Fixing target for the collection of arrears and closely monitoring the performance of both the AAs and the Collectors against such target.</li> </ul>
2010-11	Exemption / deferment and concessions of sales Tax to Industrial Unit	<p>In order to plug loopholes and enforce control over working of Excise and Taxation Department and Industries Department for proper evaluation and implementation of the scheme, Government may consider:-</p> <ul style="list-style-type: none"> <li>➤ Maintaining a centralized database of incentives sanctioned and availed to help the State Government in formulating a new tax concession scheme in future;</li> <li>➤ Putting a system in place for effective co-ordination between the implementing agencies and the Excise and Taxation Department for monitoring recoveries due and for taking prompt action on units closing business;</li> <li>➤ Setting up a system to watch the proper functioning of units availing benefits of tax concession; and</li> <li>➤ Instituting an effective system in the implementing agencies for initiating action for prompt recovery of the taxes and other dues.</li> </ul>
	Cross Verification of declaration forms used in Inter State Trade	<p>It is recommended that the Government may consider the following steps:</p> <ul style="list-style-type: none"> <li>➤ Putting in place an effective internal control mechanism to avoid extension of irregular exemption on account of deficient/incomplete forms at the time of completion of assessment;</li> <li>➤ Instituting system for cross verification of transactions relating to branch transfers within the stipulated time frame;</li> <li>➤ There should be time limit for utilization of declaration forms;</li> <li>➤ Proper checks should be prescribed and exercised to call for utilization certificates of declaration forms from the dealers while submitting their tax returns; and</li> <li>➤ To devise a system for uploading of details of declaration forms used on TINXSYS for verification of sale/ purchase transactions.</li> </ul>

**Annexure-V**  
**(Refer Paragraph No. 1.10)**

Audit plan for the year 2011-12.

Sr. No.	Nature of receipts	Total no. of auditable units	A-Annual B-Biannual T-Triennial Q-Quadrille				No. of units planned during the year 2010-11				Total unit planned during the 2010-11
			A	B	T	Q	A	B	T	Q	
1.	0039-State Excise	39	21	18	-	-	21	8	-	-	29
2.	0030- Stamp duty and Registration fee	119	59	60	-	-	59	31	-	-	90
3.	0041-Taxes on vehicles	75	21	54	-	-	21	25	-	-	46
4.	0042-Passengers and Goods tax	23	23	-	-	-	23	-	-	-	23
5.	0853-Mines and minerals	16	8	8	-	-	8	4	-	-	12
6.	040-Sales Tax	61	33	-	-	28	33	-	-	7	40
7.	0043-Electricity duty	4	1	-	-	3	1	-	-	1	2
8.	0045-Entertainment	23	-	-	-	23	-	-	-	5	5
9.	0029- Land Revenue	119	-	-	-	119	-	-	-	29	29
10.	0039-Pharmacy	18	-	-	-	18	-	-	-	4	4
	<b>Total</b>	<b>497</b>	<b>166</b>	<b>140</b>	<b>-</b>	<b>191</b>	<b>166</b>	<b>68</b>	<b>-</b>	<b>46</b>	<b>280</b>