

EXECUTIVE SUMMARY

This Report contains one performance audit and 19 paragraphs relating to non/short levy of taxes, duties etc., involving ₹ 574.95 crore.

1. General

Chapter I is based on the audit of Finance Accounts and State Budget for the year ended March 2012. This chapter provides an analytical review of total revenue receipts of the State Government for the year 2011-12.

The total receipts of the State Government for the year 2011-12 were ₹ 26,234.41 crore. Revenue raised by the Government during the year was ₹ 20,239.46 crore, comprising tax revenue of ₹ 18,841.01 crore and non-tax revenue of ₹ 1,398.45 crore. The State Government received ₹ 3,554.31 crore as State's share of divisible Union taxes and ₹ 2,440.64 crore as grants-in-aid from the Government of India.

(Paragraph 1.1.1)

During test check of records of the taxes on sales, trade etc., taxes on vehicles, state excise, stamp duty and registration fees, land revenue, conducted during year 2011-12, revealed under assessments, short/non-levy, loss of revenue amounting to ₹ 855.13 crore in 4,824 cases. During the year the departments accepted audit observations of ₹ 328.80 crore in 2,444 cases and collected ₹ 7.94 crore in 463 cases pertaining to the audit findings during the year and previous years.

(Paragraph 1.11.1)

2. Taxes/VAT on sales, Trade

Performance audit on "Taxation of works contracts under PVAT Act" and other paragraphs revealed the following:

Failure to identify/detect the unregistered contractors by conducting a survey resulted into non-realisation of revenue of ₹ 413.68 crore.

(Paragraph 2.14.12)

Short deduction of tax deducted at source resulted in loss of revenue of ₹ 9.10 crore.

(Paragraph 2.14.13)

Loss of revenue of ₹ 17.02 crore due to short payment of VAT by contractors/real estate developers on the material consumed/sales of flats etc.

(Paragraph 2.14.14)

Short levy/payment of tax of ₹ 4.36 crore due to declaration of lesser rate of tax by work contractors.

{Paragraph 2.14.15 (a)}

Short payment of tax of ₹ 29 crore due to under determination of taxable turn over.

(Paragraph 2.14.16)

Failure to deduct/deposit tax deducted at source within prescribed time frame attracted penalty of ₹ 13.83 crore.

{Paragraph 2.14.18 (a)}

Depicting consumption of material of ₹ 103.52 crore as work in progress to the tune of ₹ 133.34 crore by real estate developers/work contractors resulted in non-payment of tax of ₹ 13.35 crore.

(Paragraph 2.14.19)

Short computation of taxable turnover applying lower rate of tax and mistakes in computation of tax etc. resulted in loss of revenue of ₹ 84.70 lakh.

(Paragraph 2.14.21)

Irregular allowance of input tax credit of ₹ 24.64 lakh on payment of entry tax.

(Paragraph 2.14.28)

Irregular refund of ₹ 5.19 lakh due to non adjustment of outstanding demand.

(Paragraph 2.14.29)

Irregular allowance of input tax credit of ₹ 2.49 crore due to short reversal of input tax credit.

{Paragraph 2.16.1 (viii) (a)}

Incorrect computation of gross purchases resulted in excess claim of input tax credit of ₹ 17.53 lakh.

{Paragraph 2.16.3 (i) (a)}

Non levy of tax of ₹ 2.32 crore on electric units which were not exempted under PVAT Act.

(Paragraph 2.16.4)

Short computation of quantum of exemption of ₹ 2.98 lakh due to calculation of notional tax at incorrect rate.

(Paragraph 2.16.10)

3. State Excise

Short deposit of renewal fee of Distillery licences amounting to ₹ 8.09 lakh due to non-levy of enhanced rates of licence fee.

(Paragraph 3.12.1)

4. Stamp Duty

Thematic audit on “**receipt and accounting of revenue on account of embossment/impressment of instruments**” revealed the following:

Misappropriation of Government revenue of ₹ 2.43 crore on account of lack of cross verification of challans with treasury records.

{Paragraph 4.10.1(i)(a)}

Short levy of embossment fee of ₹ 10.72 lakh due to delay in implementation of enhanced rate.

{Paragraph 4.10.1 (ii)}

Misappropriation of Government dues of ₹ 1.17 lakh on account of deficit stamp duty.

{Paragraph 4.10.2 (a)}

Short levy of stamp duty of ₹ 2.49 crore due to misclassification of properties.

(Paragraph 4.10.3)

Irregular remission of stamp duty and registration fee of ₹ 1.03 crore due to violation of the instructions issued by District Collectors.

(Paragraph 4.10.4)

Non levy of additional stamp duty of ₹ 24.45 lakh in violation of the clarification issued by the Government.

{Paragraph 4.10.5 (i)}

Non levy of stamp duty of ₹ 12.28 lakh due to non consideration of the value of plant and machinery.

(Paragraph 4.10.7)

5. Taxes on Vehicles, Goods and Passengers

Non/short realization of motor vehicle tax of ₹ 1.65 crore in the Transport Department in respect of stage carriage big buses.

(Paragraph 5.11.1)