

## OVERVIEW

This Report contains 18 paragraphs including two Performance Audits on “Delay in disposal of remand and revision cases” and “Receipts from taxes on Motor Vehicles” and other observations relating to non/short levy of taxes, interest, penalty, non/short levy of excise duty, passenger and goods tax, royalty etc., involving tax effect of ₹ 636.10 crore.

### 1. Chapter-I

#### General

The total revenue receipts of the State Government for the year 2012-13 were ₹ 33,633.53 crore as compared to ₹ 30,557.59 crore during the year 2011-12. Out of this, 84 *per cent* was raised through tax revenue (₹ 23,559.00 crore) and non-tax revenue (₹ 4,673.15 crore). The balance 16 *per cent* was received from the Government of India as State's share of divisible Union taxes (₹ 3,062.13 crore) and Grants-in-aid (₹ 2,339.25 crore). The increase in Revenue receipts over the previous year by ₹ 3,075.94 crore.

(Paragraph 1.1.1)

Test check of the records of 265 units of Sales Tax/Value Added Tax, Stamp Duty and Registration fee, State Excise, Taxes on Goods and Passengers, Taxes on Vehicles, Other tax and Non-Tax receipts conducted during the year 2012-13 showed under assessments/short levy/non-levy/loss of revenue aggregating ₹ 1,735.68 crore in 7,508 cases. During the year 2012-13, the Departments accepted under assessment of ₹ 19.19 crore in 2,285 cases. Of these, the Department recovered ₹ 1.36 crore in 207 cases for the cases of earlier years.

(Paragraph 1.11.1)

### 2. Chapter-II

#### Taxes/Value Added Tax on sales, trade

A Performance Audit on “Delay in disposal of remand and revision cases” showed the following:

Number of appeal cases increased from 2,993 to 3,399 whereas remand cases increased from 717 to 1,507.

(Paragraphs 2.2.8 and 2.2.8.3)

Non finalisation of remand cases resulted in blockade of revenue of ₹ 3.20 crore in 33 cases and finalisation of 34 cases involving ₹ 3.91 crore were delayed by 20 to 42 months under HGST Act.

(Paragraphs 2.2.8.4 and 2.2.8.5)

Non finalisation of remand cases, under HVAT Act, within time frame resulted in blockade of revenue of ₹ 20.10 crore in 198 cases and delayed finalisation of time barred in 83 cases involving amount of ₹ 6.33 crore.

**{(Paragraphs 2.2.8.6 (i) and (ii))}**

Seventy six remand cases still lying pending resulted in blockade of revenue of ₹ 19.86 crore and 78 remand cases involving tax of ₹ 3.54 crore were finalised after delay ranging between one to 53 months.

**{(Paragraphs 2.2.8.7(i) and (ii))}**

### **Transaction audit**

Incorrect application of rate of tax in respect of unclassified items in respect of 133 dealers resulted in underassessment of tax of ₹ 89.39 crore.

**(Paragraph 2.3.1.1)**

In 14 cases of suppression of sales/bogus claims of ITC, though the Department levied appropriate taxes but failed to levy the mandatory penalty amounting to ₹ 440.76 crore.

**(Paragraph 2.4.1)**

Failure of the AAs to verify the material consumed in construction and not reflected in returns resulted in underassessment of VAT amounting to ₹ 3.94 crore, besides penalty of ₹ 11.83 crore was also leviable.

**(Paragraph 2.4.5.1)**

## **3. Chapter-III**

### **State Excise**

The Department did not take action under the Rules to recover the license fee from the defaulting 119 licensees even after lapse of one to three years resulting in non recovery of license fee of ₹ 4.95 crore.

**(Paragraph 3.2.1.1)**

The Department did not take action to recover the differential amount of license fee from 11 defaulting allottees of retail liquor outlets, after re-auction of vends at the risk and cost clause of the contract conditions, depriving the Government of revenue of ₹ 1.45 crore.

**{(Paragraph 3.2.3 (b))}**

Non-levy of interest on delayed payment of monthly instalment of license fee from 130 licensees for the years 2010-11 and 2011-12, resulted in short recovery of ₹ 96.89 lakh to Government exchequer.

**{(Paragraph 3.2.3 (c))}**

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## 4. Chapter-IV

### Stamp Duty

The registering authorities misclassified the sale deeds as collaboration agreements instead of agreement to sell in 228 agreements resulted in short levy of stamp duty of ₹ 60.39 crore.

**(Paragraph 4.2.2)**

Short levy of Stamp duty of ₹ 1.95 crore on 134 sale deeds of plots with an area less than 1,000 square yards due to application of incorrect rates of agriculture land instead of residential land.

**(Paragraph 4.3)**

Undervaluation of immovable properties in conveyance deeds in 47 cases resulted in short levy of stamp duty of ₹ 1.02 crore.

**(Paragraph 4.4.1)**

## 5. Chapter-V

### Taxes on Vehicles, Goods and Passengers

#### Transport Department

Performance Audit on “Receipts from Taxes on Motor Vehicles” showed the following:

The Department failed to recover token tax amounting to ₹ 35.24 lakh from private/goods vehicles in respect of 569 vehicles.

**(Paragraphs 5.2.11.1 and 5.2.11.2)**

Improper maintenance of cash book and inadequacy in internal control system led to embezzlement of ₹ 5.32 lakh.

**(Paragraph 5.2.12.1)**

The Department failed to recover additional fee of ₹ 24.20 lakh in respect of allotment of out of turn registration numbers in 242 cases.

**(Paragraph 5.2.16)**

Non-registration of vehicles designed to carry more than six persons excluding driver in the name of company/Firms as transport vehicles resulted in short realisation of token tax of ₹ 10.68 lakh in 35 cases besides permit fee.

**(Paragraph 5.2.18)**

### **Excise and Taxation Department (Passengers and Goods Tax)**

Passengers tax amounting to ₹ 2.02 crore was not demanded by the Department in respect of buses of 144 transport co-operative societies.

**(Paragraph 5.3.1)**

## **6. Other tax and Non-tax Receipts**

### **Revenue and Disaster Management Department**

Non-accountal of revenue recovery certificates of 384 cases amounting to ₹ 90.11 crore remained unrecovered.

**(Paragraph 6.2.3)**

Lack of timely action by the Department as per Section 67 of PLR Act, resulted in non-recovery of ₹ 11.86 crore in 173 cases.

**(Paragraph 6.2.4)**

### **Mines and Geology Department**

Royalty and interest of ₹ 14.88 lakh in respect of 69 brick kiln owners was not recovered.

**(Paragraph 6.3)**