

## OVERVIEW

This Report contains 35 paragraphs including one review relating to non/short levy of tax, interest, penalty, etc. involving ₹ 343.19 crore. Some of the major findings are mentioned below:

### I General

The total receipts of the State Government for the year amounted to ₹ 70,427.28 crore against ₹ 62,604.08 crore for the previous year. Fifty three *per cent* of this was raised by the State through tax revenue (₹ 30,581.70 crore) and non-tax revenue (₹ 7,000.22 crore). The balance 47 *per cent* was received from the Government of India as State's share of divisible union taxes (₹ 20,805.16 crore) and grants-in-aid (₹ 12,040.20 crore).

(Paragraph 1.1.1)

Test check of records of 378 units of Commercial Tax, State Excise, Taxes on Vehicles, Stamps and Registration Fees, Land Revenue, Entertainment Duty, Taxes and duty on Electricity and Mining receipts conducted during the year 2012-13 revealed under-assessment/short levy/loss of revenue amounting to ₹ 764.89 crore in 8,98,782 cases.

(Paragraph 1.9.3)

### II Commercial Tax

Audit of "Refund under Section 37 of Madhya Pradesh Value Added Tax (VAT) Act, 2002" revealed that:

Outstanding amount of refund cases at the end of 2012-13 compared to that of 2011-12 indicated an increase of 74.07 *per cent*.

(Paragraph 2.8.6)

Inaction of the Department in initiating refund proceedings resulted in undue accumulation of refund amounting to ₹ 91.79 lakh in 20 cases.

(Paragraph 2.8.7.2)

The AAs surpassed the limit of sanctioning the refund in 21 cases, amounting to ₹ 2.57 crore.

(Paragraph 2.8.7.5)

Tax of ₹ 4.37 crore was short realised from 37 dealers due to application of incorrect rate of tax in 42 cases in 27 offices.

(Paragraph 2.9)

Tax of ₹ 3.70 crore was short realised from 12 dealers in 12 cases due to irregular allowance of input tax rebate in 12 offices.

(Paragraph 2.11.1 to 2.11.3)

There was non-levy of tax amounting to ₹ 3.35 crore including interest and penalty of ₹ 1.10 crore from 25 dealers in 25 cases due to incorrect determination of turnover in 18 offices.

**(Paragraph 2.12)**

There was non/short levy of entry tax amounting to ₹ 2.67 crore including interest and penalty of ₹ 1.14 crore against 37 dealers in 43 cases in 27 offices.

**(Paragraph 2.13)**

### **III State Excise**

Audit of "Wastage of liquor during export, transport and manufacturing" revealed that:

Penalty of ₹ 9.56 crore had not been imposed due to delay in sending the cases for competent authority's approval by the Office-in-charge.

**(Paragraph 3.7.9.2)**

There was non-levy/realisation of penalty amounting to ₹ 1.24 crore on excess wastages of bottled country liquor.

**(Paragraph 3.7.10.1)**

Non-levy/realisation of penalty amounted to ₹ 1.03 crore on excess wastages of foreign liquor.

**(Paragraph 3.7.10.2)**

Penalty of ₹ 3.76 crore was not recovered after a lapse of eight to 64 months in 2,699 cases.

**(Paragraph 3.7.12)**

Irregular issue of export/transport permits by the Department and export/transport against which Excise verification certificates were not received resulted in non realisation of revenue of ₹ 4.58 crore.

**(Paragraph 3.9)**

In six foreign liquor bottling units of four districts, supervision charges of ₹ 54.80 lakh were not recovered.

**(Paragraph 3.12)**

### **IV Taxes on Vehicles**

There was lack of co-ordination and inadequate monitoring between the Transport Commissioner Office and unit offices in respect of Public service vehicles/Goods vehicles of other states plying on Bi-lateral Agreements in Madhya Pradesh with the possibility of escapement from payment of tax.

**(Paragraph 4.7.6)**

Short-realisation of consolidated fee for grant of authorisation in respect of National Permits and non-compliance of orders of Government of India Ministry of Road Transport and Highways (May 2010) amounted to ₹ 5.87 lakh.

**(Paragraph 4.7.8)**

Non-realisation of tax and penalty on goods vehicles plying on National permits amounted to ₹ 68.78 lakh.

**(Paragraph 4.7.9)**

Vehicle tax and penalty of ₹ 148.26 lakh on goods vehicles of other states plying on Bi-lateral Agreement in Madhya Pradesh was not realised.

**(Paragraph 4.7.10)**

Tax and penalty of ₹ 12.83 crore was not realised in respect of 2,487 vehicles in 27 offices.

**(Paragraph 4.8.1)**

There was non/short realisation of trade fees of ₹ 3.95 crore from the dealers in 17 offices.

**(Paragraph 4.11)**

## **V Land Revenue**

Non-levy of interest on belated payment in one *nazul* resulted in non realisation of revenue of ₹ 26.41 crore.

**(Paragraph 5.8)**

Land revenue and *upkar* of ₹ 85.28 lakh collected by seven Tahsil offices between October 2011 and September 2012 was deposited in *Panchayat Nidhi* rather than in the treasury under Major Head '0029' Land Revenue.

**(Paragraph 5.9)**

## **VI Stamps and Registration Fees**

Stamp duty and registration fees of ₹ 82.17 crore was short levied on development/builder agreement in 180 cases.

**(Paragraph 6.8.3)**

There was short levy of stamp duty and registration fees of ₹ 5.48 crore due to misclassification of documents in 155 cases.

**(Paragraph 6.8.4)**

Non/short levy of stamp duty and registration fees on mortgage deeds executed by colonisers/developers resulted in non realisation of revenue of ₹ 59.05 crore in 845 cases.

**(Paragraph 6.8.5)**

Short levy of stamp duty and registration fees on instruments of lease deeds and non levy of penalty resulted in non realisation of revenue of ₹ 15.17 crore in five cases.

**(Paragraph 6.9)**

Delay in execution and registration of lease deed of *Nazul* land resulted in loss of stamp duty and registration fees of ₹ 15.09 crore.

**(Paragraph 6.10)**

Non finalisation of cases referred by Sub-registrar to the Collector of stamp for determination of market value and incorrect determination of market value resulted in short levy/non realisation of stamp duty and registration fee of ₹ 4.33 crore in 340 cases.

**(Paragraph 6.11)**

## **VII Mining Receipts**

Review of “**Mining Receipts in Madhya Pradesh**” revealed that:

Unauthorised excavation and extraction of minerals beyond the approved mining plan led to non- recovery of cost of minerals ₹ 8.01 crore by seven lease holders.

**(Paragraph 7.6.17)**

Irreparable damages were caused to environment due to illegal mining.

**(Paragraph 7.6.18)**

There was non/short realisation of contract money of ₹ 1.43 crore and interest of ₹ 1.94 crore on belated payments of royalty and dead rent.

**(Paragraph 7.6.19 and 7.6.20)**

Inaction of the Department resulted in short realisation of royalty and dead rent of ₹ 6.88 crore.

**(Paragraph 7.6.21 and 7.6.22)**

There was short levy and collection of Rural Infrastructure and Road Development Tax and Stamp Duty and Registration Fees of ₹ 28.97 crore.

**(Paragraph 7.6.23 and 7.6.24)**