



सत्यमेव जयते

Report of the Comptroller and Auditor General of India for the year ended March 2013



Union Government
Department of Revenue – Direct Taxes
Report No. 10 of 2014

**Report of the
Comptroller and Auditor General
of India**

for the year ended March 2013

**Union Government
Department of Revenue – Direct Taxes
Report No. 10 of 2014**

Laid on the table of Lok Sabha and Rajya Sabha on

Table of Contents

Contents	Pages
Preface	i
Highlights	iii-v
Chapter I: Direct Tax Administration	1-14
• Resources of the Union Government	1
• Nature of Direct Taxes	1-2
• Functions and responsibilities of the Board	2
• Growth of Direct Taxes - Trends and composition	3-5
• Budgeting of Direct Taxation	5-6
• Incorrect accounting of interest on refunds	6
• Tax expenditure	6-8
• Widening and deepening of tax base	8-9
• Income escaping assessment	9
• Tax Debt – Uncollected demand	9-10
• Status of prosecution	10-11
• Disposal of Scrutiny assessments	11
• Disposal of Appeal cases	11
• Disposal of Direct refund claims	12
• Strategic Plan of ITD (2011-15)	12
• ITD's IT initiative	13
• Effectiveness of Internal Audit	13-14
Chapter II: Audit Mandate, Products and Impact	15-19
• Authority of the C&AG for audit of receipts	15
• Examination of systems and procedures and their efficacy	15
• Audit products	16
• Recovery at the instance of audit	16
• Incidence of errors	17
• Response to audit	17
• Response to Local audit	18
• Response to high value cases	18
• Pendency of audit observations	18-19
• Remedial action time barred	19
• Non-production of records	19

Chapter III: Analysis of assessments relating to Corporation Tax	21-34
• Quality of assessments	21-25
• Administration of tax concessions/exemptions/deductions	25-30
• Income escaping assessments due to omissions	31-33
• Over-charge of tax/Interest	33-34
Chapter IV: Analysis of assessments relating to Income Tax and Wealth Tax	35-45
• Quality of assessments	35-38
• Administration of tax concessions/exemptions/deductions	38-41
• Income escaping assessments due to omissions	42-44
• Over-charge of tax/Interest	45
Chapter V: Grievance Redressal Mechanism in the ITD	47-57
Appendices	59-100