TABLE OF CONTENTS

DESCRIPTION	Referenc	Reference to	
	Paragraphs	Pages	
Preface		V	
Overview		vii-x	
CHAPTER-I: GENERAL			
Trend of revenue receipts	1.1	1	
Analysis of arrears of revenue	1.2	4	
Arrears in assessments	1.3	5	
Evasion of tax detected by the department	1.4	6	
Refund cases	1.5	6	
Response of the Government/departments towards audit	1.6	6	
Departmental audit committee meetings	1.6.2	8	
Response of the Departments to the draft audit paragraphs	1.6.3	8	
Follow up on Audit Reports-summarised position	1.6.4	8	
Analysis of the mechanism for dealing with the issues raised by Audit	1.7	9	
Position of Inspection Reports	1.7.1	9	
Recovery of accepted cases	1.7.2	10	
Action taken on the recommendations accepted by the Departments/ Government	1.7.3	11	
Internal Audit	1.8	11	
Audit planning	1.9	11	
Results of audit	1.10	12	
Position of local audit conducted during the year			
Coverage of this Report	1.11	12	
CHAPTER-II: TAXES / VAT ON SALES, TRADES	ETC.		
Tax administration	2.1	13	
Results of audit	2.2	13	
Performance audit on 'System of assessment under VAT'	2.3	14-30	
Application of incorrect rate of tax	2.4	31	
Acceptance of invalid, duplicate and defective statutory forms	2.5	31	
Wrong allowance of concessional rate of tax	2.6	32	
Excess allowance of labour charges	2.7	33	
Allowance of Input Tax Credit (ITC)	2.8	33	

Irregular allowance of ITC	2.8.1	33			
ITC on sale of tax free goods	2.8.2	34			
Wrong allowance of ITC on branch transfer/consignment	2.8.3	34			
CHAPTER-III: STATE EXCISE					
Tax administration	3.1	35			
Results of audit	3.2	35			
Non-levy of additional fee on short lifting of Minimum Guaranteed Quota	3.3	35			
Short recovery of license fee	3.4	36			
Non-recovery of bottling license/franchise fee and interest	3.5	37			
Non/short recovery of fixed/license fees for not opening of vends L-13/L-1B/L-1BB	3.6	38			
Non-levy of interest on belated payment of license fee	3.7	39			
Non-recovery of salaries of excise establishment posted at distillery/bonded ware houses	3.8	40			
CHAPTER-IV: STAMP DUTY					
Tax administration	4.1	41			
Results of audit	4.2	41			
Incorrect preparation of valuation report by Patwaris	4.3	41			
Short levy of stamp duty and registration fee by taking lower consideration value	4.3.2	43			
Non/short recovery of lease money due to non-execution/renewal of lease deeds	4.4	43			
Short recovery of lease money	4.5	44			
Administrative failure to take back the possession of land/non-renewal of lease deeds	4.5.2	45			
Short recovery of stamp duty and registration fee on lease deed	4.6	46			
CHAPTER-V: TAXES ON VEHICLES, GOODS AND PASSE	NGERS				
Tax administration	5.1	47			
Results of audit	5.2	47			
Audit on 'Non-realisation of arrears of Transport Department'	5.3	47			
Non-realisation of taxes	5.4	50			
Token tax	5.4.1	50			
Entry tax	5.4.2	52			
Short deposit of user charges	5.5	52			
Non-recovery of SRT	5.6	53			
Himachal Road Transport Corporation	5.6.1	53			

	DECOMPON	Reference to			
DESCRIPTION		Paragraphs	Pages		
Private Sta	age Carriages	5.6.2	53		
Short realisation of SRT from Private Stage Carriages		5.7	54		
Short assessment of SRT due to application of incorrect rate		5.8	55		
Incorrect assessment of SRT from stage carriages of other State		5.9	55		
Non-regis	tration of Goods and Passenger Vehicles with Excise Department	5.10	56		
Non-realis	sation of Goods and Passenger tax	5.11	57		
Non-levy	and collection of Additional Goods Tax	5.12	58		
Follow up	audit on 'Levy and collection of Motor Vehicle Tax'	5.13	59		
CHAPTER-VI: FOREST RECEIPTS					
Tax admir	nistration	6.1	63		
Results of	audit	6.2	63		
Short reali	isation of cost of trees	6.3	63		
Non-credi	ting of departmental charges	6.4	64		
l	of extension fee	6.5	65		
Short/non-	-payment of royalty and interest	6.6	65		
	of revenue due to non-disposal of seized timber	6.7	66		
APPENDICES					
I	System for registration, assessment and recovery of tax revenue under HPVAT Act	2.3.6	69		
II	Delay in finalizing the assessments	2.3.7.2	70		
III	Suppression of purchase/sale	2.3.11	71		
IV	Invalid, duplicate and defective/misuse of Forms-'C'	2.5	72		
V	Non/short recovery of lease money due to non-execution/	4.4	73		
X 7 T	renewal of lease deeds	4.7.1	7.4		
VI	Short recovery of lease money due to non-renewal of lease deeds	4.5.1	74		
(GLOSSARY OF ABBREVIATIONS		75-77		