## TABLE OF CONTENTS

	Reference to	
	Paragraph	Page
Preface		V
Overview		vii
CHAPTER – I : GENERAL		
Trend of revenue receipts	1.1	1
Analysis of Arrears of Revenue	1.2	3
Arrears in Assessments	1.3	4
Evasion of tax detected by the Department	1.4	5
Pendency of Refund Cases	1.5	6
Response of the Government/Departments towards Audit	1.6	6
Analysis of the mechanism for dealing with the issues raised by Audit	1.7	9
Audit Planning	1.8	12
Results of Audit	1.9	12
CHAPTER – II : VALUE ADDED TA CENTRAL SALES TAX	AX AND	
Tax Administration	2.1	13
Internal Audit	2.2	13
Results of Audit	2.3	13
Recovery of sales tax deferment sanctioned to industrial units in Andhra Pradesh State	2.4	14
Input tax credit	2.5	19
Levy of penalty	2.6	22
VAT on works contracts	2.7	23
Tax on interstate sales	2.8	25
Non-levy / short levy of tax on transfer of right to use goods	2.9	26
Non-levy of tax due to incorrect exemption of turnover	2.10	27
Short levy of VAT due to incorrect determination of taxable turnover	2.11	27
Non-levy of interest and penalty on belated payment of tax	2.12	28

i

	Reference to	
	Paragraph	Page
Under-declaration of tax due to application of incorrect rate of tax	2.13	29
Short levy of tax / penalty due to calculation error	2.14	30
Short payment of tax and non-levy of penalty due to non-conversion as VAT dealer	2.15	30
Non-forfeiture of excess collected tax and non-levy of penalty	2.16	31
Non-payment/short payment of VAT due to under-declaration of sales turnover of High Security Registration Plates	2.17	31
CHAPTER – III : STATE EXCISE I	OUTIES	
Tax Administration	3.1	33
Internal Audit	3.2	33
Results of Audit	3.3	34
Revenue foregone due to reduction in production capacity of a distillery	3.4	34
Short levy of club licence fee	3.5	35
Non-levy of additional licence fee	3.6	36
CHAPTER – IV : STAMP DUTY AND REGIS	TRATION F	EES
Tax Administration	4.1	37
Internal Audit	4.2	37
Results of Audit	4.3	37
Short levy of duties and registration fees on agricultural lands converted for non-agricultural use	4.4	38
Short collection of registration fees on instruments creating 'Pari passu' charge	4.5	39
Short levy of duties and registration fees due to under-valuation of properties	4.6	39
Short realisation of stamp duty on leases	4.7	40
Non-realisation of stamp duty and registration fees on account of not registering agreements of sale of immovable property	4.8	41
Short levy of stamp duty on documents involving distinct matters	4.9	42

	Reference to			
	Paragraph	Page		
Short realisation of stamp duty on instruments of Development Agreements/ Development Agreements cum General Power of Attorney	4.10	43		
Short levy of duties and fees on instruments of exchange, gift, sale and power of attorney	4.11	44		
CHAPTER – V : TAXES ON VEHICLES				
Tax Administration	5.1	47		
Internal Audit	5.2	47		
Results of Audit	5.3	47		
Performance Audit on "Enforcement activities of Transport Department including implementation of High Security Registration Plates Project"	5.4	48		
Non-realisation of quarterly tax and penalty	5.5	68		
Non-levy of green tax	5.6	69		
Short levy of tax in respect of non-transport vehicles owned by individuals	5.7	70		
CHAPTER – VI : LAND REVEN	NUE			
Tax Administration	6.1	71		
Internal Audit	6.2	71		
Results of Audit	6.3	72		
Levy of conversion tax and penalty	6.4	72		
Non-realisation of cost of alienation of land	6.5	74		
Non-levy of road cess in command areas of irrigation projects	6.6	74		
CHAPTER – VII: OTHER TAX AND NON-T	TAX RECEI	PTS		
Results of Audit	7.1	77		
ENERGY DEPARTMEN	T			
Functioning of Chief Electrical Inspector to Government of Andhra Pradesh	7.2	78		
REVENUE DEPARTMEN	NT			
Land Revenue				
Short levy of water tax	7.3	84		
Non-levy of interest on arrears of water tax collected	7.4	85		

		Reference to			
		Paragraph	Page		
INDUSTRIES AND COMMERCE DEPARTMENT					
	Mines and Minerals				
	Non-collection of amount towards National Mineral Exploration Trust Fund	7.5	86		
GLOSSARY					
	Glossary		89		