

# OVERVIEW

The Report contains 26 paragraphs including 1 review, relating to non-levy/short levy of taxes, duties, interest and penalty etc., involving Rs.43.32 crore. Some of the major findings are mentioned below: -

## 1. GENERAL

- (i) The State Government's receipts for the year 2001-2002 amounted to Rs.5964.86 crore against Rs.5637.64 crore for the year 2000-2001. While the revenue raised by the Government amounted to Rs.2090.15 crore (tax revenue: Rs.1556.95 crore and non-tax revenue: Rs.533.20 crore), the balance (Rs.3874.71 crore) was received from Government of India as State's share of divisible Union Taxes (Rs.1705.91 crore) and grants-in-aid (Rs.2168.80 crore) during the year 2001-2002.

**(Paragraph 1.1)**

- (ii) Test check of records of Sales Tax, Agricultural Income Tax, Taxes on Vehicles, Land Revenue, State Excise, Forest Receipts and some of the other departmental offices conducted during 2001-2002 revealed under-assessment/short levy/short demand/loss of revenue amounting to Rs.148.42 crore in 3932 cases. The departments accepted audit observations involving Rs.44.75 crore in 58 cases of which 39 cases involving Rs.40.05 crore had been pointed out in audit during the year 2001-2002 and the rest in earlier years.

**(Paragraph 1.4)**

## 2. SALES TAX

- (i) Tax of Rs.4.31 crore was not levied where resale price exceeded forty per cent of original purchase price.

**(Paragraph 2.2)**

- (ii) Evasion of tax of Rs.0.04 crore (including interest and penalty) was noticed due to suppression of turnover.

**(Paragraph 2.3)**

- (iii) Taxable turnover of Rs.13.33 crore in respect of 11 dealers escaped assessment of tax of Rs.2.95 crore.

**(Paragraph 2.4)**

- (iv) Non-levy/ short levy of interest for non-payment/ delayed payment of tax amounted to Rs.1.23 crore in 14 cases.

**(Paragraph 2.5)**

- (v) Incorrect grant of exemption from payment of tax in respect of 3 (three) dealers resulted in non-levy of tax of Rs.0.61 crore (including interest).

**(Paragraph 2.6 (D))**

- (vi) Non-levy of penalty for misuse of declaration form 'C' amounted to Rs.0.17 crore in three cases.

**(Paragraph 2.9)**

### **3. AGRICULTURAL INCOME TAX**

- (i) For delayed payment of advance tax interest of Rs.0.64 crore, though leviable, was not levied.

**(Paragraph 3.2(1))**

### **4. OTHER TAX AND NON-TAX RECEIPTS**

- (i) Failure to levy and collect water rates in (three) 3 cases resulted in non-realisation of revenue amounting to Rs.4.31 crore.

**(Paragraph 4.2)**

- (ii) Irregular appropriation of departmental receipts towards departmental expenditure and retention of cash in hand resulted in non-deposit of revenue amounting to Rs.1.38 crore to Government account.

**(Paragraph 4.3)**

- (iii) 5.51 lakh cases of India Made Foreign Liquor (IMFL) were issued without realisation of transport pass fee of Rs.1.65 crore.

**(Paragraph 4.4)**

### **Forest Receipts**

A review on "Receipts from forest produce" revealed the following:

- (a) Failure of the department to protect forest from illegal felling and removal of timber resulted in loss of revenue of Rs.3.48 crore.

**(Paragraph 5.2.6)**

- (b) Non-enforcement of proper surveillance on movement of forest produce led to evasion of royalty of Rs.6.28 crore.

**(Paragraph 5.2.7)**

- (c) Un-intended benefit to departmental contractors resulted in locking up of Government revenue of Rs.5.00 crore.

**(Paragraph 5.2.14)**