

OVERVIEW

This Report contains 33 paragraphs including 1 review, relating to non-levy/short levy of taxes, duties, interest and penalty etc. involving Rs.97.69 crore. Some of the major findings are mentioned below:

1. GENERAL

- Total receipts of the state during 2002-2003 amounted to Rs.6,793.34 crore of which revenue raised by the state government was Rs.2,627.48 crore and receipts from Government of India (GOI) were Rs.4,165.86 crore. The revenue raised by the State Government comprised tax revenue of Rs.1,934.51 crore and non-tax revenue of Rs.692.97 crore. The revenue raised constituted 39 per cent of the total receipts of the state and showed an increase of 4 per cent over 2001-2002.

The receipts from the Government of India included Rs.1,814.36 crore on account of state's share of divisible Union Taxes and Rs.2,351.50 crore as grants-in-aid registering an increase of 6 and 8 per cent respectively over 2001-2002.

(Paragraph 1.1)

- At the end of 2002-2003, the arrears in respect of some principal heads of revenue amounted to Rs.2,757.15 crore.

(Paragraph 1.6)

- In respect of the taxes administered by the Finance Department such as sales tax and other taxes, 71,092 assessments were completed during 2002-2003 leaving a balance of 92,080 cases pending for assessments as on 31 March 2003.

(Paragraph 1.7)

- Test check of records of sales tax, state excise, motor vehicles, land revenue and other departmental offices conducted during the year 2002-2003 revealed under assessment, short levy, loss of revenue etc., amounting to Rs.162.03 crore in 606 cases. The concerned Departments accepted under assessment, short levy etc., of Rs.48.68 crore pointed out in 2002-2003 and earlier years and recovered Rs.0.41 crore.

(Paragraph 1.10)

- As against 4,814 paragraphs relating to 1,441 inspection reports outstanding at the end of June 2003, initial replies from the Heads of offices were not received in respect of 448 inspection reports issued between 1993-94 and 2002-2003. As a result, irregularities commented upon in 1,140 paragraphs involving Rs.66.75 crore had not been settled as of June 2003.

(Paragraph 1.11)

2. SALES TAX

- (a) The review, **Exemption and concession of Tax against declaration Forms**, revealed the following:

- Incorrect levy of concessional rate of tax against Form 'C' resulted in short levy of tax of Rs.9.19 crore.

(Paragraphs 2.2.5)

- Irregular allowance of exemption against Kolkata Auction resulted in short levy of tax of Rs.13.90 crore.

(Paragraph 2.2.9)

- Irregular allowance of deduction of goods consigned to branches/agents in other states against incomplete/unsigned/invalid declarations in Form 'F' resulted in non-levy of tax of Rs.4.91 crore.

(Paragraph 2.2.10)

- Exemptions/concessional rate of tax allowed against invalid declaration Forms resulted in non-levy/short levy of tax of Rs.6.92 crore.

(Paragraph 2.2.11)

- Incorrect allowance of deductions against Forms 'E-I' or 'E-II' during inter-state sales resulted in short levy/non-levy of tax of Rs.3.23 crore.

(Paragraph 2.2.12)

- There was evasion of tax of Rs.22.94 lakh due to suppression of turnover and non-submission of returns by the dealer.

(Paragraph 2.2.16)

- (b) - 10 dealers evaded tax of Rs.5.66 crore due to concealment of turnover.
(Paragraph 2.3)
- Incorrect allowance of deduction from turnover of sale of goods resulted in non-levy of tax of Rs.1.10 crore including interest.
(Paragraph 2.5)
- Delay in assessment/non-assessment within the prescribed period resulted in loss of revenue of Rs.48.81 lakh.
(Paragraph 2.7)
- In six cases, turnover escaped assessment leading to under assessment of tax of Rs.24.83 lakh.
(Paragraph 2.9)
- Failure to register 15 dealers under the State Act led to non-assessment of tax of Rs.31.16 lakh.
(Paragraph 2.10)
- 605 paragraphs involving Rs.2.64 crore relating to 70 Audit Notes raised in internal audit of sales tax remained outstanding for settlement as of 31 March 2003.
(Paragraph 2.15)

3. STATE EXCISE

- Transport pass fee of Rs.69.78 lakh was not realised from bonded warehouses, retailers and wholesale licence holders for lifting of 2.33 lakh cases of India Made Foreign Liquor from the manufacturing units within the State.
(Paragraph 3.2)
- Injudicious decision and violation of normal procedure for suspension of licence of operation of the warehouse led to loss of revenue of Rs.30.08 lakh.
(Paragraph 3.3)

4. OTHER TAX RECEIPTS

AGRICULTURAL INCOME TAX

- Incorrect carry forward and set off of loss against future income allowed to three assesseees led to loss of revenue of Rs.19.28 lakh.

(Paragraph 4.2)

5. NON-TAX RECEIPTS

A. FOREST RECEIPTS

- Failure of the Department to check illegal felling and removal of timber despite having forest protection force, protection squads and check gates led to loss of revenue of Rs.3.26 crore.

(Paragraph 5.2)

- Non-enforcement of proper surveillance on movement of forest produce resulted in non-realisation of monopoly fee of Rs.89.18 lakh.

(Paragraph 5.3)

- Inaction of the Department in selling sand/gravel and stone from six mahals at tender sale rate deprived the government of additional revenue of Rs.83.73 lakh.

(Paragraph 5.4)

B. INLAND WATER TRANSPORT

- Fine and penalty of Rs.2.09 crore was not levied on arrears recoverable from lessees of ferry services.

(Paragraph 5.9.4)

C. GEOLOGY AND MINING

- Due to adoption of incorrect formula by M/s Oil India Limited (OIL) for determining royalty payable on crude oil, and non-payment of royalty on actual extracted quantity of crude oil by OIL and Oil and Natural Gas Corporation Limited during 1997-98 to 2000-2001, an amount of Rs.38.26 crore remained unrealised as of November 2003.

(Paragraph 5.10)