

OVERVIEW

This Report contains 45 paragraphs including 3 reviews relating to non-levy/short levy of taxes, duties, interests and penalty involving Rs.676.23 crore. Some of major findings are mentioned below:-

1. General

(i) The total revenue receipts of the Government of Gujarat in 2001-2002 were Rs. 15,986.06 crore as against Rs.15,738.59 crore during 2000-2001. The revenue raised by the State from taxes during 2001-2002 was Rs.10,134.18 crore and from non-tax receipts was Rs.3,760.94 crore. State's share of divisible Union taxes and grants-in-aid from Government of India were Rs. 600.68 crore and Rs. 1,490.26 crore respectively. The main source of tax revenue during 2001-2002 was Sales Tax (Rs. 5,857.40 crore) and taxes and duties on Electricity (Rs.1,656.52 crore). The main receipts under non-tax revenue were from Interest (Rs.1,594.30 crore) and Non-ferrous Mining and Metallurgical Industries (Rs. 734.58 crore).

The aggregate of the amount received by the State Government on account of the State's share of Union Taxes, Duties and Grants-in-aid decreased by 37 percent from Rs. 3,342.62 crore in 2000-2001 to Rs. 2,090.94 crore in 2001-2002. The amounts received from the Government of India to the revenue receipts of the State decreased from 21 percent in 2000-2001 to 13 percent in 2001-2002. Tax receipts of the State increased marginally (12 percent) to Rs. 10,134.18 crore in 2001-2002 compared to Rs. 9,046.83 crore in 2000-2001.

(Para 1.1 and 1.2)

(ii) As on 31 March 2002, 13,17,590 cases were pending assessment under Sales Tax Act. Out of these, 90,778 cases had turnover of above Rs.1 crore in each case.

(Para 1.6)

(iii) A test check of the records in the offices of Sales Tax, Land Revenue, Motor Vehicles Tax and other departmental offices conducted during 2001-2002 revealed under assessment and loss of revenue of Rs. 1,027.01 crore in 1,939 cases. During the year, the concerned departments accepted under assessments etc. of Rs.75.40 crore in 1,054 cases and recovered Rs. 23.89 crore in 985 cases pointed out during 2001-2002 and earlier years.

(Para 1.9)

2. Sales Tax

(i) A review on Impact of incentives on industrial growth and recovery of deferred sales tax revealed the following:

(a) Departmental action to recover the tax in instalments instead of entire amount of deferred tax form 27 closed units resulted in undue financial accommodation of Rs.4.11 crore.

(Para 2.2.7(a))

(b) Failure to enforce security obtained in the form of surety bond from 26 closed units resulted in non-recovery of deferred tax of Rs.9.67 crore.

(Para 2.2.10)

(ii) A review on Recovery of Sales Tax dues as arrears of land revenue revealed the following:

(a) Delay in assessment for more than 3 years to determine the tax dues from 542 dealers in 628 assessments resulted in non-realisation of Government revenue of Rs.395.28 crore.

(Para 2.3.6)

(b) Non-initiation of recovery proceedings under the provisions of land revenue code in 164 cases resulted in non recovery of dues of Rs.53.11 crore.

(Para 2.3.7)

(c) Though property was attached in 64 cases where tax dues amounted to Rs.110.34 crore, no auction of the attached property was conducted to realise the Government revenue.

(Para 2.3.8)

(iii) Under Sales Tax Incentive Scheme, incorrect benefit of exemption of Rs.1.76 crore on account of sale of goods not mentioned in the eligibility certificate was allowed to 3 dealers.

(Para 2.4(A))

(iv) Purchase tax of Rs.1.04 crore was not levied in the cases of 13 dealers for transfers of manufactured goods to their branches or consigned outside the state.

(Para 2.5(A))

(v) Misclassification of goods resulted in non/short levy of tax of Rs.3.84 crore in the case of 14 dealers.

(Para 2.8)

(vi) There was non/short levy of turnover tax of Rs.3.49 crore in the case of 49 dealers.

(Para 2.9)

3. Land Revenue

(i) Non/short recovery of occupancy price and interest amounted to Rs. 5.43 crore.

(Para 3.2)

(ii) Incorrect issue of land acquisition awards resulted in loss of stamp duty of Rs.10.27 crore.

(Para 3.3)

4. Taxes on Vehicles

Composite tax of Rs.5.48 crore was not recovered from the operators of 435 omnibuses in 16 Regional Transport Offices.

(Para 4.3(ii))

5. Stamp Duty and Registration Fees

(i) Government money of Rs.17.82 lakh was not remitted into treasury due to misappropriation.

(Para 5.2)

(ii) Stamp duty and registration fees of Rs.255.44 crore were short levied due to incorrect application of concessional rate.

(Para 5.3(i) & (ii))

(iii) Stamp duty and registration fees of Rs.20.33 crore were short levied due to misclassification of documents.

(Para 5.4)

6. Other Tax Receipts

(A) Entertainments Tax

(i) Incorrect grant of exemption to Gujarati Films resulted in loss of revenue of Rs. 28.58 crore.

(Para 6.2)

(ii) Non remittance of tax collected by cinema owners resulted in non-recovery of entertainment tax of Rs. 2.75 crore.

(Para 6.3)

(B) Luxury Tax

(iii) Luxury tax was short levied to the extent of Rs.54.61 lakh due to non payment of tax on the tariff rates declared.

(Para 6.7)

7. Non-Tax Receipts

A. Police Receipts.

(i) A review on Receipts of Police Department in Gujarat State revealed the following:

(a) Non-raising of demand to recover the dues from other State Governments resulted in blocking of revenue of Rs.16.35 crore.

(Para 7.2.7)

(b) The claim of leave salary and pension contribution of Rs.9.07 crore was not preferred.

(Para 7.2.9)

(c) Non-raising of demand in accordance with Government instructions resulted in loss of revenue of Rs.7.84 crore.

(Para 7.2.11)

(d) Revenue of Rs.2.16 crore was irregularly appropriated by the Commissioners of Police, Ahmedabad, Vadodara and Surat for meeting departmental expenditure.

(Para 7.2.12)

B. Mining Receipts

(ii) Royalty/dead rent were not levied / short levied to the extent of Rs.6.71 crore.

(Para 7.4 (i) & (ii))