

OVERVIEW

This report contains 47 paragraphs including one review relating to non-levy/short levy of taxes, duties, fees, interest and penalty etc., involving Rs.80.37 crore. Some of the major findings are mentioned below:-

1. General

(i) The total receipts of the Government for the year 2002-2003 were Rs.3,658.75 crore. The revenue receipts of Rs.1,065.06 crore consisted of Rs.889.57 crore from taxes and Rs. 175.49 crore from non-tax revenue. The state received Rs. 345.60 crore as its share of divisible Union taxes and Rs.2248.09 crore as grants in aid from Government of India. Receipts under state excise (Rs.273.42 crore), sales tax (Rs.383.34 crore), taxes on goods and passengers (Rs. 31.45 crore), taxes on vehicles (Rs. 81.98 crore) and stamps and registration fee (Rs. 37.40 crore) accounted for major portion of tax receipts. Under non-tax revenue, the main receipts were from non-ferrous, mining and metallurgical industries (Rs.35.46 crore) and forestry and wild life (Rs. 31.52 crore).

(Paragraph 1.1.)

(ii) The arrears of revenue under principal heads of revenue as on 31 March 2003 amounted to Rs. 301.44 crore, of which Rs 98.63 crore pertained to Taxes on Sales, Trade etc.

(Paragraph 1.6.)

(iii) Test check of records of sales tax, state excise, taxes on vehicles, goods and passengers, forest receipts and other tax and non-tax receipts conducted during the year 2002-2003, revealed under-assessments/ short levy/ loss of revenue amounting to Rs.68.66 crore, in 928 cases. During the course of the year 2002-2003, the concerned Departments accepted under-assessments etc., of Rs.43.15 crore in 392 cases, of which 3 cases involving Rs.0.15 crore had been pointed out in audit during 2002-2003 and the rest in earlier years.

(Paragraph 1.10.)

2. Sales Tax

(i) Incorrect determination of taxable turnover of a dealer by the assessing authority resulted in non-recovery of revenue of Rs. 93.93 lakh.

(Paragraph 2.2.)

(ii) Non disclosure of sale by a dealer of Una district, resulted in evasion of revenue of Rs. 18.06 lakh.

(Paragraph 2.3.1.)

(iii) Although annual turnover of seven dealers had exceeded the taxable quantum, yet the dealers were not registered and brought under tax net. The revenue recoverable amounted to Rs. 64.86 lakh.

(Paragraph 2.4.1. & 2.4.2.)

3. State Excise

(i) License fee amounting to Rs. 2.73 crore was outstanding for recovery from a licensee of a Shimla Unit. The licensee was also liable to pay interest of Rs. 1.16 crore thereon.

(Paragraph 3.2.2.)

(ii) Against the demand of Rs. 85.27 lakh on account of license fee, Rs. 2.25 lakh only had been paid by the licensees, resulting in short realisation of Rs. 83.02 lakh.

(Paragraph 3.2.3.)

4 Taxes on Vehicles, Goods and Passengers

1. A review on “Working of National Permit Scheme” revealed the following:-

(i) 4083 bank drafts for Rs. 97.74 lakh on account of composite fee received from other states were not credited to government accounts.

(Paragraph 4.2.9.)

(ii) Credit of bank drafts amounting to Rs. 2.44 crore to government account had been delayed for periods ranging between 1 to 6 months.

(Paragraph 4.2.12.)

(iii) Composite fee of Rs.28.95 lakh was short realised from 14 States.

(Paragraph 4.2.16.)

(iv) Late issuance of notification resulted in short realisation of government revenue of Rs.28.24 lakh.

(Paragraph 4.2.17.)

(v) Non provision for levy of interest for delayed remittance of bank drafts to government account led to loss of accrued interest of Rs.0.37 crore.

(Paragraph 4.2.20.)

(vi) Token tax of Rs. 55.99 lakh was short realised in 4436 cases.

(Paragraph 4.3.)

(vii) Non/short realisation of special road tax amounting to Rs. 37.86 lakh was noticed in 4 offices of the Regional Transport Authorities.

(Paragraph 4.4.)

(viii) One time token tax of Rs. 11.68 lakh was short realised in 547 cases.

(Paragraph 4.5.)

5. Other-Tax Receipts

Electricity duty amounting to Rs. 58.94 crore for the year 2002-2003 had not been deposited by the Himachal Pradesh State Electricity Board.

(Paragraph 5.5.)

6. Forest Receipts.

(i) In 11 forest divisions, export permit fee of Rs. 4.39 crore had not been levied on intra-State transport of 2,08,629 quintals of khair wood.

(Paragraph 6.2.)

(ii) In 6 forest divisions, postponement of the working periods of 29 lots of 8,997 trees resulted in loss of revenue of Rs. 1.14 crore due to reduction in royalty rates in subsequent years.

(Paragraph 6.3.)

(iii) In 15 forest divisions, 3,84,126 blazes had not been tapped between the tapping seasons of 1998 and 2002 without assigning any reasons and without obtaining prior permission of the Conservator of Forests, which deprived the government of revenue of Rs. 97.23 lakh.

(Paragraph 6.4.)

(iv) In 6 forest divisions, extension fee of Rs. 60.71 lakh was not demanded by the divisional officers from the State Forest Corporation.

(Paragraph 6.5.)

(v) In seven forest divisions, failure of the department to take timely cognizance of offences relating to illicitly felled trees resulted in loss of revenue of Rs. 54.92 lakh.

(Paragraph 6.6.)

(vi) In 8 forest divisions, an amount of Rs. 26.11 lakh on account of cost of electric poles liable to be recovered from the State Electricity Board had not been recovered.

(Paragraph 6.8.)

(vii) In a forest division non-disposal of 187.054 cubic metre timber in time led to its deterioration resulting in loss of revenue of Rs. 21.29 lakh.

(Paragraph 6.9.)

(viii) In two forest divisions, royalty amounting to Rs. 13.91 lakh had neither been demanded by the Divisional Forest Officers nor paid by the corporation.

(Paragraph 6.11.)

7. Other Non-Tax Receipts

No action was taken by the Co-operation Department to recover Government's contribution of share capital of Rs. 32.20 lakh which became redeemable between 1998-99 and 2000-01.

(Paragraph 7.2.)