
OVERVIEW

This report contains 58 paragraphs, including three reviews, relating to non/short-levy of tax, interest, penalty etc., involving Rs.295.70 crore. Some of the major findings are mentioned below:

I. General

- (i) The Government of Madhya Pradesh raised a total revenue of Rs.7,800.03 crore in 2002-2003, comprising tax revenue of Rs.6,164.55 crore and non-tax revenue of Rs.1,635.48 crore. The Government also received Rs.5,590.37 crore from the Government of India as its share of the net proceeds of divisible Union taxes (Rs.3728.73 crore) and grant-in-aid (Rs.1,861.64 crore). Total receipts during the year were thus, Rs.13,390.40 crore. Sales Tax/Central Sales Tax (Rs.2,906.20 crore) formed a major portion (47 percent) of the tax revenue. Receipts from non-ferrous mining and metallurgical industries (Rs.590.69 crore) accounted for 36 percent of the non-tax revenue.

(Paragraph 1.1.1 to 1.1.3)

- (ii) Test-check of records of Commercial Tax, State Excise, Motor Vehicles Tax, Land Revenue, Stamps and Registration fees, Electricity Duty, Other Tax Receipt, Forest Receipts and Other Non-Tax Receipts conducted during the year 2002-03 revealed under assessment/short-levy/loss of revenue amounting to Rs.928.13 crore in 2,09,950 cases. During the course of the year the departments accepted under-assessment of Rs.413.83 crore in 80,673 cases pointed out in 2002-03 and earlier years and recovered Rs.24.55 crore.

(Paragraph 1.1.10)

II. Commercial Tax

1. Irregular grant of relief of Rs.1.03 crore was given to dealers enjoying facility of payment in instalments under deferment scheme.

(Paragraph 2.2.5)

2. Irregular benefit of Rs.64.75 lakh was allowed to defaulters due to non-deposit of *Samadhan Rashi* within prescribed time resulting in loss of revenue to that extent.

(Paragraph 2.2.7)

3. Interest of Rs.33.52 lakh was not levied on delayed payment of tax

(Paragraph 2.6)

4. Application of incorrect rate of tax resulted in non/short-levy of tax amounting to Rs.82.01 lakh.

(Paragraph 2.10)

5. The amount of deferment of tax of Rs.15.98 crore was not recovered from closed unit.

(Paragraph 2.11)

6. Deferment of Payment of tax of Rs.97.62 lakh was incorrectly allowed.

(Paragraph 2.13)

III. State Excise

1. Review on **Uncollected Excise Revenue**, revealed that :

- In 14 cases involving government revenue of Rs.3.12 crore, the recovery could not be made in the absence of details of property of the defaulters.

(Paragraph 3.2.6)

- Demand notices in revenue recovery certificate cases involving Rs.11.29 crore could not be served as the addresses of the defaulters were found fake.

(Paragraph 3.2.7)

- Demand notice in 38 cases involving Rs.3.60 crore were not issued resulting in non-realisation of government revenue.

(Paragraph 3.2.8)

- Service charges of Rs.1.36 crore recoverable from Madhya Pradesh Agro Industries Development Corporation were not realised.

(Paragraph 3.2.11)

2. Failure on the part of the Department to forward the tenders to the Government for acceptance resulted in loss of revenue of Rs.3.98 crore.

(Paragraph 3.3)

3. There was shortfall of 10.71 lakh proof litre alcohol involving potential loss of excise duty of Rs.2.57 crore.

(Paragraph 3.4)

IV. Taxes on Vehicles

1. Review : **Working of Reciprocal Transport Agreements**, revealed that :-

- Vehicle tax and penalty of Rs.68.98 lakh on public service vehicles of other states plying on inter-state routes were not recovered.

(Paragraph 4.2.5)

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- Vehicle tax of Rs.11.51 crore and penalty of Rs.23.02 crore on public service vehicles owned by Madhya Pradesh State Road Transport Corporation plying on inter-state routes were not recovered
(Paragraph 4.2.6)
 - Non-recovery of vehicle tax of Rs.44.04 lakh and penalty of Rs.88.07 lakh on goods carriage of other states plying in Madhya Pradesh on countersigned permits resulted in loss of revenue to that extent.
(Paragraph 4.2.7)
 - There was a short-levy of vehicle tax of Rs.18.04 lakh and non-levy of penalty of Rs.36.07 lakh on public service vehicles plying on inter-state routes.
(Paragraph 4.2.8)
2. Vehicle tax of Rs.3.23 crore and penalty of Rs.6.46 crore on public service vehicles/goods carriages was not levied.
(Paragraph 4.3.1)
 3. Vehicle tax including penalty of Rs.57.54 lakh was not paid by the owners of public service vehicles plying on All India Tourist Permits.
(Paragraph 4.3.2)

V. Land Revenue

1. Demand of diversion rent, premium and fine of Rs.87.97 lakh in respect of 161 villages was not raised by Tahsildars.
(Paragraph 5.2.1)
2. Government dues of Rs.14.20 lakh were not realised due to non-disposal of attached property.
(Paragraph 5.3)
3. Non-assessment of Panchayat cess on diversion rent resulted in loss of Rs.15.67 lakh.
(Paragraph 5.4)

VI. Other Tax Receipts

Stamp Duty and Registration Fees

1. Incorrect determination of market value resulted in short-realisation of stamp duty and registration fees of Rs.1.47 crore.
(Paragraph 6.2.2)

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2. Non determination of market value of properties by the Collector resulted in blockage of revenue of Rs.12.20 crore.

(Paragraph 6.2.4)

3. Incorrect exemption in instruments executed in favour of co-operative housing societies resulted in loss of revenue of Rs.1.09 crore.

(Paragraph 6.4)

VII. Forest Receipts

Review on **Forest Offences in Madhya Pradesh**, revealed that:

- Actual receipts decreased from Rs.507.60 crore in 1998-99 to Rs.306.45 crore in 2001-02, registering a 40 percent decline.

(Paragraph 7.2.4)

- Lack of timely action for recovery of cost of damage caused to forests resulted in non-recovery of revenue of Rs.13.15 crore including penalty.

(Paragraph 7.2.7)

- There were delays ranging from one month to seventeen years in reporting, finalisation of enquiry and prosecution of offences.

(Paragraph 7.2.8)

- Government was deprived of revenue of Rs.3.06 crore pertaining to 86,358 offence cases which became time barred due to lack of initiative and timely action by the Department.

(Paragraph 7.2.10)

- Deterioration in the quality of seized timber lying undisposed resulted in reduction in value by Rs.4.27 crore.

(Paragraph 7.2.12)

VIII. Mining Receipts

1. Non/short-realisation of dead rent and interest from 71 lessees in nine Districts resulted in loss of revenue of Rs.51.53 lakh

(Paragraph 8.2.1)

2. There was blockage of Government revenue of Rs.116.26 crore due to non-composition of penalty on illicit extraction of minerals in seven cases.

(Paragraph 8.3)

3. There was short-realisation of royalty of Rs.3.81 crore on the basis of conversion factor.

(Paragraph 8.4)

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4. Interest of Rs.14.20 lakh on belated payments was neither levied nor recovered from one lessee of Rewa District.

(Paragraph 8.6)

IX. Other Non-Tax Receipts

Water Resources Department

1. Betterment contribution of Rs.3.37 crore was not levied/realised on 47 irrigation schemes completed between 1980-81 and 1997-98.

(Paragraph 9.7)