

Overview

This Report contains 35 paragraphs including four reviews relating to non/short levy of taxes, duties, interest and penalty, *etc.*, involving Rs 555.47 crore. Some of the major findings are mentioned below:

1. General

- Total receipts of the State during the year 2004-05 amounted to Rs 40,399.72 crore of which revenue raised by the State Government was Rs 34,110.97 crore and receipts from the Government of India were Rs 6,288.75 crore. The revenue raised constituted 84 *per cent* of the total receipts of the State. The receipts from the Government of India included Rs 3,595.03 crore on account of State's share of divisible Union taxes and Rs 2,693.72 crore as grants in aid and registered an increase of 6.06 *per cent* and 18.66 *per cent* respectively over 2003-2004.

{Paragraph 1.1}

- At the end of 2004-05, arrears in respect of some taxes administered by the departments of Finance and Home amounted to Rs 12,584.30 crore, of which Sales Tax *etc.*, alone accounted for Rs 12,380.76 crore.

{Paragraph 1.6}

- In respect of the taxes administered by the Finance Department, such as sales tax, profession tax and tax on works contracts, *etc.*, 9.63 lakh assessments were completed during 2004-05, leaving a balance of 31.08 lakh assessments as on 31 March 2005.

{Paragraph 1.7}

- Test check of records of sales tax, state excise, motor vehicles tax, stamp duty and registration fees, land revenue and other departmental offices conducted during the year 2004-05 revealed underassessment, short levy, loss of revenue, *etc.*, amounting to Rs 1351.11 crore in 8,820 cases. The departments concerned accepted underassessment, short levy, *etc.*, of Rs 39.28 crore in 5,562 cases pointed out in 2004-05 and earlier years and recovered Rs 19.19 crore.

{Paragraph 1.11}

- At the end of June 2005, 13,245 paragraphs involving Rs 1,066.04 crore relating to 5,217 inspection reports issued upto 31 December 2004 remained outstanding.

{Paragraph 1.12}

2. Sales Tax

- Review on ‘Correctness of transactions of branch transfers in sales tax’ revealed the following:

Excess/incorrect allowance of exemptions of Rs 23.47 crore on account of branch transfers to 13 dealers in the assessments for the years between 1998-99 and 2001-02 resulted in underassessment of Rs 5.24 crore including penalty and interest.

Non/short accountal of goods valued at Rs 36.46 crore received as branch transfer from outside the State by two dealers resulted in underassessment of Rs 13.73 crore.

{Paragraph 2.2.7}

Acceptance of invalid declarations/incomplete declarations in form F resulted in non realisation of revenue of Rs 130.15 crore in respect of 60 dealers.

{Paragraph 2.2.8}

- **Pendency of appeals**

Amounts aggregating Rs 3,840.76 crore were blocked in appeal cases pending with appellate authorities.

{Paragraph 2.3.2}

Delays ranging from 6 to 91 months in disposal of appeals in eight cases involved revenue of Rs 33.26 crore.

{Paragraph 2.3.5}

- Failure to take action or inadequate action for recovery of dues as arrears of land revenue resulted in Rs 17.71 crore remaining unrecovered in 24 cases.

{Paragraph 2.4.3}

- Due to application of incorrect rate of tax or incorrect exemption there was underassessment of Rs 4.23 crore in 53 cases.

{Paragraph 2.6}

- Incorrect grant of set off under various provisions resulted in underassessment of Rs 3.28 crore in respect of 71 dealers.

{Paragraph 2.7}

- Failure to levy interest or short levy of interest and penalty resulted in underassessment of Rs 2.18 crore in six cases.

{Paragraph 2.8}

- Delay of four years in reassessment of a dealer after cancellation of registration resulted in the Department running the risk of recovery of Rs 6.71 crore.

{Paragraph 2.15}

3. Taxes on Motor Vehicles

- Review on ‘**Assessment and collection of taxes and other receipts in the Motor Vehicles Department**’ revealed the following:

Arrears of Bombay Motor Vehicles Tax, goods tax and passengers tax pending collection as on 31 March 2004 amounted to Rs 198.38 crore.

{Paragraph 3.2.8}

Arrears of Rs 55.33 crore were not processed for recovery as arrears of land revenue.

{Paragraph 3.2.9}

Non/short levy of tax in respect of 1,809 vehicles resulted in underassessment of Rs 2.82 crore.

{Paragraph 3.2.10}

Four fleet owners had not remitted to Government, passengers tax of Rs 40.77 crore collected from the public.

{Paragraph 3.2.13}

4. Stamp Duty and Registration Fees

- Omission to include ground rent in the total consideration of a lease deed for levy of stamp duty resulted in underassessment of Rs 2.34 crore.

{Paragraph 3.9}

5. Land Revenue

- Review on ‘**Allotment and utilisation of Government land**’ revealed the following:

Incorrect grant of land at concessional rates resulted in loss of revenue of Rs 53.18 crore by way of lease rent/occupancy price in three cases.

{Paragraph 4.4.8}

In Raigad and Nagpur, in nine cases, failure to resume land or recover market value for land allotted free of occupancy price/revenue for breach of conditions of allotment resulted in loss of revenue of Rs 7.69 crore.

{Paragraph 4.4.9}

Six allottees had not paid unearned income of Rs 133.16 crore for sale/transfer of land without obtaining permission of Government.

{Paragraph 4.4.10}

Penal occupancy price of Rs 1.22 crore was not levied/short levied in two cases for encroachment of land.

{Paragraph 4.4.11}

Incorrect deletion of the condition for surrendering 10 *per cent* of the tenements built on land granted under the Urban Land Ceiling Act for allotment to Government nominees resulted in unintended benefit of Rs 13.69 crore.

{Paragraph 4.4.14}

6. Other Tax Receipts

- Failure to review the licence fee register in respect of licence for sale of foreign liquor (FL III) resulted in short recovery of Rs 1.05 crore in respect of 234 licences.

{Paragraph 5.2}

- Short/non remittance of education and employment guarantee cess collected by Brihan Mumbai, Nagpur and Pune Municipal Corporations into Government account amounted to Rs 27.76 crore.

{Paragraph 5.5}

- Non remittance of tax on buildings (with larger residential premises) collected by Brihan Mumbai, Pune and Solapur Municipal Corporations amounted to Rs 3.72 crore.

{Paragraph 5.7}

- Interest of Rs 71.08 crore was not levied and demanded from Maharashtra State Electricity Board for delay in remittance of electricity duty collected between March 2004 and January 2005.

{Paragraph 5.10}

7. Non Tax Receipts

- Review on '**Receipt of Public Works Department**' revealed the following:

Non submission of proposals for levying toll in respect of 35 works resulted in non realisation of toll receipts of Rs 53.32 crore.

{Paragraph 6.2.9}

Discontinuance of toll collection before recovery of the cost of construction in respect of four bridges resulted in non realisation of revenue of Rs 2.31 crore.

{Paragraph 6.2.10}

Hire charges of machinery of Rs 33.35 crore were not recovered in 36 divisions and short recovered to the extent of Rs 21.88 crore in 43 divisions.

{Paragraph 6.2.11 & 6.2.12}

Non/short levy of centage charges in 20 divisions resulted in loss of revenue of Rs 16.50 crore.

{Paragraph 6.2.13}

Maintenance and toll collection charges of Rs 2.33 crore were not recovered from the Maharashtra State Road Development Corporation.

{Paragraph 6.2.16}