

# **CHAPTER VI**

## **RECEIPTS**



## RECEIPTS

### 6.1 Trend of revenue receipts

**6.1.1** The tax and non-tax revenue raised by the Government of Union Territory of Pondicherry during the year 2002-03, grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

(Rupees in crore)

Serial number		1998-99	1999-2000	2000-01	2001-02	2002-03
I	Revenue raised by the Government					
	(a) Tax revenue	224.98	260.59	291.86	268.59	276.38
	(b) Non-tax revenue	171.96	218.47	255.13	302.31	411.90
	<b>Total (I)</b>	<b>396.94</b>	<b>479.06</b>	<b>546.99</b>	<b>570.90</b>	<b>688.28</b>
II	Receipts from Government of India-Grants-in-aid	350.50	398.43	399.74	501.69	497.21
III	<b>Total receipts of the Government (I + II)</b>	<b>747.44</b>	<b>877.49</b>	<b>946.73</b>	<b>1072.59</b>	<b>1185.49</b>
IV	Percentage of I to III	53	55	58	53	58

**6.1.2** The details of tax revenue raised during the year 2002-03 along with the figures for the preceding four years are given below:

(Rupees in crore)

Serial number	Heads of revenue	1998-99	1999-2000	2000-01	2001-02	2002-03	Percentage of increase (+) / decrease (-) in 2002-03 over 2001-02
1	Taxes on Sales, Trade, etc.	148.63	171.42	193.50	160.42	150.09	(-) 6.44
2	State Excise	51.93	61.00	66.18	76.13	87.70	(+) 15.20
3	Stamps and Registration Fees	8.02	9.47	12.31	12.83	16.20	(+) 26.26
4	Taxes on Vehicles	15.62	17.65	19.16	18.54	21.95	(+) 18.39
5	Land Revenue	0.38	0.88	0.30	0.49	0.24	(-) 51.02
6	Others	0.40	0.17	0.41	0.18	0.20	(+) 11.11
	<b>Total</b>	<b>224.98</b>	<b>260.59</b>	<b>291.86</b>	<b>268.59</b>	<b>276.38</b>	<b>(+) 2.90</b>

Reasons for significant variation as stated by the departments concerned are given below:

**State Excise:** The increase was due to revision of excise duties and levy of new taxes on IMFL products/revision of licence fee.

**Stamp Duty and Registration Fees:** The increase was due to increase in sales of stamps and stamp papers.

**Taxes on Vehicles:** The increase was due to revision of tax structure.

**Land Revenue:** The decrease was due to non-payment of licence amount by some of the licencees requesting for reduction of the licence amount and remission of land tax in Karaikal and Yanam regions due to drought.

**6.1.3** The details of major non-tax revenue raised during the year 2002-03 along with the figures for the preceding four years are given below:

**(Rupees in crore)**

Serial number	Heads of revenue	1998-99	1999-2000	2000-01	2001-02	2002-03	Percentage of increase (+)/ decrease (-) in 2002-03 over 2001-02
1	Power	159.09	202.32	238.79	281.24	387.93	(+) 37.94
2	Interest Receipts, Dividends and Profits	2.58	2.22	2.15	4.18	5.12	(+) 22.49
3	Medical and Public Health	1.67	2.86	2.99	3.35	3.58	(+) 6.87
4	Education, Sports, Art and Culture	0.29	0.80	0.61	0.33	1.28	(+) 287.87
5	Crop Husbandry	0.34	0.43	0.63	0.38	0.29	(-) 23.68
6	Public Works	1.57	0.91	1.03	1.35	1.26	(-) 6.66
7	Other Receipts	6.42	8.93	8.93	11.48	12.44	(+) 8.36
	<b>Total</b>	<b>171.96</b>	<b>218.47</b>	<b>255.13</b>	<b>302.31</b>	<b>411.90</b>	<b>(+) 36.25</b>

The reasons attributed by the departments for significant increase in receipts during 2002-03 over the receipts during 2001-02 are as under:

**Power:** The increase was due to increase in the number of consumers under Domestic, Commercial Low Tension and High Tension categories, collection of old arrears and hike in tariff.

**Interest Receipts, Dividends and Profits:** The increase was due to increase in dividends from Public Undertakings.

**Education, Sports, Art and Culture:** The increase was due to collection of application fee, receipt of Employees' Provident Fund amount received from Employees' Provident Fund Corporation, cost of booklet, collection of rent for ground and sale of tender forms.

Reasons for variations though called for from other departments, have not been received (January 2004).

## 6.2 Variations between budget estimates and actuals

The variations between the budget estimates and actuals of revenue receipts for the year 2002-03 in respect of the principal heads of tax and non-tax revenue are given below:

(Rupees in crore)

Serial number	Heads of revenue	Budget estimates	Actuals	Variations excess (+) or shortfall (-)	Percentage of variation
1	Taxes on Sales, Trade, etc.	135.00	150.09	(+) 15.09	(+) 11.18
2	State Excise	74.00	87.70	(+) 13.70	(+) 18.51
3	Stamps and Registration Fees	14.72	16.20	(+) 1.48	(+) 10.05
4	Taxes on Vehicles	27.68	21.95	(-) 5.73	(-) 20.70
5	Land Revenue	0.25	0.24	(-) 0.01	(-) 4.00
6	Power	350.00	387.93	(+) 37.93	(+) 10.84
7	Interest Receipts, Dividends and Profits	2.87	5.12	(+) 2.25	(+) 78.40
8	Medical and Public Health	3.00	3.58	(+) 0.58	(+) 19.33
9	Education, Sports, Art and Culture	0.65	1.28	(+) 0.63	(+) 96.92
10	Crop Husbandry	0.47	0.29	(-) 0.18	(-) 38.30
11	Public Works	1.15	1.26	(+) 0.11	(+) 9.57

Reasons for variations, though called for, have not been received (January 2004).

## 6.3 Analysis of collection

Break-up of total collection at pre-assessment stage and after regular assessment of sales tax under Pondicherry General Sales Tax Act for the year 2002-03 and the corresponding figures for the preceding two years as furnished by the department are as follows:

(Rupees in crore)

Year	Amount collected at pre-assessment stage	Amount collected after regular assessment (additional demand)	Penalties for delay in payment of taxes and duties	Amount refunded	Net collection	Percentage of column (2) to (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2000-01	190.42	2.91	0.19	0.02	193.50	98.40
2001-02	157.82	2.47	0.23	0.10	160.42	98.37
2002-03	147.71	2.21	0.20	0.03	150.09	98.41

#### 6.4 Collection of sales tax per assessee

Year	Number of Assesseees	Sales Tax Revenue	Revenue/Assessee
		(Rupees in crore)	
1998-99	8900	148.63	0.0167
1999-2000	8551	171.42	0.0200
2000-01	8514	193.50	0.0227
2001-02	9343	160.42	0.0171
2002-03	7690	150.09	0.0195

#### 6.5 Arrears of revenue

The arrears of revenue pending collection as on 31 March 2003 under principal heads of revenue, as reported by various departments, amounted to Rs 77.02 crore as indicated below:

(Rupees in crore)

Serial number	Departments	Total arrears	Arrears outstanding for more than five years	Remarks
(1)	(2)	(3)	(4)	(5)
1	Electricity	48.49	NF	Of the total arrears, Rs 19.63 crore relates to HT consumers and Rs 28.86 crore relates to LT consumers. Of the HT arrears, an amount of Rs 0.84 crore is pending with Claims Commissioner, New Delhi and Rs 12.89 crore is under litigation. Action has been initiated to recover Rs 4.27 crore through Revenue Recovery Act. Of the LT arrears, Rs 4.12 crore relates to Local Bodies and Rs 2.17 crore relates to Government departments.
2	State Excise	14.73	14.68	Arrears were mainly due to non-payment of kist by lessee of arrack and toddy shops. Action was being taken to recover the arrears under Revenue Recovery Act.
3	Commercial Taxes	7.39	0.54	Of the total arrears, demands amounting to Rs 6.38 crore were covered by appeals with the Court and action was taken to recover Rs 0.07 crore under Revenue Recovery Act.
4	Transport	2.48	0.07	Out of the arrears of Rs 2.48 crore, Rs 2.11 crore was covered under Revenue Recovery Act and action was being taken to recover the arrears.
5	Public Works	2.22	0.18	Arrears of Rs 2.15 crore relate to water charges and Rs 0.07 crore relate to rent. Action was being taken to recover the arrears.
6	Government Automobile Workshop	0.81	0.02	Action was being taken to stop fuel supply to the departments who failed to remit the dues.
7	Revenue	0.16	--	Action was being taken to recover the arrears.

(1)	(2)	(3)	(4)	(5)
8	Stationery and Printing	0.15	0.01	Arrears were mainly from Government Departments. Action was being taken to recover the arrears.
9	Judicial	0.12	0.06	Reasons not furnished.
10	Town and Country Planning	0.10	0.10	The arrears were due to non-payment of enhanced plot costs by the allottees. Suits were being filed in the Court against defaulters.
11	Agriculture	0.09	0.01	Action was being taken to recover the arrears.
12	Industries	0.08	0.06	Accumulation of arrears was due to non-functioning of units and units that were closed. Action was being taken to recover the arrears under Revenue Recovery Act.
13	Information and Publicity	0.07	0.04	Arrears were mainly due to non-remittance of canteen rent. Action is being taken to recover the arrears.
14	Other Departments	0.13	0.02	Action was being taken to recover the arrears.
	<b>Total</b>	<b>77.02</b>	<b>15.79</b>	

NF – Not furnished

## 6.6 Frauds and evasions

Details of cases of fraud and evasion of sales tax at the end of 31 March 2003 as reported by the departments are as under:

Details		Number of cases
A	(i) Cases pending as on 1 April 2002	32
	(ii) Cases detected during the year	48
B	Cases in which investigation/assessments were completed during the year	
	(i) Out of cases in A(i) above	32
	(ii) Out of cases in A (ii) above	39
C	Cases which were pending as on 31 March 2003	
	(i) Out of cases in A(i) above	Nil
	(ii) Out of cases in A(ii) above	9

Moreover, in respect of cases where investigation/assessments had been completed, the amounts of additional demand raised and penalty worked out to Rs 15 lakh and Rs 3.88 lakh respectively.

## 6.7 Outstanding inspection reports and audit observations

6.7.1 Audit observations on incorrect assessments, under-assessments, non-levy/short-levy of taxes, duties, fees and other revenue receipts, defects in initial accounts, etc., noticed during local audit but not settled on the spot are communicated to the Heads of Offices and to the higher authorities through local audit reports. Important irregularities are also reported to the Heads of Departments and Government.

6.7.2 At the end of June 2003, 152 inspection reports relating to various departments issued upto 31 December 2002 containing 456 audit observations and involving receipts amounting to Rs 101.58 crore were pending settlement as detailed below:

(Rupees in crore)

Serial number	Tax Heads	Outstanding		Amount
		Inspection Reports	Audit Observations	
1	Sales Tax	38	127	92.56
2	Land Revenue	17	40	0.91
3	Stamp Duty and Registration Fees	58	147	0.53
4	Taxes on Vehicles	20	100	1.88
5	State Excise	19	42	5.70
	<b>Total</b>	<b>152</b>	<b>456</b>	<b>101.58</b>

## 6.8 Results of audit

6.8.1 Test-check of records of the following departmental offices conducted by audit during the period from April 2002 to March 2003 revealed under-assessments/non-levy of tax, etc., amounting to Rs 9.13 crore in 43 cases.

6.8.2 This chapter contains one paragraph relating to short collection of fees involving Rs 22.45 lakh. The department had accepted the audit observation for Rs 22.45 lakh, of which, Rs 7.86 lakh has been recovered. Report for recovery in respect of other cases had not been received (January 2004).



## TRANSPORT DEPARTMENT

### **6.9 Delay in implementation of rules resulting in short collection of fees**

Central Motor Vehicle Rules, 1989 prescribe fees for registration of vehicles, issue of licences, etc. Government of India vide notification dated 28 March 2001 enhanced these fees with effect from 28 March 2001.

Test-check of records of the office of the Transport Commissioner, Pondicherry, revealed that for registration and issue and renewal of fitness certificates in respect of various categories of vehicles during the period from 28 March 2001 to 31 August 2001, fees were collected at the pre-revised rates instead of at enhanced rates. This resulted in short collection of fees amounting to Rs 22.45 lakh.

This was pointed out by Audit in August 2002. The Department replied between May and July 2003 that out of Rs 22.45 lakh, an amount of Rs 7.86 lakh had been collected. Report on recovery of balance amount had not been received (January 2004).

The matter was referred to the Government in February/July 2003; reply had not been received (January 2004).