

## Overview

This Report contains 27 paragraphs including two reviews, relating to non/short levy of tax, interest, penalty *etc.* involving Rs.276.63 crore. Some of the major findings are mentioned below:

### I. General

The State Government's receipts for the year 2004-05 amounted to Rs.17,763.59 crore as against Rs. 15,423.84 crore for the year 2003-04. While the revenue raised by the Government amounted to Rs.10,560.97 crore (tax revenue: Rs.8,414.82 crore and non-tax revenue: Rs.2,146.15 crore), the balance Rs.7,202.62 crore was received from the Government of India as the state's share of divisible Union Taxes (Rs.4,305.61 crore) and grants-in-aid (Rs.2,897.01 crore).

*(Paragraph 1.1)*

Arrears aggregating Rs.2,977.66 crore remained unrealised under the principal heads of revenue at the end of 2004-05. The arrears were mainly in respect of taxes on sales, trade etc., state excise, taxes on immovable property other than agricultural land, major and medium irrigation, sale of land and property, land revenue and non-ferrous mining and metallurgical industries.

*(Paragraph 1.5)*

Test check of records of sales tax, land revenue, state excise, motor vehicles tax, stamps and registration fees, electricity duty, other tax receipts, forest receipts and other non-tax receipts conducted during the year 2004-05 revealed under-assessment/short levy/loss of revenue amounting to Rs.658.29 crore in 16,964 cases. During the course of the year, the departments accepted under-assessment of Rs.49.52 crore in 7,866 cases.

*(Paragraph 1.10)*

### II. Sales Tax

Review, '**Assessment and Collection of Sales Tax**' revealed the following points:

- In 19 circles, 323 industrial units engaged in cutting of marbles were irregularly allowed tax exemption of Rs.129.69 crore.

*(Paragraph 2.2.8)*

- Ten industrial units engaged in preparation of mineral water were irregularly sanctioned exemption benefit of Rs.8.93 crore.

*(Paragraph 2.2.9)*

- Seventy six industrial units which were already availing benefit under other Sales Tax Incentive Scheme of 1987/1989 were irregularly granted exemption of Rs.149.67 crore under the Sales Tax Exemption Scheme for Industries 1998.

*(Paragraph 2.2.11)*

- Non-withdrawal of benefit on breach of condition by 54 units resulted in non-recovery of tax and interest of Rs.39.09 crore.

*(Paragraph 2.2.12)*

### **III. Taxes on Motor Vehicles**

Penalty of Rs.2.73 crore was not levied on late payment of special road tax in respect of stage carriages owned by RSRTC.

*(Paragraph 3.2)*

Special road tax of Rs.2.28 crore in respect of stage carriage vehicles of RSRTC, was realised short.

*(Paragraph 3.3)*

Special road tax of Rs.89.42 lakh in respect of contract carriages was either realised short or was not levied.

*(Paragraph 3.4)*

### **IV. Land Revenue**

Undervaluation of agricultural land allotted for non-agricultural purpose resulted in short recovery of cost of land amounting to Rs.1.38 crore.

*(Paragraph 4.2.1)*

Conversion charges of Rs.98 lakh payable in respect of Government land in three tehsils was not recovered.

*(Paragraph 4.3)*

## **V. Stamp Duty and Registration fee**

Undervaluation of properties transferred through conveyance deeds resulted in short levy of stamp duty and registration fee aggregating Rs.3.89 crore.

*(Paragraph 5.2)*

Stamp duty and registration fee aggregating to Rs.1.09 crore was levied short.

*(Paragraph 5.3.1)*

## **VI. Non-tax receipts**

### **Mines and Geology Department**

Review, '**Receipts from Mines and Minerals**' revealed the following points:

- In two cases excavation and despatch of mineral valued at Rs.105.22 crore was made unauthorisedly beyond the period of working permission.

*(Paragraph 7.3.8)*

- Holder of prospecting licence carried away 22,892 MT of various minerals valued at Rs.1.76 crore in excess of quantities specified in licence without payment of cost thereto.

*(Paragraph 7.3.13)*

- Royalty of Rs.4.89 crore on use of brick clay for production of bricks was not charged.

*(Paragraph 7.3.17)*

- Cost of minerals amounting to Rs.11.75 crore due to excess excavation than permitted was not charged.

*(Paragraph 7.3.18)*