

OVERVIEW

This report contains 21 paragraphs including two reviews relating to non/short levy of tax, penalty, interest etc., involving Rs. 906.66 crore. Some of the major findings are mentioned below:

I. General

- During the year 2005-06 revenue raised by the State Government, both tax (Rs. 18,857.90 crore) and non tax (Rs. 2,930.32 crore) amounted to Rs. 21,788.22 crore as against Rs. 18,412.90 crore during the previous year.

(Paragraph 1.1.1)

- Test check of records of trade tax, state excise, taxes on vehicles, goods and passengers, stamp duty and registration fees, land revenue and other departmental receipts conducted during 2005-06 revealed under assessment, short levy, loss of revenue etc. amounting to Rs. 1,159.59 crore in 1,817 cases. During the course of the year 2005-06, the concerned departments accepted under assessment and short levy etc. of Rs. 3.55 crore in 55 cases of which Rs. 37.20 lakh in 11 cases had been recovered upto August 2006.

(Paragraph 1.7)

- Inspection reports numbering 7,832 issued up to 31 December 2005 containing 19,257 audit observations with money value of Rs. 4,225.60 crore were not settled upto June 2006.

(Paragraph 1.8)

II. Trade Tax

A review on "Deferment scheme to new industrial units under Trade Tax Act, 1948" revealed as under :-

- Eight manufacturers who had availed wholly or partly the facility of exemption under Section 4-A were granted irregular deferment (moratorium) amounting to Rs. 44.95 crore out of which Rs. 25.19 crore was availed.

(Para 2.2.6.1)

- In six cases, deferment (moratorium) of Rs. 15.37 crore was irregularly availed by manufacturers who were ineligible for exemption under Section 4-A.

(Para 2.2.6.2, 2.2.6.4 and 2.2.6.5)

- Two manufacturers availed irregular deferment (moratorium) amounting to Rs. 32.59 crore though they could not achieve the base production.

(Para 2.2.6.3)

- Nine manufacturers availed CST deferment of Rs. 12.69 crore which was inadmissible.

(Para 2.2.6.6)

- Deferment (moratorium) amounting to Rs. 2.08 crore with interest Rs. 1.52 crore was not recovered.
(Para 2.2.6.7, 2.2.7.1 and 2.2.7.2)
- Irregular allowance of exemption under the compounding scheme resulted in short levy of tax of Rs. 6.75 crore.
(Paragraph 2.3)
- Non levy of interest of Rs. 2.54 crore.
(Paragraph 2.5)
- Non levy of penalty under CST Act amounting to Rs. 1.13 crore.
(Paragraph 2.8.1)

III. State Excise

A review on "Levy, assessment and collection of taxes in State Excise Department" revealed as under :-

- Due to failure of the department, penalty of Rs. 381.78 crore for unlawful manufacture of alcohol by a distillery was not imposed.
(Para 3.2.7.1)
- Low yield of alcohol from molasses as compared to norms resulted in loss of revenue of Rs. 16.03 crore.
(Para 3.2.7.2)
- Allowing sale of stock of previous year in ensuing year without recovery of differential rate of duty resulted in loss of excise duty amounting to Rs. 6.10 crore.
(Para 3.2.10)

IV. Taxes on vehicles, goods and passengers

- Application of incorrect rates of additional tax resulted in short levy of tax of Rs. 1.36 crore.
(Paragraph 4.3)

V. Other Tax Receipts

- *Nazul* land valued at Rs. 342.26 crore was not reverted by Government, on expiry of leases.
(Paragraph 5.5)
- Non realisation of unutilised maintenance charges amounting to Rs. 4 crore.
(Paragraph 5.6.1)

VI. Other Departmental Receipts

- Short levy of guarantee fees amounting to Rs. 12 crore.
(Paragraph 6.3)
- Blockade of revenue due to non felling of matured/over matured sal trees amounting to Rs. 88.03 crore.
(Paragraph 6.4)