

OVERVIEW

This report contains 25 paragraphs including 3 reviews relating to non-levy/short levy of tax, penalty, interest etc., involving Rs. 473.20 crore. Some of the major findings are mentioned below:

I. General

- During the year 2003-04 revenue raised by the State Government, both tax (Rs. 13601.23 crore) and non tax (Rs. 2,282.08 crore) amounted to Rs.15,882.83 crore as against Rs. 14,697.30 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 2003-04 revealed under assessment, short levy, loss of revenue etc. amounting to Rs. 799.81 crore in 4,210 cases. During the course of the year 2003-04, the concerned departments accepted under assessment and short levy etc. of Rs. 2.98 crore in 122 cases of which 59 cases involving Rs. 16.10 lakh had been recovered upto March 2004.

(Paragraph 1.7)

- Inspection Reports numbering 8412 issued up to 31 December 2003 containing 17,506 audit observations with money value of Rs. 4,296.86 crore were not settled up to June 2004.

(Paragraph 1.8)

II. Trade Tax

A review on "Inter state sale and branch transfer of goods under CST Act" revealed as under:-

- Incorrect allowance of concessional rate without production of Form 'C' through a Government order resulted in short levy of tax of Rs. 23.94 crore.

(Paragraph 2.2.6)

- Incorrect grant of concessional rate of CST on defective Form 'C' in case of 30 dealers resulted in undue tax benefit of Rs. 6.91 crore.

(Paragraph 2.2.8)

- Incorrect grant of exemption on export sale on the basis of defective Form'H' resulted in non-levy of tax of Rs. 2.55 crore.

(Paragraph 2.2.10)

Other irregularities noticed in audit include:

- Due to excess allowance of set off, tax amounting to Rs. 12.95 crore (including interest) was not levied.

(Paragraph 2.3.2)

- Irregular grant of moratorium by the Department resulted in undue financial benefit of Rs. 3.55 crore.

(Paragraph 2.3.3)

- Short computation of tax in respect of 15 units in nine Trade Tax Offices resulted in short adjustment of tax of Rs. 23.32 crore.

(Paragraph 2.4)

- Misclassification of goods resulted in short levy of tax amounting to Rs. 7.37 crore.

(Paragraph 2.7)

- Due to non levy of tax/additional tax resulted in short levy of tax amounting to Rs. 8.09 crore.

(Paragraph 2.8)

III. State Excise

- Due to low production of alcohol by 11.12 lakh AL from molasses resulted in loss of excise duty of Rs. 5.34 crore.

(Paragraph 3.2)

IV. Taxes on vehicles, goods and passengers

- Non assessment of additional tax on maxi cab resulted in loss of Rs. 59.24 lakh.

(Paragraph 4.3)

V. Other Tax Receipts

A review on " Stamp duty" revealed the following:

- Discrepancy of Rs 133.63 crore between figures of receipts as shown in Finance Account and the Department for the year 1993-94 to 2002-03 was noticed.

(Paragraph 5.2.6)

- The excess and short receipt of stamps from ISP Nasik to the tune of Rs. 390 crore and Rs. 807.90 crore respectively was not reconciled during 1993-2003.

(Paragraph 5.2.8)

- Cross verification of stamp papers sold by treasuries with the value of stamp papers registered in registering offices showed that there was excess utilisation of stamp papers worth Rs. 404.68 crore in execution of documents in forty six districts and judicial stamps worth Rs. 48.17 crore in eighteen districts.

(Paragraph 5.2.9)

- Inadequate security arrangements during transportation of stamps resulted in loss in transit of Rs. 20.74 crore worth of stamp papers.

(Paragraph 5.2.10)

- There was loss of revenue of Rs. 19.03 crore to the State Government due to procurement of insurance stamps from unauthorised agencies located in other states.
(Paragraph 5.2.11)
- Total lack of internal control facilitated excess usage of stamp papers over sales from treasuries.
(Paragraph 5.2.14)
- Under valuation of property resulted in short levy of stamp duty and registration fees of Rs. 19.76 crore.
(Paragraph 5.3)
- Non levy of additional stamp duty resulted in loss of Rs. 90.13 crore.
(Paragraph 5.5)
- Short levy of stamp duty due to misclassification of documents resulted in loss of Rs. 1.79 crore.
(Paragraph 5.6)

VI. Other Departmental Receipts

A review on "Receipt from Mines and Minerals" revealed the following:

- Acceptance of bid lower than minimum reserve price in Hamirpur and Fatehpur Tehsil resulted in loss of Rs.12.09 crore.
(Paragraph 6.2.8)
- Non levy of stamp duty on royalty and misclassification resulting in loss of Rs.1.44 crore on account of stamp duty.
(Paragraph 6.2.11)
- The DDOs of divisions of PWD/RES/DRDA had neither verified payment of royalty on collection of stone boulders nor realised royalty from contractors which resulted in loss of revenue of Rs.7.23 crore.
(Paragraph 6.2.16)