

OVERVIEW

I. General

This Report contains 45 paragraphs including one review relating to underassessment/non-realisation/loss of revenue etc. involving Rs.554.93 crore. Some of the major findings are mentioned below:

The total receipts of the Government for the year 2004-05 were Rs.19,918.19 crore. The revenue receipts of Rs.11,270.12 crore comprised Rs.9,924.46 crore from taxes and Rs.1,345.66 crore from non-tax revenue. The State received Rs.6,384.89 crore as its share of divisible Union Taxes and Rs.2,263.18 crore as grants-in-aid.

(Paragraph 1.1)

Test check of records of sales tax, land revenue, state excise, motor vehicles tax, amusement tax, electricity duty, forest and other departmental receipts conducted during the year 2004-05 revealed underassessment/non-realisation/loss of revenue etc. of Rs.1,164.23 crore in 1,268 cases. During the course of the year 2004-05, the concerned departments accepted underassessment etc. of Rs.691.60 crore involved in 709 cases of which 555 cases involving Rs.687.08 crore were pointed out in audit during 2004-05 and the rest in earlier years. A sum of Rs.71.27 lakh was recovered at the instance of audit during the year 2004-05.

(Paragraph 1.12)

As on 30 June 2005, 1,092 inspection reports issued upto December 2004 containing audit observations involving Rs.1,352.76 crore, were outstanding for want of response or final action by the concerned departments

(Paragraph 1.14)

II. Sales Tax

Incorrect determination of turnover of sales in respect of 36 dealers in 38 cases resulted in short levy of tax including surcharge and additional surcharge of Rs.2.95 crore

(Paragraph 2.2)

Underassessment of tax due to incorrect deduction in respect of 46 dealers in 48 cases resulted in short levy of tax including surcharge and additional surcharge of Rs.2.80 crore

(Paragraph 2.3)

Non/short levy of penalty on concealed/fake transactions in 28 cases of 27 dealers resulted in non/short realisation of penalty of Rs.1.77 crore

(Paragraph 2.6)

Application of incorrect rate of tax in assessment of 31 cases of 30 dealers resulted in short levy of tax including surcharge and additional surcharge of Rs.1.08 crore

(Paragraph 2.8)

Incorrect exemption allowed on purchases worth Rs.10.99 crore in 13 cases of 18 dealers resulted in non/short levy of purchase tax of Rs.37.46 lakh
(Paragraph 2.12)

III. Land Revenue

Non-settlement of long term leases for unauthorised occupation of 37.63 acres of non-agricultural land involving market value of Rs.37.99 lakh resulted in non-realisation of rent and salami of Rs.22.24 lakh
(Paragraph 3.2)

IV. State Excise

Inaction on the part of the Department against three licensees resulted in non-realisation of duty of Rs.11.02 crore on short/non-receipt of rectified spirit/extra neutral alcohol during the course of import underbond
(Paragraph 4.2)

Non-raising of demand for chargeable wastage of rectified spirit occurred during the process of redistillation resulted in non-realisation of excise duty of Rs.38.48 lakh
(Paragraph 4.3)

V. Motor Vehicles Tax

Non-imposition/incorrect application of rate of tax and additional tax together with non-levy of penalty for non-payment of tax and additional tax resulted in non/short realisation of revenue of Rs.2.25 crore
(Paragraph 5.2)

Non-levy of additional fee at the time of transfer of ownership of 3,645 vehicles resulted in non-realisation of revenue of Rs.57.51 lakh
(Paragraph 5.3)

VI. Amusement Tax

Inaction of the Department against the proprietors of cinema halls led to non-realisation of composition money of Rs.50.74 crore
(Paragraph 6.2.6)

Non-scrutiny of claims of utilisation of service charges made by proprietors of cinema halls resulted in non-levy of tax of Rs.2.39 crore
(Paragraph 6.2.8)

Non-adherence to the provisions of the Act resulted in non/short levy of tax of Rs.4.57 crore on air-conditioned hotels
(Paragraph 6.2.9)

Despite specific provisions of the Act, clubs were never brought under the purview of tax resulting in non-levy of tax of Rs.5.12 crore
(Paragraph 6.2.10)

VII. Other Tax Receipts

Inaction on the part of the Department to raise demand of electricity duty collected by West Bengal State Electricity Board and Calcutta Electricity Supply Corporation resulted in unauthorised retention of Government dues of Rs.284.82 crore
(Paragraph 7.2.3)

Failure of the assessing authority to raise demand for short payment of electricity duty by the licensees resulted in non-realisation of duty of Rs.39.71 crore
(Paragraph 7.2.5)

Incorrect allowance of rebate despite non-payment of electricity duty within the due date of payment resulted in short realisation of revenue of Rs.9.50 crore
(Paragraph 7.2.6)

VIII. Forest Receipts

Failure of the Department to provide adequate infrastructure in implementation of Government order for realisation of transit pass fee resulted in loss of revenue of Rs.3.75 crore
(Paragraph 8.2)

IX. Mines and Minerals

Inaction of the Department against unauthorised extraction of brick-earth/boulder/stone in excess of permitted quantity/without any quarry permit resulted in non/short realisation of Rs.1.72 crore
(Paragraph 9.2)

X. Other Non-Tax Receipts

Non-issue of notification in respect of 36,75,994 acres of land benefited from irrigation schemes resulted in foregoing of revenue of Rs.13.09 crore
(Paragraph 10.2)

Inaction on the part of the Department to make assessment of irrigated land as per test notes of the engineering divisions resulted in non/short realisation of water rate of Rs.59.54 lakh
(Paragraph 10.4)