

## OVERVIEW

### I. General

This report contains 36 paragraphs including one review relating to underassessment/non-realisation/loss of revenue etc. involving Rs.711.36 crore. Some of the major findings are mentioned below:

The total receipts of the Government for the year 2005-06 were Rs.23,725.89 crore of which revenue receipts of Rs.11,407.19 crore comprised Rs.10,388.38 crore tax and Rs.1,018.81 crore non tax revenue. The State received Rs.6,668.33 crore as its share of divisible Union taxes and Rs.5,650.37 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 2005-06 revealed underassessment/non-realisation/loss of revenue etc. of Rs.1388.89 crore in 990 cases. During the year 2005-06 the concerned departments accepted under assessments etc. of Rs. 719.58 crore in 497 cases of which 382 cases involving Rs. 705.92 crore were pointed out in audit during 2005-06 and the rest in earlier years.

**(Paragraph 1.12)**

As on June 2006, 1,152 inspection reports containing audit observations involving Rs.779.99 crore were outstanding for want of response or final action by the concerned departments.

**(Paragraph 1.15)**

### II. Sales Tax

Inaction of the authority led to non raising of demand of evaded tax of Rs.15.62 crore.

**(Paragraph 2.2.6.2)**

Non observance of provisions resulted in non imposition of minimum penalty of Rs.34.09 crore on suppressed/concealed sales.

**(Paragraph 2.2.6.5)**

Failure of the department in bringing the brick manufacturers under the tax net led to evasion of tax of Rs.48.25 crore.

**(Paragraph 2.2.7)**

Inordinate delay in disposal of appeal petitions resulted in evasion of tax of Rs.14.16 crore.

**(Paragraph 2.2.11.3)**

Inadequate action by the authorities against transporters violating provision of the Act led to evasion of tax and penalty of Rs.239.79 crore.

**(Paragraph 2.2.12)**

Incorrect exemptions allowed on stock transfer of Rs.24.43 crore to non-existent/fake dealers or transactions not covered by 'F' forms resulted in under assessment of tax of Rs.1.80 crore including surcharge and additional surcharge. Minimum penalty of Rs.81.59 lakh was also not imposed.

**(Paragraph 2.6)**

Non levy of minimum penalty on concealment of sales/purchases of Rs.26.62 crore in 16 cases of 15 dealers resulted in non/short realisation of revenue of Rs.3.34 crore.

**(Paragraph 2.8)**

Incorrect exemption on account of export sales for Rs.428.29 crore instead of Rs.393.83 crore in 19 cases of 19 dealers resulted in excess exemption of export sales of Rs.34.46 crore which further resulted in short levy of tax of Rs.2.72 crore.

**(Paragraph 2.10)**

### **III. Land Revenue**

Non settlement of lease in case of 120 jalkars covering 10,419.58 acres resulted in loss of revenue of Rs.8.44 crore and there was a short realisation of lease rent of Rs.3.55 crore from 43 jalkars.

**(Paragraph 3.2.1)**

Against realisable cess of Rs.98.28 lakh from the patta holders Rs.37.52 lakh was realised resulting in short realisation of cess of Rs.60.74 lakh.

**(Paragraph 3.3)**

### **IV. Motor Vehicles Tax**

Non levy of tax and additional tax by taxing officers on 32 articulated vehicles, 17 tippers, 5 tankers and 419 different types of vehicles between April 2000 and March 2005 resulted in non realisation of tax, additional tax and penalty of Rs.45.86 lakh.

**(Paragraph 4.2)**

Realisation of fees at pre revised rates instead of revised rates for grant of driving/learners licence resulted in short realisation of fees of Rs.16.01 lakh.

**(Paragraph 4.4)**

## **V. Other Tax Receipts**

Non assessment of additional fee on 53,033.20 london proof litre of country spirit obtained in excess during 2004-05 resulted in non realisation of revenue of Rs.14.85 lakh.

**(Paragraph 5.2)**

Non registration of 11 labels/brands by licensees of 11 bonded warehouses during 2001-02 and 2004-05 for sale of India made foreign liquor resulted in non realisation of fees of Rs.7.10 lakh.

**(Paragraph 5.3)**

## **VI. Mines and Minerals**

Allowance of irregular claim of Rs.286.43 crore as quality deduction and Rs.52.85 crore as estimated loss on stock of coal from annual value resulted in underassessment of rural employment and primary education cess of Rs.93 crore.

**(Paragraph 6.2.3.1)**

Assessment of rural employment and primary education cess at reduced rate from December 1997 instead of December 1998 resulted in underassessment of cess of Rs.12 crore.

**(Paragraph 6.2.3.2)**

Incorrect gradation of coal in the annual declaration and assessment of rural employment and primary education cess on reduced annual value led to short assessment of cess of Rs.9.97 crore.

**(Paragraph 6.2.3.3)**

Inaction of the department to recover the price of stowing sand extracted in excess of permitted quantity resulted in non realisation of revenue of Rs.2.50 crore.

**(Paragraph 6.2.4)**

Cess of Rs.1.59 crore on dead rent for various periods between May 1997 and April 2005 was not assessed and levied by district authorities.

**(Paragraph 6.2.5)**

Raising of demand of Rs.5.78 crore against total demand of Rs.40.10 crore towards royalty and cess and price of minerals for unauthorised extraction resulted in short raising of demand of Rs.34.32 crore.

**(Paragraph 6.3.1)**

Failure of the district authorities to recover price of brickearth extracted unauthorisedly by 236 brickfield owners resulted in non/short realisation of revenue of Rs.28.38 crore.

**(Paragraph 6.3.2)**

Non raising of demand towards recovery of price of 29.11 lakh cft. of earth and 2.57 crore cft. of sand extracted unauthorisedly in excess of their permitted quantity resulted in non realisation of revenue of Rs.18.41 crore.

**(Paragraph 6.3.3)**

## **VII. Other Non Tax Receipts**

Recovery of harvesting cost by West Bengal Forest Development Corporation at a higher rate than the approved enhanced rate during 2001-05 resulted in short realisation of revenue of Rs.7.43 lakh.

**(Paragraph 7.2)**

Irregular deduction of project advance from the revenue not related to the operational period for which project input advance was made resulted in short realisation of revenue of Rs.44.54 lakh.

**(Paragraph 7.3)**