

OVERVIEW

1. General

This Report contains 47 paragraphs including two reviews relating to underassessment/short levy/loss of revenue etc. involving Rs.204.77 crore. Some of the major findings are mentioned below:

The total receipts of the Government for the year 2002-03 were Rs.14,525.45 crore. The revenue receipts of Rs.7,732.07 crore consisted of Rs.7,077.74 crore from taxes and Rs.654.33 crore from non-tax revenue. The State received Rs.4,555.40 crore as its share of divisible Union Taxes and Rs.2,237.98 crore as grants-in-aid.

(Paragraph 1.1)

Test check of records of sales tax, land revenue, state excise, motor vehicles tax, taxes on agricultural income, forest and other departmental receipts conducted during the year 2002-03 revealed underassessment/short levy/loss of revenue etc. amounting to Rs.532.72 crore in 1,309 cases. During the course of the year 2002-03, the concerned Departments accepted underassessment etc. of Rs.168.29 crore involved in 998 cases of which 682 cases involving Rs.137.42 crore were pointed out in audit during 2002-03 and the rest in earlier years. A sum of Rs.2.26 crore was recovered at the instance of audit during the year 2002-03.

(Paragraph 1.11)

As on 30 June 2003, 963 inspection reports, issued up to December 2002 containing 2,687 audit observations involving Rs.629.52 crore, were outstanding for want of response or final action by the concerned Departments.

(Paragraph 1.13)

2. Sales Tax

Incorrect determination of gross turnover in respect of 29 dealers in 35 cases resulted in short levy of tax including turnover tax, additional sales tax, surcharge and additional surcharge of Rs.2.43 crore.

(Paragraph 2.2)

Excess/Incorrect deduction of Rs.7.41 crore allowed from sale prices in 35 cases of 31 dealers resulted in short levy of tax of Rs.85.99 lakh.

(Paragraph 2.3.1)

Incorrect allowances of concessional rate of tax in 38 cases of 33 dealers resulted in short levy of tax of Rs.61.57 lakh.

(Paragraph 2.5)

Non-imposition of penalty on concealed sales/purchases or fake stock transfer resulted in non/short levy of penalty of Rs.4.91 crore in 49 cases of 39 dealers.

(Paragraph 2.6)

Application of incorrect rate of tax in assessment of 20 cases of 18 dealers resulted in short levy of tax of Rs.4.61 crore.

(Paragraph 2.7)

Non/short raising of demand after assessment of tax in 22 cases of 21 dealers resulted in non/short demand of Rs.5.41 crore as well as loss of potential interest of Rs.1.01 crore.

(Paragraph 2.11)

3. Land Revenue

Failure of the department to settle 11.50 acres of non-agricultural Government land on long term lease or to evict the unauthorised occupants resulted in non-realisation of revenue of Rs.37.30 lakh.

(Paragraph 3.2)

Non-assessment and non-realisation of market value and capitalised value of 293.45 acres of land handed over to Central Government Departments resulted in non-realisation of revenue of Rs.26.78 crore.

(Paragraph 3.4)

4. Stamp Duty and Registration Fees

A review, "**Levy, Collection and Arrears of Stamp Duty and Registration Fees**", revealed the following:

Lack of action by Registering Officers resulted in non-realisation of stamp duty and registration fees of Rs.8.52 crore

(Paragraph 4.2.8)

Delay in disposal of cases referred to the Collector for determination of market value resulted in non-realisation of deficit stamp duty and registration fees of Rs.38.89 crore

(Paragraph 4.2.9)

Non-registration of flats resulted in non-realisation of stamp duty and registration fees of Rs. 29.44 crore

(Paragraph 4.2.10)

Collectors allowed irregular refund of value of excess/spoiled/misused non-judicial stamps of Rs.94.08 lakh

(Paragraph 4.2.14)

Delay in giving effect to the amended Act resulted in undermobilisation of revenue of Rs.96 lakh

(Paragraph 4.2.15)

Short realisation of stamp duty on 33 registered power of attorney documents in respect of 4.73 acres of land valued at Rs.23.64 crore delegated to developers/promoters for construction and sale of flats resulted in short realisation of revenue of Rs.1.91 crore

(Paragraph 4.4)

5. Motor Vehicles Tax

Delay in issue of notification resulted in short realisation of various types of fees of Rs.69.24 lakh in 71,615 cases.

(Paragraph 5.2)

Due to delay in issue of notification, minimum fine of Rs.24.16 lakh could not be realised from 1,208 goods carriages.

(Paragraph 5.3)

6. State Excise

A review, "**Uncollected Excise Revenue**", revealed the following:

The Department depicted only Rs.11.66 crore as uncollected excise revenue for the whole of West Bengal, while audit worked out the same at Rs.85.97 crore in nine excise districts alone.

(Paragraph 6.2.7)

Revenue amounting to Rs.1.21 crore remained unrealised due to delayed follow up action for recovery of arrears through certificate proceedings.

(Paragraph 6.2.8)

Realisation of duty amounting to Rs.2.72 crore remained in arrears due to incorrect entertainment of appeal.

(Paragraph 6.2.13)

Irregular remission of excise duty not covered by statutory provision of the Act, resulted in loss of revenue of Rs.1.27 crore.

(Paragraph 6.2.16)

Failure of the internal audit wing to take follow-up action in case of observation by Statutory Audit, resulted in non-settlement of audit objection to the tune of Rs.381.03 crore.

(Paragraph 6.2.19)

Failure on the part of the Department to raise demand of excise duty and fee on excess wastage of 20,983.18 LPL of potable foreign liquor resulted in non-realisation of revenue of Rs.30.23 lakh.

(Paragraph 6.4)

7. Electricity Duty, Professions Tax and Other Tax Receipts

Failure on the part of the Department to raise demand of electricity duty from the owners of 30 unregistered private diesel generating sets resulted in non-realisation of revenue of Rs.59.19 lakh.

(Paragraph 7.2)

Failure to raise demands by Range/Unit offices for payment of arrear tax against 95 persons/employees enrolled between 1979-80 and 1999-2000 resulted in non-realisation of professions tax of Rs.16.28 lakh.

(Paragraph 7.6)

8. Non-Tax Receipts

Incorrect deduction of service charges at the rate of 10 per cent by West Bengal Forest Development Corporation resulted in short realisation of revenue of Rs.36.31 lakh.

(Paragraph 8.2)

Inaction on the part of the Department to make assessment of irrigated land as per test notes of the engineering divisions resulted in short assessment and non-realisation of water rate of Rs.38.94 lakh

(Paragraph 8.8)