

PREFACE

This Report for the year ended 31 March 2004 has been prepared for submission to the Governor under Article 151 (2) of the Constitution.

The audit of revenue receipts of the State Government is conducted under Section 16 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. This Report presents the results of audit of receipts comprising sales tax, land revenue, stamp duty and registration fees, motor vehicles tax, professions tax, electricity duty, state excise, other tax receipts, mines and minerals, forest receipts and other non-tax receipts of the State.

The cases mentioned in this Report are among those which came to notice in the course of test audit of records during the year 2003-04 as well as those noticed in earlier years but could not be covered in previous years' Reports.

OVERVIEW

I. General

This Report contains 36 paragraphs including two reviews relating to underassessment/short levy/loss of revenue etc. involving Rs.1,335.20 crore. Some of the major findings are mentioned below:

The total receipts of the Government for the year 2003-04 were Rs.16,608.50 crore. The revenue receipts of Rs.9,373.75 crore consisted of Rs.8,767.91 crore from taxes and Rs.605.84 crore from non-tax revenue. The State received Rs.5,341.65 crore as its share of divisible Union Taxes and Rs.1,893.10 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 2003-04 revealed underassessment/short levy/loss of revenue etc. amounting to Rs.2,553.45 crore in 1,095 cases. During the course of the year 2003-04, the concerned Departments accepted underassessment etc. of Rs.620.51 crore involved in 635 cases of which 481 cases involving Rs.608.87 crore were pointed out in audit during 2003-04 and the rest in earlier years. A sum of Rs.1.90 crore was recovered at the instance of audit during the year 2003-04.

(Paragraph 1.12)

As on 30 June 2004, 1,141 inspection reports, issued up to December 2003 containing 3,388 audit observations involving Rs.810.75 crore, were outstanding for want of response or final action by the concerned Departments.

(Paragraph 1.14)

II. Sales Tax

- Non-adherence to the provision of the Act led to loss of revenue of Rs.28.62 crore due to allowance of undue financial benefit in deemed assessment cases.

(Paragraph 2.2.10)

- Non-conducting of post assessment scrutiny led to non/short levy of tax, penalty and interest of Rs.5.24 crore

(Paragraph 2.2.11)

- Non-fixing of time limit for payment of assessed tax led to loss of interest of Rs.2.28 crore.

(Paragraph 2.2.12)

- Lack of internal control led to evasion of tax of Rs.2.44 crore on the goods transported though West Bengal to other States

(Paragraph 2.2.14)

- Failure to incorporate interest in certificate cases led to non-levy of interest of Rs.9.43 crore

(Paragraph 2.2.15)

- Non-fixing of time limit for initiation of recovery proceedings led to non-realisation of dues of Rs.1,025.06 crore.

(Paragraph 2.2.16)

- Inadequate pursuance of certificate demands led to non-recovery of Government dues in 1,284 cases.

(Paragraph 2.2.17)

- Non-fixing of minimum as well as maximum number of allowable installments led to undue financial benefit of Rs.9.53 crore to the Certificate Debtors

(Paragraph 2.2.18)

Incorrect determination of gross turnover in respect of 55 dealers in 60 cases resulted in short levy of tax including surcharge and additional surcharge of Rs.4.98 crore.

(Paragraph 2.3)

Non-imposition of penalty on concealed sales/purchases resulted in non/short levy of minimum penalty of Rs.3.35 crore in 37 cases.

(Paragraph 2.12.2)

III. Land Revenue

Irregular transfer of 8.78 acres of Government land in three cases resulted in non-realisation of rent and salami of Rs.79.93 lakh

(Paragraph 3.4)

IV. State Excise

Inaction on the part of the Department against three licensees resulted in non-realisation of duty and fee of Rs.8.13 crore on short/non-receipt of rectified spirit/India made foreign liquor.

(Paragraph 4.2)

V. Motor Vehicles Tax

Failure to follow the prescribed system in connection with traffic offences resulted in non-realisation/loss of revenue of Rs.3.93 crore

(Paragraph 5.6)

VI. Stamp Duty and Registration Fees, Electricity Duty and Other Tax Receipts

In six offices of professions tax, non-enrolment of 1,197 persons resulted in non-realisation of Government revenue of Rs.52.07 lakh

(Paragraph 6.5)

VII. Mines and Minerals

Inaction on the part of the Department against illegal extraction of 155.76 lakh cft. of brick earth without any quarry permit resulted in non/short realisation of revenue of Rs.79.92 lakh.

(Paragraph 7.2)

VIII. Other Non-tax Receipts

The review on “Assessment and Collection of receipts of Police Department revealed the following:

- The Department did not realise police cost of Rs.129.53 crore from Railways/Central Government

(Paragraph 8.2.8)

- Police cost of Rs.65.86 crore was not realised from Kolkata Port Trust

(Paragraph 8.2.10)

- Lack of control mechanism led to non/short assessment of police cost of Rs.6.01 crore

(Paragraph 8.2.11)

- Mistake in computation in raising of demand of police cost of Rs.7.18 crore was not noticed

(Paragraph 8.2.12)

- Laxity on the police authority in disposal of confiscated vehicles resulted in vehicles being stolen from their custody

(Paragraph 8.2.13)