

OVERVIEW

This Report contains 40 paragraphs including one Performance Audit relating to underassessment/short levy/loss of revenue, irregular/doubtful expenditure, etc. involving ₹ 1,568.91 crore. The Departments/Government have accepted audit observations involving ₹ 1,399.13 crore, out of which ₹ 88.91 crore has been recovered. Some of the major findings are mentioned below:

I. General

The total revenue receipts of the State Government for the year 2011-12 amounted to ₹ 14,770.73 crore as compared to ₹ 12,840.46 crore of the previous year. Out of this, 57 per cent was raised through tax revenue (₹ 10,712.25 crore) and non-tax revenue (₹ 4,058.48 crore). The balance 43 per cent was received from Government of India as States share of divisible Union taxes (₹ 6,320.44 crore) and Grants-in-aid (₹ 4,776.21 crore).

(Paragraph 1.1.1)

At the end of June 2012, 8,428 audit observations involving ₹ 4,495.26 crore relating to 2,185 Inspection Reports issued upto December 2011 remained outstanding.

(Paragraph 1.6.1)

Test check of receipts from Commercial tax, Stamps and Registration fee, State Excise, Taxes on Motor Vehicles, Land revenue, Mining and other non-tax revenue etc. conducted during the year 2011-12 revealed underassessment/short levy/loss of revenue etc. aggregating to ₹ 555.69 crore in 18,824 cases. During the year 2011-12, the Departments concerned accepted underassessments and other deficiencies of ₹ 106.24 crore in 5,701 cases. Of these, the Department recovered ₹ 11.86 lakh during the year.

(Paragraph 1.13.1)

II. Commercial Tax

The Assessing Officer failed to levy tax and penalty of ₹ 18.94 lakh despite concealment of purchases and sales.

(Paragraph 2.13)

Grant of irregular exemption by Assistant Commissioner, Commercial Tax-II, Bilaspur led to non-levy of tax of ₹ 7.06 lakh. Besides, penalty was also leviable.

(Paragraph 2.14)

Application of incorrect rate of tax by Assessing Officers led to short levy of tax and penalty of ₹ 24.90 lakh.

(Paragraph 2.16 & 2.17.1)

Levy of tax at lower rate led to short levy of tax of ₹ 20.24 lakh.

(Paragraph 2.17.2)

Grant of irregular exemption on sale of soya flour led to non-levy of tax of ₹ 1.55 crore. Besides, penalty was also leviable.

(Paragraph 2.19)

Failure of the Assessing Officer to verify the entries of the Schedule resulted in non-levy of entry tax of ₹ 1.24 crore.

(Paragraph 2.20)

Grant of irregular exemption on the purchases made led to non-levy of entry tax of ₹ 8.31 lakh. Besides, penalty was also leviable.

(Paragraph 2.21)

Short realisation of *Samadhan Rashi*, delay in payment, non imposition of penalty on delayed payment of *Bakaya Rashi* and wrong adjustment led to loss of revenue of ₹ 7.07 crore.

(Paragraph 2.23)

III. Stamps and Registration Fees

Non adherence to the guidelines by the Sub Registrar at the time of registration of documents led to short levy of stamp duty and registration fee of ₹ 43.24 lakh.

(Paragraph 3.9)

There was short levy of stamp duty and registration fee of ₹19.84 lakh due to undervaluation of properties situated on main road.

(Paragraph 3.13)

IV. Land Revenue

Failure of the Department to levy premium and ground rent on *Nazul* land on an urban local body led to short levy of revenue of ₹ 59.73 lakh.

(Paragraph 4.8)

V. Taxes on Vehicles

Issue of Trade Certificates by the Transport Officers without levying the required fee resulted in non/short levy of fee of ₹ 4.43 crore.

(Paragraph 5.9)

Registration of vehicles without levying entry tax by District Transport Officer, Kanker led to non-levy of tax of ₹ 6.13 lakh.

(Paragraph 5.12)

Failure of the Transport Officers to check the maintenance of register in Form 19 and levy trade tax accordingly resulted in short realisation of ₹ 4.17 crore from dealers.

(Paragraph 5.13)

VI. Other Tax Receipts

A: Taxes and Duties on Electricity

A Performance Audit on “Levy and Collection of Electricity Duty” revealed the following:

Inclusion of erroneous provision in the Electricity Duty Act/ Chhattisgarh *Upkar Adhinyam* led to levy of cess at two different points and consequential extra burden of ₹ 252.63 crore on consumers.

(Paragraph 6. 2.10)

Incorrect issue of exemption certificates to industries led to non-levy of electricity duty and interest of ₹ 15.77 crore.

(Paragraph 6.2.11)

Grant of exemption even after withdrawal of notification led to non-levy of electricity duty and interest of ₹ 44.68 crore.

(Paragraph 6.2.12.2)

Grant of exemption to ineligible set led to non levy of electricity duty of ₹ 35.69 crore.

(Paragraph 6.2.14)

CEI allowed exemption to an ineligible industry leading to non-levy of electricity duty and interest of ₹ 44.74 crore.

(Paragraph 6.2.15)

Irregular grant of exemption to standby set led to non-levy of electricity duty and interest of ₹ 16.10 crore.

(Paragraph 6.2.16)

Grant of exemption to an industry despite sale of power to non-exempted industries led to non-levy of electricity duty and interest of ₹ 20.90 crore.

(Paragraph 6.2.17)

Non-implementation of the provision of the Chhattisgarh Electricity Duty Act led to non-levy of electricity duty and interest of ₹ 47.62 crore from CSPGCL.

(Paragraph 6.2.18)

Failure of CEI to levy electricity duty even after conversion from non-conventional energy plant to thermal power plant led to non-levy of duty and interest of ₹ 5.40 crore.

(Paragraph 6.2.19)

Failure of CEI to scrutinise the G-forms led to non-levy/short-levy of electricity duty and interest of ₹ 22.36 crore.

(Paragraph 6.2.21)

B: State Excise

There was non-levy of penalty of ₹ 5.51 crore for failure to maintain the minimum stock of spirit in warehouses.

(Paragraph 6.11)

VII. Other Non-tax Receipts

A: Forest Receipts

Failure of the Divisional Forest Officers to transport the forest produce within the prescribed time led to loss of revenue of ₹ 59.83 lakh.

(Paragraph 7.9)

B: Interest Receipts

Failure of the Finance Department/Government to include the terms and conditions for payment of interest resulted in non-recovery of penal interest.

(Paragraph 7.12.7.1)

Failure of the administrative departments to maintain the relevant records and absence of a mechanism in the Finance Department to monitor the disbursement and recovery of loans resulted in non-assessment/non-raising of demand for loan amount, interest and penal interest aggregating to ₹ 249.29 crore.

(Paragraph 7.12.8)

Acceptance of the repayment without verifying the amount due by loan sanctioning departments led to short realisation of interest of ₹ 4.29 crore.

(Paragraph 7.12.9)

VIII. Forest Expenditure

Execution of works on ineligible items by Divisional Forest Officers led to irregular expenditure of ₹ 10.76 crore from Calamity Relief Fund.

(Paragraph 8.6)

Non consideration of the rate of inflation in the cost of Compensatory Afforestation by the Divisional Forest Officers, Koriya and Manendragarh led to short realisation of ₹ 85.98 lakh.

(Paragraph 8.7)

Payment to same labourers engaged in different works at different places on the same day by Divisional Forest Officers Kanker and Koriya led to doubtful payment of ₹ 4.94 lakh in vouchers.

(Paragraph 8.8)

There was irregular and doubtful expenditure of ₹ 1.90 crore on construction of WBM roads and Check dams.

(Paragraph 8.11, 8.12 & 8.13)