

## CHAPTER-VI

### EXECUTIVE SUMMARY

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<b>Results of audit</b>	<p>Test check of records in the offices of the Chief Electrical Inspectors and Collector of Electricity Duty, Electrical Inspectors/Assistant Electrical Inspectors and O and M Divisions of Electricity Distribution Companies in the State during the year 2012-14 revealed underassessment and other irregularities involving ₹ 17.46 crore in 15 cases.</p> <p>During the course of the year, the Department accepted and recovered under-assessment and other irregularities of ₹ 9.53 lakh in four cases.</p>
<b>What we have highlighted in this Chapter</b>	<p>The Department had not initiated any action to recover unpaid dues aggregating to ₹ 75.47 lakh as arrears of land revenue. This resulted in non-realisation of revenue to that extent.</p>

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## CHAPTER-VI OTHER TAX RECEIPTS

### ELECTRICITY DUTY

#### 6.1 Tax administration

The overall control on levy and collection of electricity duty and fees rests with the Principal Secretary, Energy and Petrochemicals Department. Chief Electrical Inspector (CEI) and Collector, Electricity Duty Gandhinagar (CED) is the head of the Department working under the Principal Secretary. Collector (ED) is assisted by assessment officer and administrative officer at headquarters level and inspectors at field level. Duty Inspectors are responsible for ensuring correctness of levy and collection of duty at billing centres of licensees. These duty inspectors have also been assigned the work of checking of readings in meters of self generating units of electricity and collection of duty thereof.

Chief Electrical Inspector is assisted by four Dy. Chief Electrical Inspectors, nine Electrical Inspectors and 17 Assistant Electrical Inspectors at district level for conducting inspection of electrical installations.

#### 6.2 Results of audit

Test check of records in the offices of the Chief Electrical Inspectors and Collector of Electricity Duty, Electrical Inspectors/Assistant Electrical Inspectors and Operation and Maintenance Divisions of Electricity Distribution Companies during the year 2012-14 revealed underassessment and other irregularities involving ₹ 17.46 crore in 15 cases, which fall under the following categories;

Sl. No.	Category	No. of cases	Amount (₹ in crore)
1	Non/short recovery of inspection fees	11	9.93
2	Other irregularities	4	7.53
	<b>Total</b>	<b>15</b>	<b>17.46</b>

During the course of the year, the Department accepted and recovered under-assessment and other irregularities of ₹ 9.53 lakh in four cases.

A few illustrative audit observations involving ₹ 75.47 lakh are mentioned in the succeeding paragraphs.

### 6.3 Non-realisation of inspection fees

According to the provisions of the Indian Electricity Rules, 1956 read with Regulation 30 of Central Electricity Authority (Measures Relating to Safety and Electricity Supply) Regulations, 2010 and Government notifications issued there under, Inspectors are required to inspect all high tension and extra high tension installations in factory premises and in public places of amusements including cinemas/theatres, etc. once in a year. Whereas, medium/low voltage electrical installations in factory premises have to be inspected once in two years. Inspection fee at prescribed rates is required to be paid prior to or at the time of inspection or can be paid within 10 days of inspection in respect of such inspection carried out by the Departmental officials. Further, Section 170 of the Electricity Act, 2003 authorises the Department to recover unpaid penalty as arrear of land revenue.

During the test check of the records of eight offices of Assistant Electrical Inspectors<sup>1</sup> in July 2012 to December 2013 we noticed that in 720 cases, the inspection had been carried out by the inspectors. Though, the demand notices had been issued, the inspection fee for the period 2008-09 to 2012-13 had not been recovered. Moreover, the Department had not initiated any action to recover unpaid dues as arrears of land revenue as stipulated in the Act *ibid*. This resulted in non-realisation of inspection fee of ₹ 75.47 lakh.

We pointed out these cases to the Department between May 2013 and June 2014. The Department recovered ₹ 6.73 lakh in 76 cases. In remaining cases, their replies have not been received (November 2014).

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<sup>1</sup> Ahmedabad, Bhuj, Junagadh, Mehsana, Palanpur, Rajkot, Surat and Valsad.