

CHAPTER VII

REVENUE RECEIPTS

GENERAL

7.1 Trend of Revenue Receipts

The tax and non tax revenue raised by the Government of Chhattisgarh during the year 2004-05, the State's share of divisible Union taxes and grants in aid received from the Government of India during the year and the corresponding figures for the preceding three years are given below:

(In crore of rupees)

Sl. No.	Particulars	2001-2002	2002-03	2003-04	2004-05
I.	Revenue raised by the State Government				
•	Tax revenue	1,993.13 ¹	2,327.44	2,588.25	3,227.80 ²
•	Non tax revenue	722.38	956.56	1,124.41	1,243.93
	Total	2,715.51	3,284.00	3,712.66	4,471.73
II.	Receipts from the Government of India				
•	State's share of divisible Union taxes	1,175.80 ¹	1,349.90	1,569.70	1,876.29 ²
•	Grants-in-aid	484.39 ¹	783.40	676.96	900.85
	Total	1,660.19¹	2,133.30	2,246.66	2,777.14
III.	Total receipts of the State (I + II)	4,375.70¹	5,417.30	5,959.32	7,248.87
IV.	Percentage of I to III	62	61	62	62

¹ The figures are at variance as compared to Audit Report 2001-02 due to readjustment of revenue receipts between revenue raised by the State Government and receipts from the Government of India – 'State's share of divisible union taxes'.

² For details please see 'A-Tax Revenue' of statement No.11-detailed Accounts of Revenue by Minor Heads of the Finance Accounts of the Government of Chhattisgarh. Figures under the Minor Head '901-share of net proceeds assigned to States' booked under various major heads under 'A-Tax Revenue' have been included in the 'State's shares of divisible Union taxes' in this statement and all other heads are included in the 'Revenue raised by the State Government'.

7.1.1 The details of tax revenue raised during the year 2004-05 alongwith the figures for the preceding three years are given below:

(In crore of rupees)

Sl.No.	Head of revenue	2001-02	2002-03	2003-04	2004-05	Percentage of increase (+) or decrease (-) in 2004-05 over 2003-04
1.	• Commercial Tax	563.91	768.08	989.23	1,347.17	(+)36.18
	• Central Sales Tax	376.19	334.35	309.39	326.69	(+)5..59
2.	State Excise	313.61	361.73	402.35	458.27	(+)13.90
3.	Stamps and Registration Fees	121.35	148.10	170.87	247.77	(+)45.00
4.	Taxes and Duties on Electricity	226.06	244.33	268.36	308.92	(+)15.11
5.	Taxes on vehicles	124.88	157.81	167.07	191.79	(+)14.80
6.	Taxes on goods and passengers	196.27	251.55	230.08	287.13	(+)24.80
7.	Other taxes on income and expenditure tax on professions, trades, callings and employment's including Hotel Receipts Tax	47.62*	42.41	42.96	27.13	(-)36.84
8.	Other taxes and duties on commodities and services	6.67*	6.52	4.13*	4.25	(+)2.91
9.	Land Revenue	16.57	12.56	3.81	28.68	(+)652.75
	Total	1,993.13*	2,327.44	2,588.25	3,227.80	(+)24.71

(*) The figures are at variance as compared to Audit Report 2001-02 due to readjustment of revenue receipts between revenue raised by the State Government and receipts from the Government of India – 'State's share of divisible union taxes'.

The reasons for variations though called for had not been received from the concerned department (October 2005).

7.1.2 The details of the non tax revenue raised during the year 2004-05 alongwith the figures for the preceding three years are given below:

(In crore of rupees)

	Head of revenue	2001-02	2002-03	2003-04	2004-05	Percentage of increase (+) or decrease (-) in 2004-05 over 2003-04
1.	Interest Receipts	49.12	95.65	122.46	101.26	(-)17.31
2	Other non Tax Receipts	48.42	77.26	86.38	69.23	(-)19.85
3.	Forestry and Wild Life	98.19	105.84	140.94	159.85	(+)13.42
4.	Non-ferrous Mining and Metallurgical Industries	454.04	538.14	629.68	679.83	(+)7.96
5.	Miscellaneous General services (including lottery receipts)	6.04	1.99	67.47	37.45	(-)44.49
6.	Power	NA	NA	NA	100.00	(+)100.00
7.	Major and Medium Irrigation	38.20	53.73	44.85	67.26	(+)49.97
8.	Medical and Public Health	3.28	2.40	2.43	3.21	(+)32.10
9.	Co-operation	3.58	3.99	4.14	4.17	(+)0.72
10.	Public works	6.95	10.03	8.56	5.63	(-)34.23
11.	Police	2.70	2.59	6.80	3.74	(-)45.00
12.	Other administrative Services	11.86	64.94	10.70	12.30	(+)14.95
	Total	722.38	956.56	1,124.41	1,243.93	(+)10.63

Reasons for variations though called for had not been received from the concerned departments (October 2005).

7.2 Variations between budget estimates and actuals

The variations between budget estimates and actuals of revenue receipts for the year 2004-05 in respect of the principals heads of tax and non tax revenue are given below:

(In crore of rupees)

Sl. No.	Head of revenue	Budget estimates	Actuals	Variations excess (+) or Shortfall (-)	Percentage variation
A.	Tax Revenue				
1.	Taxes on Sales, trade etc.	1,492.70	1,673.86	(+)181.16	(+)12.14
2.	State Excise	500.00	458.27	(-)41.73	(-)8.35
3.	Taxes and Duties on Electricity	300.71	308.92	(+)8.21	(+)2.73
4.	Taxes on good and passengers	297.27	287.13	(-)10.14	(-)3.41
5.	Taxes on vehicles	180.00	191.79	(+)11.79	(+)6.55
6.	Stamp Duty and Registration Fees	200.00	247.77	(+)47.77	(+)23.88
7.	Land Revenue	15.37	28.68	(+)13.31	(+)86.59
8.	Other taxes and duties on Commodities and Services	11.36	4.25	(-)7.11	(-)62.59
9.	Other taxes on Income and Expenditure	45.00	26.60	(-)18.40	(-)40.89
10.	Hotel Receipts Tax	1.10	0.53	(-)0.57	(-)51.82
	Total	3,043.51	3,227.80	(+)184.29	(+)6.05
B.	Non Tax Revenue				
1.	Forestry & Wildlife	153.50	159.85	(+)6.35	(+)4.14
2.	Non ferrous Mining and Metallurgical Industries	700.00	679.83	(-)20.17	(-)2.88
3.	Interest Receipts	135.19	101.26	(-)33.93	(-)25.10
4.	Major and Minor Irrigation	93.83	67.26	(-)26.57	(-)28.32
5.	Water Supply and Sanitation	2.25	1.92	(-)0.33	(-)14.67
6.	Police	5.32	3.74	(-)1.58	(-)29.70
7.	PWD	16.21	5.63	(-)10.58	(-)65.27
8.	Other Administrative Services	21.59	12.30	(-)9.29	(-)43.03
9.	Medical and Public Health	3.90	3.21	(-)0.69	(-)17.69
10.	Others	149.79	208.93	(+)59.14	(+)39.48
	Total	1,281.58	1,243.93	(-)37.65	(-)2.94

Reasons for variations though called for had not been received from the concerned departments (October 2005).

7.3 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the years 2001-02, 2002-03, 2003-04 and 2004-05 alongwith the relevant all India average percentage of expenditure on collection for 2003-04 were as follows:

(In crore of rupees)

Sl. No.	Head of revenue	Year	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percent age for the year 2003-04
1.	Commercial Tax	2001-02	940.09	10.44	1.11	1.15
		2002-03	1102.43	11.60	1.05	
		2003-04	1298.62	15.90	1.22	
		2004-05	1673.86	11.95	0.71	
2.	Taxes on Vehicles	2001-02	124.88	3.61	2.89	2.57
		2002-03	157.81	3.94	2.50	
		2003-04	167.07	4.18	2.50	
		2004-05	191.79	4.50	2.34	
3.	State Excise	2001-02	313.61	39.71	12.66	3.81
		2002-03	361.73	22.94	6.34	
		2003-04	402.35	19.12	4.75	
		2004-05	458.27	18.51	4.04	

The Excise Commissioner stated (February 2006) that the cost of collection of State Excise duty had declined due to reduction in the rate of bulk supply of country liquor during the 2002-04, brought about by fall in tender rates and also non filling up of posts which fell vacant due to retirement/transfer to Madhya Pradesh.

7.4 Collection of Commercial Tax per assessee

(In crore of rupees)

Year	No. of assesseees	Commercial Tax Revenue	Revenue/assessee
2001-02	42,581	940.10	0.022
2002-03	44,644	1,102.43	0.025
2003-04	48,233	1,298.62	0.027
2004-05	51,523	1,673.86	0.032

7.5 Arrears of revenue

The arrears of revenue as on 31 March 2005 in respect of some principal heads of revenue amounted to Rs.175.55 crore of which Rs.49.55 crore were outstanding for more than five years as detailed in the following table:

(In crore of rupees)

Sl. No.	Head of Revenue	Amount outstanding as on 31 March 2005	Amount outstanding for more than 5 years as on 31 March 2005
1.	Commercial Tax	131.45	42.00
2.	Taxes on Vehicles	3.81	2.51
3.	State Excise	19.28	4.71
4.	Stamps & Registration Fees	1.73	0.23
5.	Taxes and Duties on Electricity	19.28	0.10
	Total	175.55	49.55

7.6 Arrears in assessments

The details of cases pending assessment at the beginning of the year 2004-05, cases becoming due for assessment during the year, cases disposed of during the year and number of cases pending finalisation at the end of the year are given below:

Name of Tax	Opening Balance	Addition during the year	Total number of assessment cases	Cases disposed of	Balance at the end of the year	Percentage of Column 5 to 3
1.	2.	3.	4.	5.	6.	7.
Commercial Tax	41,576	61,820	1,03,396	66,076	37,320	106.88
Professional Tax	21,156	22,685	43,841	28,189	15,652	124.26
Entry Tax	17,738	30,943	48,681	32,000	16,681	103.42
Luxury Tax	102	133	235	148	87	111.28
Total	80,572	1,15,581	1,96,153	1,26,413	69,740	109.37

7.7 Evasion of tax

The details of cases of evasion of tax detected by the Commercial Tax and State Excise departments, cases finalised and the demands for additional tax raised as reported by the departments are given below:

Sl. No.	Name of tax/duty	Cases pending as on 31 March 2004	Cases detected during 2004-05	Total	No. of cases in which assessments/ investigations completed and additional demand including penalty etc., raised		No. of cases pending finalisation as on 31 March 2005
					No. of cases	Amount of demand (in lakh of rupees)	
1.	Commercial Tax	21	6	27	5	43.01	22
2.	State Excise	17	1	18	1	0.04	17

7.8 Refund

The number of refund cases pending at the beginning of the year 2004-05, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2004-05, as reported by the departments are given below:

(In crore of rupees)

Sl. No.		Commercial Tax		State Excise	
		No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	266	1.33	13	0.29
2.	Claims received during the year	2954	18.08	22	0.59
3.	Refunds made during the year	2996	18.40	19	0.46
4.	Balance outstanding at the end of the year	224	1.01	16	0.42

7.9 Results of audit

Test check of records of commercial tax, land revenue, state excise, motor vehicle tax, stamps and registration fees, electricity duty, other tax receipts, forest receipts and other non tax receipts conducted during the year 2004-05 revealed under assessment/short levy/loss of revenue amounting to Rs.432.69 crore in 465 cases. The departments accepted under assessment of Rs.56.85 crore in 106 cases pointed out in 2004-05 and recovered Rs.0.34 crore. No replies have been received in respect of remaining cases.

This report contains 36 paragraphs relating to non levy/short levy of taxes, duties, interest and penalties etc. involving Rs.46.00 crore. The departments accepted audit observations involving Rs.1.05 crore upto October 2005. No reply has been received in the other cases.

7.10 Response of the departments to draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the report of the Comptroller and Auditor General of India are forwarded by the audit office to the heads of the departments concerned, drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non receipt of replies from departments are invariably indicated at the end of each such paragraph included in Audit Report.

Forty one draft paragraphs (clubbed into 36 paragraphs) included in this report were sent to secretaries of the respective departments by name between May 2005 and September 2005. However, no replies were received despite issue of reminders. These paragraphs have been included in the report without the response of the secretaries of the department (October 2005).