

## OVERVIEW

This Report contains 17 paragraphs including one review, relating to non/short levy of tax, interest, penalty etc. involving Rs. 15.99 crore. Some of the significant audit findings are mentioned below.

### General

The total receipts of the Government of Chhattisgarh during 2006-07 were Rs. 11,453.24 crore as against Rs. 8,838.49 crore for the year 2005-06. The revenue raised by the Government amounted to Rs. 6,497.04 crore comprising tax revenue of Rs. 5,045.70 crore and non-tax revenue of Rs. 1,451.34 crore. The receipts from the Government of India were Rs. 4,956.20 crore, (State's share of divisible Union taxes: Rs. 3,198.80 crore and grants-in-aid: Rs. 1,757.40 crore). Thus, the State Government could raise 57 per cent of the total revenue. Taxes on sales, trade etc. (Rs. 2,843.04 crore), and state excise (Rs. 706.81 crore) and stamp duty and registration fee (Rs. 389.51 crore) and non-ferrous mining and metallurgical industries (Rs. 813.42 crore) were the major sources of tax and non-tax revenue during 2006-07.

(Paragraph 1.1)

The arrears of revenue aggregating Rs. 299.35 crore remained unrealised under some principal heads of revenue at the end of 2006-07. The arrears were mainly in respect of taxes on sales, trade etc., state excise, taxes on vehicles, stamp duty and registration fee, electricity duty, geology and mining and irrigation.

(Paragraph 1.4)

Test check of the records of commercial tax, taxes on motor vehicles, stamp duty and registration fee, land revenue, state excise, forest and other non-tax receipts conducted during the year 2006-07 revealed underassessment/short levy/loss of revenue amounting to Rs. 112.70 crore in 417 cases. During the year, the concerned departments accepted underassessment and other deficiencies of Rs. 33.99 crore in 173 cases.

(Paragraph 1.8)

## II. Commercial Tax

Application of incorrect rate of tax resulted in short levy of tax of Rs. 95.02 lakh.

(Paragraph 2.2)

Failure of the assessing officer to levy interest for delayed payment of tax resulted in non-levy of interest of Rs. 35.77 lakh.

(Paragraph 2.3)

Application of incorrect rate of entry tax resulted in short levy of tax of Rs. 24.91 lakh.

**(Paragraph 2.10)**

Irregular grant of exemption resulted in non-realisation of entry tax of Rs. 18.25 lakh.

**(Paragraph 2.11)**

### **III. Taxes on vehicles**

Non-realisation of vehicle tax and penalty of Rs. 1.27 crore from the owners of vehicles.

**(Paragraph 3.2)**

### **IV. Stamp duty and registration fee**

A review of “**Levy and collection of stamp duty and registration fee**” revealed the following:

Revenue remitted during 2002-07 on account of grant of concession in stamp duty could not be quantified by the Inspector General of Registration in the absence of a centralised database.

**(Paragraph 4.2.7)**

Lack of a system for submitting periodic information/return by the registering authorities showing a list of the cases and the grounds of exemption of stamp duty resulted in incorrect concession of Rs. 48.12 lakh.

**(Paragraph 4.2.8)**

Non-stipulation of a condition in the notification for submission of documents in support of the beneficiary belonging to the SC/ST category or the prescribed limit of holdings of 10 hectares resulted in incorrect grant of exemption of stamp duty of Rs. 25.98 lakh.

**(Paragraph 4.2.9)**

Lack of a prescribed monitoring mechanism for the higher authorities to monitor the settlement of cases of undervaluation at the level of SRs resulted in short levy of stamp duty of Rs. 1.79 crore.

**(Paragraph 4.2.10)**

Short levy of stamp duty of Rs. 38.46 lakh due to misclassification of instruments.

**(Paragraph 4.2.14)**

Inordinate delay in disposal of referred cases involving Rs. 5.75 crore booked under section 47-A of the Indian Stamp Act, 1899.

**(Paragraph 4.2.15)**

## **V. Forest receipts**

Non-exploitation of timber/bamboo as per working plan resulted in loss of revenue of Rs. 2.43 crore.

**(Paragraph 5.2)**

## **VI. Mining and other non-tax receipts**

Non-realisation of development cess of Rs. 44.15 lakh from operating mines.

**(Paragraph 6.2)**

Non-realisation of dead rent of Rs. 21.78 lakh from inoperative mines.

**(Paragraph 6.3)**

Short levy of water charges of Rs. 79.36 lakh from M/s Bharat Aluminium Company Ltd.

**(Paragraph 6.5)**