

Overview

This report contains 22 paragraphs including three reviews relating to underassessment/short levy/loss of revenue etc. involving Rs. 486.08 crore. Some of the major findings are mentioned below.

I. General

The total receipts of the State during the year 2008-09 amounted to Rs. 15,662.76 crore of which the revenue raised by the State Government was Rs. 8,795.93 crore and receipts from the Government of India were Rs. 6,866.83 crore. The revenue raised constituted 56 *per cent* of the total receipts of the State.

(Paragraph 1.1)

At the end of June 2009, 7,266 audit observations involving Rs. 2,847.14 crore relating to 1,955 inspection reports issued upto December 2008 remained outstanding.

(Paragraph 1.8)

Test check of the records of the departments of commercial tax, stamp duty and registration fee, electricity and safety, state excise, entertainment, transport, land revenue and other non-tax revenue etc. conducted during the year 2008-09 revealed underassessment/short levy/loss of revenue etc. aggregating Rs. 632.13 crore in 7,198 cases. During the course of the year 2008-09, the departments concerned accepted underassessments and other deficiencies of Rs. 502.20 crore in 3,869 cases. Of these, the department recovered Rs. 46.40 lakh in 17 cases during the year 2008-09.

(Paragraph 1.13)

II. Commercial Tax

A review on “**Levy and collection of Central Sales Tax**” revealed the following:

- There was no system of keeping the samples of colour, design and format of the declaration forms prevailing in other States due to which the departmental officers could not detect fake/forged declaration forms.

(Paragraph 2.2.7)

- Due to absence of a system of cross verification of declaration forms, the assessing authorities could not detect fake declaration forms. Consequently, there was evasion of tax and penalty on fake ‘C’ forms of Rs. 3.78 crore.

(Paragraph 2.2.8.1)

- Absence of a guidelines prescribing check list of points to be examined prior to accepting declaration forms led to irregular allowance of concession/exemption of tax of Rs. 13.32 crore.

(Paragraph 2.2.8.2 and 2.2.9.2)

- Evasion of tax and penalty of Rs. 25.20 crore due to suppression of sales.

(Paragraph 2.2.12)

- Non-levy of tax and penalty of Rs. 1.19 crore due to irregular grant of deduction on transfer of goods to undeclared branch.

(Paragraph 2.2.15)

- Non-levy of tax and penalty of Rs. 1.82 crore due to exemption on invalid 'F' forms.

(Paragraph 2.2.16)

- Incorrect exemption of Rs. 89.14 lakh on invalid forms 'E1' and 'C'.

(Paragraph 2.2.19)

A review on “**Transition from Chhattisgarh Commercial Tax to Chhattisgarh Value Added Tax**” revealed the following:

- Due to the absence of a provision for disclosing the opening stock of the dealers under the VAT Act, the department was not in a position to scrutinise the returns effectively and determine the tax payable under the Act.

(Paragraph 2.3.8)

- Neither the Act/Rules nor any departmental instruction prescribed any provision for preliminary checks, such as correctness of calculation, application of correct rate of tax, completion of the returns etc., due to which the returns were not being scrutinised by the assessing authorities.

(Paragraph 2.3.10)

- There was no system prescribed for verifying the input tax credits claimed by the dealers. Consequently, input tax credits were being allowed to the dealers without any verification or checks.

(Paragraph 2.3.12)

- Though the check gates had been computerised, these were not inter-linked with the assessing officers due to which the assessing officers could not effectively utilise the records of the check gates while verifying the returns/completing the assessments.

(Paragraph 2.3.13)

III. Stamp duty and registration fee

Short levy of stamp duty and registration fee of Rs. 27.76 lakh due to fraud committed by the executants and stamp vendor.

(Paragraph 3.4)

Short levy of stamp duty and registration fee of Rs. 10.50 lakh due to acceptance of incomplete deeds.

(Paragraph 3.5)

Short levy of stamp duty and registration fee of Rs. 1.10 crore due to undervaluation of properties.

(Paragraph 3.6.1)

IV. Electricity and safety

Short realisation of electricity duty and cess of Rs. 19.07 crore from CSEB.

(Paragraph 4.4)

Non-realisation of cess and interest of Rs. 2.44 crore from CSEB on single point connection.

(Paragraph 4.5)

Non-levy of electricity duty of Rs. 2.17 crore due to irregular exemption to captive power producers.

(Paragraph 4.6)

V. Other tax receipts

Non-levy of penalty of Rs. 90.58 lakh for failure to maintain minimum stock of spirit in warehouses.

(Paragraph 5.4)

Short realisation of trade tax of Rs. 2.01 crore from automobile dealers.

(Paragraph 5.7)

Non-realisation of taxes of Rs. 1.47 crore from the owners of passenger and transport vehicles.

(Paragraph 5.8)

Non-realisation of development cess and environment cess of Rs. 2.23 crore from lease holders of mines.

(Paragraph 5.9)

VI. Mining and other non-tax receipts

A review on “**Assessment and collection of water charges**” revealed the following:

- Due to non-utilisation of created potential, revenue of Rs. 28.03 crore was foregone.

(Paragraph 6.2.8)

- Non-levy of penal rate on unauthorised drawal of water resulted in revenue loss of Rs. 316.26 crore.

(Paragraph 6.2.12)

- Non-realisation of interest and cess on unpaid dues amounting to Rs. 36.37 crore.

(Paragraph 6.2.13)

- Non-compliance of conditions of agreement resulted in short levy of water charges of Rs. 18.26 crore.

(Paragraph 6.2.14)

- Application of incorrect rate of water charges for illegal drawal of water led to revenue loss of Rs. 4.91 crore.

(Paragraph 6.2.15)

Non-levy of interest of Rs. 12.46 lakh on delayed payment of royalty.

(Paragraph 6.5)

Non-realisation of royalty of Rs. 18.53 lakh due to non-cancellation of lease of inoperative mines.

(Paragraph 6.6)