

OVERVIEW

This Report contains 19 paragraphs including one Performance Audit and one Long Draft Paragraph involving ₹ 288.99 crore relating to underassessment, non/short levy of revenue etc. under ‘**Part-A**’ out of which ₹ 257.76 crore was irrecoverable being avoidable notional loss to the Government and six paragraphs including one Performance Audit involving ₹ 123.42 crore relating to incorrect application of rates, non-raising of demands, irregular/ avoidable expenditure etc. under ‘**Part-B**’. Some of the major findings are mentioned below:

I. General

Total receipts of the Government of Chhattisgarh for the year 2013-14 were ₹ 32,050.26 crore. The revenue raised by the State Government amounted to ₹ 19,443.88 crore comprising tax revenue of ₹ 14,342.71 crore and non-tax revenue of ₹ 5,101.17 crore. The receipts from Government of India were ₹ 12,606.38 crore (States’ share of divisible Union taxes: ₹ 7,880.22 crore and Grants-in-aid: ₹ 4,726.16 crore). Thus, the State Government’s own contribution was 61 *per cent* of the total revenue.

(Paragraph 1.1)

At the end of June 2014, 10,419 audit observations involving ₹ 6,090.69 crore relating to 2,645 Inspection Reports issued upto June 2014 remained outstanding.

(Paragraph 1.6.1)

Test check of the records of 122 units of Commercial Tax, State Excise, Stamp Duty and Registration, Land Revenue, Mineral Resources, Transport, Forest and other Departmental offices conducted during the year 2013-14 showed under assessment/ short levy/ loss of revenue aggregating ₹ 1,459.36 crore in 1,26,405 cases. During the course of the year, the Departments concerned accepted underassessment and other deficiencies of ₹ 92.46 crore involved in 1,20,517 cases which were pointed out in audit during 2013-14. Out of this, the Departments recovered ₹ 5.98 lakh during 2013-14.

(Paragraph 1.9)

II. Commercial Tax

The Assessing Officers allowed incorrect/excess allowance of Input Tax Rebate of ₹ 27.26 lakh.

(Paragraph 2.3)

Application of incorrect rate of tax by the Assessing Officers led to non/short levy of Value Added Tax (VAT) of ₹ 1.64 crore.

(Paragraph 2.4)

Inaction on the part of Assessing Officer (AO) for not scrutinising the Chartered Accountant’s audit report resulted in short levy of tax of ₹ 13.63 lakh.

(Paragraph 2.5)

Failure on the part of AOs to levy entry tax as per the rate mentioned in the notification resulted in short realisation of entry tax of ₹ 67.05 lakh.

(Paragraph 2.7.10)

III. State Excise

A Performance Audit on “**Levy and Collection of Excise Receipts**” indicated the following deficiencies:

Absence of mechanism to cross verify the transactions between distilleries/bottling units and Chhattisgarh State Beverages Corporation Limited (CSBCL) as well as transactions between CSBCL and retail licensees resulted in short realisation of duty aggregating ₹ 2.96 crore.

(Paragraph 3.2.9)

The Department did not frame any rules to recover the licence fee of ₹ 178.41 crore from the licensees which was collected by them from the consumers during sale of liquor in excess of Minimum Guaranteed Quota.

(Paragraph 3.2.10)

Non-registration of bond executed on export of Indian Made Foreign Liquor (IMFL) led to non-realisation of stamp duty and registration fee amounting to ₹ 40.32 lakh.

(Paragraph 3.2.13)

Incorrect fixation of average duty of foreign liquor by the Excise Commissioner led to short realisation of duty and licence fee aggregating ₹ 79.35 crore.

(Paragraph 3.2.14)

Short realisation of process fee of ₹ 71.16 lakh due to non-clearance of bank drafts.

(Paragraph 3.2.15)

Non-recovery of duty of ₹ 98.58 lakh on unacknowledged/delayed receipt of verification reports of exported IMFL.

(Paragraph 3.2.16)

Non-realisation of duty of ₹ 63.79 lakh due to non-disposal of IMFL in miniature bottles.

(Paragraph 3.2.18)

IV. Land Revenue

Inaction on the part of the Collector to include cost of proceedings in RRCs resulted in short recovery of ₹ 11.23 lakh.

(Paragraph 4.4)

Inaction on the part of Collector to determine the market value in accordance with guidelines resulted in short levy of premium of ₹ 8.10 crore and land rent of ₹ 63.71 lakh.

(Paragraph 4.5)

V. Taxes on Vehicles

There was non/short levy of trade fee of ₹ 76.75 lakh in four Transport Offices.

(Paragraph 5.4)

Due to non-issue of notice of demand for recovery of the tax from the defaulting vehicle owners, there was non-realisation of tax amounting to ₹ 2.34 crore in seven transport offices.

(Paragraph 5.5)

There was non/short levy of trade tax of ₹ 1.52 crore in four Transport Offices.

(Paragraph 5.7)

VI. Other Non-Tax Receipts

Failure of the Divisional Forest Officers (DFOs) in imposition of inspection charges resulted in non-levy of ₹ 13 lakh.

(Paragraph 6.4)

Transit fee amounting to ₹ 7.63 crore was not realised on transportation of forest produce extracted and transported from forest area.

(Paragraph 6.6)

Shortages in the materials in consumer depots and inaction of the Department to address these shortages resulted in loss amounting to ₹ 8.78 lakh.

(Paragraph 6.7)

Subsidised rates prescribed by the Government for sale of forest produce were not adhered to by the DFO, which resulted in short realisation of sale price of forest produce amounting to ₹ 36.09 lakh.

(Paragraph 6.8)

Inaction on the part of DMOs to monitor the lease cases resulted in non-realisation of dead rent and interest of ₹ 12 lakh.

(Paragraph 6.12)

VII. Forestry and Wild life (Expenditure)

A Performance Audit on “**Treatment and Production of Bamboo in Chhattisgarh**” indicated the following deficiencies:

Non-evaluation of treatment of degraded bamboo forest resulted in irregular expenditure of ₹ 26.47 crore.

(Paragraph 7.3.10.1)

Execution of treatment of degraded bamboo forests in ineligible areas resulted in irregular/ avoidable expenditure of ₹ 9.73 crore.

(Paragraph 7.3.10.3)

Non observance of job rates fixed by the Conservators of Forests while treating the degraded bamboo forests resulted in excess expenditure of ₹ 2.52 crore.

(Paragraph 7.3.10.5)

Non observance of norms and job rates fixed by the Department for treatment of degraded bamboo forests resulted in excess expenditure of ₹ 73.96 lakh.

(Paragraph 7.3.10.6)

Treatment of degraded bamboo forest in naxal affected areas where bamboo could not be felled, resulted in doubtful/ unfruitful expenditure of ₹ 2.11 crore.

(Paragraph 7.3.10.8)

Department incurred expenditure of ₹ 28.26 crore on bamboo plantation. However, it failed to evaluate the success/ failure of the plantation.

(Paragraph 7.3.11.1)

Non-exploitation of due bamboo coupes having 1.91 lakh hectare bamboo area resulted in loss of revenue amounting to ₹ 39.10 crore. Besides, the Department did not plan for exploitation of bamboo area in naxal affected area and unprofitable coupes were not treated further.

(Paragraph 7.3.12.1)

There were huge variations between estimates and actual production of bamboo which resulted in non-realisation of revenue to the tune of ₹ 4.71 crore.

(Paragraph 7.3.12.2 (A))

Expenditure of ₹ 1.09 crore, incurred on plantation at ineligible sites was avoidable and in violation of provisions of Working Plans and departmental instructions.

(Paragraph 7.4)

Non-observance of departmental norms in preparation of plantation projects as well as strict economy and financial control in spending public funds resulted in excess expenditure of ₹ 3.20 crore.

(Paragraph 7.7)