

OVERVIEW

This Report contains 21 paragraphs including two reviews, relating to non/short levy of tax, interest, penalty etc. involving Rs. 92.87 crore. Some of the significant audit findings are mentioned below.

General

The total receipts of the Government of Chhattisgarh during 2007-08 were Rs. 13,878.65 crore as against Rs. 11,453.24 crore for the year 2006-07. The revenue raised by the Government amounted to Rs. 7,638.55 crore comprising tax revenue of Rs. 5,618.10 crore and non-tax revenue of Rs. 2,020.45 crore. The receipts from the Government of India were Rs. 6,240.10 crore, (State's share of divisible Union taxes: Rs. 4,034.98 crore and grants-in-aid: Rs. 2,205.12 crore). Thus, the State Government could raise 55 *per cent* of the total revenue. Taxes on sales, trade etc. (Rs. 3,023.70 crore), state excise (Rs. 843.10 crore), stamp duty and registration fee (Rs. 462.72 crore) and non-ferrous mining and metallurgical industries (Rs. 1,031.55 crore) were the major sources of tax and non-tax revenue during 2007-08.

(Paragraph 1.1)

The arrears of revenue aggregating Rs. 381.68 crore remained unrealised under some principal heads of revenue at the end of 2007-08. The arrears were mainly in respect of taxes on sales, trade etc., state excise, taxes on vehicles, electricity duty 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 2007-08 revealed underassessment/short levy/loss of revenue amounting to Rs. 190.96 crore in 6,252 cases. During the year, the departments concerned accepted underassessment and other deficiencies of Rs. 94.72 crore in 2,457 cases.

(Paragraph 1.8)

II. Commercial Tax

A Review of “**Computerisation of Commercial Tax Department, Chhattisgarh**” revealed the following:

- There was inadequate documentation of the project.

(Paragraph 2.2.6, 2.2.7)

- There were no plans to phase out the manual system and change-over to the computerised system.

(Paragraph 2.2.8.1)

- There was incomplete information of registered dealers on the system.

(Paragraph 2.2.8.2)

- There was frequent loss of connectivity with the central server.

(Paragraph 2.2.11)

Non-levy of penalty on concealed purchase valued at Rs. 1.25 crore resulted in non-realisation of Rs. 31.59 lakh.

(Paragraph 2.3)

Acceptance of form F of doubtful authenticity resulted in short levy of tax of Rs. 33.18 lakh.

(Paragraph 2.4)

Levy of concessional rate of purchase tax without declaration on form-IV resulted in short levy of purchase tax of Rs. 24.19 lakh.

(Paragraph 2.5)

III. State Excise

A Review of “Levy and collection of excise revenue” revealed the following:

- Absence of norms for yield of alcohol from grain deprived the Government of revenue of Rs. 117.07 crore.

(Paragraph 3.2.7)

- Deficiencies in fixation of revenue targets for groups of liquor shops.

(Paragraph 3.2.8)

- Revenue loss of Rs. 8.68 crore due to non-establishment of departmental laboratory in the State.

(Paragraph 3.2.9)

- Non-levy of penalty of Rs. 5.49 crore for failure to maintain minimum stock.

(Paragraph 3.2.12)

- Non-levy of duty of Rs. 78.33 lakh on excess wastage in transportation of bottled country spirit.

(Paragraph 3.2.13)

IV. Taxes on Vehicles

In two regional transport offices, trade tax of Rs. 4.93 lakh was realised from 202 automobile dealers against Rs. 3.16 crore resulting in short realisation of trade tax of Rs. 3.11 crore.

(Paragraph 4.2)

Non-realisation of taxes from the owners of transport vehicle resulted in short levy of tax and penalty of Rs. 3.58 crore.

(Paragraph 4.3)

V. Electricity and Safety

There was non-levy of interest of Rs. 28.03 crore on belated payment of electricity duty.

(Paragraph 5.2)

Non-realisation of electricity duty of Rs. 18.62 crore from captive power producers.

(Paragraph 5.3)

Irregular allowance of transit loss resulted in non-levy of electricity duty of Rs. 11.11 crore.

(Paragraph 5.4)

VI. Land Revenue

Non-levy of cost of proceeding on defaulters resulted in short realisation of revenue of Rs. 6.35 lakh.

(Paragraph 6.2)

VII. Mining and Other Non-tax receipts

Non-remittance of royalty to Government account by the Municipal Corporation, Raipur resulted in unauthorised retention of Rs. 4.13 crore.

(Paragraph 7.2)

Non/short deduction of royalty from contractor's bill resulted in non-realisation of royalty of Rs. 2.33 crore.

(Paragraph 7.4)

There was non-recovery of water charges of Rs. 5.20 crore from the beneficiary farmers.

(Paragraph 7.6)