

OVERVIEW

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This Report contains 28 paragraphs involving ₹ 357.23 crore, including a Performance Audit on ‘Allotment and conversion of land under Rajasthan Land Revenue Act in the Revenue Department’. Some of the significant audit findings are mentioned below:

I. General

The total revenue receipts of the Government of Rajasthan during 2016-17 were ₹ 1,09,026 crore as against ₹ 1,00,285.12, crore for the year 2015-16. The revenue raised by the Government amounted to ₹ 55,987.23 crore comprising tax revenue of ₹ 44,371.66 crore and non-tax revenue of ₹ 11,615.57 crore. The receipts from the Government of India were ₹ 53,038.77 crore (State’s share of divisible Union taxes of ₹ 33,555.86 crore and grants-in-aid of ₹ 19,482.91 crore).

(Paragraph 1.1)

Inspection Reports (IRs) issued up to December 2016 disclosed that 8,691 paragraphs involving ₹ 2,877.01 crore relating to 2,961 IRs remained outstanding at the end of June 2017.

(Paragraph 1.6)

II. Taxes on Sales, Trade, etc.

Non-utilisation of information available on the departmental web-based application *RajVISTA* resulted in short/non-levy of tax of ₹ 26.27 crore.

(Paragraph 2.4)

Input tax credit was irregularly allowed by Assessing Authorities resulting in short realisation of revenue amounting to ₹ 3.78 crore.

(Paragraph 2.5)

Incorrect levy of tax and improper use of declaration forms resulted in non/short realisation of revenue of ₹ 23.11 crore under Central Sales Tax Act.

(Paragraph 2.6)

Test check of assessment records of three circles revealed that the Assessing Authorities incorrectly finalised assessments of dealers resulting in short assessment of tax and excess grant of subsidy of ₹ 46.35 lakh.

(Paragraph 2.7)

III. Taxes on Vehicles

A paragraph on ‘Implementation of High Security Registration Plate Scheme in Rajasthan’ disclosed the following:

- Transport Department had registered 1.36 crore vehicles upto 31 March 2016. However, High Security Registration Plates (HSRP) were affixed only on

36.43 lakh vehicles upto 31 March 2016 which was only 27 per cent of the total number of vehicles covered under the Scheme.

(Paragraph 3.4.5)

- Audit noticed that affixation work of HSRPs was not monitored by the RTOs/DTOs. A number of deficiencies in affixation of registration plate, sticker, replacement of HSRPs, publicity programme, network connectivity and verification of vehicles were noticed.
- No physical verification of vehicles was carried out by District Transport Officers or Inspectors/Sub-Inspectors to ensure that a particular HSRP was affixed on the vehicle for which it was meant.

(Paragraph 3.4.8.2)

Lump-sum tax of ₹ 18.08 crore in respect of 4,289 transport vehicles was either not paid or paid short.

(Paragraph 3.5)

Motor vehicle tax and special road tax of ₹ 16.13 crore in respect of 4,945 vehicles for the period between April 2013 and March 2016 were not paid.

(Paragraph 3.6)

Penalty of ₹ 1.59 crore was not realised on late deposit of special road tax and surcharge by Rajasthan State Road Transport Corporation.

(Paragraph 3.7)

IV. Land Revenue

A Performance Audit on '**Allotment and conversion of land under Rajasthan Land Revenue Act in the Revenue Department**' disclosed the following:

- Audit found that a policy had not been put in place by the Government for allotment of land. Procedure for allotment of Government land had not been codified by the State Government.
- The Department had not framed a manual to regulate and control the working of the Department. Absence of the manual had resulted in lack of monitoring in the allotment of land and ascertaining the responsibility at each stage involved in the allotment of the land.
- No system existed for recording the details of the sanctions of the allotment of land issued from time to time by the Government. No provision has been made by the Department in the Rules or by issue of orders for maintenance of registers for monitoring the receipts of applications, their disposal, sanctions received and allotment made by the District Collectors.

(Paragraph 4.4.7.1)

- Neither any time limit for disposal of applications received for allotment of land was fixed nor any instruction in this regard has been issued by the State Government. The absence of control over the process of allotment

provides scope for arbitrary action on the part of the allotting authorities.

(Paragraph 4.4.7.2)

- There was no system at District Collector level to monitor the use of land set apart for specific purposes. It was noticed that in 46 cases the land measuring 15,066.02 *bigha* was not utilised for the purpose it was allotted. In 13 cases, the land was reverted to Government while in 33 cases, despite a lapse of two to 27 years it was not reverted.

(Paragraph 4.4.7.4)

- Due to inadequate control and monitoring, Government's share amounting to ₹ 424.11 crore of the sale proceeds of Government land disposed by urban local bodies was not realised.

(Paragraph 4.4.7.5)

- Audit noticed that the Department had not recovered the cost of the land before allotment in eight cases measuring 714.69 *bigha*. This resulted in non/short realisation of cost of land amounting to ₹ 167.39 crore.

(Paragraph 4.4.7.6)

- The Department had not recovered the arrears on account of cost of land aggregating to ₹ 550.57 crore due from seven Departments/enterprises.

(Paragraph 4.4.7.8)

- Land measuring 600.26 *bigha* in 34 cases in 11 *Tehsils* was converted for industrial, residential colony, tourism and other purposes. The Land thus converted was neither used for the specified purpose nor was extension in validity applied for. The land records (*Jamabandi*) were left incomplete.

(Paragraph 4.4.8.1)

V. Stamp Duty and Registration Fee

Audit noticed that in three cases incorrect application of stamp duty (SD) resulted in short levy of SD, surcharge and registration fee (RF) of ₹ 1.56 crore.

(Paragraph 5.4.1)

The Sub-Registrar did not levy SD, surcharge and RF of ₹ 1.42 crore on the market value of ₹ 24.50 crore of the property of the demerged company.

(Paragraph 5.6.2)

Non-registration of partition deeds resulted in non-levy of SD, surcharge and RF of ₹ 1.23 crore on market value of ₹ 17.59 crore of the properties.

(Paragraph 5.9)

The documents for change of legal entity of partnership firms that had changed their legal status into companies under the Companies Act were not found registered. This resulted in non-levy of SD and surcharge of ₹ 5.91 crore on market value of ₹ 98.53 crore of the properties.

(Paragraph 5.10.1)

The Sub-Registrars assessed the market value of properties at lower rates. This resulted in short levy of SD, surcharge and RF of ₹ 4.80 crore.

(Paragraph 5.12)

Stamp duty on immovable properties worth ₹ 105.71 crore contributed as share contribution by the partners in the partnership firms was incorrectly charged ₹ 0.14 lakh instead of ₹ 6.34 crore in 24 cases.

(Paragraph 5.13.1.1)

Rajasthan State Industrial Development and Investment Corporation had allotted/sold plots valued at ₹ 36.45 crore to entrepreneurs through lease deeds. The lease deeds were not executed/registered resulting in non-levy of SD of ₹ 2.42 crore.

(Paragraph 5.13.3.2)

One concession agreement executed between the National Highway Authority of India and a concessionaire valued at ₹ 677.79 crore was stamped with ₹ 100 only instead of ₹ 2.40 crore.

(Paragraph 5.13.4)

VI. State Excise

A paragraph on 'Procurement and sale of Hemp (*Bhang*)' disclosed the following:

- Monitoring of the Department was weak. Audit found that inspection of warehouses/retail shops was not carried out for verification of quantity received and despatched. No records were maintained to check and monitor the procurement and sale of *bhang* by the licensees.

(Paragraph 6.4.4)

- The licence fees realised from five licensee groups during 2013-14 to 2015-16 increased significantly whereas sale of *bhang* decreased during the same period. The Department had not fixed any norm for fixing the licence fees of the groups.

(Paragraph 6.4.5.1)

Licence fee of ₹ 50 lakh for wholesale vend of Country Liquor (CL) under Rule 68(12)(a) on distilleries and bottling plants was not levied by the concerned DEOs.

(Paragraph 6.5)

Two units did not take 8,783.60 London Proof Litre (LPL) rectified spirit (RS) into their accounts. The concerned DEO, however, did not levy excise duty of ₹ 10.25 lakh at the rate of ₹ 116.67 per LPL prevailing at the time of consignment.

(Paragraph 6.6)

Chemical analysis reports of samples of Indian Made Foreign Liquor (IMFL) and CL disclosed that the strength of alcohol was less than the prescribed limit

for IMFL and CL. Due to lower alcohol content mentioned in the records, the Government lost revenue to the tune of ₹ 57.06 lakh.

(Paragraph 6.7)

Composite fee of ₹ 2.41 crore was to be determined for 17 composite shops/groups of peripheral area but the concerned DEOs determined and recovered only ₹ 0.87 crore.

(Paragraph 6.8)

VII. Non-Tax Receipts

A Paragraph on 'Levy and collection of royalty on minerals removed through permits' disclosed the following:

- In 46 cases contractors executed works amounting to ₹ 7.71 crore but had not applied for short term permits. Out of these in 35 cases final bills had been paid to them without recovering royalty and without obtaining no objection certificate from Mines Department.

(Paragraph 7.4.4.3)

- State Directorate of Revenue Intelligence informed Mines Department regarding unauthorised use of minerals during installation work of wind mills by three companies. Inaction on the part of Mines Department, however, resulted in non-recovery of ₹ 38.14 crore.

(Paragraph 7.4.4.7)

- In 48 cases, demand of ₹ 10.05 crore was short raised, as five ME offices initiated recovery of cost of mineral brick earth on the basis of bricks/brick earth found on the spot at the time of inspections instead of annual consumption capacity of the brick kilns.

(Paragraph 7.4.5.4)