

## Overview

This Report contains 39 paragraphs including one review, relating to non/short levy of tax, interest, penalty *etc.* involving Rs.352.81 crore. Some of the significant audit findings are mentioned below:

### I. General

The State Government's receipts for the year 2005-06 amounted to Rs.20,839.19 crore as against Rs. 17,763.59 crore for the year 2004-05. While the revenue raised by the Government amounted to Rs.12,617.90 crore (tax revenue: Rs.9,880.23 crore and non tax revenue: Rs.2,737.67 crore), the balance Rs.8,221.29 crore was received from the Government of India as the state's share of divisible Union taxes (Rs.5,300.08 crore) and grants in aid (Rs.2,921.21 crore).

*(Paragraph 1.1)*

Arrears aggregating Rs.2,984.79 crore remained unrealised under the principal heads of revenue at the end of 2005-06. The arrears were mainly in respect of taxes on sales, trade etc., State excise, land revenue, non-ferrous mining and metallurgical industries and stamps duty and registration fees.

*(Paragraph 1.5)*

Test check of records relating to various taxes conducted during the year 2005-06 revealed underassessment/short levy/loss of revenue amounting to Rs.688.81 crore in 18,131 cases. The departments accepted underassessment of Rs.111.89 crore in 10,248 cases. Recovery of Rs.9.70 crore was also effected in 2,215 cases at the instance of audit during the year.

*(Paragraph 1.10)*

### II. Sales tax

Non withdrawal of benefits of tax exemption on breach of condition governing the availment of said exemption by 15 industrial units resulted in non recovery of tax and interest of Rs.10.06 crore.

*(Paragraph 2.2)*

Twenty seven industrial units were availing tax exemption benefits under tax exemption schemes and were not entitled to any further benefit of tax exemption but these units were incorrectly sanctioned exemption benefit of Rs.24.97 crore under the 1998 scheme.

*(Paragraph 2.3)*

Nineteen units engaged in stone crushing were irregularly allowed tax exemption of Rs.97.66 lakh.

*(Paragraph 2.4)*

Two dealers effected branch transfer in excess of the permissible limit prescribed under the incentive scheme which resulted in non levy of tax and interest of Rs.5.89 crore.

*(Paragraph 2.6)*

Irregular tax exemption on export sale not supported by prescribed declaration resulted in non levy of tax and interest of Rs.35.40 crore.

*(Paragraph 2.13)*

Irregular grant of exemption on transfer of goods not supported by prescribed declaration resulted in non levy of tax and interest of Rs.63.92 lakh.

*(Paragraph 2.14)*

### **III. Taxes on Motor Vehicles**

Motor vehicles tax and special road tax of Rs.2.26 crore was not realised from the owners of 1,335 goods vehicles.

*(Paragraph 3.2.3.1)*

Failure of the department to register 3,545 agents/canvassers resulted in loss of revenue of Rs.2.13 crore.

*(Paragraph 3.2.4)*

Special road tax of Rs.10.23 crore payable by Rajasthan State Road Transport Corporation was incorrectly adjusted during 2005-06 resulting in short realisation of Government revenue to that extent.

*(Paragraph 3.3)*

### **IV. Land revenue and Electricity duty**

#### **A: Land Revenue**

Government share of regularisation charges of Rs.16.16 crore in respect of agricultural land used for non agricultural purposes was not remitted to government account.

*(Paragraph 4.2)*

Allotment of Government land measuring 4.71 hectare in Udaipur to Railways at agricultural land rate instead of commercial rate resulted in short realisation of Rs.13.82 crore.

(Paragraph 4.3)

### **B: Electricity Duty**

Three vidhyut vitran nigams did not remit electricity duty of Rs.10.73 crore in Government account resulting in non realisation of Government revenue to that extent.

(Paragraph 4.4)

### **V. Stamp Duty and Registration fee**

Undervaluation of properties resulted in short levy of stamp duty and registration fee aggregating Rs.3.30 crore.

(Paragraph 5.2)

### **VI. State Excise**

Review, **Levy and collection of excise revenue** revealed the following points:

Non-fixation of norms for minimum production of beer from raw material led to short yield of beer involving excise duty of Rs.10.77 crore.

(Paragraph 6.2.10.1)

Non-fixation of norms for production of spirit from molasses led to short yield of spirit involving excise duty of Rs.41.90 crore.

(Paragraph 6.2.10.2)

Slackness of department in control of production resulted in short account of 82,448.355 quintal LPH involving excise duty of Rs.28.86 crore.

(Paragraph 6.2.11)

Non realisation of excise duty of Rs.9.74 crore on undisposed stock of RS and RS based IMFL lying with the distillers.

(Paragraph 6.2.12.1)

Loss of Government revenue of Rs.8.71 crore due to allowing *benami* persons to participate in the bid for LPH and retail sale of liquor groups.

(Paragraph 6.2.15)

## **VII. Non Tax Receipts**

### **Finance Department**

Failure in repayment of loans by four corporations resulted in accumulation of loan of Rs.49.34 crore and interest amounting to Rs.70.50 crore.

*(Paragraph 7.2.3)*

Out of 360 co-operative societies functioning under Co-operative Department, 245 co-operative societies were not paying their overdue loans and interest in time, which resulted in non realisation of interest amounting to Rs.78.60 crore as on 31 March 2005.

*(Paragraph 7.2.7)*

Loss of interest of Rs.3.18 crore due to non levy of interest on two loans subsequently converted into grant.

*(Paragraph 7.2.9)*

### **Mines and Geology Department**

Non inclusion of clause providing for recovery of contract damages from defaulting tenderers in the tender notice by the department inspite of Government instructions thereto resulted in a loss of Rs.92.08 crore.

*(Paragraph 7.4)*

A lessee unauthorisedly extracted copper and silver valued at Rs.35.94 crore. No action was taken by the department to recover the same. This resulted in non realisation of Government revenue to that extent.

*(Paragraph 7.12.1)*