

Overview

This Report contains 41 paragraphs including two reviews, relating to non/short levy of tax, interest, penalty etc. involving Rs. 315.25 crore. Some of the significant audit findings are mentioned below:

I. General

The total receipts of the Government of Rajasthan during 2006-07 were Rs. 25,592.18 crore as against Rs. 20,839.19 crore for the year 2005-06. The revenue raised by the Government amounted to Rs. 15,038.85 crore comprising tax revenue of Rs. 11,608.24 crore and non-tax revenue of Rs. 3,430.61 crore. The receipts from the Government of India were Rs. 10,553.33 crore, (state's share of divisible Union taxes: Rs. 6,760.37 crore and grants-in-aid: Rs. 3,792.96 crore). Thus, the State Government could raise 59 per cent of the total revenue. Taxes on sales, trade etc. (Rs. 6,272.15 crore), state excise (Rs. 1,591.09 crore) and stamp duty and registration fee (Rs. 1,293.68 crore) and non-ferrous mining and metallurgical industries (Rs. 1,196.52 crore) were the major sources of tax and non-tax revenue during 2006-07.

(Paragraph 1.1)

The arrears of revenue aggregating to Rs. 3,342.62 crore remained unrealised under some principal heads of revenue at the end of 2006-07. The arrears were mainly in respect of taxes on sales, trade etc., state excise, taxes on vehicles, stamp duty and registration fee, land revenue, non-ferrous mining and metallurgical industries, miscellaneous general services - sale of land and police cost.

(Paragraph 1.4)

Test check of the records of sales tax, taxes on motor vehicles, stamp duty and registration fee, land revenue, state excise, forest and other non-tax receipts conducted during the year 2006-07 revealed underassessment/short levy/loss of revenue amounting to Rs. 1,422.63 crore in 16,676 cases. During the year, the concerned departments accepted underassessment and other deficiencies of Rs. 133.86 crore in 10,879 cases. Recovery of Rs. 13.86 crore was also effected in 2,397 cases at the instance of audit during the year.

(Paragraph 1.9)

During the years 2001-02 to 2005-06, the departments /Government accepted audit observations involving Rs. 652.41 crore out of which Rs. 104.16 crore had been recovered as on 30 September 2007.

(Paragraph 1.14)

II. Sales tax

Incorrect grant of concessional rate of tax and irregular reduction of demand under the CST Act resulted in non-realisation of tax of Rs. 135.30 crore.

(Paragraph 2.2)

Non-withdrawal of benefits of tax exemption on breach of condition by 17 industrial units resulted in non-recovery of tax and interest of Rs. 5.73 crore.

(Paragraph 2.3)

Incorrect grant of exemption to two edible oil industries under the RST Act resulted in non-recovery of tax and interest of Rs. 2.93 crore.

(Paragraph 2.5)

Excess exemption of Rs. 2.27 crore was granted to an industrial unit under the 1998 scheme.

(Paragraph 2.6)

Non-disposal of attached properties through public auction under the Land Revenue Act even after a lapse of 8 to 17 years resulted in non-recovery of the Government dues of Rs. 63.75 crore.

(Paragraph 2.11)

III. Taxes on Motor Vehicles

Motor vehicles tax and special road tax of Rs. 1.97 crore was not realised from the owners of 1,399 goods vehicles.

(Paragraph 3.2)

Special road tax and penalty amounting to Rs. 1.31 crore was not levied on 54 stage carriages of Rajasthan State Road Transport Corporation found plying during the period of surrender of their registration certificates.

(Paragraph 3.4)

IV. Stamp Duty and Registration Fee, Land revenue

Review of 'Levy and collection of stamp duty and registration fee' revealed the following:

Due to lack of a prescribed return by the public offices, the department was unaware of the number of documents on which stamp duty was payable and found deficient. This resulted in non-realisation of stamp duty of Rs. 68.36 crore.

(Paragraph 4.2.8)

Lack of a prescribed time frame for disposal of the cases under adjudication resulted in non-finalisation of 3,145 cases involving stamp duty of Rs. 25.30 crore.

(Paragraph 4.2.9)

Due to undervaluation of properties, there was short levy of stamp duty and registration fee of Rs. 5.89 crore.

(Paragraph 4.2.11)

Non-registration of developer agreements resulted in non-realisation of revenue of Rs. 3.40 crore.

(Paragraph 4.2.12)

Short realisation of stamp duty of Rs. 2.27 crore noticed in 575 fisheries leases due to non-issue of notification.

(Paragraph 4.2.13)

Review of **Information Technology system in Registration and Stamps Department** revealed the following:

The department did not have an IT policy and disaster recovery and business continuity plan.

(Paragraph 4.3.5)

Non-mapping of business rules resulted in incorrect application of depreciation rate on construction and short levy of stamp duty, allowing of rebate of stamp duty on the instruments of purchase of agriculture land admissible to individual women, and other deficiencies which resulted in short levy of stamp duty.

(Paragraph 4.3.6)

Inadequate change management controls resulted in incorrect application of District Level Committee rates and consequential under realisation of stamp duty.

(Paragraph 4.3.7)

Land Revenue

Allotment of Government land measuring 70 *bigha* to the Airport Authority of India in Udaipur at agricultural land rate instead of commercial rate resulted in short realisation of Rs. 22.14 crore.

(Paragraph 4.5)

V. State Excise

Excise duty amounting to Rs. 18.38 crore was short realised on beer manufactured in four breweries.

(Paragraph 5.2)

Excise duty of Rs. 11.46 crore was short levied on Indian made foreign liquor supplied in pints and nips.

(Paragraph 5.3)

VI. Non-Tax Receipts

Forest Department

Non-handing over of trees for felling under the Indira Gandhi Nahar Pariyojana resulted in loss of revenue of Rs. 14.91 crore.

(Paragraph 6.2)

Non-disposal of *tendu* leaves units resulted in loss of revenue of Rs. 4.49 crore.

(Paragraph 6.3)

Home (Police) Department

Demands for police cost aggregating Rs. 51.73 lakh for the period 2002-03 to 2005-06 was not raised by the department.

(Paragraph 6.5)

Mines and Geology Department

Cost of minerals amounting to Rs. 5.08 crore was not charged on excess excavation.

(Paragraph 6.8)

Non/under revision of contract amount resulted in loss of revenue of Rs. 3.36 crore.

(Paragraph 6.9)

Underassessment of royalty resulted in short recovery of Rs. 3.02 crore.

(Paragraph 6.10)