
OVERVIEW

This Report contains 39 paragraphs including two reviews, relating to non/short levy of tax, interest, penalty etc. involving Rs. 666.55 crore. Some of the significant audit findings are mentioned below:

I. General

The total revenue receipts of the Government of Rajasthan during 2007-08 were Rs. 30,780.62 crore as against Rs. 25,592.18 crore for the year 2006-07. The revenue raised by the Government amounted to Rs. 17,328.66 crore comprising tax revenue of Rs. 13,274.73 crore and non-tax revenue of Rs. 4,053.93 crore. The receipts from the Government of India were Rs. 13,451.96 crore, (state's share of divisible Union taxes: Rs. 8,527.60 crore and grants-in-aid: Rs. 4,924.36 crore). Thus, the State Government could raise 56 *per cent* of the total revenue. Taxes on sales, trade etc. (Rs. 7,345.84 crore), state excise (Rs. 1,805.12 crore), stamp duty and registration fee (Rs. 1,544.35 crore), taxes on vehicles (Rs. 1,164.40 crore) and non-ferrous mining and metallurgical industries (Rs. 1,226.61 crore) were the major sources of tax and non-tax revenue during 2007-08.

(Paragraph 1.1)

The arrears of revenue aggregating Rs. 4,026.12 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, stamp duty and registration fee, land revenue, non-ferrous mining and metallurgical industries, miscellaneous general services - sale of land, major and medium irrigation, taxes on immovable property other than agricultural land and police.

(Paragraph 1.4)

Test check of the records of sales tax, motor vehicles tax, land revenue, electricity duty, stamps duty and registration fee, state excise and other non-tax receipts conducted during the year 2007-08 revealed underassessment, short levy and loss of revenue amounting to Rs. 1,118.41 crore in 18,543 cases. The concerned departments accepted underassessment and other deficiencies of Rs. 130.17 crore involved in 10,771 cases of which 4,177 cases involving Rs. 35.67 crore had been pointed out in audit during the year 2007-08 and the rest in earlier years. The departments recovered Rs. 18.57 crore in 2,983 cases at the instance of audit during the year 2007-08.

(Paragraph 1.9)

The departments/Government accepted audit observations involving Rs. 692.72 crore pertaining to the Audit Reports for the years from 2002-03 to 2006-07, out of which Rs. 108.70 crore had been recovered till September 2008.

(Paragraph 1.14)

II. Sales tax

Non-withdrawal of benefits of tax exemption on breach of condition by four industrial units resulted in non-recovery of tax and interest of Rs. 16.83 crore.

(Paragraph 2.3)

Delay in finalisation of tax collection contract resulted in loss of revenue of Rs. 56.53 lakh.

(Paragraph 2.4)

Application of incorrect rate of tax resulted in short levy of tax of Rs. 33.19 lakh from four units.

(Paragraph 2.5)

Entry tax and interest aggregating to Rs. 7.13 lakh was not levied on purchase of paper from outside the State.

(Paragraph 2.6)

III. Taxes on Motor Vehicles

One time tax of Rs. 4.11 crore was not recovered from the owners of 584 construction equipment vehicles.

(Paragraph 3.2)

Special road tax and penalty amounting to Rs. 3.65 crore was not levied on 100 stage carriages of Rajasthan State Road Transport Corporation, found plying during the period of surrender of their registration certificates.

(Paragraph 3.3)

Motor vehicles tax and special road tax of Rs. 1.97 crore was not realised from the owners of 1,279 goods vehicles.

(Paragraph 3.4)

Motor vehicles tax of Rs. 1.81 crore was not realised from the owners of 241 passenger vehicles, which remained without permits.

(Paragraph 3.5)

IV. Land Revenue and Electricity Duty

Review of 'Allotment and sale of land by Colonisation Department' revealed the following:

- Absence of a time frame for disposal of the applications received by the department for allotment of the Government land resulted in non-disposal of 64,847 applications.

(Paragraph 4.2.9.1)

- Non-allotment of the Government land valued at Rs. 35.81 crore to temporary cultivation lease holders on permanent basis resulted in non-realisation of revenue.

(Paragraph 4.2.10)

- The departments neither recovered the instalments fixed for recovery of the cost of land from 45,524 allottees nor cancelled the allotment orders of the land. This resulted in non-realisation of revenue aggregating Rs. 139.56 crore.

(Paragraph 4.2.12)

- No action was taken to dispose of the Government land admeasuring 38,625.56 *bigha* valued at Rs. 24.57 crore though it was unauthorisedly used by 12,069 trespassers.

(Paragraph 4.2.16.1)

Allotment of Government land measuring 1.61 hectare to Tele Communication Department in Jalore at agricultural land rate instead of commercial rate resulted in short levy of Rs. 15.38 crore.

(Paragraph 4.3)

Electricity Duty recovered at pre revised tariff instead of revised tariff resulting in short realisation of Rs. 21.49 crore from three power distribution companies.

(Paragraph 4.6)

V. Stamp Duty and Registration Fee

Short levy of stamp duty of Rs. 54.22 crore was noticed in 1,684 cases due to increase in authorised share capital of companies.

(Paragraph 5.2.1)

Non-registration of documents relating to amalgamation of companies resulted in non-receipt of stamp duty and registration fee of Rs. 1.56 crore.

(Paragraph 5.2.2)

Stamp duty of Rs. 1.36 crore on 150 customs bonds was short levied.

(Paragraph 5.2.3)

VI. State Excise

Excise duty of Rs. 26.71 crore was short levied on sale of Indian made foreign liquor supplied in pints and nips.

(Paragraph 6.2)

Licence fee of Rs. 1.45 crore for composite shops was short levied from licensees of 66 composite shops.

(Paragraph 6.3)

VII. Non-Tax Receipts

General Administration Department

Review of 'Management and Disposal of *Nazul* Properties received from ex-rulers of Rajasthan' revealed the following:

- No system/procedure was prescribed for conducting survey to ascertain status and exact number of *nazul* properties. Rent of Rs. 33.28 crore in respect of 1,263 *nazul* properties situated out of the State valued at Rs. 66.57 crore was not recovered.

(Paragraph 7.2.6)

- No returns had been prescribed by the Director of Estate to monitor management and disposal of properties maintained by District Collectors.

(Paragraph 7.2.7)

- The existence and whereabouts of 172 properties was not found in the records of Director of Estate and District Collectors, of which 53 properties were valued at Rs. 21.25 crore.

(Paragraph 7.2.7.1)

- The department did not raise the demands of rent and interest amounting to Rs. 37.72 crore due against 1,109 tenants in absence of demand and collection register.

(Paragraph 7.2.8.1)

- No efforts were made to dispose of 253 vacant *nazul* properties, of which 218 properties were valued at Rs. 14.84 crore.

(Paragraph 7.2.9)

- No action was initiated to get the possession of 41 properties despite eviction orders passed by courts, including 32 properties valued at Rs. 24.29 crore.

(Paragraph 7.2.11)

- Neither rent and interest of Rs. 9.41 crore from 99 properties valued at Rs. 14.84 crore under possession of Central Government offices/ autonomous bodies was recovered nor were these properties disposed of.

(Paragraph 7.2.12)

Mines and Geology Department

Non-realisation of cost of minerals despatched without *rawannas* resulted in loss of revenue of Rs. 13.71 crore.

(Paragraph 7.3)

Non-raising of demand of royalty resulted in short realisation of revenue of Rs. 7.77 crore.

(Paragraph 7.4)

Cost of minerals amounting to Rs. 3.42 crore was not charged on excess/ unauthorised excavation.

(Paragraph 7.5)

Due to lacunae in the rules, Government was deprived of revenue of Rs. 25.86 lakh on excavation of mineral between 10 and 25 *per cent* over and above the permitted quantity.

(Paragraph 7.9)