
OVERVIEW

This Report contains 48 paragraphs including three reviews relating to non/short levy of tax, interest, penalty *etc.* involving Rs. 392.71 crore. Some of the significant audit findings are mentioned below:

I. General

The total revenue receipts of the Government of Rajasthan during 2008-09 were Rs. 33,468.85 crore as against Rs. 30,780.62 crore for the year 2007-08. The revenue raised by the Government amounted to Rs. 18,832.21 crore comprising tax revenue of Rs. 14,943.75 crore and non-tax revenue of Rs. 3,888.46 crore. The receipts from the Government of India were Rs. 14,636.64 crore (state's share of divisible Union taxes: Rs. 8,998.47 crore and grants-in-aid: Rs. 5,638.17 crore). Thus, the State Government could raise 56 *per cent* of the total revenue receipts. Taxes on sales, trade *etc.* (Rs. 8,442.02 crore), state excise (Rs. 2,169.90 crore), stamp duty and registration fee (Rs. 1,356.63 crore), taxes on vehicles (Rs. 1,213.56 crore) and non-ferrous mining and metallurgical industries (Rs. 1,275.59 crore) were the major sources of tax and non-tax revenue during 2008-09.

(Paragraph 1.1)

The arrears of revenue aggregating Rs. 4,751.83 crore remained unrealised under some principal heads of revenue at the end of 2008-09. 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)

The departments/Government accepted audit observations involving Rs. 748.48 crore pertaining to the Audit Reports for the years from 2003-04 to 2007-08, out of which Rs. 143.38 crore had been recovered till September 2009.

(Paragraph 1.13)

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 2008-09 revealed underassessment, short levy and loss of revenue amounting to Rs. 808.41 crore in 23,583 cases. The concerned departments accepted underassessment and other deficiencies of Rs. 123.95 crore involved in 14,681 cases of which 6,372 cases involving Rs. 50.63 crore had been pointed out in audit during the year 2008-09 and the rest in earlier years. The departments recovered Rs. 16.33 crore in 4,095 cases at the instance of audit during the year 2008-09.

(Paragraph 1.15)

II. Taxes on Sales, Trade etc.

Review on 'Transition from Sales Tax to Value Added Tax' revealed the following:

- Department failed to make assessment of dealers who filed belated returns on the basis of their books of accounts.

(Paragraph 2.2.9.3(iii))

- Department failed to implement tax audit as provided in the RVAT Act.

(Paragraph 2.2.10.1)

- Against the provision/instruction for prior verification of VAT paid on purchases before allowing input tax credit (ITC), ITC of Rs. 121.94 crore in 810 cases was allowed without prior verification.

(Paragraph 2.2.11.3)

Incorrect grant of exemption to two dealers under RST Act resulted in non-recovery of tax and interest of Rs. 2.76 crore.

(Paragraph 2.4.1)

Application of incorrect rate of tax resulted in short levy of tax of Rs. 71.54 lakh in 16 cases.

(Paragraph 2.4.2)

Entry tax and interest aggregating to Rs. 49.81 lakh were not levied on purchases from out of the State.

(Paragraph 2.4.4)

Irregular exemption of tax and interest of Rs. 9.40 crore was granted to a dealer on transfer of goods.

(Paragraph 2.4.5)

Incorrect grant of concessional rate of tax under CST Act resulted in short levy of tax and interest of Rs. 5.24 crore in two cases.

(Paragraph 2.4.6)

Non-withdrawal of benefits of tax exemption on breach of condition by nine industrial units resulted in non recovery of tax of Rs. 8.77 crore.

(Paragraph 2.5.1)

III. Taxes on Motor Vehicles

Review on 'Levy and Collection of Tax by the Transport Department' revealed the following:

- Non/short recovery of tax and penalty of Rs. 9.40 crore from 2,924 vehicle owners was noticed in cases selected for audit through statistical sampling.

(Paragraph 3.2.10)

- Transport Vehicles were plying without obtaining mechanical fitness certificate resulting in non-recovery of fee of Rs. 27.77 crore.

(Paragraph 3.2.14)

- Extrapolation of the results of statistical sampling indicated that the total loss of revenue on account of non/short recovery of tax/fee/penalty could be Rs. 477.63 crore.

(Paragraph 3.2.16)

Special road tax and penalty amounting to Rs. 10.46 crore was not levied on 295 stage carriages of Rajasthan State Road Transport Corporation, found plying during the period of surrender of their registration certificates.

(Paragraph 3.3.1)

IV. Stamp Duty and Registration Fee and Land Revenue

Non-registration of lease deeds of immovable properties resulted in non-realisation of stamp duty and registration fee of Rs. 8.40 crore.

(Paragraph 4.3)

Stamp duty and registration fee aggregating to Rs. 93.14 lakh was levied short on registration of lease deeds.

(Paragraph 4.4.1)

Non-registration of developer agreements resulted in non-realisation of revenue of Rs. 77.62 lakh.

(Paragraph 4.4.3)

V. State Excise

Excise duty of Rs. 43.34 crore was short levied on sale of Indian made foreign liquor supplied in pints and nips.

(Paragraph 5.3.1)

Licence fee of Rs. 1.65 crore on 62 composite shops was short levied.

(Paragraph 5.3.2)

VI. Non-Tax Receipts

Public Health Engineering Department

Review on 'Receipts of Public Health Engineering Department' revealed the following:

- Outstanding demands against Nagar Nigams/Nagar Palikas amounting to Rs. 85.76 crore were not included in the details of arrears maintained by the Department.

(Paragraph 6.2.7.2)

- Non-functioning of water meters resulted in incorrect assessment of water charges.

(Paragraph 6.2.7.4)

- Interest on outstanding demands amounting to Rs. 55.15 crore was not levied.

(Paragraph 6.2.9.1)

- Non-levy of water charges against Nagar Nigam, Jodhpur resulted in non-recovery of Rs. 2.35 crore.

(Paragraph 6.2.9.2)

- Loss of revenue of Rs. 234.43 crore due to abnormal leakage of water.

(Paragraph 6.2.9.3)

- Short realisation of stamp duty of Rs. 87.58 lakh.

(Paragraph 6.2.9.5)

Mines, Geology and Petroleum Department

Non-levy of royalty in accordance with codal provisions resulted in short recovery of Rs. 13.56 crore.

(Paragraph 6.4.1)

Irregular allowance of handling and processing losses resulted in short recovery of royalty of Rs. 3.24 crore.

(Paragraph 6.4.2)

Cost of mineral amounting to Rs. 13.48 crore was not charged on unauthorised excavation.

(Paragraph 6.4.8)

Cost of mineral amounting to Rs. 4.80 crore was not charged on unauthorised excavation of mineral by contractors.

(Paragraph 6.4.9)

Non-realisation of cost of mineral dispatched without *rawanna* resulted in loss of revenue of Rs. 1.49 crore.

(Paragraph 6.4.10)

Non-raising of demand of licence fee resulted in non-recovery of Rs. 9.85 crore.

(Paragraph 6.5.1)

Home (Police) Department

Non-raising of demand for police cost led to loss of Rs. 84.98 lakh.

(Paragraph 6.8)