



*Executive
summary*

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The stamp duty constituted an average of 9.96 *per cent* of total tax revenue of the State during the period 2006-07 to 2010-11. Though the stamp receipts grew from ₹ 1,293.68 crore in 2006-07 to ₹ 1,941.07 crore in 2010-11. Rajasthan State has an ample scope of further increase in stamp duty collections on account of conveyance, developer agreements, mortgages, power of attorneys etc. of immovable properties and cross linking of transactions in public offices which are dutiable under the Stamp Duty provisions.

We conducted a Performance Audit on "Levy and Collection of Stamp Duty and Registration Fees" for the period 2006-07 to 2010-11 in order to ascertain whether the provisions of the Act/Rules and departmental instructions were adequate and enforced accurately to safeguard revenue of the State. We also ascertained whether the registering authorities discharged their functions in levying and collection of stamp duty in accordance with the prescribed rules and procedures.

We analysed internal control mechanism to know whether it was effective and sufficient to safeguard realisation of stamp duty and registration fees on the instruments executed, and in the receipt and account of stamps paper.

We adopted statistical sample techniques and sample documents selected as per standard sampling method for the period 2006-07 to 2009-10 and test audit of records for the year 2009-10 to 2010-11. Our test audit of records and scrutiny of these sample documents revealed irregularities in levy of stamp duty and registration fees due to undervaluation of properties, misclassification of instruments, incorrect application of rates etc. aggregating ₹ 9.04 crore. Besides, failure of public offices to recover proper Stamp Duty (SD) and Registration Fees (RF) resulted in non-realisation of revenue amounting to ₹ 20.74 crore.

We found that Heads of Public Offices were not discharging their duties properly to see whether stamp duty was being paid by the public correctly on instruments on which stamp duty was leviable. We saw that excessive stock of non-judicial and adhesive stamps was lying unused in treasuries.

We observed that inspections of Sub-Registrar (SR) offices were not carried out by District Registrars (DRs)/Deputy Inspector Generals (DIGs) as prescribed.

We found that internal audit wing could not achieve the targets fixed for conducting audit of SR offices and was ineffective in detecting non/short levy of stamp duty on instruments.