

OVERVIEW

This report contains 26 audit paragraphs and 2 reviews relating to non-levy /short levy of taxes, duties, interest and penalty etc., involving Rs.87.51 crore. Some of the major findings are mentioned below:-

1 General

(i) The total receipts of the State Government for the year 2001-2002 was Rs.8928.62 crore. Revenue raised by the Government during the year was Rs.7780.68 crore, comprising of tax revenue of Rs.4820.23 crore and non-tax revenue of Rs.2960.45 crore. The State Government also received Rs.610.49 crore as State's share of divisible Union taxes and Rs.537.45 crore as grants-in-aid from the Government of India. The decrease in the State's share of Union taxes was due to less receipts under 'Share of net proceeds assigned to States' whereas the decrease in the grants-in-aid was mainly due to less receipts under 'Non-Plan Grants'. Receipts under Taxes on Sales, Trade etc. (Rs.2684.33 crore) and State Excise (Rs.1350.06 crore) constituted a major portion of tax revenue. Under non-tax revenue, the major receipts were from Interest Receipts (Rs.551.97 crore) and Road Transport (Rs.222.15 crore).

(Paragraph 1.1)

(ii) Arrears of revenue at the end of March 2002, as reported by some departments, were Rs.3759.67 crore.

(Paragraph 1.4)

(iii) Test check of records of the Taxes on Sales, Trade etc., Taxes on Vehicles, State Excise, Stamp Duty and Registration Fees, Land Revenue and other departmental offices conducted during 2001-2002 revealed under assessments/short-levy/non-levy/loss of revenue amounting to Rs. 190.00 crore in 4070 cases. The departments accepted audit observations involving Rs. 17.77 crore in 712 cases, of which 194 cases involving Rs.13.45 crore had been pointed out in audit during the year 2001-2002 and the rest in earlier years.

(Paragraph 1.8)

(iv) 5425 inspection reports issued upto December 2001 containing 9968 audit objections with money value of Rs.799.52 crore were outstanding for want of final replies from the departments as on 30 June 2002.

(Paragraph 1.10 (i))

2 Taxes on Sales, Trade etc.

(a) A review on 'Exemptions/Concessions and Deferment in Sales Tax' revealed the following

(i) Eligibility certificates aggregating Rs.18.76 crore were issued to 32 industrial units incorrectly by the industries department.

(Paragraph 2.2.8)

(ii) Tax exemption of Rs.15.21 crore including penalty was not recovered from 112 units which discontinued their business before the expiry of exemption period.

(Paragraph 2.2.9(i))

(iii) 6 units were allowed deduction of Rs.3.83 crore from the turnover on goods sold to other registered dealers even though goods manufactured by them were taxable at first stage of sale. This resulted in under assessment of tax of Rs.0.34 crore.

(Paragraph 2.2.9(iii))

(b)(i) Non observance of departmental instructions regarding cross verification of sales resulted in short levy of tax of Rs.24.51 lakh.

(Paragraph 2.3)

(ii) Non inclusion of receipts from sale of REP licence in gross turnover resulted in short levy of tax of Rs. 26.92 lakh.

(Paragraph 2.4)

(iii) Incorrect grant of exemption/reduction from retrospective dates resulted in short levy of tax of Rs.1.21 crore and Rs.0.06 crore under the State Act and Central Act respectively.

(Paragraph 2.6)

(iv) Incorrect allowance of deduction from turnover of sale of goods, which were liable to tax at the first stage, resulted in non-levy of tax of Rs.12.74 lakh

(Paragraph 2.7)

3 Taxes on Vehicles

(i) Road Tax of Rs.40.94 lakh including penalty was neither determined nor levied during 2000-2001 in case of 17 tourist buses.

(Paragraph 3.2)

(ii) Seventy private transport companies, a depot of State Transport Corporation and Rajasthan State Road Transport Corporation paid special Road Tax incorrectly on the basis of kilometers actually covered instead of on kilometers permitted to be covered. This resulted in short recovery of tax of Rs.4.41 crore and penalty of Rs.0.07 crore.

(Paragraph 3.3)

(iii) Motor vehicle tax (token tax) including penalty of Rs.35.76 lakh was not levied/realised from 30 transport companies (Rs.31.48 lakh) and 17 tourist buses (Rs.4.28 lakh)

(Paragraph 3.4)

4 State Excise.

(i) Non fixation of minimum acceptable licence fee in accordance with the provision of excise policy resulted in loss of revenue of Rs.3.09 crore in two districts.

(Paragraph 4.2)

(ii) In 4 distilleries, sub-normal yield of spirit from molasses resulted in short realisation of Excise duty of Rs.5.78 crore.

(Paragraph 4.3)

5 Stamp Duty and Registration Fees

(i) Misclassification of instruments resulted in short levy of stamp duty and registration fee of Rs.6.06 lakh

(Paragraph 5.2)

(ii) Stamp duty and registration fees amounting to Rs.11.28 lakh were not levied on deeds executed for securing loan and setting up a sugar mill.

(Paragraph 5.3 & 5.4)

6. Other Tax Receipts

(i) Non revision of the rates of admission to cinema-houses resulted in short collection of entertainment tax of Rs. 38.50 lakh.

(Paragraph 6.4)

(ii) Department failed to collect entertainment duty of Rs.25.20 lakh from 167 cable TV operators.

(Paragraph 6.5)

7 Non-Tax Receipts

A review on 'Receipts of Forest Department' revealed the following:

(i) Arrears of royalty increased from Rs.3.81 crore as on March 1996 to Rs.9.90 crore as on March 2001.

(Paragraph 7.2.7)

(ii) The department did not raise royalty of Rs.55.33 lakh on account of timber transferred to Corporation during the years 1996-97 to 2000-2001. The loss of interest on unpaid royalty worked out to Rs.11.08 lakh.

(Paragraph 7.2.8)

(iii) The rates of royalty on timber supplied during 1996-97 to 2000-2001 were revised (March 1999) on adhoc basis without considering the prevailing market rates, which resulted in short realisation of revenue of Rs.20.59 crore.

(Paragraph 7.2.9)

(iv) 4.58 lakh bamboos/poplar trees were not felled at the prescribed age which resulted in non realisation of revenue of Rs.2.04 crore and further loss of Rs.4.13 crore.

(Paragraph 7.2.10(a)&(b))

(v) Inaction by the corporation and the department to dispose dead and dry trees resulted in non realisation of revenue of Rs.1.66 crore.

(Paragraph 7.2.11(a))

(vi) Harvesting the bamboos departmentally instead of handing over the bamboos to the corporation resulted in loss of Rs.1.17crore.

(Paragraph 7.2.11(b))

(vii) Forest revenue of Rs.19.66 lakh was transferred to a society without introducing 'Money Bill' in the Legislative Assembly

(Paragraph 7.2.12)

(viii) 4.36 lakh kikar trees were short accounted for in the Enumeration report for 1997-98 resulted in loss of revenue of Rs.2.91 crore.

(Paragraph 7.2.13)