

CHAPTER-I

GENERAL

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1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Rajasthan during the year 2016-17, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and grants-in-aid received from the Government of India during the year and corresponding figures for the preceding four years are mentioned in the Table 1.1.1.

Table 1.1.1

(₹ in crore)

Sl. no.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1	Revenue raised by the State Government					
	• Tax revenue	30,502.65	33,477.70	38,672.87	42,712.92	44,371.66 ¹
	• Non-tax revenue	12,133.59	13,575.25	13,229.50	10,927.87	11,615.57 ²
	Total	42,636.24	47,052.95	51,902.37	53,640.79	55,987.23
2	Receipts from the Government of India					
	• Share of net proceeds of divisible Union taxes and duties	17,102.85	18,673.07	19,817.04	27,915.93	33,555.86 ³
	• Grants-in-aid	7,173.92	8,744.35	19,607.50	18,728.40	19,482.91 ⁴
	Total	24,276.77	27,417.42	39,424.54	46,644.33	53,038.77
3	Total revenue receipts of the State Government (1 and 2)	66,913.01	74,470.37	91,326.91	1,00,285.12	1,09,026.00
4	Percentage of 1 to 3	64	63	57	53	51

The above table indicates that there was continuous increase in collection of revenue during the last five years. However, the revenue raised by State Government declined as compared to the total receipts of the State during the last five years. The revenue raised by the State Government (₹ 55,987.23 crore) was 51 *per cent* of the total revenue receipts (₹ 1,09,026.00 crore) during the year 2016-17. The balance 49 *per cent* of receipts during 2016-17 were from the Government of India by way of share of net proceeds of divisible Union taxes and duties and grants-in-aid.

¹ For details, please see table No. 1.1.2 of this chapter.

² For details, please see table No. 1.1.3 of this chapter.

³ For details, please see Statement No. 14 - Detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Rajasthan for the year 2016-17. Figures under the head 0020 - Corporation tax, 0021 - Taxes on income other than corporation tax, 0022 - Taxes on agriculture income, 0032 - Taxes on wealth, 0037 - Customs, 0038 - Union excise duties and 0044 - Service tax and 0045 - other taxes and duties on commodities and services - share of net proceeds assigned to State booked in the Finance Accounts.

⁴ For details, please see Statement No. 14 of Finance Accounts of the Government of Rajasthan for the year 2016-17 (C) Head - 1601.

1.1.2 The details of the budget estimates (BE), revised estimates (RE) and the actual receipts in respect of the tax revenue raised during the period 2012-13 to 2016-17 are given in the table 1.1.2.

Table 1.1.2

(₹ in crore)

Sl. no.	Heads of revenue	BE RE Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Percentage of increase (+) /decrease (-) in 2016-17 over 2015-16	
1	Taxes on sales, trade, etc.	BE	15,402.08	19,528.00	24,030.00	28,784.00	32,900.00		
		RE	17,237.00	20,300.00	24,120.00	27,635.00	27,767.60		
		Actual	17,214.34	19,834.72	22,644.89	24,878.67	27,151.54	(+) 9.14	
	Central sales tax	BE	1,147.92	1,522.00	1,595.00	1,716.00	1,615.00		
		RE	1,338.00	1,450.00	1,505.00	1,615.00	1,227.40		
		Actual	1,360.31	1,380.79	1,525.02	1,466.10	1,406.88	(-) 4.04	
2	State excise	BE	3,250.00	4,500.00	5,318.75	6,300.00	7,310.00		
		RE	3,875.00	4,625.00	5,330.00	6,350.00	7,600.00		
		Actual	3,987.83	4,981.59	5,585.77	6,712.94	7,053.68	(+) 5.08	
3	Stamp duty and registration Fee								
	Stamps-judicial	BE	60.14	105.40	172.08	172.08	110.00		
		RE	96.73	144.00	156.66	105.00	103.34		
		Actual	144.27	104.59	54.27	97.45	73.94	(-) 24.13	
	Stamps-non-judicial	BE	2,264.97	3,268.57	3,413.42	3,413.42	3,490.00		
		RE	2,723.27	2,706.00	2,823.35	2,785.00	2,701.00		
		Actual	2,693.13	2,577.76	2,705.10	2,574.88	2,502.86	(-) 2.80	
	Registration fee	BE	474.89	526.03	614.50	614.50	600.00		
		RE	480.00	500.00	520.00	560.00	445.66		
		Actual	497.47	442.98	429.52	561.67	476.45	(-) 15.17	
	4	Taxes on motor vehicles	BE	1,900.00	2,500.00	2,950.00	3,300.00	3,900.00	
			RE	2,225.00	2,550.00	2,800.00	3,300.00	3,650.00	
Actual			2,283.13	2,498.90	2,829.86	3,199.44	3,622.83	(+) 13.23	
5	Taxes and duties on electricity	BE	1,505.25	1,512.61	1,697.18	1,782.04	2,000.00		
		RE	1,596.65	1,406.63	1,697.18	2,000.00	2,172.00		
		Actual	1,570.06	948.93	1,534.51	1,921.29	738.24	(-) 61.58	
6	Land revenue	BE	196.06	185.51	400.76	400.00	400.01		
		RE	233.91	365.76	324.69	320.00	359.01		
		Actual	304.55	337.98	288.58	272.47	314.69	(+) 15.50	
7	Taxes on goods and passengers	BE	280.00	300.00	345.00	432.00	750.00		
		RE	250.00	300.00	360.00	800.00	750.00		
		Actual	248.57	287.92	956.52	847.72	803.28	(-) 5.24	
8	Other taxes and duties on commodities and services	BE	50.99	55.00	68.26	131.99	174.99		
		RE	50.09	55.01	99.99	171.79	200.00		
		Actual	48.47	68.46	113.68	170.96	220.08	(+) 28.73	
9	Other taxes ⁵ , etc.	BE	300.00	50.00	50.00	50.00	50.00		
		RE	100.00	50.00	50.17	50.20	10.00		
		Actual	150.52	13.08	5.15	9.32	7.19	(-) 22.85	
	Total	BE	26,832.30	34,053.12	40,654.95	47,096.03	53,300.00		
		RE	30,205.65	34,452.40	39,787.04	45,691.99	46,986.01		
		Actual	30,502.65	33,477.70	38,672.87	42,712.92	44,371.66	(+) 3.88	
	Percentage of increase of actual over previous year	20.19	9.75	15.52	10.45	3.88			

⁵ Other taxes include Taxes on income and expenditure (Taxes on professions, trades, callings and employments) and Taxes on immovable property other than agriculture land.

There had been a continuous increase in overall revenue collection of the tax during last five years but the collection for each year has been less than both the budget estimates and the revised estimates during the years 2013-14 to 2016-17. Further, the percentage of growth of revenue declined during the year 2016-17 in comparison to the year 2015-16.

The reasons for variation wherever found substantial though called for (between April 2017 and May 2017) have not been furnished by the respective departments (November 2017).

1.1.3 The details of the BE, RE and the actual receipts in respect of the non-tax revenue raised during the period 2012-13 to 2016-17 are given in the table 1.1.3.

Table 1.1.3

(₹ in crore)

Heads of revenue	<u>BE</u> <u>RE</u> Actual	2012-13	2013-14	2014-15	2015-16	2016-17	Percentage of increase (+)/ decrease (-) in 2016-17 over 2015-16
Non-ferrous mining and metallurgical industries	BE	2,500.00	3,210.00	3,860.00	4,135.00	5,200.00	
	RE	2,910.00	3,360.00	3,566.00	4,250.00	4,200.00	
	Actual	2,838.59	3,088.66	3,635.46	3,782.13	4,233.74	(+) 11.94
Interest receipts	BE	1,428.79	1,933.88	2,046.31	1,790.98	1,778.75	
	RE	2,074.82	2,109.36	1,959.83	1,860.58	2,002.97	
	Actual	2,067.00	2,142.49	2,065.39	1,982.39	1,933.37	(-) 2.47
Miscellaneous general services	BE	324.29	576.17	891.66	1,106.61	1,279.12	
	RE	667.80	743.37	920.88	885.72	859.39	
	Actual	686.10	846.36	963.85	700.90	660.70	(-) 5.74
Police	BE	165.00	170.48	220.10	220.10	220.15	
	RE	180.10	192.36	220.10	213.00	220.15	
	Actual	192.07	167.27	240.03	162.02	190.78	(+) 17.75
Other administrative services	BE	78.88	89.94	139.13	110.77	162.73	
	RE	80.00	126.66	107.19	162.44	222.35	
	Actual	85.50	147.38	133.21	161.98	210.51	(+) 29.96
Major and medium irrigation	BE	122.21	90.62	115.22	146.00	150.00	
	RE	116.34	97.55	90.90	112.50	129.79	
	Actual	87.21	80.62	67.08	68.72	112.77	(+) 64.10
Forestry and wild life	BE	56.05	66.67	87.44	97.92	103.54	
	RE	73.55	87.39	80.20	111.65	123.95	
	Actual	91.24	77.52	89.31	133.75	113.00	(-) 15.51
Public works	BE	75.75	65.00	74.76	77.36	82.02	
	RE	60.00	67.87	74.76	79.51	95.30	
	Actual	57.63	69.16	71.74	97.89	84.31	(-) 13.87
Medical and public health	BE	61.88	61.00	70.71	95.12	110.42	
	RE	99.33	72.86	105.07	108.99	115.74	
	Actual	96.04	65.61	116.43	119.21	125.39	(+) 5.18
Co-operation	BE	23.65	20.42	11.86	18.51	24.02	
	RE	23.00	17.83	16.52	14.52	41.25	
	Actual	22.02	18.80	16.88	14.64	44.10	(+) 201.23
Other non-tax receipts ⁶	BE	4,114.64	6,370.23	7,421.01	7,697.61	4,973.35	
	RE	5,909.06	6,631.79	6,327.04	4,072.75	4,458.43	
	Actual	5,910.19	6,871.38	5,830.12	3,704.24	3,906.90	(+) 5.47
Total	BE	8,951.14	12,654.41	14,938.27	15,495.98	14,084.10	
	RE	12,185.00	13,507.04	13,468.49	11,871.66	12,469.32	
	Actual	12,133.59	13,575.25	13,229.50	10,927.87	11,615.57	(+) 6.29
Percentage of increase of actual over previous year		32.24	11.88	(-)2.55	(-)17.40	6.29	

⁶ Other non-tax receipts constitute income from petroleum, public service commission, jails, housing, village and small industries, fisheries, dividends and profit, contribution and recoveries towards pension and other retirement benefits, etc.

Audit observed increase in the collection of non-tax revenue during the year 2016-17 as compared to previous year.

The reasons for variation wherever found substantial though called for (between April 2017 and May 2017) have not been furnished by the respective departments (November 2017).

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2017 relating to some principal heads of revenue amounted to ₹ 6,046.36 crore, out of which ₹ 1,984.19 crore was outstanding for more than five years as given in the Table 1.2.

Table 1.2

(₹ in crore)					
Sl. no.	Heads of revenue	Total amount outstanding as on 31 March 2016	Total amount outstanding as on 31 March 2017 and percentage of increase in comparison to previous year		Amount outstanding for more than five years as on 31 March 2017
1	Commercial taxes	6,763.32	4748.56	(-) 29.79	1,597.13
2	Transport	66.68	55.34	(-) 17.00	27.71
3	Land Revenue	607.04	593.57	(-) 2.22	72.39
4	Registration and Stamps	277.56	305.23	(+) 9.97	52.91
5	State excise	198.62	200.57	(+) 0.98	197.14
6	Mines, Geology and Petroleum	209.17	143.09	(-) 31.59	36.91
Total		8,122.39	6,046.36	(-) 25.56	1,984.19

Source: Furnished by the concerned Departments.

It would be also seen from the above table that recovery of ₹ 1,984.19 crore was pending for more than five years. The stages at which arrears were pending for collection, though called for, were not intimated by the Departments except Registration and Stamps Department (August 2017). The Registration and Stamps Department intimated that an amount of ₹ 179.39 crore could not be recovered as it was covered by various stay orders issued by appellate authorities and courts.

It is recommended that the Government may take appropriate action for early recovery of the arrears.

1.3 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year as furnished by the respective Departments in

respect of Commercial Taxes, Registration and Stamps and Mines, Geology and Petroleum are given in the Table 1.3.

Table 1.3

Name of the Department	Opening balance	New cases due for assessment during 2016-17	Total assessments due	Cases disposed of during 2016-17	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Commercial Taxes ⁷	1,75,838	4,15,590	5,91,428	5,91,425	3	99.99
Registration and Stamps	4,818	5,189	10,007	5,675	4,332	56.71
Mines, Geology and Petroleum	8,922	13,616	22,538	10,327	12,211	45.82

Source: Furnished by the concerned Departments.

It can be seen that Commercial Taxes Department has performed exceedingly well to clear all the cases including those under deemed assessment scheme. The disposal of cases was the lowest in Mines, Geology and Petroleum Department. The Department may take necessary action for speedy disposal of the cases.

1.4 Evasion of tax detected by the Department

The details of cases of evasion of tax detected, cases finalised and the demands for additional tax raised, as reported by the Commercial Taxes Department are given in the Table 1.4.

Table 1.4

Head of revenue	Cases pending as on 31 March 2016	Cases detected during 2016-17	Total	Number of cases in which assessment/investigation completed and additional demand with penalty etc. raised		Cases pending as on 31 March 2017
				Number of cases	Amount of demand (₹ in crore)	
Commercial taxes	513	2,310	2,823	2,050	307.54	773

Source: Furnished by the Commercial Taxes Department.

The Commercial Taxes Department has updated their figures as compared to closing balance shown in last year's Audit Report.

It would be seen from the above table that 72.62 per cent of the total cases were settled during the year 2016-17.

⁷ The Commercial Taxes Department has updated their figures as compared to closing balance shown in last year's Audit Report.

1.5 Pendency of refund cases

The number of refund cases pending at the beginning of the year 2016-17, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2016-17 as reported by the Departments is given in the Table 1.5.

Table 1.5

(₹ in crore)

Sl. no.	Particulars	Sales tax/VAT		Registration and stamps	
		Number of cases ⁸	Amount	Number of cases	Amount
1	Claims outstanding at the beginning of the year	1,285	201.16	1,143	7.82
2	Claims received during the year	10,182	638.73	1,980	12.15
3	(i) Refunds made during the year (ii) Rejected during year	6,667 3,899	629.68 7.29	1,839 -	11.61 -
4	Balance outstanding at the end of year	901	202.92	1,284	8.36

Source: Furnished by the concerned Departments.

It would be seen from the above that there had been increase in the number and amount of outstanding refund cases in Registration and Stamps Department while in Commercial Taxes Department (VAT) the number of outstanding refund cases had decreased though the amount had slightly increased. Necessary action may be taken by the Department for speedy disposal of the refund cases. This would not only benefit the claimants but would also save the Government from payment of interest on the delayed payment of refunds.

1.6 Response of the Government/Departments to Audit

The Accountant General (Economic and Revenue Sector Audit), Rajasthan, Jaipur conducts periodical inspection of the Government/Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed by Inspection Reports (IRs) which incorporate irregularities detected during the inspection and not settled on the spot. The IRs are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions. They have to report compliance through initial reply to the Accountant General within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the Department and the Government.

Analysis of Inspection Reports issued upto December 2016 disclosed that 8,691 paragraphs involving ₹ 2,877.01 crore relating to 2,961 IRs remained outstanding at the end of June 2017. The figures as on June 2017 along with the

⁸ The Commercial Taxes Department has updated their figures as compared to closing balance shown in last year's Audit Report.

corresponding figures for the preceding two years are given in the Table 1.6.

Table 1.6

Particulars	June 2015	June 2016	June 2017
Number of IRs pending for settlement	2,932	3,127	2,961
Number of outstanding audit paragraphs	8,964	9,129	8,691
Amount of revenue involved (₹ in crore)	3,206.77	3,180.58	2,877.01

It would be seen from the above that the number of outstanding paragraphs and the amount of revenue involved therein have slightly decreased as compared to previous year. There is, however, still a need to speed up the compliance for timely settlement of audit paragraphs.

1.6.1 The Department-wise details of the IRs and audit paragraphs outstanding as on 30 June 2017 and the amounts involved are mentioned in Table 1.6.1.

Table 1.6.1

Sl. no.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit paragraphs	Amount involved (₹ in crore)
1	Commercial Taxes	Taxes on sales, trade, etc.	514	2,044	477.04
		Entertainment tax, luxury tax, etc.	20	23	7.10
2	Transport	Taxes on motor vehicles	461	1,439	80.84
3	Land Revenue	Land revenue	85	341	298.95
4	Registration and Stamps	Stamp duty and registration fee	1,412	3,342	363.58
5	State Excise	State excise	113	249	58.41
6	Mines, Geology and Petroleum	Non-ferrous mining and metallurgical industries	356	1,253	1,591.09
Total			2,961	8,691	2,877.01

Audit did not receive first replies from the heads of offices⁹ even after expiry of more than one month from the date of issue in respect of three IRs issued during 2016-17. The pendency of the IRs is indicative of the fact that the heads of offices and the Departments did not take adequate action to rectify the defects and irregularities pointed out by Audit through the IRs.

There was decrease in number of outstanding paragraphs and the amount involved therein as compared to preceding years, the Departments may continue their efforts for taking prompt actions for rectifying the defects and irregularities pointed out by Audit.

⁹ Sub Registrars: Mahwa (Dausa), Dungarpur and Aklera (Jhalawar).

1.6.2 Departmental Audit Committee Meetings

The Government constituted Audit Committees¹⁰ to monitor and expedite the progress of the settlement of the paragraphs in the IRs. The details of the Audit Committee meetings held during the year 2016-17 and the paragraphs settled are mentioned in the Table 1.6.2.

Table 1.6.2

Sl. no.	Name of the Department	Number of Audit Committee meetings held	Number of audit sub-committee meetings held	Number of paragraphs settled	Amount (₹ in crore)
1	Commercial Taxes	3	7	145	9.62
2	Land Revenue	3	13	51	20.91
3	Registration and Stamps	4	17	1,034	116.43
4	Mines, Geology and Petroleum	3	2	144	27.99
Total		13	39	1,374	174.95

It would be seen from the above that in audit sub-committee meetings held in respect of Commercial Taxes, Land Revenue, Registration and Stamps, Mines, Geology and Petroleum Departments 1,374 paragraphs involving ₹ 174.95 crore were settled.

In addition to above six Audit Committees were held in Transport (two) and State Excise (four) Department. But no Audit sub-committee was held in these two Departments and no paragraph was settled.

1.6.3 Response of the Departments to the draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Accountant General to the Principal Secretaries/Secretaries of the concerned Departments, drawing their attention to audit findings and requesting them to send their response within four weeks. The fact of non-receipt of the replies from the Department/Government is invariably indicated at the end of such paragraphs included in the Audit Report.

40 draft paragraphs clubbed into 28 paragraphs including one Performance Audit were sent to the Principal Secretaries/Secretaries of the respective Department by name between April and October 2017. The Principal Secretaries/Secretaries of the Departments¹¹ did not send replies (15 November 2017) to five draft paragraphs and the same have been included in this Report without the response of the Department.

1.6.4 Follow-up on the Audit Reports - summarised position

The Rules and Procedures of the Public Accounts Committee (PAC) of the Rajasthan State Assembly framed in 1997 prescribe that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative

¹⁰ Audit Committees, *inter alia*, comprising of Secretary of concerned Departments and Accountant General/his representative, were formed as per Circular No. 1/2005 dated 18 January 2005 of Government of Rajasthan and decided that one Audit Committee meeting shall be held in each quarter. In addition to this, Audit sub-committees comprising of officers of the Departments and representative of Accountant General, are also formed.

¹¹ Department: Transport and Mines, Geology and Petroleum.

Assembly, the Departments shall initiate action on the audit paragraphs. The action taken explanatory notes thereon should be submitted by the Government within three months of tabling the Report, for consideration of the PAC. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed inordinately. One hundred and ninety five paragraphs (including performance audit) included in the Reports of the Comptroller and Auditor General of India on Revenue Sector of the Government of Rajasthan for the years ended 31 March 2012, 2013, 2014, 2015 and 2016 were placed before the State Legislative Assembly between 27 August 2013 and 28 March 2017. The action taken explanatory notes from the concerned Departments on these paragraphs were received late with an average delay of 42 days in respect of each of these Audit Reports. The PAC discussed 92 selected paragraphs pertaining to the Audit Reports for the years from 2011-12 to 2014-15 and its recommendations on 22 paragraphs were incorporated in their six Reports¹² (2016-17).

1.7 Analysis of the mechanism for dealing with the issues raised by Audit in Transport Department

To analyse the system of addressing the issues highlighted in the Inspection Reports/Audit Reports by the Departments/Government, the action taken on the paragraphs included in the Inspection Reports/Audit Reports of the last five years for one Department was evaluated.

The succeeding paragraphs 1.7.1 to 1.7.2 discuss the performance of the Transport Department on the cases detected in the course of local audit and also the cases included in the Audit Reports.

1.7.1 Position of inspection reports

The summarised position of the inspection reports pertaining to Transport Department issued during 2012-13 to 2016-17, paragraphs included in these reports and their status as on 31 July 2017 is tabulated in the Table 1.7.1.

Table 1.7.1

(₹ in crore)

Position upto year	Opening balance			Addition during the year			Clearance during the year			Closing balance at the end of the year		
	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value
2012-13	419	1,537	240.85	29	262	16.83	12	206	51.91	436	1,593	205.77
2013-14	436	1,593	205.77	15	141	16.33	20	242	37.94	431	1,492	184.16
2014-15	431	1,492	184.16	33	302	28.14	12	290	32.74	452	1,504	179.56
2015-16	452	1,504	179.56	27	231	27.70	15	278	25.41	464	1,457	181.85
2016-17 upto July 2017	464	1,457	181.85	7	64	10.94	10	82	111.95	461	1,439	80.84

The Government arranges audit sub-committee meetings between the Department and the Audit Office to settle the old paragraphs. However, during 2016-17 no audit sub-committee meeting was held. Although the Department has been

¹² Six Reports pertaining to: Commercial Taxes (1), State Excise (1), Motor Vehicle Tax (2) and Land Revenue (2).

making progress in settlement of old IRs/paragraphs, further effective and concrete steps are required to achieve substantial results.

1.7.2 Position of paragraphs and recovery of accepted cases included in the Audit Reports

The details of paragraphs relating to Transport Department included in the Audit Reports of the last five years, those accepted by the Department and the amount recovered are mentioned in the Table 1.7.2.

Table 1.7.2

(₹ in crore)

Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year 2016-17	Cumulative position of recovery of accepted cases as of 30 June 2017
2011-12	4	15.88	2	15.66	0.53	5.90
2012-13	3	10.66	3	10.26	1.15	5.01
2013-14	3	15.96	2	13.15	2.12	5.70
2014-15	6	35.66	4	20.64	2.97	7.44
2015-16	3	20.97	3	20.33	1.96	1.96
Total	19	99.13	14	80.04	8.73	26.01

The Department could recover an amount of ₹ 26.01 crore only during the period of five years against 19 paragraphs valuing ₹ 99.13 crore, out of which 14 paragraphs of ₹ 80.04 crore were already accepted by it. The recovery was just 32.50 per cent of the accepted amount of paragraphs.

The Department may take prompt action to pursue and monitor the recovery of the dues involved in accepted cases.

1.8 Audit Planning

The unit offices working under various Departments are categorised into high, medium and low risk units according to their revenue position, past trends of the audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which, *inter-alia*, include critical issues in Government revenues and tax administration *i.e.* budget speech, white paper on State finances, Reports of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of the revenue earnings during the past, audit coverage and its impact during past, *etc.* During the year 2016-17, 442 units were planned and all units had been audited.

1.9 Results of audit

Position of local audit conducted during the year

Test check of the records of 442 units of Commercial Taxes, Transport, Land Revenue, Registration and Stamps, State Excise, Mining and other Departmental offices conducted during the year 2016-17 disclosed under assessments, short levy/loss of revenue, *etc.* aggregating to ₹ 779.41 crore in 30,175 cases. During the year, the concerned Departments accepted under assessments and other deficiencies in 19,402 cases involving Government revenue of ₹ 275.07 crore, of

which 8,290 cases involving ₹ 60.06 crore were pointed out in audit during 2016-17 and the rest in the earlier years. The Departments recovered ₹ 68.12 crore in 7,785 cases during 2016-17.

1.10 Coverage of this Report

This Report contains 28 paragraphs including one Performance Audit on 'Allotment and conversion of land under Rajasthan Land Revenue Act in the Revenue Department'. The total financial impact of the paragraphs is ₹ 357.23 crore, out of which the financial impact of the performance audit is ₹ 176.21 crore.

The Departments/Government have accepted audit observations involving ₹ 285.87 crore, out of which ₹ 6.04 crore had been recovered. The replies in the remaining cases have not been received. These are discussed in Chapters II to VII.