

## OVERVIEW

This Report contains 19 paragraphs involving ₹ 316.42 crore, including a Performance Audit on 'Functioning of Transport Department'. Some of the significant audit findings are mentioned below:

### I. General

The total revenue receipts of the Government of Rajasthan during 2018-19 were ₹ 1,37,873 crore as against ₹ 1,27,307 crore for the year 2017-18. The revenue raised by the Government amounted to ₹ 75,983 crore comprising tax revenue of ₹ 57,380 crore and non-tax revenue of ₹ 18,603 crore. The receipts from the Government of India were ₹ 61,890 crore (State's share of divisible Union taxes of ₹ 41,853 crore and grants-in-aid of ₹ 20,037 crore).

(Paragraph 1.1)

The office conducts audit of Revenue Collecting Departments viz Commercial Taxes, Transport, Land Revenue, Registration and Stamps, State Excise and Mines, Geology and Petroleum Department and issues inspection reports for the units audited. Analysis of Inspection Reports (IRs) issued up to December 2018 disclosed that 7,424 paragraphs involving ₹ 3,407.25 crore relating to 2,281 IRs remained outstanding at the end of June 2019.

(Paragraph 1.6)

Total recoveries of ₹ 87.01 crore were made at the instance of Audit during the year under Report.

(Paragraph 1.10)

### II. Taxes on Sales, Trade, Supplies, etc.

The office conducted audit of 162 units of Commercial Taxes Department. The major irregularities noticed are:

- Audit noticed that data related to date of application for registration under GST was not available with the Department, therefore possibility of irregular claim of input tax credit on pre-registration stock cannot be ruled out.
- There were total 132 taxpayers under VAT having gross turnover of more than ₹ 25 crore during the period 2016-17, of which, 70 taxpayers finally not migrated to GST.

(Paragraph 2.4.2)

- In six cases, SGST Authorities refunded ₹ 2.21 crore against admissible ₹ 1.70 crore. Thus excess refund of ₹ 0.51 crore has been erroneously granted. Government accepted the facts and recovered ₹ 0.41 crore in four cases.

(Paragraph 2.4.3.5)

- Examination of 123 taxpayers of State Jurisdiction revealed that 14 taxpayers claimed excess transitional credit of SGST of ₹ 94.77 lakh and nine taxpayers claimed excess transitional credit of CGST of ₹ 128.47 lakh in their TRAN-1 returns against the closing balance available in the respective returns as on 30.06.2017.

**(Paragraph 2.4.4.3)**

- Audit observed during test-check of the assessment records of CST/VAT/entry tax 58 cases of non/short levy of tax/interest, irregular allowance of Input Tax Credit and non-observance of provisions of Acts/Rules involving ₹ 59.29 crore.

**(Paragraph 2.5)**

### **III. Taxes on Vehicles**

A Performance Audit on ‘**Functioning of Transport Department**’ disclosed the following:

- Applications for registration were submitted after a delay of *one to seven* years, in absence of provision in rules RCs were issued with validity upto 15 years from the date of issue. Thus, these vehicles would ply for more than 15 years.

**(Paragraph 3.3.8.2)**

- Motor vehicle tax and special road tax of ₹ 20.24 crore in respect of 2,736 vehicles for the period between April 2014 and March 2019 were not paid.

**(Paragraph 3.3.9.1 and 3.5)**

- Lump-sum tax of ₹ 11.04 crore in respect of 1,133 transport vehicles was short paid.

**(Paragraph 3.3.9.3 and 3.4)**

- Due to non-realisation of revised fees for issue/renewal of RC, FC, licence and endorsing hypothecation agreement, fees amounting ₹ 70.87 lakh was short recovered.

**(Paragraph 3.3.9.4 and 3.3.10.3)**

- Exemption of ₹ 38.32 lakh in respect of 51 vehicles was granted irregularly under Amnesty Scheme.

**(Paragraph 3.3.9.5)**

- Construction of automated tracks were completed in 12 offices at a cost of ₹ 13.23 crore but were not operational.

**(Paragraph 3.3.10.1)**

- Only 2.47 to 11.68 *per cent* Pollution Under Control Certificates were issued during the year 2014-15 to 2018-19.

**(Paragraph 3.3.15.1)**

- The State Road Safety policy states its firm commitment to reduce the road accident fatalities in the State by 50 *per cent* of the base line figure

of 2015, by 2020. There were only 0.43, 0.62 and 1.80 per cent decrease in accident fatalities against annual target of 15, 15 and 20 per cent for the year 2018, 2019 and 2020 respectively.

**(Paragraph 3.3.18.2)**

- Out of the 8,964 accidents which took place during 2017-18, non-transport vehicle were involved in 5,968 accidents (67 per cent), of which 93 per cent accidents were caused due to rash driving and negligence on the part of driver. This requires training and refresher course at regular interval for the purpose of Road Safety.

**(Paragraph 3.3.18.3)**

#### **IV. Land Revenue**

The office conducted audit of 105 units of Land Revenue Department. The major irregularities noticed in three units (six cases) relating to non-compliance of provision of Act/Rules resulted in short levy of cost of land and regularisation charges due to application of incorrect rates and un-authorised use of agriculture land for non-agriculture purposes amounting to ₹ 3.98 crore.

**(Paragraph 4.4)**

#### **V. Stamp Duty and Registration Fee**

The office conducted audit of 100 units of Registration and Stamps Department. The major irregularities noticed in 23 units whereas 104 cases were registered as sale deeds/lease deeds/gift deeds/mining leases/mortgage deeds/release deeds/certificate of sales pertaining to agriculture/residential/marriage garden/commercial/institutional land(s). Either complete information was not given in check lists or facts were mentioned in recital of instruments/supporting instruments were enclosed but incorrect input was given in 'E-Panjiyan'. This resulted in non/short levy of SD and registration fee of ₹ 17.82 crore.

**(Paragraph 5.4)**

#### **VI. State Excise**

An examination of 'Implementation of State Excise and Temperance Policy' disclosed:

- Norms for production of alcohol (40 BL per quintal) from grain and measurement of spirit in 98% V/V prescribed by the Department are not accurate and need to be rectified as per Fermentation and Distillation Efficiency adopted by the distillers.

**(Paragraph 6.4.7.1 and 6.4.7.2)**

- Breweries were not achieving the minimum prescribed norms of production of beer from malt and other raw material which resulted in short production of beer.

**(Paragraph 6.4.7.3)**

- Consumption of liquor gradually increased from 4830.45 lakh BL in 2014-15 to 5726.23 lakh BL in 2017-18. It indicates that the Department could not create proper awareness through the temperance policy.

**(Paragraph 6.4.9.1)**

- Public awareness campaigns were not properly organized as only 53 per cent of the allotted budget was spent on the broadcasting during the year 2015-18.

**(Paragraph 6.4.9.1)**

- There was shortfall in monthly guarantee of excise duty in respect of 228 licensees amounting to ₹ 6.05 crore during 2015-18.

**(Paragraph 6.4.10.2)**

- Selection of 13 shops/groups was required to be cancelled due to non-deposit of required security amount and advance EPA during the prescribed time limit. Lack of action by the concerned DEO deprived the Government of ₹ 3.13 crore of earnest money, security deposit, advance EPA deposited which should have been forfeited.

**(Paragraph 6.4.11.1)**

- Composite fee of ₹ 56.50 lakh was to be decided for six composite shops/groups of peripheral area but the concerned DEOs decided and recovered only ₹ 13.33 lakh from these licensees. This resulted in loss of revenue amounting to ₹ 43.17 lakh.

**(Paragraph 6.4.11.2)**

Further, the office conducted audit of 34 units of State Excise Department. The major irregularities noticed are:

In violation of Rajasthan State Excise and Temperance Policy, 249 licensees did not enhance lifting of IMFL and Beer upto the prescribed limit during 2017-18. Incorrect calculation and levy of composite fee by the District Excise Officers resulted in short realisation of ₹ 206.99 lakh.

**(Paragraph 6.5)**

## **VII. Non-Tax Receipts**

An examination of '**Receipts from major minerals**' disclosed the following:

- The survey and prospecting work done by the Department of Mines and Geology with reference to Mineral Policy 2015 is negligible as it was done only in 19.89 square kilometres (0.61 per cent) against the targeted increase of 3,287.59 square kilometres.

**(Paragraph 7.3.6.1)**

- The Department of Mines and Geology did not stop mining operations in the mining lease areas as directed by Government of India resultantly 2.41 crore MT of mineral lignite worth ₹ 2,937.42 crore was despatched between 25 May 2015 and March 2019 from two mines of which

49 per cent (₹ 1,439.34 crore) gone to the subsidiary of public limited company.

**(Paragraph 7.3.6.2)**

- In absence of departmental mechanism to get the samples examined in its laboratory, 63.09 to 76.98 *per cent* of total revenue of the Department from major minerals was being paid by the eight major mineral lessees on the basis of *percentage* of metal content in ore/concentrate as decided by them between 2015-16 to 2018-19.

**(Paragraph 7.3.6.3)**

- In absence of provision for payment of District Mineral Foundation Trust (DMFT) Fund amount through departmental web portal an amount of ₹ 36.96 crore was short paid towards DMFT Fund by 21 major mineral lease holders.

**(Paragraph 7.3.7.1)**

- Department did not ensure correct payment of contribution towards NMET Fund which resulted in short payment of National Mineral Exploration Trust Fund amount of ₹ 19.54 crore during the period from 2015-16 to 2017-18 by 22 major mineral lease holders.

**(Paragraph 7.3.7.2)**

- Department did not levy interest on delayed payment of royalty and other sums due to Government ranging between 38 to 2,764 days resulted in non-levy of interest of ₹ 30.16 crore.

**(Paragraph 7.3.7.3)**

- Non applying correct Clinker-Limestone ratio while finalising royalty assessment of two limestone (cement grade) mining leases resulted in short levy of royalty of ₹ 0.87 crore.

**(Paragraph 7.3.7.4)**

Short recovery of royalty and DMFT Fund amount of ₹ 1.97 crore due to incorrect revision of royalty collection contracts by Department.

**(Paragraph 7.4)**

## **VIII. Compliance Audit of Economic Sector**

The Accountant General (Economic and Revenue Sector Audit)\*, Rajasthan, Jaipur conducts Audit of the expenditure of twelve economic sector departments. These Departments are headed by Additional Chief Secretaries / Principal Secretaries / Secretaries, who are assisted by Commissioners /Deputy Secretaries and subordinate officers. This section contains audit findings on nine of these departments as audit observations department of Energy, Tourism and Industries are covered under CAG's report on PSU of Rajasthan.

During 2018-19, in Economic Sector-II Audit Wing<sup>#</sup>, 1699 party-days were utilised to carry out audit of 256 units. Further, 201 party-days were utilised

\* Erstwhile Office of the Accountant General (Economic and Revenue Sector Audit) has been renamed as Office of the Accountant General (Audit-II) with effect from 18.05.2020.

<sup>#</sup> Erstwhile Economic Sector-II Audit Wing has been renamed as AMG-II (Office of the Accountant General (Audit-II)) with effect from 18.05.2020.

for conducting one thematic audit. As of March 2019, 2,680 Inspection Reports (11,248 paragraphs) were outstanding against nine departments under the Economic Sector.

### **Functioning of Department of Science and Technology**

The Department of Science and Technology (the Department) was established in the year 1983 with the aim to develop scientific temper in the society and to uplift the socio economic status of the masses especially in the rural areas and the weaker sections of the society by utilising the benefits of science and technology. The audit was conducted during January to June 2019 covering the period from 2016-17 to 2018-19. Records were examined in the office of the Director, Science & Technology Department, Rajasthan, Jaipur along with five Regional Offices.

- The Department could not achieve the financial and physical targets as only 45.65 per cent of allotted budget was utilised, entire budget allotted under State Plan head for various projects of SATCOM Division was surrendered during 2015-16 to 2018-19.
- No comprehensive policy (long term/short term) and guiding principles except Bio-Technology Policy 2015 were framed by the Department; and even objectives of this policy could not be achieved.
- The Department surrendered ₹ 29.93 crore during 2016-19 allotted under various projects by GoI/State Government. Thus it failed to achieve its main objectives to develop scientific temper in the society and uplifting the socio-economic status of the weaker section of the society by utilising the benefits of science and technology.

(Paragraph 8.2)

### **Public Works Department/Water Resource Department**

Public Works Department and Water Resource Department, passed final bills without ensuring proper adjustment under price escalation clause, calculated and paid escalation claims based on wrong Wholesale Price Index base years and wrongly considered the technical bid opening date as the base date instead of the date of opening of financial bid which resulted in overpayment to the contractors.

(Paragraph 8.3)

The Public Works Department incurred unfruitful expenditure of ₹ 1.22 crore on construction of flush causeway at wrong chainage in the *Ramgarh Pachwara* to *Kanwarpura* road under Pradhan Mantri Gram Sadak Yojna, as a result, a 800-metre portion of the road was washed away during rains.

(Paragraph 8.6)

The Public Works Department, in violation of Public Works Financial and Accounts Rules paid a sum of ₹ 0.78 crore to a contractor within a week of awarding of the work order. The work, however, was started only after a year from the award of the work order.

(Paragraph 8.7)