



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
for the period ended 31 March 2023**

**Government of Rajasthan
Report No. 6 of 2025
(Compliance Audit-Civil)**

**Report of the
Comptroller and Auditor General of India
for the period ended 31 March 2023**

**Government of Rajasthan
Report No. 6 of the year 2025**

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PREFACE

This Report for the year ended 31 March 2023 has been prepared for submission to the Governor of the State of Rajasthan under Article 151 of the Constitution of India.

This report contains seven Chapters in two parts. Part A relates to audit of four of the Revenue earning departments and Part B relates to audit of the Expenditure incurred by the selected Government departments. Audit was conducted under provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Regulations on Audit and Accounts 2020 issued there under by the Comptroller and Auditor General of India.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the period 2022-23 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2022-23 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

About this Report

This Report of the Comptroller and Auditor General of India (CAG) relates to matters arising from Compliance Audit of selected Departments of Government of Rajasthan (GoR). Compliance Audit refers to whether the rules and procedures are designed to secure an effective check on the assessment, collection and proper allocation of revenue and examination of the transactions relating to expenditure incurred by the audited entities and to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by competent authorities are being complied with.

This report is in two parts. **Part-A** includes audit observations noticed during Audit of revenue earning Departments i.e. Commercial Taxes, Land Revenue, Registration & Stamps and State Excise and **Part-B** includes audit observations related to expenditure incurred by various State Government Departments. This Report contains 24 paragraphs involving money value of ₹ 584.81 crore. Some of the significant audit findings are mentioned below:

Part A: Revenue Sector

This part contains 16 paragraphs involving ₹ 565.73 crore, which includes two Subject Specific Compliance Audits (i) 'Department's oversight on GST payments & Return filing' phase II and (ii) 'E-Way Bill System under Goods and Service Tax' pertaining to Commercial Taxes Department.

A synopsis of key findings contained in this Report is presented below:

Goods and Service Tax

Subject Specific Compliance Audits on "**Department's oversight on GST Payments and Return filing**" Phase-II and "**E-Way Bill System under Goods and Service Tax**" were conducted. The major irregularities noticed are as under:

Department's oversight on GST Payments and Return filing Phase-II

Audit observed that deviations relating to mismatch in ITC availed, mismatch in tax liability and non-payment of tax under Reverse Charge Mechanism (RCM) were not examined by the Department during scrutiny. There was delay in Business Audit by tax authorities as less than two *per cent* cases of 2020-21 have been completed by the Department and total taxpayers selected for audit ranged between 0.22 *per cent* and 0.26 *per cent* against the norms of five *per cent* during 2019-21. On examination of information provided by three Circles, it was observed that in one Circle (Sirohi), 77 taxpayers were identified as non-filers for the period 2020-21. Out of these, 72 taxpayers (93.50 *per cent*) did not file appropriate returns even after notices in form GSTR-3A were issued to them. However, the department did not initiate action for assessing the tax liability to the best of their judgement and to issue an assessment order in Form ASMT-13.

In Centralised Audit, there were deviations from the provisions of the RGST Act in 286 cases involving an amount of ₹ 2155.65 crore, constituting 30.89 per cent of the 926 inconsistencies/mismatches in data, for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as ITC mismatch between GSTR 2A and GSTR 3B, ITC availed in GSTR 3B filed after limitation period, Mismatch of ITC availed between Annual returns and Books of accounts, Unreconciled ITC in Table 14T of GSTR-9C, Unsettled tax liabilities, Suppression in taxable value in comparison with E-Way bills, and Cases where GSTR 3B not filed but GSTR 1 available. In 23 cases, the firms were found *bogus* and non-existent/traceable, and the demand could not be recovered.

In detailed Audit, there were 225 instances in respect of 32 taxpayers (constituting 32 per cent of the 100 taxpayers audited) where the taxpayers filed GSTR 3B after due dates during the period, however, interest of ₹ 1.78 crore on delayed payment of tax was not paid. In one case, the taxpayer was required to reverse the ITC of around ₹ 3.34 crore as the taxpayer had declared both taxable and nil rated/exempted supplies in GSTR-9. In 14 cases the taxpayers received inward supply of services related to legal consultation and supply of services by goods transport agency on which GST of ₹ 3.93 crore was payable under RCM. There were 99 instances of mismatch of ITC of ₹ 260.07 crore and 54 instances of mismatched in tax liability of ₹ 35.04 crore among various return and tables. A taxpayer declared current liabilities amounting to ₹ 257.99 crore as “Advance from Customers” in the Balance sheet for the year 2018-19, however, it is observed from the GSTR-1 and Annual return that no tax was paid on these advances received from the customers.

In 95 out of 100 cases, jurisdictional Circles could not produce key records such as financial statements, trial balances, auditor’s reports, GSTR-2A, and related documents, thereby restricting the audit to information available in taxpayers’ returns.

Audit recommendations:

- *In the era of self-assessed tax regime, business audit is one of the main tools for ensuring compliance by the taxpayers. Further, departmental action against non-compliant taxpayers is a time bound activity under Section 73 of the RGST Act. In view of this, Audit recommends that efforts may be made to increase the selection of taxpayers for the business audit, as prescribed in the audit manual and to ensure that audits of the selected cases are completed in a timely manner.*
- *The Department needs to take prompt steps to undertake the remaining Business audits, as highlighted by audit, so that timely action could be initiated against the defaulters and recoveries, if any, could be effected.*
- *State Government may strengthen the registration and cancellation mechanism to prevent Registration of the fake units/entities and ITC frauds.*
- *Department may examine such cases of ITC availment where there are both taxable and nil rated/exempted supplies in detail and take suitable action for reversal of the ITC, where applicable.*

E-Way Bill System under Goods and Service Tax

Audit examination of EWBs for the period 2018-19 to 2021-22 revealed compliance deviations by 36 taxpayers out of examined 65 taxpayers, which pertain to E-Way Bills generated after the date of cancellation of registration, issuing cancellation orders without any demand and generation of EWBs for the transactions effected by suspicious vehicles. Further, Audit observed that EWBs were generated by unregistered persons having assessable value of goods above the prescribed registration threshold and generation of EWBs using invalid PIN Codes.

Audit also noticed gaps in the preventive and enforcement activity done by Enforcement Units of the Department such as improper levy of penalty, loss of revenue due to delay in auction, incorrect levy of RGST and CGST, misclassification of place of supply, generation of temporary GSTIN for already registered taxpayers, delay in set off of liability towards tax and penalty imposed on detention of goods and conveyance and discrepancies in MIS reports and their underutilisation.

Audit sought for login Id and password based access to the E-Way Bill Portal of the Department. However, the same was not provided. As a result, Audit could not ascertain whether the taxpayers in these cases had correctly reported the details of supply as per E-Way Bills in their GST returns.

Audit recommended that the Government/Department may consider:

- *State Government may establish a mechanism to ensure that proper officers cancelling registration, retrospectively, assess the tax liability or conclude best judgement assessment duly considering the quantum of E-Way Bills generated.*
- *State Government may ensure with NIC that suitable validations are built in the EWB system to prevent generation of EWBs after the effective date of cancellation.*
- *State Government may take up the matter with NIC to introduce validation controls in EWB system to prevent generation of EWBs using suspicious vehicles.*
- *The Department may consider developing a mechanism to alert the jurisdictional authority to take timely and appropriate action, in cases where proceedings have been initiated under Section 129 and 130 of the Act.*
- *The Department may issue instructions to the officers of Enforcement and regular Circles to use the MIS portal extensively and ensure monitoring by higher authorities.*
- *State Government may ensure provision of read only access of EWB portal to Audit.*

Land Revenue

Out of 704 auditable units under the Land Revenue Department, 104 units were selected by audit for test check during 2022-23. Irregularities relating to

conversion, premium of land, non- reversion of land to the Government and others involving an amount of ₹ 175.38 crore in 16,138 cases were noticed in test check. Irregularities were also noticed in the expenditure audit of these selected units involving an amount of ₹ 10.05 crore in 2,977 cases.

The major irregularities noticed are:

- Non-assessment of the value of surrendered land before allotment of pasture land for mining purposes under Rajasthan Tenancy (Government) Rules, 1955 resulted in non-recovery of ₹ 7.23 crore of difference value of allotted pasture land.
- Non-inclusion of provision for depositing conversion charges in the online process by the Department resulted in sustained loss of revenue amounting to ₹ 13.68 lakh to the State exchequer in 184 cases of online applications.

Stamp Duty and Registration Fee

Out of 559 auditable units (including 19 administrative units) in the Registration and Stamps Department, audit test-checked 33 units (including one administrative unit). Of the 4,87,447 instruments registered in these units, 1,78,892 instruments (36.70 *per cent*) were scrutinised in detail, which brought out short/non-realisation of Stamp Duty and Registration Fee amounting to ₹15.68 crore in 942 instruments (0.53 *per cent* of the sample).

The major irregularities noticed are:

- In three Sub Registrar offices, three documents of immovable properties were registered wherein share in immovable properties were transferred to the existing/continuing partners/partners other than family members of the firm due to retirement of existing partner/partners on which stamp duty, surcharge and registration fee of ₹ 2.25 crore was chargeable at the rate of conveyance on the transferred share.
- In four Sub Registrar offices, five documents of immovable properties were registered with 100/75 *per cent* exemption in stamp duty under Rajasthan Investment and Promotion Scheme. The purchaser purchased already established unit or the Seller sold industrial plots without establishing the units which is not allowed under the scheme. This resulted in irregular exemption of stamp duty and surcharge of ₹ 1.05 crore along with interest of ₹ 0.32 crore.
- Non-inspection of records available digitally on the RERA website by the registering authorities resulted in short levy of stamp duty and surcharge of ₹ 24.49 lakh on account of misclassification of developer agreement as an amended partnership deed.

State Excise

Audit selected 32 out of 108 auditable units (including 20 of 54 implementing units) in the State Excise Department. Examination of records relating to 4,925 retail licensees and 11,646 cases indicated 6,797 instances (58 *per cent*) of non/short realisation of revenue and other irregularities involving ₹512.38 crore. The major irregularities noticed are:

- Lack of action to enforce policy provisions and to comply with the extant directions of Excise Commissioner resulted in non-recovery of additional amount of ₹ 5.84 crore on short- lifted quantity of Indian Made Foreign Liquor and Beer during 2018-21.
- Lack of action to enforce the provisions of the policy led to loss of revenue amounting to ₹ 11.76 crore on account of non-recovery of monthly guarantee amount of Country Liquor (CL) and Rajasthan Made Liquor (RML) from 388 licensees during 2019-21.
- Lack of action to enforce the provisions of the policy led to loss of revenue amounting to ₹ 3.63 crore on account of basic license fee on short-lifted quantity of CL and RML from 456 licensees during 2020-21.
- Lack of action to enforce the provisions of the policy led to loss of revenue amounting to ₹ 11.80 crore on account of non-recovery of difference amount of excise duty on CL and RML from 533 licensees during 2019-21.
- Department did not recover the remaining amount of ₹ 3.11 crore of composite fees against 222 licensees during 2021-22 and granted undue benefit to the licensees in operation of their shops.
- The excise duty on the expired beer stock was neither paid by the brewer nor demanded by the Excise Department which resulted in non-levy of excise duty amounting to ₹ 2.53 crore for the period 2021-23.
- In 227 cases, composition amount of ₹ 74.73 lakh was not deposited by the concerned licensees within the prescribed time limit. The concerned DEOs neither recovered the due amount nor cancelled the licenses of such licensees as per the condition mentioned in compounding orders and allowed the licensees to continue their business without payment of penalty.
- Department could not recover the amount of ₹ 1.51 crore from 106 licensees on account of shortfall in Annual License fees for 2022-23.
- Lack of action on part of the District Excise Officers to enforce the provisions of the Policy and conditions of the license led to non-recovery of excise duty and basic license fees amounting to ₹ 206.79 crore on short lifted guarantee quota of liquor for the period 2021-23.

Part B: Compliance Audit

Compliance Audit observations related to expenditure incurred by various State Government Departments.

This part of the Report contains eight compliance audit paragraphs involving an amount of ₹ 19.08 crore emerging out of the audit of Department of Personnel, Urban Development and Housing Department, Medical, Health and Family Welfare Department, Higher Education Department, Local Self Government Department and Sainik Kalyan Vibhag.

Department of Personnel

- Between September and October 2021, the Rajasthan Staff Selection Board awarded two frisking service contracts to the same firm, Innovatiview, for

the Agriculture Supervisor and Patwar Examinations. Audit revealed multiple irregularities in both procurements, including indication of collusive bidding, ineligible qualification, and procedural lapses. This indicated systemic weaknesses in the Board's procurement practices.

Urban Development and Housing Department

- Urban Improvement Trust (UIT), Jaisalmer recovered less amount of urban assessment of ₹ 1.17 crore from the firm on a commercial plot auctioned on lease of 99 years for construction of a hotel. The UIT calculated urban assessment at the 2.5 *per cent* for all the years in the violation of the condition of the auction of plot issued by the UIT as it provided that urban assessment (Lease money) was to be charged at 2.5 *per cent* of the reserve price for first five years and further at the rate of five *per cent*.

Medical, Health and Family Welfare Department

- Department did not provide land and approved drawings before award of contract and despite the slow progress of contractor, the Department did not take any action to terminate the contract or take any penal action against the contractor as per the terms of conditions of the contract agreement. As a result, the construction work could not be completed even after a lapse of six years after incurring an expenditure of ₹ 3.04 crore.
- During 2016–17 to 2019–20, the Department of Medical Health & Family Welfare incurred an expenditure of ₹ 16.55 crore for constructing 24 District Early Intervention Centres (DEICs) with the objective of identifying children at risk of developmental delays, disabilities, congenital anomalies, and other health conditions, and facilitating their timely referral to tertiary-level healthcare institutions. Audit observed that none of the 24 DEICs had been equipped with diagnostic or medical equipment, and no staff had been deployed in 12 DEICs even after more than five years of their establishment. This was despite the sanction of ₹ 22.91 crore by the Government of India for essential diagnostic or medical equipment, of which ₹ 21.87 crore remained unutilised. Consequently, 12 DEICs remained only partially functional, while the remaining 12 were completely non-functional as of June 2025, defeating the core objective of early detection and intervention for childhood developmental disorders and disabilities.

Higher Education Department

- In October 2021, Jai Narain Vyas University, Jodhpur awarded a contract for maintenance of University Management System to a firm that did not meet key financial and technical eligibility norms. The firm did not fulfil contractual obligations, with only six out of 25 modules operational, and the system remained underutilized due to a persistent shortage of trained personnel even after more than three years. Moreover, despite clear recommendations of the Monitoring Committee to recover at least 50 *per cent* of the payments made to the firm and redefine the scope of work, the university neither took corrective action nor reassessed performance before extending the contract and made the full payment of the contract, i.e. ₹ 18.44 crore indicating serious lapses in contract management.

- The Ministry of Micro, Small & Medium Enterprises, GoI, sanctioned (January 2017) the establishment of a Centre for Entrepreneurship and Small Business Management at Jai Narain Vyas University, Jodhpur, at an estimated cost of ₹3.15 crore, with ₹1.50 crore from GoI and ₹1.65 crore to be contributed by the university. The Centre was completed in August 2020 at a cost of ₹1.85 crore. However, the university deposited only ₹1.50 crore, of which ₹1.25 crore was diverted (June 2017) to meet pension liabilities, leading to non-procurement of essential infrastructure and rendering the Centre non-functional as of May 2025.

Local Self Government Department

- Cancellation of contract to procure e-buses from a reputed supplier due to non-transparent and irregular working of Jaipur City Transport Services Limited, resulted in non-utilisation of GoI funds and loss of opportunity to provide environment friendly buses to the common public of Jaipur city.

Sainik Kalyan Vibhag

- Due to the absence of a feasibility study and the improper selection of the site in relation to the intended purpose, the Veerangana Hostel cum Rehabilitation Centre Jodhpur has remained unutilised even after more than five years since its completion in March 2019. Furthermore, the Government has not repurposed the property despite a proposal for its alternative use being submitted two years ago.

Part-A
REVENUE SECTOR

CHAPTER-I

GENERAL

CHAPTER I: GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Rajasthan during the year 2022-23, 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 given in **Table 1.1**.

Table 1.1: Revenue receipts of the State

(₹ in crore)						
Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Revenue raised by the State Government					
	• Tax revenue ¹	57,380.34	59,244.98	60,283.44	74,807.98	87,346.38
	• Non-tax revenue ²	18,603.01	15,714.16	13,653.02	18,754.95	20,564.43
	Total	75,983.35	74,959.14	73,936.46	93,562.93	1,07,910.81
2	Receipts from the Government of India					
	• Share of net proceeds of divisible Union taxes and duties ³	41,852.35	36,049.14	35,575.77	54,030.61	57,230.79
	• Grants-in-aid ⁴	20,037.32	29,105.53	24,795.65	36,326.48	29,846.33 ⁵
	Total	61,889.67	65,154.67	60,371.42	90,357.09	87,077.12
3	Total revenue receipts of the State Government (1 and 2)	1,37,873.02	1,40,113.81	1,34,307.88	1,83,920.02	1,94,987.93
4	Percentage of 1 to 3	55	53	55	51	55

Source: Finance Accounts of the respective years.

The revenue raised by the State Government (₹ 1,07,910.81 crore) was 55 *per cent* of the total revenue receipts (₹1,94,987.93 crore) during the year 2022-23. The balance 45 *per cent* of receipts during 2022-23 were from the Government of India by way of share of net proceeds of divisible Union taxes and duties and grants-in-aid.

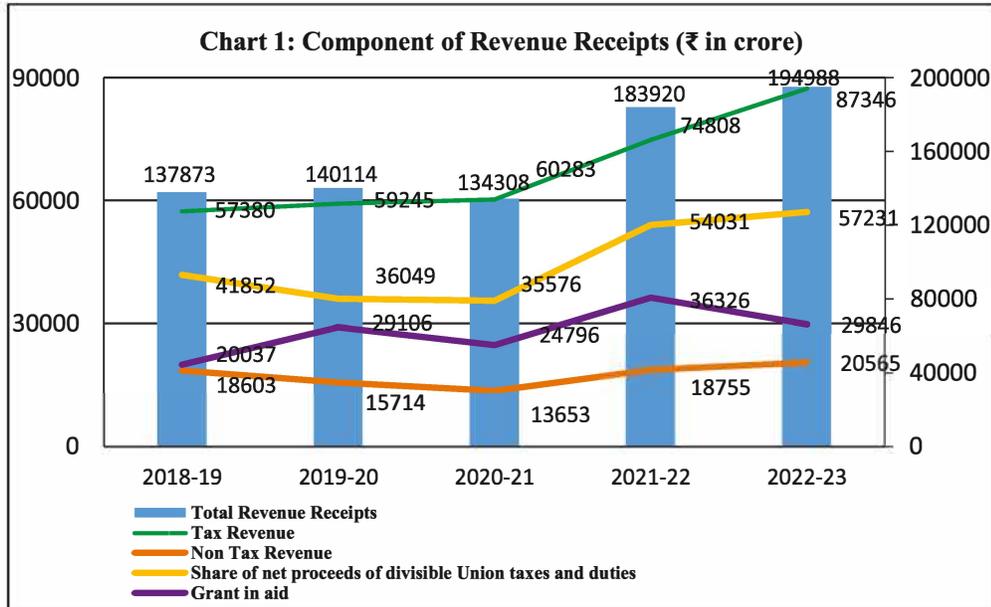
1 For details, please see Table 1.2 of this chapter.

2 For details, please see Table 1.3 of this chapter.

3 For details, please see Statement Number 14 - Detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Rajasthan for the year 2022-23. Figures under the head 0005 - Central Goods and Services Tax, 0008 - Integrated Goods and Services Tax, 0020-Corporation Tax, 0021-Taxes on income other than corporation Tax, 0028-Other Taxes on income and Expenditure, 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 Number 14 of Finance Accounts of the Government of Rajasthan for the year 2022-23 major Head-1601.

5 This includes compensation of ₹ 4,259.90 crore received for loss of revenue arising out of implementation of GST.



1.1.2 The details of the tax revenue raised during the period 2018-19 to 2022-23 are given in Table 1.2.

Table 1.2: Actual receipts in respect of the tax revenue

(₹ in crore)

Sl. No.	Heads of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage increase (+) / decrease (-) in 2022-23 over 2021-22
1	Taxes on sales, trade, etc.	14,225.31	15,361.61	17,146.94	19,983.79	22,017.35	(+) 10.18
	Central sales tax	565.65	481.15	332.09	621.61	709.79	(+) 14.19
2	State Goods and Services Tax	22,938.33	21,954.17	20,754.87	27,501.90	33,790.48	(+) 22.87
3	State Excise	8,694.10	9,591.63	9,853.00	11,807.34	13,325.85	(+) 12.86
4	Stamp duty and registration fee						
	Stamps-judicial	60.70	61.88	47.87	56.13	81.84	(+) 45.80
	Stamps-non-judicial	3,255.34	3,544.91	4,571.89	5,560.25	7,032.06	(+) 26.47
	Registration fee	569.99	627.94	677.51	875.53	1,075.29	(+) 22.82
5	Taxes on motor vehicles	4,576.45	4,950.98	4,368.17	4,758.92	6,128.17	(+) 28.77
6	Taxes and duties on electricity	2,147.95	2,262.77	2,142.39	2,606.19	2,625.17	(+) 0.73
7	Land revenue	289.94	364.49	279.32	631.48	484.01	(-) 23.35
8	Taxes on goods and passengers	50.79	41.12	45.18	171.17	7.81	(-) 95.44
9	Other taxes and duties on commodities and services	5.14	1.01	1.23	11.21	0.56	(-) 95.00
10	Other taxes ⁶ , etc.	0.65	1.32	62.97	222.46	68.00	(-) 69.43
	Total	57,380.34	59,244.98	60,283.44	74,807.98	87,346.38	(+) 16.76
	Percentage of increase of actual over previous year	13.39	3.25	1.75	24.09	16.76	

Source: Finance Accounts of the respective years.

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

In 2022-23, there was overall increase in tax revenue collection by 16.76 per cent as compared to the previous year.

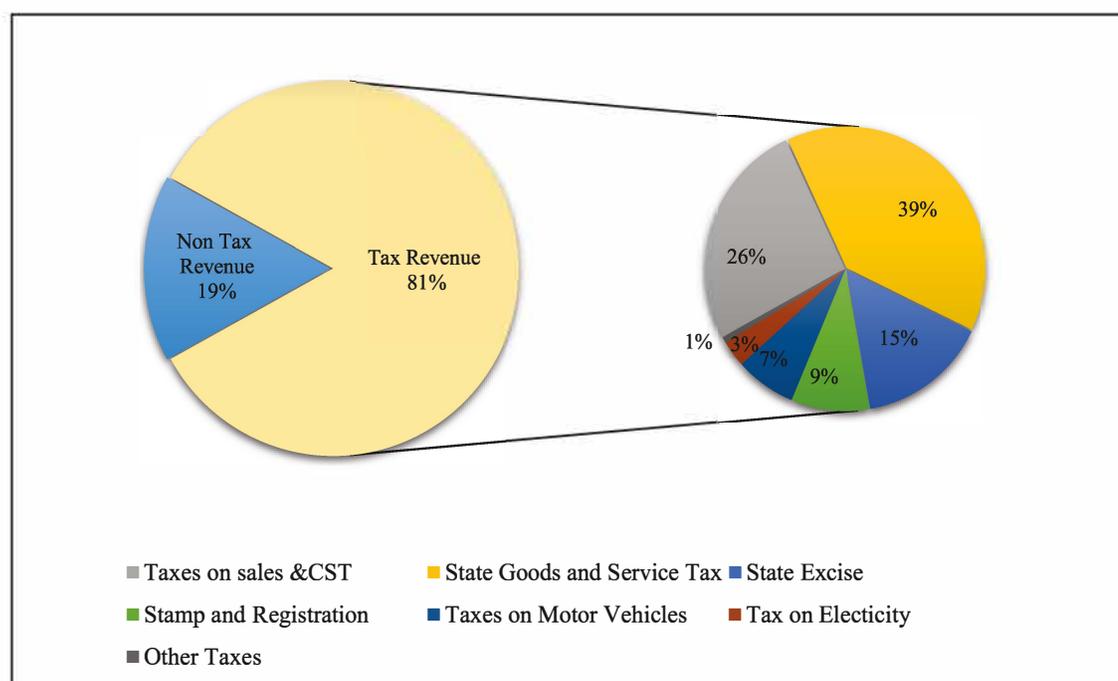
The concerned departments intimated that:

- Increase in 'Stamp duty and registration fee' (26.14 per cent) was due to recovery in pending cases, effective monitoring, increase in DLC rates and increase in sale-purchase of property.

Further, reasons for increase in 'Taxes on sales, trade (10.18 per cent) and State Goods and Services Tax' (22.87 per cent) were not provided by the Commercial Taxes Department, GoR.

The revenues of the State during 2022-23 and the composition of the Tax revenues are shown in **Chart 2**.

Chart 2: Revenues of the State



1.1.3 The details of the non-tax revenue raised during the period 2018-19 to 2022-23 are given in **Table 1.3**.

Table 1.3: Actual receipts in respect of the non-tax revenue

Heads of revenue	(₹ in crore)					Percentage increase (+)/ decrease (-) in 2022-23 over 2021-22
	2018-19	2019-20	2020-21	2021-22	2022-23	
Non-ferrous mining and metallurgical industries	5,301.48	4,579.09	4,966.39	6,395.15	7,212.90	(+) 12.79
Interest receipts	5,790.87	3,851.99	2,693.15	1,628.18	2,030.43	(+) 24.71
Miscellaneous general services	783.86	915.51	747.01	2,591.41	2,970.63	(+) 14.63
Police	345.38	641.68	192.54	532.37	474.33	(-) 10.90

Heads of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage increase (+)/ decrease (-) in 2022-23 over 2021-22
Other administrative services	246.49	207.16	146.62	498.32	175.97	(-) 64.69
Major and medium irrigation	179.31	77.19	245.47	193.94	186.91	(-) 3.62
Forestry and wildlife	147.45	109.47	73.67	119.60	172.88	(+) 44.55
Public works	125.92	91.91	92.98	108.88	243.65	(+) 123.78
Medical and public health	163.59	238.16	227.09	270.31	201.35	(-) 25.51
Co-operation	22.24	9.11	95.75	9.40	22.29	(+) 137.13
Other non-tax receipts ⁷	5,496.42	4,992.89	4,172.35	6,407.39	6,873.09	(+) 7.27
Total	18,603.01	15,714.16	13,653.02	18,754.95	20,564.43	(+) 9.65
Percentage of increase of actual over previous year	18.23	(-) 15.53	(-) 13.12	37.37	9.65	

Source: Finance Accounts of the respective years.

In 2022-23, there was overall increase in non-tax revenue collection by 9.65 per cent as compared to the previous year. The concerned departments intimated that:

- Increase in revenue (44.55 per cent) under 'Forestry and wildlife' was due to more earnings in firewood, charcoal and tendu leaves trading.
- Increase in revenue under 'Public Works' (123.78 per cent) was mainly due to the smooth conduct of construction works due to the reduction in COVID-19 cases.

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2023 relating to certain principal heads of revenue amounted to ₹ 11,122.98 crore, out of which ₹ 4,621.06 crore was outstanding for more than five years as given in Table 1.4.

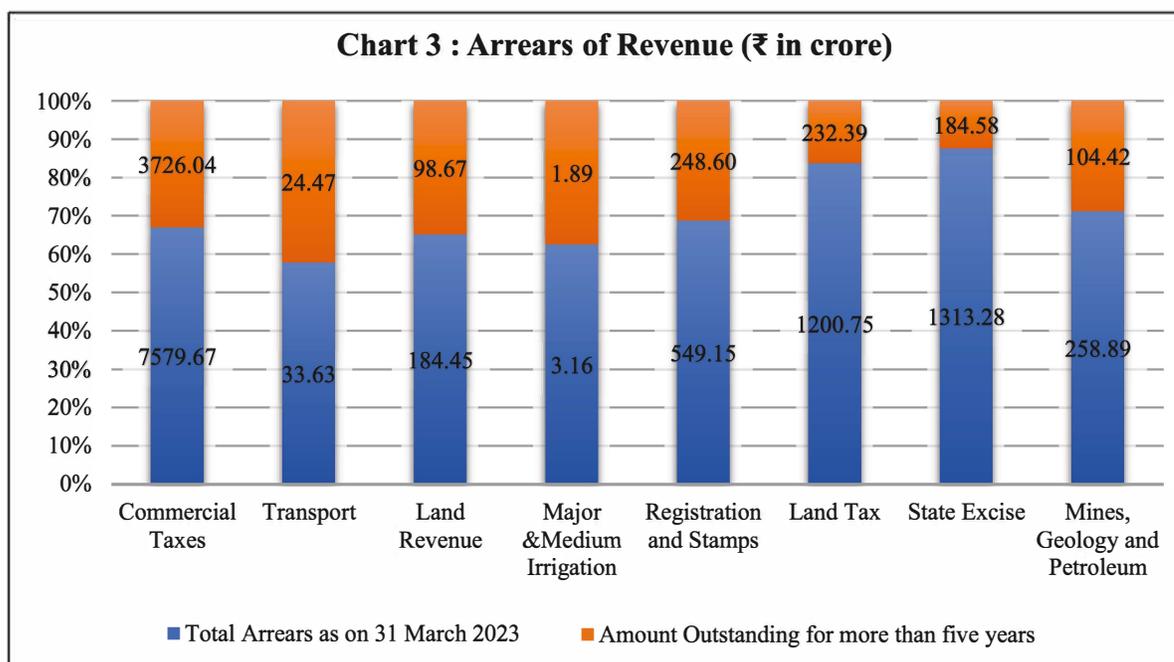
Table 1.4: Arrears of revenue

(₹ in crore)

Sl. No.	Heads of revenue	Total amount outstanding as on 1 April 2022	Total amount outstanding as on 31 March 2023 and percentage change in comparison to previous year	Amount outstanding for more than five years as on 31 March 2023
1	Commercial Taxes	12,105.72	7,579.67 (-) 37.39	3,726.04
2	Transport	50.07	33.63 (-) 32.83	24.47
3	Land Revenue	217.03	184.45 (-) 15.01	98.67
4	Major & Medium Irrigation	2.99	3.16 (+) 5.69	1.89
5	Registration and Stamps	681.73	549.15 (-) 19.45	248.60
6	Land Tax	515.54	1,200.75 (+) 132.91	232.39
7	State Excise	1,484.01	1,313.28 (-) 11.50	184.58
8	Mines, Geology and Petroleum	283.89	258.89 (-) 8.81	104.42
Total		15,340.98	11,122.98 (-) 27.49	4,621.06

Source: Information provided by the concerned Departments.

⁷ 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.



1.3 Arrears in assessment

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, Mines, Geology and Petroleum and Transport are given in **Table 1.5**.

Table 1.5: Arrears in assessment

Name of the Department	Opening balance	New cases due for assessment during 2022-23	Total assessment cases due	No. of Cases disposed of during 2022-23	Balance cases at the end of the year	Percentage of disposal (col. 5 to 4)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Commercial Taxes	01	4,443	4,444	4,443	01	99.98	
Registration and Stamps	Registration and Stamps	4,597	5,719	10,316	5,161	5,155	50.03
	Land Tax	10,754	9,098	19,862	2,050	17,812	10.32
Mines, Geology and Petroleum	10,579	10,434	21,553	7,555	14,042	35.05	
Transport	1,032	20,006	21,038	20,017	1,021	95.15	

Source: Information provided by the concerned Departments

It can be seen that Commercial Taxes and Transport Departments performed well to achieve a high disposal rate. However, the disposal of cases was poor in Department of Registration and Stamps and Department of Mines, Geology and Petroleum. These Departments may take necessary action for speedy disposal of the cases.

1.4 Evasion of tax detected by the Departments

According to the information furnished by the Commercial Taxes Department, 855 cases of tax evasion were noticed during 2022-23 which included cases noticed by the anti-evasion wings of the Department. During the year, assessment/investigation was completed in 782 cases which included cases detected during the previous years. Further, additional demand with penalty etc. amounting to ₹ 1,415.77 crore was raised during 2022-23, out of which the Department recovered ₹ 136.43 crore.

In the Registration and Stamps Department, 1,386 cases of tax evasion were noticed during 2022-23. Further, additional demand with penalty etc. amounting to ₹ 16.66 crore was raised during 2022-23 out of which the Department recovered ₹ 4.94 crore.

1.5 Pendency of refund cases

The refund cases pending at the beginning of the year 2022-23, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2022-23 as reported by the respective Departments are given in Table 1.6.

Table 1.6: Pendency of refund cases

(₹ in crore)

Sl. No.	Particulars	Commercial Taxes Department		Registration and Stamps		Transport		Mines, Geology and Petroleum	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1	Claims outstanding at the beginning of the year	1,482	138.04	1,400	11.59	669	3.13	3	2.75
2	Claims received during the year	4,817	300.31	2,065	17.18	379	4.17	2	0.27
3	Refunds made during the year	3,411	150.84	1,438	9.72	687	3.39	3	0.35
4	Rejected during the year	1,891	222.15	334	3.64	47	0.18		
5	Balance outstanding at the end of year	997	65.36	1,693	15.41	314	3.73	2	2.67

Source: Information provided by the concerned Departments

The Departments may take steps for speedy settlement of the pending refund cases which would not only benefit the claimants but would also save the Government from payment of interest on the delayed payment.

1.6 Authority for Audit

Article 149 of the Constitution of India provides that the Comptroller and Auditor General of India (CAG) shall exercise such powers and perform such duties in relation to the accounts of the Union and of the states and of any other authority or body as may be prescribed by or under any law made by the Parliament. The Parliament passed the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act (CAG's DPC Act) in 1971. Section 16 of the CAG's DPC Act authorizes CAG to audit all receipts (both revenue and capital) of the Government of India and of Government of each state and of each Union territory having a legislative assembly and to satisfy himself that the rules and procedures are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed. The principles and methodology for various audits are prescribed in the Regulations on Audit and Accounts, 2020 and Auditing Standards 2017 issued by the CAG.

1.7 Audit Planning and conduct of Audit

The unit offices under various departments have been categorised into high, moderate and low risk units according to their revenue position, past trends of the audit observations and other parameters. The annual audit plan was prepared on the basis of risk analysis which, *inter-alia*, included critical issues in Government revenues and tax administration *i.e.* budget speech, Report of the Finance Commission (State and Central), statistical analyses of the revenue earnings during the past five years, audit coverage and its impact during the past five years. During the year 2022-23, there were 2,029 auditable units in Commercial Taxes, Registration and Stamps, Land Revenue and State Excise Departments. Out of these auditable units, 169 units were planned and audited, which is 8.33 *per cent* of the total auditable units. In addition, two Subject Specific Compliance Audits *viz.* “*Department's oversight on GST payments & Return Filing*”- Phase-II and “*E way bill system under GST*” relating to Commercial Taxes Department were also conducted.

1.8 Response of the Government/Departments to Audit observations

The office of the Principal Accountant General (Audit-I), Rajasthan, Jaipur audits 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 audit and not settled on the spot. The IRs are issued to the heads of the inspected offices with copies to the next higher authority 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 office of the Principal 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 March 2023 disclosed that 5,263 paragraphs involving ₹ 1,865.98 crore relating to 1,837 IRs issued for these four main revenue earning departments⁸ remained outstanding at the end of September 2023 as given in **Table 1.7**.

Table 1.7: Number of IRs and Paragraphs pending as of September 2023

Particulars	September 2021 (IRs issued up to March 2021)	September 2022 (IRs issued up to March 2022)	September 2023 (IRs issued up to March 2023)
Number of IRs pending for settlement	1,799	1,855	1,837
Number of outstanding audit paragraphs	5,308	5,255	5,263
Amount of revenue involved (₹ in crore)	1,656.71	1,305.64	1,865.98

1.8.1 The Department-wise details of the IRs and audit paragraphs outstanding as on 30 September 2023 and the amounts involved are given in **Table 1.8**.

Table 1.8: Department-wise details of outstanding IRs and paragraphs

S. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit paragraphs	(₹ in crore)
					Amount involved
1	Commercial Taxes	Taxes on sales, trade, etc.	536	1,687	631.08
2	Land Revenue	Land revenue	125	598	195.09
3	Registration and Stamps	Stamp duty and registration fee	1,047	2,616	371.31
4	State Excise	State excise	129	362	668.50
Total			1,837	5,263	1,865.98

As can be seen from the table, the pendency in terms of outstanding IRs and outstanding paragraphs is highest in the Department of Registration and Stamps whereas the amount involved in the pending paragraphs is highest in the State Excise Department.

1.8.2 Departmental Audit Committee Meetings

The Government constituted Audit Committees⁹ to monitor and expedite the progress of the settlement of the paragraphs in the IRs. The details of the Audit Committee/Audit sub-committee meetings held during the year 2022-23 and the paragraphs settled therein are given in **Table 1.9**.

8 Four main revenue earning Departments viz. Commercial Taxes, Land Revenue, Registration & Stamps and State Excise.

9 Audit Committees, *inter alia*, comprising 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 officers of the Departments and representative of Accountant General, are also formed.

Table 1.9: Details of the Audit Committee/Audit sub-committee meetings

(₹ in crore)

S. No.	Name of the Department	Number of Audit Committee meetings held	Number of Audit sub-committee meetings held	Number of paragraphs settled	Amount
1	Commercial Taxes	3	5	75	11.66
2	Land Revenue	1	-	-	-
3	Registration and Stamps	3	10	115	2.83
4	State Excise	2	1	8	0.17
Total		9	16	198	14.66

It can be seen that 198 paragraphs involving ₹ 14.66 crore were settled in Audit committee/Audit sub-committee meetings held in respect of Commercial Taxes, Registration and Stamps and State Excise Departments. Land Revenue and State Excise Departments may organize more Audit Committee/Audit sub-committee meetings to settle the outstanding paragraphs.

1.8.3 Response of the Departments to the draft audit paragraphs

Factual statements followed by draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded to the Principal Secretaries/Secretaries of the concerned Departments¹⁰, drawing their attention to the audit findings and requesting them to send their response within six weeks.

Eighteen draft paragraphs (combined into 16 paragraphs of the report) were sent to the Principal Secretaries/Secretaries of the respective Departments between July and December 2024. The responses of the concerned departments received in respect of all these draft paragraphs have been suitably incorporated in the Report.

1.8.4 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 Assembly, the Departments shall initiate action on the audit paragraphs. The Action Taken Explanatory Notes (ATENs) thereon should be submitted by the Government within three months of tabling of the Report, for consideration of the PAC. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed. Eighty paragraphs (including Performance audit) included in the Reports of the Comptroller and Auditor General of India for the years ended 31 March 2017, 2018, 2019, 2020 and 2021 were placed before the State Legislative Assembly between 06 March 2018 and 22 September 2022. The ATENs from Land Revenue and State Excise Departments on the paragraphs were received with a delay ranging between 5 to 81 days. The PAC discussed 18 selected paragraphs pertaining to the Audit

10 Commercial Taxes, Land Revenue, Registration & Stamps and State Excise Departments.

reports for the years from 2016-17 to 2018-19 and its recommendations on all these paragraphs were incorporated in five Reports¹¹ of PAC (2022-2023).

1.9 Results of Audit

Test check of the records of 169 audited units of Land Revenue, Registration and Stamps, and State Excise Departments and examination of cases under Subject Specific Compliance Audits on '*Department's oversight on GST payments & Return filing*' Phase II and '*E Way bill system under GST*' pertaining to Commercial Taxes Department disclosed instances of Short recovery of conversion charges, Non/ short levy of stamp duty and registration fee, Non/short realization of excise duty and license fees, ITC mismatch, mismatch in tax liability, EWBs generated by ineligible and cancelled taxpayers etc. aggregating to ₹ 1,020.28 crore in 27,982 cases.

During the year, the concerned Departments accepted under-assessments and other deficiencies in 9,172 cases involving revenue of ₹ 791.76 crore, of which 6,871 cases involving ₹ 754.08 crore were pointed out in audit during 2022-23 and the rest in earlier years. The Departments had recovered ₹ 18.10 crore in 2,047 cases during 2022-23.

1.10 Coverage of this part of the Report

This part of the Report contains 16 paragraphs. The total financial impact of the paragraphs is ₹ 565.73 crore. These are discussed in Chapters II to V. The Departments/Government have accepted audit observations involving ₹ 490.57 crore (as of March 2025). Out of the accepted audit observations, the Departments recovered ₹ 10.34 crore up to March 2025 which was in addition to the recoveries (₹ 18.10 crore) made through local audit inspection reports during the year 2022-23. Further, the concerned Departments recovered ₹ 27.89 crore during the year 2022-23 in respect of objections raised in previous Audit Reports. Thus, total recoveries made at the instance of audit during the year aggregated to ₹ 56.33 crore.

11 Five Reports pertaining to: Land Revenue (two) Registration and Stamps (two) and Commercial taxes Department (one).

CHAPTER-II
GOODS AND SERVICE
TAX

CHAPTER II: GOODS AND SERVICE TAX

2.1 Tax administration

The receipts from the Goods and Services Tax/Value Added Tax/Central Sales Tax payable under the respective laws relating to state taxpayers are administered at the Government level by the Additional Chief Secretary (Finance). The Chief Commissioner, State Tax is the head of the Commercial Taxes Department (Department) and is assisted by 26 Additional Commissioners, 57 Deputy Commissioners (DC), 110 Assistant Commissioners (AC), 164 Commercial Taxes Officers (CTO), 431 Assistant Commercial Taxes Officers (ACTO) and a Financial Advisor (FA). They are assisted by Junior Commercial Taxes Officers (JCTO) and other allied staff for administering the relevant tax laws and rules.

2.2 Results of audit

During 2022-23, the Department accepted under assessment and other deficiencies of ₹ 7.58 crore in 244 cases pertaining to earlier years, against which the Department recovered/adjusted ₹ 7.32 crore in 233 cases.

Instead of generic risk assessment at Circle (auditee units) level, audit under GST was taken up through a data led audit approach which provides more comprehensive subject matter risk assessment in areas such as registrations, return scrutiny, input tax credit, tax payment, e-way bill system etc. Therefore, for the specific subject, high risk transactions/cases are selected centrally through data analysis for scrutiny of taxpayer records.

Two Subject Specific Compliance Audits under this new tax regime (i) 'Department's oversight on GST Payments and Return filing'- Phase II was undertaken in consideration of the increased significance of the control and oversight mechanism of the Department for tax compliance and (ii) E-Way Bill System under GST with a view to seeking an assurance on effectiveness of the EWB mechanism.

The findings pertaining to these two SSCAs are discussed in the succeeding paragraphs.

2.3 Subject Specific Compliance Audit on 'Department's oversight on GST Payments and Return filing'- Phase II

2.3.1 Introduction

Goods and Service Tax from July 2017 was a significant moment in the history of indirect tax reforms in the country. It ushered in a new era of cooperative federalism in the taxation of the country making the country one common market, wherein the Centre and States simultaneously levy Tax based on a common tax rate. The reform made a far-reaching impact in terms of reducing the cascading effect of taxation by unifying the diverse tax structures existed and allowing cross border input tax credit. With simplified tax structures, strong IT system and less intrusive administration, the reform was expected to usher

higher transparency and improved compliance in the field of indirect taxation. Seven years into the GST, the tax eco-system is evolving to cater to the emerging requirements of administration as well as the taxpayers. With an ever increasing tax base, GST revenue is a significant component of the tax revenue of the Government.

GST provisions envisage that every registered taxable person shall self-assess the taxes payable, pay the same and furnish a return for each tax period. The GST returns must be filed online regularly on the common GST portal, failing which penalties will be applied. Even if the business has no tax liability during a particular tax period, it must file a nil return mandatorily. Different formats are prescribed for returns for each category of taxpayers like normal taxpayer, composition taxpayer, casual taxpayer, non-resident taxpayer, e-commerce operators etc., according to the nature of business and keeping the unique features of each category in mind. The periodicity of returns filing also changes accordingly.

This Subject Specific Compliance Audit (SSCA) was taken up as a continuation of the SSCA conducted during the year 2022-23 (Phase I), considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Commercial Taxes Department (Department), Government of Rajasthan (GoR) in this new tax regime.

2.3.2 Audit objectives

This audit was oriented towards providing assurance on the adequacy and effectiveness of systems and procedures adopted by the Department with respect to tax compliance under GST regime. Audit of 'Department's oversight on GST Payments and Return filing' was taken up with the following audit objectives to seek an assurance on:

- (i)** Whether the rules and procedures were designed to secure an effective check on tax compliance and were being duly observed by taxpayers; and
- (ii)** Whether the scrutiny procedures, internal audit and other compliance functions of the Circles were adequate and effective.

2.3.3 Audit Scope

The scope of audit comprised examination of taxpayers' compliance, scrutiny process and subsequent follow up carried out by the Department on returns filed by the registered taxpayers. In addition, the SSCA included review of records of a sample of taxpayers for the year 2018-19 to 2020-21. The scope of this SSCA also included evaluation of the functions of selected Circles.

The period of review of the scrutiny of returns and verification of taxpayers' records was from 2018-19 to 2020-21 and audit of functions of selected Circles for the period 2020-21.

2.3.4 Audit methodology and Sample selection

A data driven approach was adopted for planning, as also to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for centralized audit that did not involve field visits; a sample of taxpayers for detailed audit that involved field visits and scrutiny of taxpayer's records at departmental premises; and a sample of Circles for evaluating the compliance functions of the circles.

(i) Part I- Audit of Circles

For the purpose of evaluation of oversight functions, 10 Circles, out of 135 regular circles, that had jurisdiction having the maximum number of sample cases under Detailed Audit excluding the Circles that had already been audited in the SSCA Phase-I, were considered as sample of Circles for evaluation of their oversight functions.

(ii) Part II –Centralized Audit

Audit analyzed GST returns data pertaining to 2018-19 to 2020-21 as made available by Goods and Service Tax Network (GSTN). Rule-based deviations and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 16 deviations such as mismatch of Input Tax Credit (ITC) availed between Annual Returns and Books of accounts, short payment of interest, ITC mismatches etc. Accordingly, 532 taxpayers were selected for Centralized Audit under this SSCA based on high-value or high-risk deviations from rules and inconsistencies between returns through data analysis for evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department. The audit queries were issued to the respective assessment circles without further scrutiny of taxpayer's records.

(iii) Part III-Detailed audit

Audit selected 100 cases (including 20 cases of mining activities) for detailed audit using a risk-based approach, which involved field visits for verification of records available with the assessment circles. Taxpayers' records like returns and related attachments and information were accessed through Circles for evaluation of the extent of tax compliance by taxpayers. Audit utilized the Single Sign-On User IDs (SSOIDs) provided to the maximum extent feasible to examine data/documents relating to taxpayers in the back-end system (viz. registration, tax payment, returns and other departmental functions). Efforts were made to access the relevant granular records from the taxpayers such as invoices etc. through respective assessment circles.

Entry conference for this SSCA was held on 21 April 2023 with Secretary, Finance (Revenue) Department, GoR, Chief Commissioner, State Tax, Rajasthan and other officers of the State Government and the Department in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 03 March 2025 with Secretary, Finance (Revenue) Department, GoR, Chief Commissioner of State Tax and other officers of the State Government in which the audit findings were

discussed. The views expressed by the State Government during the Exit Conference and the written replies to the draft paragraph have been suitably incorporated in the relevant paragraphs.

2.3.5 Audit Criteria

The source of audit criteria comprised the provisions contained in the Central Goods and Service Tax (CGST)/Rajasthan Goods and Service Tax (RGST) Act, Integrated Goods and Service Tax (IGST) Act, and Rules made thereunder. In addition, the notifications and circulars issued by State Tax Department relating to filing of returns, notifying the effective dates of filing of various returns, extending due dates for filing returns, rates of tax on goods and services, payment of tax, availing and utilizing ITC, scrutiny of returns and oversight of tax compliance and Standard Operating Procedures (SOP) containing instructions to departmental officers on various aspects related to filing returns, scrutiny of returns, cancellation of registrations and verification of Directorate General of Analytics and Risk Management (DGARM) reports etc. also formed part of the audit criteria.

2.3.6 Audit findings: Compliance verification mechanism of the department (Part-I)

The role of Circles is to ensure compliance by taxpayers in respect of accuracy of the taxable value declared, calculation and payment of tax liabilities, filing of returns, etc. The Circles have a broad set of functions to be exercised in this regard, which were assessed as a part of this SSCA.

Two potential audit areas were identified viz (i) effectiveness of scrutiny and assessment functions (ii) action on late-filers and non-filers. Accordingly, relevant records and information for the period 2020-21 were requisitioned from the selected 10 Circles.

2.3.6.1 Effectiveness of the scrutiny functions of the Department

As per Section 61 of the CGST/RGST Act, various returns filed by taxpayers have to be scrutinized by the Proper Officer to verify the correctness of the returns, and suitable action has to be taken on any discrepancies or inconsistencies reflected in the returns. The Proper Officer designated for this purpose is the Circle Officer. Further, Rule 99 of the RGST Rules, 2017 mandates that the discrepancies, if any notice shall be communicated to the taxpayer to seek his explanation.

While restructuring the Commercial Taxes Department, Government of Rajasthan vide orders no. F.9(3) FD/ Tax/2020 dated 24.09.2021 constituted the Business Intelligence Unit (BIU).

Further, Department vide Circular No.F.17(151) ACCT/GST/2017/7602 dated 07.01.2022 issued detailed guidelines/SOP on scrutiny of returns with a view to ensure the uniformity, and to standardize the procedure for the proceeding as per Section 61 of the Act.

BIU selects the cases for scrutiny of returns under Section 61 of the Act on the basis of analysis of data submitted by the Registered Taxable Person (RTP) on GSTN portal based on 12 risk parameters¹. BIU gets the list of identified RTPs approved by the Chief Commissioner State Tax and sends it to the concerned zones who distribute them to the proper officers having territorial jurisdiction over the concerned RTPs.

Audit observed in sampled ten circles² that 200 cases, were scrutinized during 2022-23 by the Department pertaining to the period 2017-18 to 2020-21. Of these, in 24 cases (12 *per cent*), deviations relating to mismatch in ITC availed, mismatch in tax liability and non-payment of tax under Reverse Charge Mechanism (RCM) were not examined by the Department during scrutiny. As a result, ITC mismatch between monthly return GSTR 3B and auto generated input supplies statement GSTR 2A amounting to ₹ 0.84 crore in 21 cases, mismatch in tax liability to ₹ 0.03 crore in two cases and non- payment of tax under RCM amounting to ₹ 0.03 crore in one case aggregating to ₹ 0.90 crore remained unexamined by the circles.

The matter was reported to the Department and the State Government (December 2024). The State Government accepted (March 2025) the audit observations in 16 cases³ and issued notice in DRC-07/ DRC-01 in six cases and recovered ₹ 0.08 crore in 10 cases. Further, two cases were under examination and action was being taken in three cases under business audit after being pointed out by Audit. In respect of one case, it was stated that the recovery has been effected as per the amount shown in the GSTR 9, however, supporting document/amount of recovery was not provided/intimated.

In two cases⁴, it was stated that the mismatch was due to data entry errors. However, the Department did not produce supporting documents in support of the reply due to which Audit could not ascertain the correctness of the Department's reply.

2.3.6.2 Delay in Business Audit by tax authorities

As per Section 65 of the RGST Act, 2017 the Commissioner or any officer authorized by him, by way of a general or a specific order, may undertake audit of any registered person for such period, at such frequency and in such manner as may be prescribed. Section 2 (13) of the RGST Act, 2017, defines "Audit"

1 Excess outward tax in GSTR 1 compared to GSTR 9/3B; Less turnover shown in GSTR 3B compared to GSTR 7 (TDS); Less turnover shown in GSTR 1 compared to GSTR 8 (TCS); Less RCM liability disclosed in GSTR 9 than shown by suppliers in GSTR-1; Excess outward tax in E- Way Bills compared to GSTR 3B; Excess ITC claimed in GSTR 3 B /9 which is not confirmed in GSTR 2A/2B or GSTR 9; ITC on purchase invoices uploaded by supplier in GSTR filed after last date of availment as per proviso to section 16(4); ITC claimed from suppliers who have not filed GSTR 3B; ITC claimed from suppliers whose RC have been cancelled; ITC claimed from taxpayers whose RC is cancelled *ab-initio*; ITC claims after the last date of availment of ITC as per section 16(4) and GSTR 3B filed after due date and Interest short paid not paid.

2 Circle Bundi, D Udaipur, E Udaipur, F Jaipur-II, Sirohi, J Jaipur-I, Shahjahanpur, B Bhilwara, Baran, Merta city.

3 Circle Bundi, E Udaipur, F Jaipur-II, Sirohi, J Jaipur-I, Shahjahanpur, B Bhilwara, Baran.

4 Circle E Udaipur and Merta city.

as the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder.

Department issued detailed procedure for audit in the form of Rajasthan Goods and Service Tax Audit Manual (RGSTAM) 2020, which incorporated process of new norms for selection of taxpayers for conducting audit based on risk parameters such as taxpayers identified by BIU/ Business Intelligence and Fraud Analytics (BIFA), local intelligence inputs, taxpayers purchase from cancelled taxpayers, etc. It envisages that the selection of taxpayers for audit will be done by HQ level officers. The Government, while restructuring the Commercial Taxes Department strengthened (September 2021) the Audit wing and a three-tier business audit mechanism was created. Teams at State and Zonal levels were required to examine larger, complex cases allocated on the basis of risk parameters. The rest of the cases were to be dealt with at the circle level.

The details of the GST Business audit undertaken by the Department during the year 2023-24 for GST is given in **Table 2.1** as below:

Table 2.1: Details of GST Business audit undertaken by the Department

(₹ in crore)

Financial Year	Total number of taxpayers	No. of taxpayer selected ⁵ for audit (<i>in per cent</i>)	Actual number of audits completed (as of March 2024)	No. of cases in which deficiencies were found	Total amount involved in deficiencies	Total Recovery
2019-20	8,94,334	2,019 (0.22 <i>per cent</i>)	947 (46.90 <i>per cent</i>)	912	237.20	114.98
2020-21	10,29,493	2,700 (0.26 <i>per cent</i>)	35 (1.30 <i>per cent</i>)	32	17.47	13.27

Source: Information provided by Commercial Taxes Department

It is evident that total taxpayers selected for audit ranged between 0.22 *per cent* and 0.26 *per cent* against the norms of five *per cent*, while less than two *per cent* cases of what had been selected in 2020-21 had been completed by the Department.

During test check (July 2024) of the records of 20 cases of Business audit under the section *ibid* pertaining to four circles⁶, it was noticed in one case⁷ that the Department did not identify short discharge of tax liability amounting to ₹ 6.08 lakh as observed from Annual Return.

5 Maximum ceiling is 5 *per cent* of the total taxpayers as per norms mentioned in RGSTAM.

6 Circle E Jaipur-I, K Jaipur-III, Business Audit-I Jaipur- II and Business Audit- II Jaipur- IV.

7 Circle E Jaipur-I.

The matter was reported to the Department and the State Government (December 2024). The Government stated (March 2025) that SCN has been issued.

During the Exit Conference, the Chief Commissioner (State Tax) accepted the audit contention and stated that the norm of five *per cent* was not prescribed in the Act, instead it has been prescribed in the manual. He further added that selecting five *per cent* of total taxpayers will be voluminous and the Department would have to expand audit capacity and also consider revising the norms up to a reasonable limit.

Recommendation 1: In the era of self-assessed tax regime, business audit is one of the main tools for ensuring compliance by the taxpayers. Further, departmental action against non-compliant taxpayers is a time bound activity under Section 73⁸ of the RGST Act. In view of this, Audit recommends that efforts may be made to increase the selection of taxpayers for the business audit, as prescribed in the audit manual and to ensure that audits of the selected cases are completed in a timely manner.

Recommendation 2: The Department needs to take prompt steps to undertake the remaining Business audits, as highlighted by audit, so that timely action could be initiated against the defaulters and recoveries, if any, could be effected.

2.3.6.3 Lack of action on non-filers

Section 46 of the RGST Act, 2017 read with Rule 68 of CGST/RGST Rules, 2017 stipulates issue of a notice in Form GSTR-3A, requiring filing of return within fifteen days, if the taxpayer had failed to file the return within the due date. In case the taxpayer fails to file the returns even after such notice, the proper officers may proceed to assess the tax liability of the said person to the best of their judgment, taking into account all the relevant material which is available or gathered and issue an assessment order in Form ASMT-13.

Filing of returns is related to payment of tax as the due date for both the actions are the same, which implies risk of non-payment of tax/penalty in the case of non-filers.

Relevant records and information were requisitioned from the selected 10 Circles. However, out of these, seven Circles⁹ did not provide the required records and information. Therefore, the functions of these Circles could not be evaluated. Non-production of records, led to limitation of scope of audit to examine irregularities and evaluate oversight functions of the Department.

On examination of information provided by three Circles¹⁰, it was observed that in one Circle *viz.* Circle Sirohi, 77 taxpayers were identified as non-filers for the

8 Section 73: Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any wilful misstatement or suppression of facts.

9 Circle Bundi, D Udaipur, E Udaipur, F Jaipur-II, J Jaipur-I, Shahjahanpur, Merta city.

10 Circle-B Bhilwara, Baran and Sirohi.

period 2020-21. Out of these 77 cases, 72 taxpayers (93.50 per cent) did not file appropriate returns such as GSTR-3B, GSTR-1 etc. even after notices in form GSTR-3A were issued to them. However, the department did not initiate action for assessing the tax liability to the best of their judgement and to issue an assessment order in Form ASMT-13.

The matter was reported to the Department and the State Government (December 2024). The Government stated (March 2025) that recovery is in progress. However, the Department's reply is silent on the reasons as to why the Department did not take any action under the provisions *ibid*.

2.3.7 Centralized Audit (Part II)

Audit analyzed GST returns data pertaining to 2018-19 to 2020-21 as made available by GSTN. Rule-based deviations, and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 16 parameters, which can be broadly categorized into two domains - ITC and Tax payments.

Out of the 13 prescribed GST returns,¹¹ the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns/data:

- *GSTR-1: monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.*
- *GSTR-3B: monthly summary return of outward supplies and input tax credit claimed, along with payment of tax by the taxpayer to be filed by all taxpayers except those specified under Section 39(1) of the Act. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.*
- *GSTR 6: monthly return for Input Service Distributors providing the details of their distributed input tax credit and inward supplies.*
- *GSTR 8: monthly return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST, introduced in October 2018.*
- *GSTR-9: annual return to be filed by all registered persons other than an Input Service Distributor (ISD), Tax Deductor at Source/Tax Collector at Source, Casual Taxable Person, and Non-Resident taxpayer. This document contains the details of all supplies made and received under various tax heads (CGST, RGST and IGST) during the entire year along with turnover and audit details for the same.*

¹¹ GSTR-1, GSTR-3B, GSTR-4 (taxpayers under the Composition scheme), GSTR-5 (non-resident taxable person), GSTR-5A (Non-resident OIDAR service providers), GSTR-6 (Input service distributor), GSTR-7 (taxpayers deducting TDS), GSTR-8 (E-commerce operator), GSTR-9 (Annual Return), GSTR-10 (Final return), GSTR-11 (person having UIN and claiming a refund), CMP-08, and ITC-04 (Statement to be filed by a principal/job-worker about details of goods sent to/received from a job-worker).

- *GSTR-9C: annual audit form for all taxpayers having a turnover above ₹ 5 crores in a particular financial year. It is basically a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited annual financial statements.*
- *GSTR-2A: a system-generated statement of inward supplies for a recipient. It contains the details of all B2B transactions of suppliers declared in their Form GSTR-1 / 5, ISD details from GSTR 6, details from GSTR-7 and GSTR- 8 respectively by the counterparty and import of goods from overseas on bill of entry, as received from ICEGATE Portal of Indian Customs.*

The pan State data analysis pertaining to state jurisdiction on the 16 identified parameters and extent of deviations/inconsistencies observed are summarised in **Table 2.2** as below:

Table 2.2: Summary of sample data analysis (Centralised audit)

Sl. No	Parameter	Algorithm used	Number of taxpayers	Number of deviations	Amount (₹ in crore)
Domain: ITC					
D1	ITC mismatch between GSTR 2A and GSTR 3B	ITC available as per GSTR 2A with all its amendments and the ITC availed in GSTR 3B in Table 4A (5) including 4(D) blocked credits and subsequent years from Table 8C of GSTR 9.	60	95	799.37
D2	ITC Availed without supplier remitting tax	GSTR 9 particularly pertaining to table 8A of GSTR 9 was compared with the ITC data reflected in GSTR 2A	30	76	293.38
D3	ITC Availed in GSTR 3B filed after limitation period	ITC availed through Table 4 of GSTR 3Bs filed by the taxpayer beyond the due dates of September, GSTR 3B return of the following year, were identified by examining the data.	45	57	99.28
D4	Incorrect availment of ISD credit	ISD transferred in GSTR 9 Table 6G or GSTR 3B Table 4(A) (4) was compared with the sum of Table 5A, Table 8A, and Table 9A of GSTR 6 of recipient GSTINs.	17	27	8.26
D5	ITC availed under RCM versus payment of tax in GSTR 3 B/GSTR 9	RCM payments in GSTR 3B Table 3.1(d) was compared with ITC availed in GSTR 9 Table 6C, 6D and 6F. In cases where GSTR 9 was not available, the check was restricted within GSTR 3B - tax discharged in Table 3.1(d) vis-à-vis ITC availed Table 4A(2) and 4A(3)	40	64	83.17
D6	Mismatch of ITC availed between Annual returns and Books of accounts	Positive figure in GSTR 9C Table 12F and examination of reasons provided in Table 13 for mismatch	15	24	487.93
D7	Reconciliation between ITC availed in Annual returns with expenses in financial statements.	Positive figure in GSTR 9C Table 14T and examination of reasons provided in Table 15 for mismatch	15	23	647.47
Domain: Tax payments					
D8	Unsettled liabilities	The greater of tax liability between GSTR 1 (Tables 4 to 11) and GSTR 9 (Tables 4N, 10 and 11) was compared with tax paid details in GSTR 3B Tables 3.1(a) and 3.1(b). In cases where GSTR 9 was not available GSTR 3B tax paid was compared with GSTR 1 liability. The amendments and advance adjustments declared in GSTR 1 and 9 were duly considered.	70	121	857.72

Sl. No	Parameter	Algorithm used	Number of taxpayers	Number of deviations	Amount (₹ in crore)
D9	Suppression in taxable value in comparison with E-Way bills	Where GSTR 3B Table 3.1 (a) + (b) tax payable were less than the tax liability declared in the e-way bills.	45	104	1580.91
D10	Mismatch in tax paid between books of accounts and returns	Negative figure in GSTR 9C Table 9R and examination of reasons provided in Table 10 for mismatch.	15	19	36.17
D11	Suppression of taxable value identified through TDS/TCS declaration	The cases where the taxable value declared on account of outward taxable supplies (other than zero rated, nil rated and exempted) in GSTR 3B were less than the net amount liable for TCS and TDS credit as per Table 9 of GSTR-2 have been identified.	25	41	501.35
D12	Suppression of taxable value identified through mismatch in unbilled revenue declared in Table 5 of GSTR 9C	Table 5B figures of GSTR 9C which captures the unbilled revenue at the beginning of the financial year was compared with Table 5H of the previous GSTR 9C returns which captures the unbilled revenue of the end of the year to review the extent of identified mismatch in turnover declared in the Annual Return with the Financial Statements.	15	20	412.56
D13	Mismatch in taxable turnover declared in GSTR 9C Table 7G	Negative figure in GSTR 9C Table 7G and examination of reasons provided in Table 8 for mismatch.	15	26	7567.87
D14	Composition taxpayer also availing e-commerce facility	E-commerce GSTR 8 became effective from 1.10.2018 when TCS provisions became effective. GSTINs declared in GSTR 8 who are also filing GSTR 4 under composition scheme.	10	10	-
D15	GSTR 3B was not filed but GSTR 1 is available	Taxpayers who have not filed GSTR 3B but have filed GSTR 1 or where GSTR 2A available, indicating taxpayers carrying on the business without discharging tax.	45	67	-
D16	Short payment of interest	Interest calculated at the rate of 18 per cent on cash portion of tax payment on delayed filing of GSTR-3B vis-à-vis interest declared in GSTR 3B.	70	188	33.05
Total			532	962	13,408.49

Significant deviations from each of the audit dimensions are illustrated below:

(i) ITC mismatch between GSTR-2A and GSTR-3B:

To analyze the veracity of ITC utilization, relevant data were extracted from GSTR 3B and GSTR 2A for the year 2018-19 to 2020-21, and the ITC paid as per suppliers' details were matched with the ITC credit availed by the taxpayer.

Audit observed that in case of a taxpayer under Circle B, Barmer, the ITC available as per GSTR 2A for the year 2019-20 was ₹ 111.82 crore whereas the ITC availed in table 4A (5) of GSTR 3B for the year 2019-20 was ₹ 174.49 crore. This resulted in mismatch of ITC availed amounting to ₹ 62.67 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand has been raised, however, the taxpayer has filed an appeal against the demand order. Further progress was awaited (August 2025).

(ii) ITC availed without supplier remitting tax:

Section 16 (2) (c) of the RGST Act, 2017 provides that no registered person shall be entitled to the credit of any ITC in respect of any supply of goods or

services or both to him unless the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of ITC admissible in respect of the said supply.

To analyse the extent of compliance of ITC availment under Section 16 of the RGST Act, an attempt has been made to identify likely cases where the ITC would have been passed on by the taxpayer without the actual remitting the tax. For this purpose, the relevant data from GSTR 9 particularly pertaining to Table 8A of GSTR 9 was compared with the ITC data reflected in GSTR 2A. Table 8A of GSTR 9 auto-populates from table 3 and 5 of GSTR-2A and capture details of total credit available for inward supplies (other than imports and inward supplies liable to reverse charge but includes services from SEZs). This would be the aggregate of all the ITC that has been declared by the corresponding suppliers. Higher values in GSTR-2A than Table 8A of GSTR-9 reflect that tax was not paid by the supplier in respect of such supplies and therefore, ITC was not available.

Under this dimension, the Department was required to examine the difference in the ITC availed by the recipient who is a taxpayer under Circle-I, Jaipur-III and the tax paid by the supplier amounting to ₹ 13.54 crore. The difference was noticed by comparing ITC available of ₹ 50.38 crore in Table 8A of GSTR-9 with ITC available of ₹ 63.92 crore in GSTR-2A for the year 2018-19. The difference could be on account of difference in the place of supply or recipient availing ITC on invoices issued after cancellation of registration of the supplier, in which case the recipient is liable to reverse the ITC. The difference could also be on account of the supplier not filing his monthly return, i.e. GSTR-3B and thereby not discharging the tax liability.

The audit query was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand had been raised. However, the case is under stay of Hon'ble Rajasthan High court. Further progress was awaited (August 2025).

(iii) Availing ITC in GSTR 3B filed after the limitation period for availing ITC:

Section 16(4) of the RGST Act provides that a registered person shall not be entitled to take ITC in respect of any supply of Goods or Services or both after the due date of furnishing of the returns under Section 39 for the month of September following the end of financial year to which such ITC pertains or furnishing of the relevant annual return, whichever is earlier. Accordingly, if any GSTR 3B is furnished after such time, ITC availed therein becomes inadmissible.

To review the extent of excess/irregular ITC availed on this account, the ITC availed through Table 4 of GSTR 3B pertaining to year 2018-19 to 2020-21 filed by the taxpayer beyond the due dates of September GSTR 3B return of the following year were identified.

Audit observed that in case of a taxpayer under Circle F, Jaipur-I, ITC amounting to ₹ 9.16 crore was availed for the period of 2019-20 through GSTR 3B filed after the limitation period¹² which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that a show cause notice has been issued to the taxpayer. Further progress was awaited (August 2025).

(iv) Incorrect availing of ITC by recipient on ISD credit:

To analyse whether the ITC availed by the taxpayer is in excess of that transferred by the Input Service Distributor (ISD), ITC availed as declared in the returns of the taxpayer is compared with the ITC transferred by the ISD in their GSTR 6.

In case of taxpayer under circle- F, Jaipur-II, Audit observed that during 2018-19 the ITC transferred by the ISD in table (5A+8A+9A) of GSTR 6 was ₹ 11.90 crore and ITC availed in GSTR 3B table 4(A) (4) was ₹ 13.01 crore. This resulted in mismatch in availment of ITC transferred by the ISD amounting to ₹ 1.11 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that a demand order had been issued (April 2024) to the taxpayer. Further progress was awaited (August 2025).

(v) Incorrect availment of ITC under Reverse charge mechanism (RCM):

Under Reverse Charge Mechanism, the liability to pay tax is fixed on the recipient of supply of goods or services instead of the supplier or provider in respect of certain categories of goods or services or both under Section 9(3) or Section 9(4) of the RGST Act, 2017 and under sub-section (3) or sub-section (4) of Section 5 of the IGST Act, 2017.

To analyse the veracity of tax paid under RCM the datasets in GSTR 3B and annual return GSTR 9 pertaining to RCM was compared to check whether the tax has been discharged fully on the activities/transactions under RCM. In cases where GSTR 9 was filed, the RCM payments in Table 4G was compared with ITC availed in Table 6C, 6D and 6F. In cases where GSTR 9 was not available, RCM payments in GSTR 3B Table 3.1(d) was compared with GSTR 3B 4(A) (2) and 4A (3).

¹²

Month of GSTR 3B	Prescribed date of filing	Actual date of filing
October 2019	September 2020	05 November 2020
November 2019	September 2020	16 August 2021
December 2019	September 2020	16 August 2021
January 2020	September 2020	16 August 2021
February 2020	September 2020	16 August 2021

Audit observed that in case of a taxpayer under Circle-I, Zone-Jaipur-III, the ITC available as per the tax payable under RCM in table 3.1(d) of GSTR 3B during 2018-19 was ₹ 0.49 crore whereas the ITC availed in table 4A (2) & (3) of GSTR 3B was ₹ 5.91 crore resulting in mismatch of ITC availed amounting to ₹ 5.42 crore which was communicated to the Department and the State Government (December 2024). The State Government stated (March 2025) that demand has been raised, however, the taxpayer has filed an appeal against the demand order. Further progress was awaited (August 2025).

(vi) Mismatch of ITC availed between Annual returns and Books of accounts:

Table 12 of GSTR 9C reconciles ITC declared in annual return (GSTR9) with ITC availed as per audited Annual financial statement or books of accounts. Column 12F of this table deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of RGST Rules in form GSTR 9C for the year 2018-19 to 2020-21 was analyzed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the Financial Statements.

In case of a taxpayer under Circle- I, Jaipur-III, Audit noticed that there was mismatch between the ITC claimed in annual return as per Table 12E of GSTR-9C and ITC claimed as per audited financial statements declared in Table 12 (D) of GSTR-9C by ₹ 236.18 crore for the period 2020-21. As such, unreconciled ITC of ₹ 236.18 crore was declared in Table 12F of GSTR 9C. This was communicated to the Department and the State Government (December 2024). In response, the State Government stated (April 2025) that show cause notice has been issued to the taxpayer. Further progress was awaited (August 2025).

(vii) Unreconciled ITC in Table 14T of GSTR-9C:

Table 14 of GSTR 9C reconciles ITC declared in annual return (GSTR9) with ITC availed on expenses as per audited Annual financial statement or books of accounts. Column 14T of this table deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of RGST Rules in form GSTR 9C for the year 2018-19 to 2020-21 was analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the expenses reported in the Financial Statements.

In case of a taxpayer under Circle-I, Jaipur-III, Audit noticed that for the year 2020-21, the ITC claimed in annual return as per Table 14S of GSTR 9C was ₹ 392.07 crore whereas total amount under eligible ITC as per Table 14R of GSTR 9C, was ₹ Nil. As such, there was unreconciled ITC of ₹ 392.07 crore, declared in Table 14T of GSTR 9C, being ITC availed in GST returns in excess of eligible ITC based on expenses reported in financial statements. This was communicated to the Department and the State Government (December 2024).

In response, the State Government stated (March 2025) that show cause notice has been issued to the taxpayer. Further progress was awaited (August 2025).

(viii) Unsettled tax liability:

GSTR-1 depicts the monthly details of outward supplies of goods or services. Outward supplies also assessed by the taxpayer and mentioned in annual return GSTR-9 in the relevant columns. Further, taxable value and tax paid thereof are also shown in monthly GSTR-3B return.

To analyse the unsettled tax liability, relevant data were extracted from GSTR-1 and GSTR-9 for the year 2018-19 to 2020-21 and the tax payable in these returns was compared with the tax paid as per GSTR-9. The amendments and advance adjustments declared in GSTR-1 and 9 were also considered for this purpose. Where GSTR 9 was not available, a comparison of tax payable between GSTR 1 and GSTR 3B was resorted to. For the algorithm, tables 4 to 11 of GSTR 1 and tables 4N, 10 and 11 of GSTR 9 were considered. The greater of the tax liability between GSTR 1 and GSTR 9 was compared with the tax paid declared in tables 9 and 14 of GSTR 9.

During audit, it was observed that in case of a taxpayer under Circle-J, Jaipur-III, the tax payable as per GSTR 1 was ₹ 7.23 crore and as per GSTR 9 was *Nil* during the year 2019-20. The greater of the tax liability of ₹ 7.23 crore, declared in GSTR-1, was compared with the tax paid of ₹ *Nil* as declared in tables 9 and 14 of GSTR 9. This resulted in mismatch of tax liability amounting to ₹ 7.23 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand has been raised against the taxpayer. Further progress in this regard was awaited (August 2025).

(ix) Suppression in taxable value in comparison with E-Way bills:

To analyse the extent of short-payment of tax, relevant data related to tax liability declared in GSTR 3B for the years 2018-19 to 2020-21 were compared with disclosures made in E-way bill. For the algorithm, the cases where GSTR 3B Table 3.1 (a) + (b) tax payable were less than the tax liability declared in the e-way bills were identified.

In case of a taxpayer under Circle-A, Bhiwadi, Audit noticed that tax liability payable in Table 3.1 of GSTR 3B for the year 2018-19 was ₹ 124.09 crore, whereas tax liability payable as per the e-way bills was ₹ 313.54 crore. This resulted in undischarged tax liability amounting to ₹ 189.45 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that ASMT-10 has been issued to the taxpayer. Further progress was awaited (August 2025).

(x) Mismatch in tax paid between books of accounts and Annual Return:

The Certified reconciliation statement submitted by the taxpayer as required under rule 80(3) of CGST/SGST Rules in form GSTR 9C for the year 2018-19 to 2020-21 was analysed at data level to review the extent of identified

mismatch in tax paid between the Annual Return and the books of account. Table 9 of the GSTR 9C attempts to reconcile the tax paid by segregating the turnover rate-wise and comparing it with the tax discharged as per annual return GSTR 9. The unreconciled amounts could potentially indicate tax levied at incorrect rates, incorrect depiction of taxable turnover as exempt or *vice versa* or incorrect levy of CGST/SGST/IGST.

In case of a taxpayer under Circle-C, Jaipur-III, Audit noticed that for the year 2018-19 total tax to be paid, as per table 9P of GSTR-9C was ₹ 32.62 crore, whereas declared total tax paid in annual return, as per table 9Q of GSTR-9C, was ₹ 28.41 crore. As such, unreconciled payment of tax of ₹ 4.21 crore was declared in Table 9R of GSTR 9C.

This was communicated to the Department and the State Government (December 2024). In response, State Government stated (March 2025) that demand has been created *vide* DRC-07, however, the matter is pending under NCLT. Further progress was awaited (August 2025).

(xi) *Suppression of taxable value identified through TDS/TCS declaration:*

TDS and TCS details are declared in GSTR 7 and GSTR 8 respectively and communicated to the registered person in Table 9 of GSTR-2A. The cases where the taxable value declared on account of outward taxable supplies (other than zero rated, nil rated and exempted) in GSTR 3B were less than the net amount liable for TCS and TDS credit as per Table 9 of GSTR-2 have been identified. The deviation amount indicated may only be a fraction of non-disclosure, as exact comparison is not possible as the taxpayer may have other supplies which do not necessitate TDS recovery.

During audit, it was observed that in case of a taxpayer under Circle-D, Kota, taxable value declared on account of outward taxable supplies in GSTR 3B were less than the net amount liable for TDS credit amounting to ₹ 248.84 crore in 2020-21. The matter was reported to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that the matter is under investigation of the Deputy Director General of GST Intelligence (DGGI), Jaipur. Further progress in this regard was awaited (August 2025).

(xii) *Unreconciled taxable turnover in Table 7G of GSTR 9C:*

Table 7 of GSTR 9C is the reconciliation of taxable turnover. Column 7G of this table captures the unreconciled taxable turnover between the annual return GSTR 9 and that declared in the financial statement for the year after the requisite adjustments.

The certified reconciliation statement submitted by the taxpayer as required under rule 80(3) of CGST/SGST Rules in Form GSTR 9C for the year 2018-19 to 2020-21 was analysed at data level to review the extent of identified mismatch in taxable turnover reported in the Annual Return *vis-à-vis* the Financial Statements. The unreconciled amount in cases where the turnover in GSTR 9 is less than the financial statement could indicate non-reporting, short-

reporting, omission, error in reporting of taxable supplies. It could also be on account of non-reporting of both taxable and exempted supplies.

Audit query on unreconciled taxable turnover in Table 7G of GSTR-9C, amounting to ₹ 604.48 crore during the year 2019-20 was issued in respect of a taxpayer under Circle-A, Bhiwadi was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that ASMT-10 has been issued to the taxpayer. Further progress was awaited (August 2025).

(xiii) E-Commerce suppliers availing Composition levy Scheme:

As per the Provision of Section 10(2) (d) of the CGST Act 2017, Composition Scheme Dealers are not allowed to supply of any goods or services through e-commerce operators and are required to collect tax at source under Section 52 of the act.

To identify those composition taxpayers who have availed the e-commerce facility, the datasets pertaining to GSTR 8 filed by the e-commerce operators and GSTR 4¹³ filed by the composition taxpayers were compared to check whether the recipient GSTINs mentioned in GSTR 8 have also filed GSTR 4.

Apart from irregularly availing the benefit of composition levy, it was also noticed that the turnover as declared by the E-commerce provider in the GSTR 8 returns pertaining to most of these taxpayers was more than the turnover declared by the taxpayers in their CMP-08, for composition levy, hence there may be a likelihood of short payment of tax too.

In the case of a taxpayer under circle-G, Jaipur-III for the year 2018-19, Audit observed that sum of composition turnover was shown as ₹ 0.68 crore in CMP-08 whereas sum of gross amount declared in GSTR 8 was ₹ 1.37 crore as per E-Commerce deductee. As such, the turnover as declared by the E-Commerce provider in the GSTR 8 returns pertaining to the taxpayers was more than the turnover declared by the taxpayers in its CMP-08 for composition levy. The matter was reported to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand has been raised against the taxpayer. Further progress was awaited (August 2025).

(xiv) Cases where GSTR 3B not filed but GSTR 1 available:

GSTR 3B return under rule 61(5) of CGST/SGST Rule 2017 is the only instrument through which the tax liability is offset and ITC is availed.

Efforts were made through data analysis to identify those taxpayers who had not filed GSTR 3B but filed GSTR 1 or whose GSTR 2A was available. The very availability of GSTR 1 and 2A and non-filing of GSTR 3B indicates that the taxpayers had undertaken/carried on the business during the period but have

13 Quarterly return of registered person opting for composition levy.

not discharged their tax liability. It may also include cases of irregular passing on of ITC.

The datasets pertaining to relevant fields in GSTR 1, 2A and 3B were analysed in case of a taxpayer under circle-J, Jaipur III, it was observed that the taxpayer had not filed GSTR 3B in 2019-20 whereas the taxpayer had declared taxable supplies in its GSTR-1 with tax amount of ₹ 7.23 crore. It indicates that the taxpayer had undertaken/carried on the business during the period but have not discharged their tax liability. The matter was reported to the Department and the State Government (December 2024).

In response, the State Government stated (March 2025) that demand has been raised against the taxpayer. Further progress was awaited (August 2025).

(xv) Short Payment of interest:

Section 50 of the Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made there under but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay interest at the rate notified.

The extent of short payment of interest on account of delayed remittance of tax during 2018-19 to 2020-21 was identified through the tax paid details in GSTR 3B and the date of filing of the GSTR 3B. The due date of filing of GSTR 3B for the respective months (including any extension provided) and the actual date of filing of GSTR 3B has been taken into account to work out the interest liability and only the net tax liability (cash component) has been considered to work out the interest payable.

Audit observed that in case of a taxpayer under circle A, Bhiwadi, wherein short payment of interest on account of delayed remittance of tax during 2018-19 was ₹ 0.76 crore. The matter was reported to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that demand has been raised against the taxpayer. Further progress was awaited (August 2025).

2.3.7.1 Response to Audit

Audit selected a sample of 532 taxpayers from amongst the top deviations/inconsistencies in each of the 16 parameters for the period 2018-19 to 2020-21. Audit issued 510 audit queries (926 deviations) amounting to ₹ 5508.92 crore to the Department. The audit check in these cases was limited to verifying the Department's action on the identified deviations/mismatches. The Department replied to all queries issued. However, in 126 deviations with mismatches/inconsistencies of ₹ 779.73 crore, the Department stated that these cases were either being examined or pending under Appeal/NCLT/High court etc.

2.3.7.2 Summary of deficiencies noticed during Centralised audit

Based on responses received from the Department to the Audit Queries, the extent to which each of the 16 parameters translated into compliance deviations (**Appendix 2.1**) is summarized in **Table 2.3**.

Table 2.3: Summary of deficiencies

(₹ in Crore)

Audit Dimension	No. of Tax payers	No. of cases	Cases where reply received		Department reply acceptable to Audit (including action taken before audit and data entry errors)		Compliance deviations							
							SCN issued/Demand raised/Recovery made ¹⁴		ASMT-10/Notice/DRC-01A issued		Department's reply not acceptable to Audit (Rebuttal)		Total	
							No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
ITC mismatch between GSTR 2A and GSTR 3B (D1)	58	93	93	738.69	47	327.00	31	241.41	-	-	2	32.16	33	273.57
ITC Availed without supplier remitting tax (D2)	30	75	75	290.15	60	218.26	06	15.86	-	-	-	-	06	15.86
ITC Availed in GSTR 3B filed after limitation period (D3)	45	57	57	99.28	19	26.46	24	48.82	1	0.16	3	1.96	28	50.94
Incorrect availment of ISD credit (D4)	15	23	23	7.53	10	3.48	8	1.39	-	-	1	1.11	9	2.50
ITC availed under RCM versus payment of tax in GSTR 3 B/GSTR 9 (D5)	35	56	56	72.02	38	46.21	8	17.50	-	-	-	-	08	17.50
Mismatch of ITC availed between Annual returns and Books of accounts (D6)	14	23	23	484.02	13	68.53	7	411.54	2	2.26	-	-	09	413.80
Reconciliation between ITC availed in Annual returns with expenses in financial statements (D7)	15	23	23	647.48	14	81.09	8	563.83	-	-	1	2.56	9	566.39
Unsettled liabilities (D8)	64	112	112	824.65	73	514.22	18	86.21	2	14.81	-	-	20	101.02
Suppression in taxable value in comparison with E-Way bills (D9)	44	103	103	1,569.71	66	934.03	8	83.60	24	487.67	-	-	32	571.27
Mismatch in tax paid between books of accounts and returns (D10)	15	19	19	36.17	12	21.30	2	3.90	1	1.44	1	1.80	4	7.14
Suppression of taxable value identified through TDS/TCS declaration (D11)	24	40	40	495.98	26	143.84	8	89.46	3	7.77	2	6.07	13	103.30
Suppression of taxable value identified through	14	18	18	210.76	13	173.36	1	7.41	2	14.50	-	-	03	21.91

14 SCN issued in 78 cases of ₹ 1,245.26 crore, demand raised in 140 cases of ₹ 334.40 crore and recovery made of ₹ 1.58 crore in 18 cases.

Audit Dimension	No. of Tax payers	No. of cases	Cases where reply received		Department reply acceptable to Audit (including action taken before audit and data entry errors)		Compliance deviations							
							SCN issued/Demand raised/Recovery made ¹⁴		ASMT-10/Notice/DRC-01A issued		Department's reply not acceptable to Audit (Rebuttal)		Total	
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>mismatch in unbilled revenue declared in Table 5 of GSTR 9C (D12)</i>														
<i>Mismatch in taxable turnover declared in GSTR 9C Table 7G (D13)</i>	15	26	26	- ¹⁵	23	-	-	-	2	-	-	-	02	-
<i>Composition taxpayer also availing e-commerce facility (D14)</i>	9	9	9	-	7	-	2	-	-	-	-	-	02	-
<i>GSTR 3B was not filed but GSTR 1 is available (D15)</i>	45	67	67	-	9	-	34	-	02	-	-	-	36	-
<i>Short payment of interest (D16)</i>	68	182	182	32.48	84	15.76	71	10.31	01	0.14	-	-	72	10.45
Total	510	926	926	5,508.92	514	2,573.54	236	1,581.24	40	528.75	10	45.66	286	2,155.65

Audit noticed deviations from the provisions of the RGST Act in 286 cases involving an amount of ₹ 2155.65 crore, constituting 30.89 per cent of the 926 inconsistencies/mismatches in data,-for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as ITC mismatch between GSTR 2A and GSTR 3B, ITC availed in GSTR 3B filed after limitation period, Unsettled liabilities and Suppression in taxable value in comparison with E-Way bills.

In 514 cases, constituting 55.51 per cent of the audit sample, where the Department's replies were acceptable to Audit, data entry errors by taxpayers comprised 52 cases, department had proactively taken action in 113 cases and other valid explanations comprised 349 cases.

In 126 cases, constituting 13.60 per cent of the audit sample (underlying deviations of ₹ 779.73 crore) the Department stated that these cases are either being examined or pending under Appeal/NCLT/High court etc.

Out of 286 compliant deviation cases, in 10 cases though the Department did not accept the deviations pointed out by Audit, its contention was not borne out by evidence, and was thus not amenable to verification by Audit.

15 Total unreconciled taxable turnover (TO) in table 7G of GSTR 9C in the 26 cases is ₹ 7,567.87 crore, out of which Data entry error TO of ₹ 2,166.46 crore in one case, in 22 cases involving mismatched TO of ₹ 3,709.74 crore, valid explanations were provided by the Department and in two cases involving mismatched TO of ₹ 1,191.36 crore ASMT-10 has been issued and remaining one case involving mismatched TO of ₹ 500.31 crore is under stay of High court.

2.3.7.3 Centralised Audit-Reasons for deviations/mismatches noticed during data analysis

Considering the Department's response to 926 cases, the factors that caused the data deviations/inconsistencies are as follows:

(a) Deviations from GST law and rules: Out of the 926 deviations summarized in **Table 2.3** above, the Department has accepted the audit observations or initiated action in 276 cases with tax effect of ₹ 2109.99 crore. Out of these cases, the Department has recovered ₹ 1.58 crore in 18 cases issued SCN/DRC-07 in 218 cases for ₹ 1579.66 crore, issued notice conveying discrepancies to the taxpayer in Form ASMT-10/ DRC 01A in 40 cases for ₹ 528.75 crore. The top five cases accepted or where action was initiated by the Department amounted to ₹ 386.29 crore. Two illustrative cases are featured below:

(i) Suppression in taxable value in comparison with E-Way bills

During audit, it was observed that in case of a taxpayer under Circle-A, Bhiwadi, tax liability payable in GSTR 3B for the year 2020-21 was ₹ 225.99 crore, whereas tax liability payable as per the e-way bills was ₹ 283.92 crore. This resulted in undischarged tax liability amounting to ₹ 57.93 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that ASMT-10 has been issued to the taxpayer. Further progress was awaited (August 2025).

(ii) ITC mismatch between GSTR-2A and GSTR-3B:

Audit observed that in case of taxpayer under Circle A, Bhiwadi, the ITC available as per GSTR 2A for the year 2018-19 was ₹ 93.33 crore whereas the ITC availed in table 4A (5) of GSTR 3B for the year 2018-19 was ₹ 117.44 crore. This resulted in mismatch of ITC availed amounting to ₹ 24.11 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that DRC-01 (show cause notice) has been issued to the taxpayer. Further progress was awaited (August 2025).

(b) Tax evasion by taxpayers:

Audit observed the 23 instances of deviation of ₹129.68 crore pertaining to ITC mismatch between GSTR 2A and GSTR 3B, ITC availed on GSTR 3B filed after limitation period and cases where GSTR 3B not filed but GSTR 1 available, by 20 taxpayers.

Audit pointed out this to the Department (December 2024). The department stated (March 2025) that the registration of all these firms was *ab-initio* cancelled with retrospective effect before being pointed out by Audit and stated that as the firms were found *bogus* and non-existent/traceable, the demand could not be recovered. Out of these 23 instances, SCN was issued in 18 instances and demand of ₹ 152.54 crore in 12 instances (out of 18 instances) was raised. In the remaining five cases it was stated that the SOP for dealing with bogus firms

would be followed and the adjudication order will be passed under Section 122(1)(ii) & 122(1)(vii).

An illustrative case is brought out below:

In case of taxpayer under Circle J, Jaipur -I, the ITC available as per GSTR 2A for the year 2018-19 was ₹ 8.94 crore whereas the ITC availed in table 4A (5) of GSTR 3B was ₹ 27.89 crore. This resulted in excess ITC availed amounting to ₹ 18.95 crore which was communicated to the Department and the State Government (December 2024). In response, the Government stated (March 2025) that the firm was found *bogus* and non-existent and registration of the taxpayer was *ab-intio* cancelled (w.e.f. 13 July 2018) on 06 July 2019. Further, the adjudication order was passed (February 2024) under Section 122(1)(ii) & 122(1)(vii) and demand amounting to ₹ 36.69 crore was created. However, Department further intimated that demand could not be recovered as the firm is non-traceable.

Audit is of the view that the department required to take suitable action under section 79(1)¹⁶ of the Act for the recovery of the excess availed ITC as well as identify the recipient to whom the ITC has been passed by such a non-existent taxpayer through the details furnished in the GSTR-1 by the taxpayer. Further, it is seen that the Department took action only after being pointed out by Audit (January 2024) which indicate weakness in the internal control system.

During the Exit Conference, CCT stated that the bogus firms and fake ITC is the department's biggest concern, and this will be sorted out only after the implementation of an AI-based module.

Recommendation 3: State Government may strengthen the registration and cancellation mechanism to prevent registration of the fake units/entities and ITC frauds.

(c) Inconsistencies/mismatches rebutted by Audit

Out of the audit sample of 926 cases of mismatch/inconsistencies, demand of only ₹ 6.80 crore was raised by the department in 10 cases against the mismatch/inconsistencies of ₹ 45.66 crore. However, the Department did not produce any supporting documents for raising much lesser demand than what was pointed out by Audit. As a result, Audit could not ascertain the veracity of the departmental replies in these cases.

An illustrative case is brought out below:

ITC mismatch between GSTR-2A and GSTR-3B

Audit observed that in case of a taxpayer under Circle I, Jaipur III, the ITC available as per GSTR 2A for the year 2018-19 was ₹ 117.77 crore whereas the ITC availed in table 4A (5) of GSTR 3B for the year 2018-19 was ₹ 134.35

¹⁶ Where any amount payable by a person to the Government under any of the provisions of this Act or the rules made thereunder is not paid, the proper officer shall proceed to recover the amount by one or more modes as prescribed under section 79 (1) of the RGST Act.

crore. This resulted in mismatch of ITC availed amounting to ₹ 16.58 crore which was communicated to the Department and the State Government (December 2024). In response, the State Government stated (March 2025) that DRC-07 has been issued for excess claimed ITC of ₹ 0.24 crore. However, the Department did not produce any supporting documents which assured that raising a demand for lesser than the mismatch amount was justified. As a result, Audit could not ascertain the veracity of the departmental reply.

2.3.8 Detailed Audit (Part III)

In a self-assessment regime, the onus of compliance with law is on the taxpayer. The role of the Department is to establish and maintain an efficient tax administration mechanism to provide oversight. With a finite level of resources, for an effective tax administration, to ensure compliance with law and collection of revenue, an efficient governance mechanism is essential. An IT driven compliance model enables maintaining a non-discretionary regime of governance on scale and facilitates a targeted approach to enforce compliance.

From an external audit perspective, Audit also focused on a data-driven risk-based approach. Thus, apart from identifying inconsistencies/deviations in GST returns through pan-India data analysis, a detailed audit of GST returns was also conducted as a part of this SSCA. A risk-based sample of 100 taxpayers (including 20 taxpayers of mining activities) was selected for detailed audit. The methodology adopted was to initially conduct a desk review of GST returns and financial statements filed by the taxpayers as part of the GSTR 9C and other records available in the back-end system to identify potential risk areas, inconsistencies/deviations and red flags. The desk review was carried out in audit office premises. Based on desk review results, detailed audit was conducted at departmental Circles by requisitioning detailed records of taxpayers such as financial ledgers, invoices etc. to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

2.3.8.1 Scope limitation

Rule 80 (3) of the RGST Rules, 2017 provides that every registered person, other than those referred to in the second proviso to Section 44, an Input Service Distributor, a person paying tax under Section 51 or Section 52, a casual taxable person and a non-resident taxable person, whose aggregate turnover during a financial year exceeds five crore rupees, shall also furnish a self-certified reconciliation statement in Form GSTR-9C along with the annual return, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner. Further, the reconciliation statement in Form GSTR-9C should be prepared and duly signed by the Auditor and other statements, as applicable, including financial statement, profit and loss account and balance sheet etc. must be uploaded with GSTR-9C. However, these records were not properly uploaded with the GSTR-9C. Further, there is no mechanism available with the Department to ensure the completeness of the financial statements uploaded with GSTR-9C.

The jurisdictional Circles did not produce basic records such as Financial Statements/ Trial Balance/ Auditor's Report and GSTR 2A etc. and other records such as debit/credit notes, invoices, reconciliation statement, etc. in 95 cases out of the audit sample of 100 cases. Thus, in 95 *per cent* of the sample audit was restricted to the information available in the returns filed by the taxpayers.

The jurisdiction wise non-production of records is summarised in *Appendix 2.2*. As a result of non-production of records, mismatches/deviations noticed through data analysis, amounting ₹ 476.15 crore, could not be examined in audit.

During the exit conference, the CCT stated that in the future, the Department will explore the possibilities to call for the records of taxpayers under Section 151 of RGST Act, 2017 for the audit.

Non-production of records/information/data impedes CAG's Constitutional and Statutory responsibility under section 16 of the CAG's DPC Act, 1971 to examine whether rules and procedures are designed to secure effective check on the assessment and collection of revenue.

2.3.8.2 Detailed audit– Audit findings

As brought out in the previous paragraph, due to non-production of records, mismatches/deviations noticed through data analysis, amounting ₹ 476.15 crore, could not be examined in audit. Despite that examination of partial records available on the BOWEB portal of the Department such as GST returns, and financial statements, revealed non-compliance of ₹ 304.68 crore by the taxpayers. The audit findings are categorised in three categories *viz.*, audit findings related to GST Returns; audit findings related to ITC; and audit findings related to Tax Liabilities. The findings are discussed in the succeeding paragraphs.

(I) Audit findings related to GST Returns

(a) Non-payment of interest by taxpayers

Section 50 of the RGST Act, 2017 specifies that every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding 18 *per cent*, as may be notified by the Government on the recommendations of the Council. Audit observed that in 225 instances of 32 taxpayers (constituting 32 *per cent* of the 100 taxpayers audited) the taxpayers filed GSTR 3B after due dates during the period, however, interest of ₹ 1.78 crore on delayed payment of tax was not paid. These taxpayers were identified using the tax paid details in GSTR 3B and the date of filing of GSTR 3B. Further, five taxpayers paid tax through DRC- 03, however, interest of ₹ 0.50 crore leviable on delayed payment of tax was not paid.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that recovery of

₹ 0.49 crore has been made in 113 instances after being pointed out by Audit. Further, in four instances (out of these 113 instances) recovery of only ₹ 1919 was made against the recovery of ₹ 21.63 lakh, however, reasons for short recovery were not intimated to Audit. In six cases, action has been taken under business audit. Notice and action for creating demand through ASMT-10/DRC-01/SCN/DRC-07 were issued in 98 cases while taxpayers have filed an appeal against the demand raised in eight cases. Further progress was awaited (August 2025).

Further, in respect of five taxpayers where interest of ₹ 0.50 crore was leviable, it was stated that recovery of ₹ 1.62 lakh has been made in two cases at the instance of Audit, and one case has been disposed of under business audit. ASMT-10/DRC-01 has been issued in two cases. Further progress was awaited (August 2025).

(II) Audit findings related to ITC

(a) Non reversal/ Short reversal of ITC

As per sub-Section (2) of Section 17 of RGST Act read with Rule 42 of RGST Rules, 2017, where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero rated supplies and partly for effecting exempt supplies, the amount of credit shall be restricted to so much of the input tax as is attributable to the taxable supplies including zero-rated supplies. Manner¹⁷ of determination of eligible input tax credit in respect of inputs or input services and reversal thereof has been specified in Rule 42 *ibid*.

Audit observed in case of a taxpayer¹⁸ that the taxpayer had declared total outward supplies of ₹ 3471.93 crore in Table 4B of GSTR-9, out of which supplies of ₹ 27.87 crore was nil rated/exempted, as declared in table 5(D+E) of GSTR-9 during the period 2018-19 to 2020-21. During the same period, the taxpayer also availed ITC of ₹ 406.53 crore. However, the taxpayer had not reversed any ITC, as per GSTR-9. Since the taxpayer had declared both taxable and nil rated/exempted supplies in GSTR-9, the taxpayer was required to reverse the ITC as per the provisions of the RGST Act, 2017 and RGST Rules, 2017, *ibid*. As per the information available with Audit, the taxpayer was required to reverse the ITC of around ₹ 3.34 crore. However, due to the non-production of granular records by the Department, Audit could not calculate the ITC reversal on common inputs.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that no action is required to be taken in the case as the business audit has been conducted for the

17 The amount of input tax credit attributable towards exempt supplies, be denoted as 'D' and calculated as $D = \frac{E \div F}{C} \times C$ where, 'E' is the aggregate value of exempt supplies during the tax period, and 'F' is the total turnover in the State of the registered person during the tax period and Common credit denoted as 'C'. Common credit is ITC on goods or services used for both taxable and exempt supplies, requiring proportional apportionment under Rule 42 *ibid*.

18 Pertaining to circle H Jaipur II.

period 2018-19 to 2020-21. The reply is not acceptable as the scrutiny of the business audit report revealed that the observations pointed out by Audit under the section *ibid* was not included in the business audit report.

Recommendation 4: Department may examine such cases of ITC availment where there are both taxable and nil rated/exempted supplies in detail and take suitable action for reversal of the ITC, where applicable.

(b) In action by the Department for effecting recovery of the excess ITC

During test check of returns filed by the taxpayer and other related information available on GST portal, it was noticed a taxpayer¹⁹ availed ITC on RCM amounting to ₹ 144.38 lakh as per monthly returns GSTR 3B during the year 2020-21. It was, however, observed that ITC of ₹ 142.87 lakh was available as per return GSTR 9C and it was also mentioned in table 15 of GSTR 9C that excess ITC of ₹ 1.51 lakh needs to be paid by the taxpayer. However, the Department recovered the excess ITC along with interest (December 2024 and February 2025) only after being pointed out by Audit.

(c) Mismatch in claim of ITC as noticed from returns

When Audit analysed the GSTR 2A data of selected taxpayers along with GSTR 3B, GSTR 9 and GSTR 9C filed by the taxpayers, there were 99 instances of mismatch of ITC of ₹ 260.07 crore among various returns and tables. These mismatches could not be examined in detail by Audit since relevant records were not produced by the Department. The cases of mismatches are tabulated below:

Table 2.4: Mismatch in claim of ITC

Sl. No.	Parameter	No. of cases	No. of circles	Amount of mismatches (₹ in crore)	Remarks
1	Mismatch in ITC reversal relating to IGST between Table 7 (I) of GSTR 9 (₹ 0.69 crore) and GSTR 3 B + DRC 03 (₹ 0.09 crore).	01	01	0.60	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that demand has been raised, however, the taxpayer has filed an appeal against the demand order. Further progress was awaited (August 2025).
2	Mismatch in availing of ITC between GSTR 3B (Table 4A: ₹ 257.89 crore) and GSTR 9 (Table 7J+ Table 8C: ₹ 242.99 crore).	02	01	14.90	The matter was reported to the Department and the State Government (December 2024). State Government stated (March 2025) that demand has been raised, however, the taxpayer has filed an appeal against the demand order. Further progress was awaited (August 2025).
3	Mismatch between ITC availed under RCM (Table	12	06	19.79	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025)

¹⁹ belonging to circle-A Jaipur-IV.

Sl. No.	Parameter	No. of cases	No. of circles	Amount of mismatches (₹ in crore)	Remarks
	6C+6D+6F of GSTR 9) and tax paid under RCM (Table 4G of GSTR 9)				that recovery of ₹ 0.69 lakh had been made in three cases at the instance of Audit. Action has been taken in one case under business audit. However, key documents in support of the reply were not provided to Audit. Notice/DRC-07/DRC 01 has been issued in six cases and one case is pending under appeal. In remaining one case, it was stated in respect of mismatch in ITC of ₹ 12.22 crore that the taxpayer paid tax under RCM but claimed short RCM ITC of CGST ₹ 6.11 crore and SGST ₹ 6.11 crore in financial year 2017-18 which was claimed in 2018-19. The reply is not acceptable as the month in which the ITC availed was not mentioned in the reply due to which Audit could not ascertain whether the ITC was availed within prescribed time limit. Audit also noticed that Nil amount was mentioned in table 13 of GSTR 9 of 2017-18 under the head 'ITC availed for the previous Financial year'.
4	ITC mismatch between GSTR 2A and GSTR 3B. ITC available as per GSTR 2A and the ITC availed in GSTR 3B in Table 4A (5) including 4(D) blocked credits and subsequent years from Table 8C of GSTR 9.	84	39	224.78	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that in two cases the difference was due to goods in transit, therefore, ITC was claimed in the next financial year. In three cases, ITC in respect of Bill of Entry was not reflecting under the IGST head of GSTR 2A. In nine cases, business audit has been conducted, and action is being taken accordingly. In 13 cases, recovery (₹ 0.41 crore) has been made at the instance of Audit. Further, DRC-01/DRC 07 has been issued in 38 cases, taxpayer had filed an appeal in nine cases and five cases are under examination. In four cases the replies were either incomplete or not as per the observations of Audit while no reply was provided in one case.

(III) Audit findings related to Tax Liabilities

(a) Non-Payment of GST under Reverse Charge Mechanism

(i) Section 9(3) of the Act specifies categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both. Further, Section 9(4) of the Act provides a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both. Notification No. 13/2017- Central Tax (Rate) dated 28 June 2017

prescribed that RCM is to be paid by recipient on supply of legal services to a business entity and supply of services by goods transport agency.

Audit scrutiny revealed that five taxpayers in respect of 14 cases received inward supply of services related to legal consultation and supply of services by goods transport agency on which GST of ₹ 3.93 crore was payable under RCM.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that recovery²⁰ has been made in six cases at the instance of Audit and action has been taken in one case under Business Audit however, Business Audit Report was not provided for supporting the reply. In two cases, it was stated that the taxpayer does not maintain separate P&L account or expenses ledger for each GST registration and value of legal and professional fee appearing in the audited final statement of relevant year is of an entity as a whole on PAN India basis and same cannot be attributed to any single state. The taxpayer had not received any legal services during the relevant period which can also be substantiated from GSTR- 2A. However relevant documents in support of the reply were not provided to Audit. The reply is not acceptable as the instructions to fill GSTR 9C prescribe that where multiple GSTINs (State-wise) registrations exist on the same PAN, such entities will have to internally derive their GSTIN-wise turnover and declare the same.

DRC-01 has been issued in two cases while demand notice has been issued in three cases.

(ii) As per State Government Notification no.F.12 (56) FD/Tax/2017 dated 29 June 2017, under section 9(3) of the RGST Act 2017, services supplied by the Central Government to a business entity are taxable under RCM.

Audit scrutiny revealed that two taxpayers²¹ in five cases, disclosed the expenses in his financial statement i.e., AGR Based License Fee, Satellite & Spectrum Charges and Royalty amounting to ₹ 127.27 crore. Services provided by the Central Government to a business entity are taxable under RCM as per the notification *ibid*. However, the taxpayers did not pay tax under RCM on the above services. As consolidated figures were available in the financial statement and State specific figures were not provided by the department, the tax liability of the taxpayer in the state could not be worked out.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) in respect of two cases, that royalty expenses were related to all sites in various states having different GSTIN and the RCM paid on royalty amount and figures of the same are matched with the RCM paid during the year under consideration. However relevant documents in support of the reply were not provided to Audit. The reply is not acceptable as the instructions to fill GSTR 9C prescribe that where multiple GSTINs (State-wise) registrations exist on the same PAN, such entities will have to internally derive their GSTIN-wise turnover and declare the same.

20 ₹ 1,23,094.

21 Pertaining to circle I Jaipur III, and circle D Jodhpur II.

In one case, taxpayer had paid the tax liability under RCM after being pointed out by audit. In two cases, demand has been raised. Further progress was awaited (August 2025).

(IV) Payment of GST on advances

Section 13(2) of the Act provides that time of supply of services shall be the earliest of the following dates, namely (a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under section 31 or the date of receipt of payment, whichever is earlier; or (b) the date of provision of service, if the invoice is not issued within the period prescribed under section 31 or the date of receipt of payment, whichever is earlier; or (c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply.

Audit scrutiny revealed that a taxpayer declared current liabilities amounting to ₹ 257.99 crore as “Advance from Customers” in the Balance sheet for the year 2018-19. However, no tax was found paid on these advances received from the customers, as observed from the GSTR-1 and Annual return.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that advances were carried forwarded from the financial year 2017-18 and liability was discharged on the new advances received in current financial year. The reply is not acceptable as tax liability on advance received was shown as NIL in GSTR-1 and Annual return of the year 2017-18 and 2018-19.

(V) Mismatch in tax liability and taxable turnover as noticed from returns

When Audit analysed the GSTR 1 and GSTR 9, data of selected taxpayers along with GSTR 3B, GSTR 9 filed by the taxpayers, there were 54 instances of mismatches in tax liability of ₹ 35.04 crore and nine instances of taxable turnover of ₹ 3808.26 crore among various returns and tables. These mismatches could not be examined in detail by Audit since relevant records were not produced by the Department. The details are tabulated below:

Table 2.5: Mismatch in tax liability

S. No.	Parameter	No. of cases	No. of circles	Amount of mismatches (₹ in crore)	Remarks
1	Mismatch between the tax paid in GSTR-1 and GSTR 9/3B	48	27	34.52	The matter was reported to the Department and the State Government (December 2024). State Government stated (March 2025) that recovery (₹ 2.44 lakh) has been made in 10 cases at the instance of Audit. Four cases have been settled under business audit. Further, the difference is due to technical error in one case as the tax liability was not shown in table 9 of GSTR 9. In two cases, it was stated that the mismatch is due to non-adjustment of the credit notes and in one case difference is due to non-adjustment of advance and tax thereon in GSTR 1. In two cases the mismatch is due to excess payment of tax in previous year.

S. No.	Parameter	No. of cases	No. of circles	Amount of mismatches (₹ in crore)	Remarks
					ASMT-10/DRC-01/SCN/DRC-07 has been issued in 28 cases.
2	Mismatch in tax liability RCM tax liability auto drafted in Part-A of GSTR 2A (comparison statement) and the RCM tax liability in GSTR 3B (Table 3.1(d)).	04	03	0.19	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) in respect of two cases that there is no liability under RCM as the taxpayer has paid the RCM in GSTR 3B as per the liability in latest GSTR 2A, however key documents in support of the reply were not provided to audit. In one case demand of ₹ 7.67 lakh has been raised while SCN has been issued in the remaining one case.
3	Mismatch of tax liability under RCM (₹ 4.51 crore) as per GSTR 3B Table 3.1 (d) and GSTR 9 Table 4G whereas tax to be paid under RCM as per Table 6B of GSTR 3B and GSTR 9 Table 9 (₹ 4.18 crore)	02	01	0.33	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that action has been taken under business audit in one case, however, key documents in support of the reply were not provided to Audit. In another case demand has been created, however, the taxpayer has filed an appeal against the demand order.
Mismatches in Turnover					
4	Unreconciled taxable turnover in Table 7G of GSTR 9C	03	02	612.76	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that action has been taken under business audit in two cases. The reply is not acceptable as the observation pointed out by the Audit not included in the business audit report. Further, DRC- 01 has been issued in one case.
5	Suppression of taxable value identified through mismatch in unbilled revenue declared in Table 5 of GSTR 9C	06	02	3,195.50	The matter was reported to the Department and the State Government (December 2024). The State Government stated (March 2025) that ASMT-10 has been issued in three cases, demand of ₹ 37.76 lakh has been raised in one case, while one case is under stay of Hon'ble Rajasthan High court. In remaining one case, it was stated that the taxpayer has issued the invoice in the next financial year, however, key documents in support of the reply were not provided to Audit.

2.3.9 Conclusion

The Subject Specific Compliance Audit (SSCA) on 'Department Oversight on GST Payments and Return Filing' Phase II was taken up as a continuation of the SSCA conducted during the year 2022-23 (Phase I), considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Commercial Taxes Department (Department), Government of Rajasthan (GoR) in this new tax regime.

A data driven approach was adopted for planning, as also to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for centralized audit for the returns filed period 2018-19 to 2020-21 that did not involve field visits; a sample of taxpayers for detailed audit that involved field visits and scrutiny of

taxpayer's records at departmental premises; and a sample of Circles for evaluating the compliance functions of the circles.

The audit sample, therefore, comprised 10 Circles, 962 high value mismatches/inconsistencies across 16 parameters selected through data analysis and 100 taxpayers selected on the basis of risk assessment for detailed audit of GST returns.

A review of the 10 Circles disclosed that the Department issued (January 2022) detailed guidelines/SOP on scrutiny of returns with a view to ensuring the uniformity and to standardize the procedure for the scrutiny proceeding as per section 61 of the Act, a Business Intelligence Unit (BIU) was constituted. However, the scrutiny functions were not effective as out of 200 cases, scrutinized by the 10 Circles, in 24 cases (12 *per cent*), deviations relating to mismatch in ITC availed, mismatch in tax liability and non-payment of tax under RCM were not examined by the Department during scrutiny. Audit also observed the delay in Business audit by the department and lack of action on non-filers of GST returns.

Out of the 926 deviations, the Department has accepted the audit observations or initiated action in 276 cases with tax effect of ₹ 2109.99 crore. A relatively higher rates of deviations were noticed in risk parameters such as Excess ITC availed, ITC availed in GSTR 3B filed after limitation period, unsettled liabilities and suppression in taxable value in comparison with E-way bills etc. While data entry errors caused the mismatches/inconsistencies in 5.62 *per cent* of the cases, in 12.20 *per cent* of the cases the Department had already taken proactive action. In 126 cases, constituting 13.60 *per cent* (underlying deviations of ₹ 779.73 crore) the Department stated that these cases are either being examined or pending under Appeal/NCLT/High court.

Detailed audit of GST returns also suggested significant non-compliance. Further, essential basic records such as financial statements, trial balance and GSTR 2A etc., were not produced in 95 cases out of a sample of 100 taxpayers, which constituted a significant scope limitation. Audit could not examine mismatches/inconsistencies in ITC availment and tax payments of ₹ 476.15 crore in these cases.

With the limited records available with audit such as returns and annual financial statement through SSOID based access to backend application of the Department, Audit observed compliance deviations of ₹ 304.68 crore. The main causative factors were Non reversal/Short reversal of ITC, Mismatch in availing of ITC, Mismatch in tax liability, Non-Payment of GST under RCM and Non-payment of interest etc.

Considering the significant rate of compliance deficiencies, Audit recommended the following:

1. *In the era of self-assessed tax regime, business audit is one of the main tools for ensuring compliance by the taxpayers. Further, departmental action against non-compliant taxpayers is a time bound activity under Section 73 of the RGST Act. In view of this, Audit recommends that efforts may be made to*

increase the selection of taxpayers for the business audit, as prescribed in the audit manual and to ensure that audits of the selected cases are completed in a timely manner.

2. The Department needs to take prompt steps to undertake the remaining Business audits, as highlighted by audit, so that timely action could be initiated against the defaulters and recoveries, if any, could be effected.

3. State Government may strengthen the registration and cancellation mechanism to prevent Registration of the fake units/entities and ITC frauds.

4. Department may examine such cases of ITC availment where there are both taxable and nil rated/exempted supplies in detail and take suitable action for reversal of the ITC, where applicable.

2.4 Subject Specific Compliance Audit on ‘E-Way Bill System under Goods and Services Tax’

2.4.1 Introduction

Goods and Services Tax (GST) has been introduced with effect from 01 July 2017, subsuming a wide range of Indirect taxes based on the paradigm of ‘One Nation One Tax’. The regime has been designed as a fully electronic solution to provide taxpayer-related services. One of the intended objectives of GST regime was to improve efficiency in movement of goods and services by reducing process-related time delays.

Way bill was a feature present even in pre-GST regime wherein movement of goods was administered through manually governed (revenue) check posts. Goods entering a particular State was levied an ‘Entry Tax’ which has since been subsumed under GST. E-Way Bill (EWB) is conceived as a shift from Government-monitored tax administration model to a self-reporting model by the taxpayer.

The Government’s key objective behind introduction of EWB was to safeguard the revenue. EWB is a document required for movement of goods and is designed to capture details of goods before being moved. Automation and standardisation of the entire process was intended to help check tax evasion and shore up GST collections. EWB is also designed to dissolve the non-trade barriers *i.e.*, Check posts, entry tax so that transit time is reduced, and supply chain efficiency is improved.

2.4.2 Organisational structure of the Department

The Chief Commissioner, State Tax administers the RGST Act and Rules under the overall control of Additional Chief Secretary, Finance Department, Government of Rajasthan. The Chief Commissioner is assisted by 26 Additional Commissioners, 57 Deputy Commissioners (DCs) and a Financial Advisor. For effective implementation of Government Policies and Taxation Activity, the Commercial Taxes Department (Department) is divided into 16 Zones. Other than this, six Business Audit Wings, three Central Enforcement Wings, one Business Intelligence Unit, one Authority for Advance Ruling, Central

registration unit, Taxpayer Care Unit, Cyber Cell are functioning at Headquarters level. Further, 10 First Appellate Offices, two GST Appellate Tribunal, 135 regular circles, nine enforcement circles and 27 business audit circles are established. DCs (Administration) who is the senior most Administrative at the Zone Level are responsible for monitoring.

The assessment and the recovery of tax is undertaken at the level of Joint/Deputy/Assistant Commissioners posted in Circles and wards respectively. For hearing of appeals against the orders passed by Appellate Authorities there are 10 DCs (Appeals), who are the first appellate authorities.

2.4.3 Information system used in the administration of EWB

EWB system has been conceived as a fully electronic system under GST. GST Council has mandated that the common portal for generation of EWB shall be <https://ewaybillgst.gov.in/>. This is different from the GST Common portal (<https://gst.gov.in>), which is the front end portal for the taxpayers for registration, return filing and tax payments. As EWB Common portal depends on the information from GSTN, one-time registration of the Consignor, Consignee and the transporter on the EWB portal is required. There are three types of taxpayers who are of relevance in the EWB system: - GST-registered Suppliers; GST-registered/Unregistered Transporters and Unregistered suppliers.

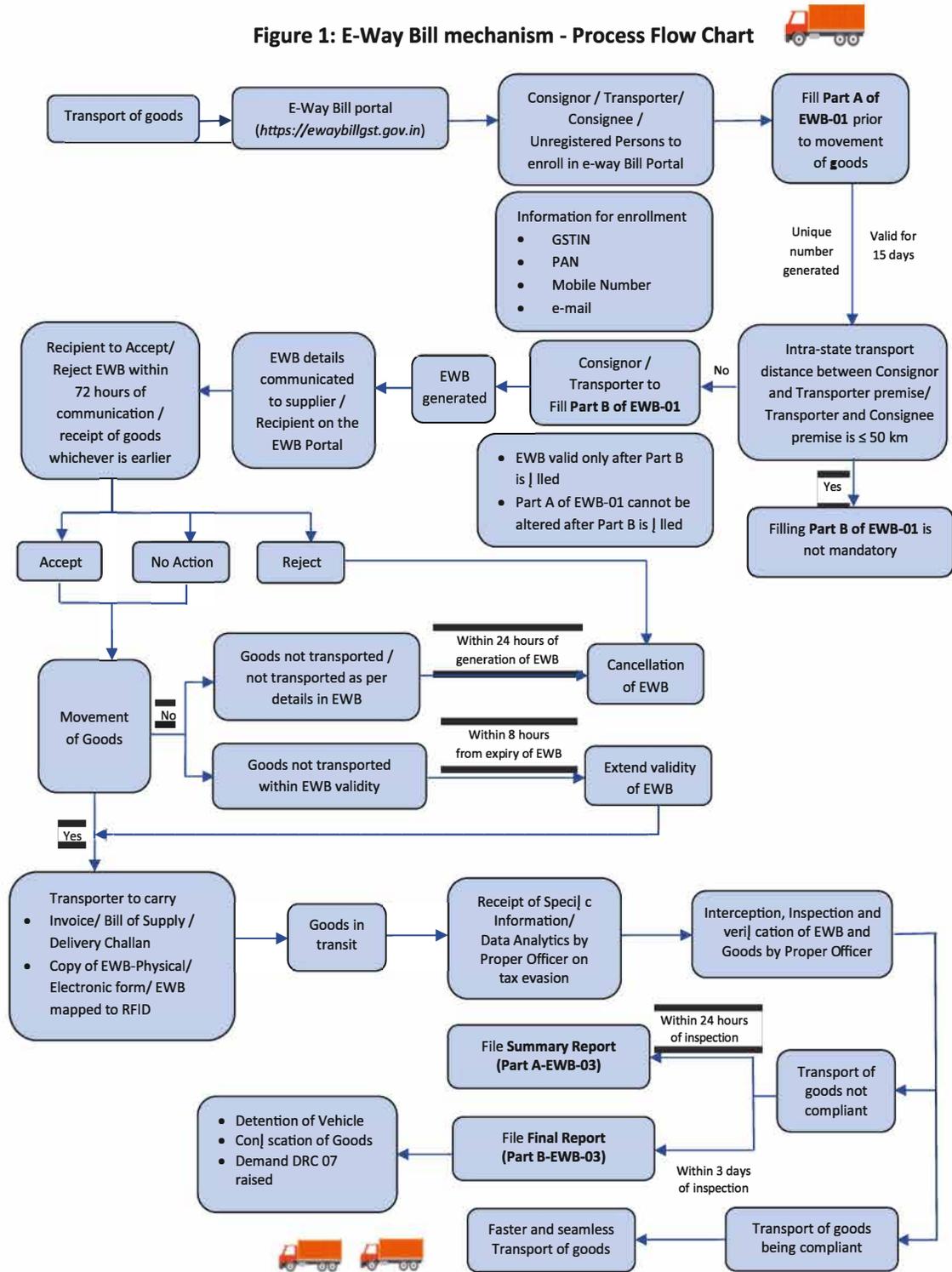
The EWB Common portal is managed by National Informatics Centre (NIC) based in Karnataka. In February 2020, EWB portal has been integrated with the VAHAN system of the Ministry of Road Transport & Highways, so that vehicle registration number can be validated at the time of generating EWB. Vehicle number (RC) entered in the EWB would be verified in the VAHAN database for its existence/correctness. Radio Frequency Identification Device (RFID)/FASTags has been integrated with the EWB system w.e.f. 01 January 2021 and a transporter is required to have a RFID tag in the conveyance and EWB details will be uploaded in the RFID tag.

The Proper Officers (State/UT) can discharge their duties vis-à-vis EWB through two means: 1) Logging into EWB Common Portal through a web browser using the login credentials provided or 2) Logging into the GST EWB System Mobile App available on Google Play Store/Apple Store. There are no other separate devices required for EWB verification. The functions performed by the proper officer using the EWB Common Portal/Mobile App are Verification of EWB, Unblocking of EWB, Viewing and accessing MIS reports etc.

2.4.4 E-Way Bill process

The EWB system includes various processes such as the Enrolment of the required persons in the portal, generation of EWB, extension, cancellation, or rejection of the EWB generated. The list of forms involved in the EWB system are provided in **Appendix-2.3**. The entire process flow of EWB system under GST is depicted in **Figure 1**.

Figure 1: E-Way Bill mechanism - Process Flow Chart



2.4.5 Audit objectives, criteria, scope & sampling methodology

2.4.5.1 Audit objectives

This SSCA was taken up with the following audit objectives:

1. Whether the EWB mechanism was effective in protecting revenue interest of the Government.
2. Whether the Preventive/Enforcement activities of the Department in enforcing EWB provisions are efficient and effective.

2.4.5.2 Audit criteria

The SSCA on “E-Way Bill system under GST” has been evaluated against the following audit criteria:

- » Sections 10, 17, 25, 29, 37, 39, 44, 68, 73, 74, 129, 130 etc. of Central/Rajasthan Goods and Services Tax Act, 2017 (CGST/RGST Act) and IGST Act, 2017.
- » Rules 46, 59, 60, 61, 62, 80, 138 etc. of CGST/RGST Rules, 2017 and IGST Rules.
- » Notifications/Circulars/Instructions authorized by GST Council and issued by CBIC/Commercial Taxes Department (CTD) of Rajasthan.
- » Advisories/Standard Operating Procedures issued by NIC, CBIC, CTD.

2.4.5.3 Audit scope and methodology

EWB transactions of the persons registered in the EWB portal pertaining to the period between 1 April 2018 and 31 March 2022 were covered in the SSCA. Audit carried out an examination of the overall performance of EWB system in the GST regime with reference to the Audit objectives. EWB data (generated) for the Audit period has been extracted from GSTN and has been analysed. Movement of conveyances by roadways alone have been considered for this Audit and Railway/Airway/Seaway EWBs have been excluded from the scope of this Audit.

The scope of audit also involved evaluation of the preventive functions of the department with reference to EWBs, viz., interception of vehicles, verification of documents, inspection of goods and action taken thereof.

An entry conference was held with the Secretary, Finance (Revenue) and Chief Commissioner of State Tax, Rajasthan on 21 April 2023. The field study was conducted between May 2023 and March 2024. The Exit Conference was held on 21 April 2025 with Secretary, Finance (Revenue) Department, Government of Rajasthan and other officers of the Department in which the audit findings were discussed. The views expressed by the State Government during the Exit Conference and the written replies to the draft paragraph have been suitably incorporated in the relevant paragraphs.

2.4.5.4 Audit sampling methodology

A problem-centric approach has been attempted for this SSCA as EWB generation under GST is a necessary condition to precede any movement of goods subject to the threshold limit. Samples for Audit Objective-1 evolved based on the 22 Key Problem Areas (KPA)/Risk Dimensions identified as detailed in *Appendix-2.4*

Audit objective-1:

For Audit objective-1, the unit of sampling was EWBs spread over the audit scope period. A total of 160 EWBs²² pertaining to 65 taxpayers were selected based on risk analysis for substantive audit. In addition, 32 cases of Unregistered Persons and 12 cases where the consignor and the consignee were shown to have the same PAN were also selected.

Further, data analysis of the entire E-Way Bill data set was carried out based on six risk dimensions²³ and the deviations detected were directly issued as observations for the Department to verify and initiate appropriate action.

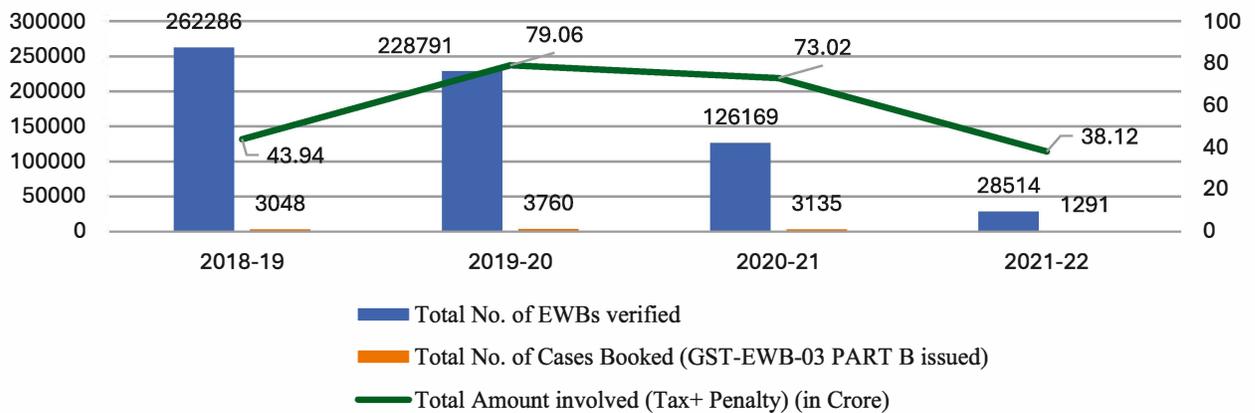
Audit objective-2:

For Audit objective -2, the sampling unit was the departmental formation dealing with preventive/enforcement activities. Out of nine enforcement circles, 209 booked cases were selected from five Enforcement Circles²⁴. Additionally, 80 booked cases were also selected from three Regular Circles²⁵, which had the maximum booked cases.

2.4.6 Trends & Insights of EWB data

In Rajasthan, there were 8,72,352 taxpayers²⁶ registered actively as of December 2023. The trend on verification of EWBs by the Department and the value involved for the period covered in audit, as provided by the Commercial Taxes Department, Rajasthan is depicted in the following graph.

Trends of EWBs verified, booked and Total amount involved in EWBs verified



Source: (information furnished by Commercial Taxes Department.)

22 160 cases selected based on risk analysis.

23 Generation of EWBs by (a) cancelled taxpayers, (b) non-filers of GST returns, (c) the taxpayers filing nil returns, (d) Composition taxpayer who had crossed prescribed threshold limit, (e) ineligible taxpayers continuing in Composition Scheme and (f) Generation of multiple EWBs using same Invoice.

24 A- Enforcement Wing-I, Jaipur, B-Enforcement Wing-II, Jaipur, C-Enforcement Wing-I, Jaipur C-Enforcement Wing-II, Jaipur and A-Enforcement Wing-III, Jaipur.

25 Three regular circles: A-Hanumangarh, Jhunjhunu and B-Udaipur.

26 Data Source- Administrative Report of Commercial Tax Department- 2023-24.

The graph shows that in total number of EWBs verified, there is significant decline from 2.62 lakhs to 0.29 lakhs during the period 2018-19 to 2021-22. Further, in respect of booked cases, the number of cases and amount involved increased from 3,048 cases entailing an amount of ₹ 43.94 crore in 2018-19 to 3,760 cases entailing an amount of ₹ 79.06 crore in 2019-20. However, from 2019-20 to 2021-22 the number of booked cases decreased by 65.66 per cent from 3,760 cases with an amount of ₹ 79.06 crore in 2019-20 to 1,291 cases with an amount of ₹ 38.12 crore in 2021-22.

Audit Findings

2.4.7 Observation detected in analysis of data of E-Way Bills

Data analysis of EWBs generated during the period from April 2018 to March 2022, disclosed discrepancies in 2,00,440 EWBs involving 30,753 taxpayers, as summarised in **Table 2.6** below, which were issued as audit observations for the department to verify and determine deviations in tax compliance.

Table 2.6: Details of Observations of Data Analysis

S. No.	Nature of Observation	No. of taxpayers	No. of EWBs	Assessable Value involved (₹ in crore)	Circles ²⁷
1	Generation of Inter-State EWBs by Composition taxpayers	323	865	12.25	110
2	Generation of EWBs by Composition taxpayers who had crossed prescribed threshold limit (upto ₹ 1 crore)	7	1799	70.57	7
	Generation of EWBs by Composition taxpayers who had crossed prescribed threshold limit (upto ₹ 1.5 crore)	1	45	5.93	1
3	Generation of EWBs by non-filers of GST Returns	3507	31024	852.32	135
4	Generation of EWBs by cancelled taxpayers	528	16752	1271.62	122
5	Generation of multiple EWBs using same invoice	8,009	29879	8.05	135
6	Generation of E- Way Bills by Nil filers of GST Returns	18,378	1,20,076	4,443.64	135
Total		30,753	2,00,440	6,664.38	645

In response to these findings being issued to the Department and State Government (December 2024), the State Government replied (April 2025) that notices have been issued to 5,205 taxpayers and response is yet to be received in respect of 19,537 taxpayers while observation was not accepted in respect of 6,011 taxpayers.

²⁷ Total number of Circles in Rajasthan-135.

2.4.8 Effectiveness of EWB mechanism in protecting revenue of Government

2.4.8.1 Scope limitation due to non-provision of login IDs of EWB portal

Section 16 of Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 lays down the audit mandate of the CAG regarding audit of receipts. Further, Section 18(2) of the CAG's DPC Act 1971 imposes a statutory duty on Offices/Departments to comply with the requests for information in as complete a form as possible and with all reasonable expedition.

The information provided while generating E-Way Bill such as GSTIN of recipient, place of delivery, invoice number, invoice date, value of goods, HSN code etc. shall be made available to the registered supplier on common portal who may utilize the same for furnishing details in form GSTR-1. To analyse veracity of EWBs and analysis thereon on *boweb* portal²⁸, user-based ID and password of EWB officer module was requested from the Department. In reply, it was stated that access of this module was allowed only to the tax officers of the Department.

Due to non-provision of login IDs to access the EWB officer module, Audit could not ascertain whether the taxpayers in these cases had correctly reported the details of E-way bill supply in the GST returns. Therefore, audit findings are based on the records available on *boweb* portal and responses provided by the Department to audit queries.

Recommendation 1: State Government may ensure provision of read only access of EWB portal to Audit.

2.4.8.2 Generation of EWBs by cancelled taxpayers

Rule 138(1) of the RGST Rules 2017, prescribes that registered taxpayers are permitted to generate EWBs. Further, as per Section 63 of the RGST/CGST Act, where a taxable person whose registration has been cancelled, but who was liable to pay tax, the proper officer may proceed to assess the liability of such a taxable person to the best of his judgment. A cancelled taxpayer cannot generate EWBs, as he may be passing on ITC without filing of returns, resulting in non-payment of tax.

Audit identified 62 EWBs pertaining to 24 taxpayers²⁹ involving an assessable value of ₹ 3.10 crore as high-risk taxpayers whose registration was already cancelled or subsequently cancelled by the Department. These included nine EWBs of six taxpayers with assessable value of ₹ 0.74 crore, who had either filed nil returns or did not file their returns. However, Audit could not examine

²⁸ Backend application of the Department.

²⁹ One taxpayer generated one EWB after date of cancellation of registration and five EWB before cancellation of registration.

all the EWBs generated by these taxpayers for all the 22 KPAs as login-ID for accessing EWBs was not provided to Audit.

The details of cancellation of registrations of all these taxpayers are as follows.

(i) Registration of four taxpayers was cancelled by the Department with retrospective effect. Reasons for cancellation were non-existence of unit, closure of business or no response to the notice etc. In these cases, taxpayers had generated 15 EWBs with an assessable value of ₹ 1.48 crore, as per the data available with Audit.

(ii) In respect of two taxpayers, effective date of registration cancellation was the date on which the registration was cancelled by the Department due to non-responsiveness of the taxpayers to the notice. These taxpayers had generated three EWBs with assessable value of ₹ 0.03 crore, as per the data available with Audit, after the date of cancellation.

(iii) In respect of 19 taxpayers whose registration was cancelled (registration of 7 taxpayers cancelled retrospectively and that of 12 taxpayers cancelled from the date of cancellation order), the 44 EWBs with assessable value of ₹ 1.59 crore were generated before the effective date of cancellation.

However, examination of the cancellation orders of these cases revealed that the Department did not assess any tax liability at the time of cancellation and issued cancellation orders without any demand. Thus, GST at applicable rates on assessable value to the tune of ₹ 3.10 crore was not paid to the Government.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that DRC-01³⁰/DRC-07³¹/notices have been issued to 21 taxpayers (in 56 EWBs) and recovery of ₹ 2.66 lakh has been made from one taxpayer (in four EWBs). Further, in case of two taxpayers (two EWBs) Circle Officer has been directed to provide compliance.

Illustrative cases are given below:

(i) A taxpayer under circle K, Jaipur-III had generated five EWB's, involving taxable value ₹ 1.14 crore, during the month of August 2020. However, the taxpayer had filed *Nil* GSTR-3B from April-2020 to July-2020 and no returns was filed thereafter.

Further examination of records revealed that the Department had cancelled the registration of the taxpayer retrospectively with effect from 1 July 2017 in September 2020 due to non-existence of unit. However, the Department did not assess any tax liability in the cancellation order.

30 Summary of SCN.

31 Summary of the Order (Tax, Interest & Penalty).

State Government stated (April 2025) that taxpayer was found fake, therefore, registration was cancelled *ab initio w.e.f.* 1 July 2017 and central authority has created demand of ₹ 3,462. Reply is not acceptable as the taxable value of these five EWBs alone was ₹ 1.14 crore and the possibility of more such EWBs was not ruled out.

(ii) Two taxpayers pertaining to two Circles³² had generated three EWB's involving taxable value ₹ 2.75 lakh.

In case of one taxpayer E-Way bill of assessable value ₹ 0.70 lakh was generated on 18 January 2020 after the date of cancellation of registration and the taxpayer had only filed a *Nil* return of GSTR-3B for October 2019 and no returns were filed thereafter during the year 2019-20. Further examination of records revealed that while the Department had cancelled the registration of taxpayer from 17 January 2020 (date of cancellation order), the Department did not assess any tax liability.

In case of other taxpayer two E-Way Bills of assessable value ₹ 2.05 lakh were generated during June and August 2019 and the taxpayer had only filed a *Nil* return of GSTR-3B for April 2019 in October 2020 and no returns were filed thereafter during the year 2019-20. The Department while cancelling the registration of taxpayer from 21 November 2019 (date of cancellation order) did not assess any tax liability. It was further observed that the taxpayer filled *Nil* GSTR-3B of April 2019 which was filled in October 2020 i.e after cancellation of registration.

State Government stated (April 2025) that in one case direction has been issued to jurisdictional officer and in the other case demand has been raised. Reply did not address the issue of generation of EWBs after cancellation of registration.

Recommendation 2: State Government may establish a mechanism to ensure that proper officers cancelling registration retrospectively, assess the tax liability or conclude best judgement assessment duly considering the quantum of E-Way Bills generated.

Recommendation 3: State Government may ensure with NIC that suitable validations are built in the EWB system to prevent generation of EWBs after the effective date of cancellation.

2.4.8.3 Ineligible taxpayers continuing under Composition Scheme

As per section 10 (1) of the RGST Act, 2017 (Act) a registered person whose aggregate turnover in the preceding financial year did not exceed the threshold limit³³ may opt to pay tax under the Composition Scheme. Section 10(2)(c) of the Act provides that he shall not be eligible to opt for composition scheme if he is engaged in making any inter-State outward supplies of goods.

³² Circle- Kishangarh, Ajmer & Circle-B, Rajsamand.

³³ Threshold limit per year for becoming eligible for the composition scheme was ₹ 1 Crore between 01.04.2018 to 31.01.2019 and ₹ 1.5 crore thereafter. In respect of Special Category States, it is ₹ 75 lakh.

As per Section 61 of RGST/CGST Act, 2017, various returns filed by the taxpayers have to be scrutinized by the proper officer to verify the correctness of the returns, and suitable action has to be taken on any discrepancies or inconsistencies reflected in the returns.

During data analysis, it was observed that two taxpayers registered under the Composition Levy Scheme under Section 10 (1) of the Act *ibid* had generated 31 EWBs for outward supply of assessable value of ₹ 3.29 crore during the period April 2019 to January 2021. Further, the aggregate turnover of the taxpayers exceeded the threshold limit for Composition Scheme and therefore, the taxpayers were required to switch their registration to “normal category” from the date on which they exceeded the threshold limit of turnover and liable to pay tax at normal rates.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) in case of 29 EWBs pertaining to one taxpayer that goods supplied by the taxpayer was not for sale but for storage and there was no evasion of GST. Further in respect of two EWBs, it was stated that DRC-07 has been issued.

2.4.8.4 Generation of EWBs for the transactions effected by suspicious vehicles

As per Rule 138(2) of the RGST Rules, 2017 where the goods are transported by the registered person as a consignor, whether in his own conveyance or a hired one or a public conveyance, by road, the said person shall generate the EWB in FORM GST EWB-01³⁴ electronically on the common portal after furnishing information in Part B of FORM GST EWB-01. Where the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter on the common portal and the EWB shall be generated by the transporter on the said portal based on the information furnished by the registered person in Part A of FORM GST EWB-01. Vehicle number is required to be provided in Part-B of EWB-01.

During the audit, 12 EWB transactions, generated by 10 taxpayers, were identified as risky as these transactions were affected by using stolen/scraped/surrendered vehicles etc as summarized in **Table 2.7** below:

Table 2.7: EWBs generated by suspicious vehicles

Sl. No.	Circle	Nature of vehicles used for generation of EWBs	No. of EWBs	No. of Taxpayers	Reply/Rebuttal
1	D & G, Jaipur-III	Two wheelers	02	02	In one case, no business activities are carried out by the taxpayer at the declared place, therefore the registration of the taxpayer cancelled <i>suo moto</i> . The reply is not acceptable as the EWBs have been generated evidencing that business activity was carried out. SCN has been issued in another case.

34 Bill for movement of goods. It should be generated in EWB portal before commencement of shipment.

Sl. No.	Circle	Nature of vehicles used for generation of EWBs	No. of EWBs	No. of Taxpayers	Reply/Rebuttal
2	D, Jaipur-III	Stolen vehicles	02	01	DRC-07 has been issued.
3	A, Bikaner	Suspended vehicles	01	01	DRC-07 has been issued.
4	J Jaipur-II & L Jaipur-III	Surrendered vehicles	02	02	In one case registration has already been cancelled and ITC of the recipient was being examined. In another case, survey and search action have been completed by CGST authority.
5	G, Jaipur-II & N, Jaipur-III	Scrapped vehicles	02	02	DRC-01/notice has been issued.
6	H Jaipur-II	Vehicles whose registration has been cancelled	03	02	In two cases, it has been stated that the taxpayer was engaged in supply of medicine to Government hospitals which are tax free/exempted and taxpayer did not declare any tax liability in his return. The reply does not address the issue of generation of EWBs using suspicious vehicles.

The Department, however, could not identify these omissions by scrutiny of returns and take remedial action.

Recommendation 4: State Government may take up the matter with NIC to introduce validation controls in EWB system to prevent generation of EWBs using suspicious vehicles.

2.4.9 Undischarged tax liability in respect of cross-PAN analysis

As per Section 23 and Section 24 of the RGST/CGST Act a person liable for GST registration in multiple states can obtain multiple GST registrations with the same Permanent Account Number (PAN) in a State or Union Territory. As per Schedule I (2) and Section 25 of the Act, any supply between different GST registrations having the same PAN should be treated as supply even when made without consideration.

During data analysis, it was observed that a taxpayer registered in multiple states on same PAN had generated a EWB during July 2018 and supplied goods from Rajasthan unit to its Maharashtra unit involving assessable value ₹ 7.99 crore. However, the taxpayer in GSTR-1 for the month of July 2018 had declared the taxable outward supply of ₹ 4.45 crore out of which supply to its Maharashtra unit was zero. This had resulted in suppression of turnover of ₹ 7.99 crore.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) stated that tax liability was discharged by the taxpayer in GSTR-3B of July 2019 and was also declared in GSTR-1 but this transaction was shown as Business to Consumer (B2C) in GSTR-1 of July 2019. Reply is not tenable as the taxpayer had declared only ₹ 1.29 crore against B2C supplies in the GSTR-1 for the month July 2019, while the value of supply of the EWB pointed out by Audit was ₹ 7.99 crore. Further, in Business to Business (B2B) supplies, as declared in Table

4 of GSTR-1, no supplies were shown to the sister units. Therefore, tax liability on the remaining value of supply of ₹ 6.70 crore (after deducting the value of ₹1.29 crore indicated as B2C supplies) remained undischarged.

2.4.10 E-Way Bills generated by unregistered persons having assessable value of goods above the prescribed registration threshold

As per Rule 138(1) of CGST/SGST Rules, every registered person who causes movement of goods of consignment value exceeding the prescribed limit shall, before commencement of such movement, furnish information relating to the said goods as specified in Part A of FORM GST EWB-01 on the common portal and generate EWB. Further, Section 22 of the Act, provides that every supplier whose aggregate turnover in a financial year exceeds ₹ 20 lakh (₹ 40 lakh for supplier of goods only with effect from 01.01.2020) shall be liable to be registered under this Act.

It was observed that 29 EWBs were generated by or on behalf of the unregistered persons for making outward supplies of goods valuing ₹ 590.20 crore ranging from ₹ 0.62 crore to ₹ 500 crore during the period 2018-19 to 2021-22. Audit selected only those EWBs that had been generated by unregistered persons to effect outward supply of goods from Rajasthan having assessable value of more than ₹ 40 lakh.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that in all cases directions have been issued to the concerned circle officers for providing compliance. Since, these unregistered persons generated EWBs above threshold limit, therefore these persons were liable to take registration under GST and discharge tax liability. Further progress was awaited (August 2025).

2.4.11 Generation of E-way bill using invalid PIN codes

Audit observed in two EWBs involving assessable value of ₹ 0.23 crore pertaining to two taxpayers, falling under two Circles³⁵ that invalid PIN codes were entered, which were not available in Indian Post Department PIN Code database, while generating the EWBs.

The matter was brought to the notice of the Department and the State Government (December 2024). The State Government stated (April 2025) that discrepancy had occurred due to typographical error.

Recommendation 5: State Government may take up the matter with NIC to incorporate the validation controls in the EWB system to restrict generation of EWBs with invalid PIN codes.

35 Circle B, Jaipur-III & Circle A, Bikaner.

2.4.12 Preventive/Enforcement functions of the Department

- *Efficiency and effectiveness of Preventive/Enforcement activities in enforcing E-Way Bill provisions*

In connection with the second objective of this SSCA, Audit studied EWB related functions of the enforcement units with specific focus on (i) Operational Preparedness (ii) Effectiveness of Anti-Evasion Measures and (iii) Intra-Departmental Coordination in monitoring EWB related transactions. For this purpose, Audit selected five Enforcement Circles and three Regular Circles as sample falling under State Commercial Taxes Department.

2.4.12.1 Operational Preparedness of the Department

- *Targets and achievements:*

Details of targets fixed by the Commissionerate/Zones/Circles for verification of EWBs through vehicle interceptions and achievements against them were called for by audit. Preventive units stated that enforcement wings did not have specific targets for conducting verification of EWB. During verification, audit observed several deficiencies and shortcomings in the activities undertaken by the Enforcement Wings, which are detailed in the following paragraphs:

2.4.12.2 Scope limitation due to documents not produced

Section 16 of the CAG's DPC Act 1971 lay down the audit mandate of the CAG regarding Audit of receipts.

During audit, information and records related to booked cases records such as booked cases files, MOV-01³⁶ to MOV-11³⁷ and various analytical reports available on the Enforcement wings module etc. were requisitioned.

Out of sample of 289 booked cases of EWBs, four out of the five Enforcement Circles did not provide records of 46 cases. Thus, 15.92 percent of the selected sample could not be audited. However, these cases were replaced with additional case files that were provided by the Department. The details of non-production are given in **Table -2.8 below:**

Table-2.8- Details of non-production

Jurisdictional Circle/Zone	No. of selected booked cases	Non-production of records of booked cases
A, Enforcement Wing-I, Jaipur	50	5
C, Enforcement Wing-I, Jaipur	50	2
B, Enforcement Wing-II, Jaipur	50	23
C, Enforcement Wing-II, Jaipur	50	16
Total		46

Further, four analytical reports were also not produced, as detailed below: -

³⁶ Driver statement at the time of confiscation of goods.

³⁷ Order of Confiscation of Goods and Conveyance-Demand of Tax, Fine and Penalty.

- (a) EWBs generated by citizens (Series H5)
- (b) EWBs with no vehicle movement (Series B1)
- (c) Recycling of EWBs using the same vehicle (Series B4)
- (d) Recycling of EWB using different vehicles (Series B5)

During exit conference, Additional Commissioner, Business Intelligence Unit (BIU) stated that due to the re-structuring of the Circles, these files were transferred to the other Circle and were not traceable. However, no reply was provided for non-production of analytical reports.

Recommendation 6: State Government may examine the issue of non-production of records and ensure better record maintenance and production to Audit in future.

2.4.12.3 Improper levy of penalty

Section 129 (1) of RGST/CGST Act, 2017, read with section 20 of IGST Act, 2017 stipulates that notwithstanding anything contained in this Act, any person transporting any goods or stores any goods while they are in transit in contravention of the provisions of this Act or the rules made thereunder, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure and after detention or seizure, shall be released on payment of penalty **(a)** equal to 200 per cent of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to 2 per cent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty. **(b)** on payment of penalty equal to 50 per cent of the value of the goods or 200 per cent of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount equal to 5 per cent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such penalty.

(i) Short levy of penalty of ₹ 70.87 lakh

During audit, it was noticed in six conveyances pertaining to four Circles that after the physical verification of the goods, the department issued MOV-07³⁸ to the owners/persons-in-charge of conveyance or goods for the payment of applicable tax and penalty. Subsequently, the orders of demand of tax and penalty as per section 129(1)(a) of the Act was issued to the owners/ persons-in-charge of the conveyance or goods. Scrutiny revealed that in these cases the owner of the detained goods neither came forward nor authorized any person for the payment of applicable tax and penalty. The person in charge of the conveyance paid the tax and penalty imposed under the provisions. The Department did not enforce the relevant provisions of the Act and imposed

38 SCN on the outcome of inspection of goods.

lower penalty under section 129(1)(a) instead of section 129(1)(b) of the Act. This resulted into short levy of penalty amounting to ₹ 70.87 lakh.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that owner of the goods/or his representative came forward to claim the goods through authorization letter therefore penalty u/s 129 (1)(a) had been imposed. However, authorization letter from the owner/recipient was neither available in the records produced for audit nor provided with the replies. Therefore, Audit could not verify the correctness of the Department's claim.

(ii) Excess levy of penalty of ₹ 18.94 lakh

During audit of selected booked cases, it was noticed that in two cases the Department imposed penalty under Section 129(1)(b) instead of section 129(1)(a), even though the owner of the goods/conveyance had submitted his authorization letter along with his ID and consent to deposit tax and penalty to the Government exchequer. This resulted in the Department imposing excess penalty of ₹ 18.94 lakh.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that the owner of the goods did not come forward to pay the penalty therefore, the penalty was imposed u/s 129(1)(b) of RGST Act 2017 and no revenue loss. Reply is not acceptable because the claimant of the goods had submitted authorisation letter along with IDs in support of the claim of the goods, which were available in concerned booked case file. Therefore, lower penalty under Section 129(1)(a) was leviable.

2.4.12.4 Loss of revenue due to abnormal delay in auction

Section 79(1) of CGST/RGST Act, 2017 read with Rule 144 of RGST Rules, 2017 specifies the recovery process by the sale of confiscated goods under the control of proper officer;-

(1) Where any amount due from a defaulter is to be recovered by selling goods belonging to such person in accordance with the provisions of clause (b) of sub-section (1) of section 79, the proper officer shall prepare an inventory and estimate the market value of such goods and proceed to sell only so much of the goods as may be required for recovering the amount payable along with the administrative expenditure incurred on the recovery process.

(2) The said goods shall be sold through a process of auction, including e-auction, for which a notice shall be issued in form **GST DRC-10³⁹** clearly indicating the goods to be sold and the purpose of sale.

Provided that where the goods are of a perishable or hazardous nature or where the expenses of keeping them in custody are likely to exceed their value, the proper officer may sell them forthwith.

39 Notice for Auction of Goods (including e- auction).

(i) During audit of circle B, Enforcement Wing II, Jaipur, it was noticed that the Department confiscated the goods i.e tobacco/Jarda along with the vehicle in a case under Section 130 of the Act in the month of August 2019. Audit observed that GST-MOV-10⁴⁰ was issued (October 2019) for demand of tax, fine and penalty of ₹ 43.94 lakh (₹ 29.49 lakh being the value of the confiscated goods and ₹ 14.45 lakh towards fine and penalty). Accordingly, GST-MOV-11 was issued (January 2020). The confiscated goods were perishable and the expiry of the goods was August 2020. Further, a three-member committee was also constituted for ensuring timely disposal of confiscated goods and conveyance.

Subsequently, the Department of Medical and Health, GoR conveyed (November 2021) to the Department that the said confiscated goods had expired for human consumption and recommended that no further re-processing was possible, as the goods were perishable in nature. Subsequently, with the help of *Nagar Nigam Greater, Jaipur* the said goods were cleared (March 2022) and expenditure of ₹ 0.26 lakh, including advertisement expenses, was incurred. Therefore, delay in disposal of said perishable goods resulted in loss of revenue.

The matter was reported to the Department and the State Government (December 2024). Reply was awaited (August 2025).

(ii) During audit of Circle- C, Enforcement Wing -I, Jaipur, it was noticed, in three cases, that the Department confiscated the goods i.e. automobile parts, footwear, pressure cooker, LPG stoves, tools, helmets and electronics items etc. valuing ₹ 52 lakh along with the vehicle under Section 130 of the Act in the month of February 2020 and July 2020. However, the auction of the goods was not completed despite lapse of four years. Delay in auctioning the goods lends itself to the risk of obsolescence of the confiscated goods and its deterioration.

The matter was reported to the Department and the State Government (December 2024). Government stated (April 2025) that notice for auction has been issued and auction will be held in May 2025. Further progress was awaited (August 2025).

2.4.12.5 Incorrect levy of RGST and CGST

Section 5 of IGST Act stipulates that Integrated Goods and Services Tax shall be levied on all inter-state supplies of goods or services or both. Further, Section 17 of IGST Act provides the apportionment of tax and settlement of funds.

During audit, it was noticed that the department intercepted 29 vehicles/conveyances and issued the order of detention of goods and conveyance *vide* Form GST MOV-06⁴¹ and MOV- 09⁴² under Section 129(1) of the Act and levied RGST and CGST treating it as intra-state supply.

Audit examination of invoices, statement of Driver (MOV-01) and other relevant records in the booked case files revealed that the goods supplied was

40 Notice of confiscation of goods and conveyance (no. RJ14 GK6646).

41 Order of Detention for non-production of documents or defective documents.

42 Order of Demand of tax and Penalty (Detained Goods/ Conveyance).

interstate and therefore, levy of IGST was applicable. However, the department collected RGST and CGST treating it as intra-state supply. This resulted in incorrect levy of tax, with a consequential impact of incorrect apportionment of tax to that extent.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) in respect of 16 cases that GST is a destination-based tax and goods was finally transported to Rajasthan and there is no revenue loss. In six cases, it was stated that the goods were to be delivered by the driver in Rajasthan. Further, in seven cases it was stated that the driver did not provide evidence in support of interstate movement of vehicle/goods, and it was supposed to be delivered in the Rajasthan.

The replies are not acceptable in view of the facts that as per MOV-01/statement of driver and other documents available in the booked case files it was evident that supply was interstate.

2.4.12.6 Incorrect determination of place of supply

Section 10(1) of IGST Act 2017 specifies that the place of supply of goods other than supply of goods imported into, or exported from India as:

(a) where the supply involves movement of goods, whether by the supplier or the recipient or by any other person, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient;

(b) where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;

(c) where the supply does not involve movement of goods, whether by the supplier or the recipient, the place of supply shall be the location of such goods at the time of the delivery to the recipient.

During the audit, it was observed that the department intercepted 46 conveyances/vehicles (174 cases). The Department issued the orders of demand of tax and penalty, quantifying the amount payable after the issuance of detention orders in MOV-06. Subsequently, DRC-07/DRC-01 (Summary of order) was generated at common portal to add the demand in the Electronic Liability Register of the person concerned (owner/representative of goods/In-charge of conveyance). The place of supply was also mentioned in the relevant Column of DRC-07/DRC-01 by the department.

Audit noticed that the place of supply was mentioned as Rajasthan by the Department as per the physical verification reports (MOV-04⁴³), DRC-07/DRC-

43 Physical verification report.

01. However, as per the statement of driver and relevant invoices/bills and other records made available to Audit, the place of supply was shown other than Rajasthan. This resulted in wrong classification of place of supply on account of tax, penalty and fine under IGST up to that extent.

The matter was reported to Department and the State Government (December 2024). The State Government stated (April 2025) that in 64 cases, the owner of the vehicle/driver did not provide evidence in support of interstate movement of vehicle/goods. In eight cases it was stated that in revenue interest, penalty was imposed by the officer in charge as goods was finally transported to Rajasthan. In remaining 102 cases, vehicles were intercepted during unloading the goods in city area and there was no reason to believe that vehicle would go outside the state.

The reply is not acceptable because as per MOV-01/invoices/bills and the declaration of the driver/owner of the goods that supplies were terminating other than the Rajasthan. Further, nothing in records was found of unloading the goods in city area and no corroborative evidence was produced to audit which could prove goods were unloading in the city.

2.4.12.7 Temporary GSTIN for already registered taxpayers

(i) Generation of temporary registration for already registered taxpayers

As per para 2(v) of the RGST circular No. 05/2018 dated 26.04.2018 issued by the Commercial Taxes Department GoR, where no electronic liability ledger is available in case of an unregistered person, a temporary ID shall be created by the proper officer on the common portal and the liability shall be created therein.

During audit of selected booked cases, it was noticed that the department generated 42 temporary GSTIN in respect of 40 taxpayers. Out of these, 26 temporary GSTINs were created for 24 taxpayers registered with other states and 16 temporary GSTINs were created for 16 taxpayers registered with the Rajasthan State. In all these cases, the taxpayers as owners/representatives of the detained goods, had provided their GSTIN along with their IDs for the payment of applicable tax and penalty. However, the Department created temporary GST IDs, in contravention of instructions *ibid*, for adding liability of tax and penalty in their electronic liability registers.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) that 26 temporary IDs in respect of 24 taxpayers who were registered in other states, the Department was required to generate these temporary IDs because the cases pertained to jurisdictions outside the Rajasthan and the demand could not be raised using the taxpayers' existing GSTINs, as their jurisdictional control vest with other States.

In respect of 16 temporary ID pertaining to 16 taxpayers who were registered in Rajasthan State, it was stated that the ownership of the goods was claimed by the unregistered person or actual owner of the goods did not come for claiming the goods, therefore, in such circumstances temporary ID was created.

The replies in respect of the 16 taxpayers belonging to Rajasthan are not acceptable because at the time of claim, GSTIN of the taxpayers were submitted by the owners of the goods/conveyance. Further, the temporary ID was created in the name of actual owner or recipient of goods who were already registered taxpayers.

During exit conference, Additional Commissioner, MEA admitted that in the initial phase of GST, Department created a temporary ID to recover revenue.

An illustrative case is given below:

Test check of records of booked cases of Circle A, Enforcement Wing-I, Jaipur revealed that a truck⁴⁴ was intercepted and MOV-06 was issued. The owners/representatives of the detained goods provided their GSTIN along with their IDs for the payment of applicable tax and penalty in response to SCNs. Scrutiny further revealed that despite adding liability of tax and penalty in their electronic liability registers in their regular GSTIN, the department issued/created temporary GST ID for already registered taxpayers.

The State Government stated (April 2025) that the taxpayer belongs to Rajasthan state and goods were claimed by the unregistered taxpayer and there was no loss of revenue. The reply is not acceptable because GSTIN and a copy of Aadhaar were available on record. Further, the temporary ID was created in the name of actual owner or recipient of goods who were registered taxpayers.

(ii) Non rectification of liability created on temporary GSTN

The electronic liability register is maintained in form GST PMT-01 for each registered person liable to pay tax, interest, penalty, late fee, or any other amount on the common portal, and all amounts payable by him get debited to the said register. The electronic liability register indicates various details along with the amount of tax, interest, penalty or any other amount payable as determined by a proper officer in pursuance of any proceedings under the Act.

Audit noticed that in a case⁴⁵ of intercepted conveyance⁴⁶, an order of demand in form MOV-09 was issued, against a temporary ID, on 24 November 2020 to deposit an amount of ₹ 6.45 lakh. Accordingly, liability was created in Electronic Liability Ledger on 01 December 2020. Subsequently, an order of confiscation of goods and conveyance and demand, in form MOV-11, was issued on 01 December 2020 to deposit an amount of ₹ 7.36 lakh due to non-compliance of the order in MOV-09 within prescribed period, and accordingly liability was also created in Electronic Liability Ledger as per MOV-11 demand. As per Electronic Cash Ledger, the demand of MOV-11 was deposited on 01 December 2020 and set off on 09 March 2021. However, the Electronic Liability register of the temporary GSTIN was showing a liability of ₹ 8.27 lakh as on 09.03.2021, which included the demand created by issuing MOV 9. Therefore, due to non-deletion of the MOV 09 demand after issuing MOV 11, the part II of the liability register, on the *BOWEB* portal, continues to reflect it as an outstanding liability.

44 Number HR73-2951.

45 Circle-B, EW-II, Jaipur.

46 RJ52 GB 0609.

The matter was reported to the Department and the State Government (December 2024). Reply was awaited (August 2025).

Recommendation 7: State Government may take up the matter with GSTN for validation in the system to prevent creation of temporary registrations against already registered taxpayers as also for creation of demand on their registered GSTIN in respect of registered taxpayers whose jurisdictional control vest with other states.

2.4.12.8 Delay in set off of liability towards tax and penalty imposed on detention of goods and conveyance

Commercial Taxes Department, GoR, issued the procedure⁴⁷ for interception of conveyances for inspection of goods in movement and detention, release and confiscation of such goods and conveyances. As per Para 2(k) of the procedure, it is clarified that the proper officer shall release the goods and conveyance forthwith by an order in FORM GST MOV-05⁴⁸ on the payment of tax, penalty and fine as quantified in MOV-09/MOV-11. The order in FORM GST MOV-09/MOV-11 shall be uploaded on common portal and the demand accruing from the order shall be added in the electronic liability register and, upon payment of the demand, such register shall be credited by either debiting electronic cash ledger or electronic credit ledger of the concerned person in accordance with the provisions of Section 49 of the RGST/CGST Act.

As per section 49(3) of the RGST/CGST Act, the amount available in Electronic Cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of this Act or Rules made thereunder.

Audit noticed that in 47 cases, after the detention of conveyance, the department-imposed tax, penalty and fine as per provisions of Act. Subsequently, the owner/representative or person-in-charge of goods or conveyance deposited the said tax, penalty and fine by challan and the amount was credited in his electronic cash ledger. However, liability so created by the Department in these cases was set off with delay ranging from 1 to 1710 days.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) in respect of 40 cases that there was no revenue loss and taxpayer deposited tax and penalty within time. However, due to system deficiency/technical glitch of the portal, the same could not be set off on the date of release of conveyance. Reply is not acceptable as prolonged delays in setting off the liability from the Electronic Cash Ledger cannot be solely attributed to technical errors/glitches in the portal. Further, in such a scenario, the possibility of the taxpayers utilising the cash ledger balance against their regular supplies cannot be ruled out. In remaining seven cases reply was not relevant.

47 *vide* Circular No. 05/2018 dated 26.04.2018.

48 Release Order for Goods conveyance.

Recommendation 8: State Government may ensure that liability against tax and penalty imposed on detention of goods and conveyance is promptly set off after the demand has been paid by the owner/person in charge of the conveyance.

2.4.12.9 Intra Departmental co-ordination in monitoring EWB related transactions

EWB is directly linked with the movement of goods and the enforcement wings were entrusted with the enforcement functions. NIC has generated various analytical reports and the Enforcement Circles in each Commissionerate has access to those reports through the NIC Portal. As the tax liability on the EWB transactions is discharged by the taxpayers through periodical returns, the jurisdictional authorities, *i.e.* Circle Officer is the proper officer for scrutiny of returns and assessment. The effectiveness of the usage of Analytical Reports by the enforcement circles and to what extent Intra-Departmental co-ordination exists in the department was analysed by Audit.

2.4.12.10 No mechanism of sharing of information on the interception of vehicles

As per Section 129 of RGST/CGST Act, whenever any discrepancies were found during the interception of vehicles, tax and penalties were leviable up to 31 December 2021. In terms of Section 17(5) of the Act⁴⁹ ITC shall not be available on any tax paid under the provisions of Section 129.

During test check of records of booked cases in selected circles, it was noticed that there were no corroborative documents in support of whether any information regarding interception of vehicle and levy of tax and penalty on taxpayer were being shared or communicated to concerned jurisdictional officer. In addition to above, the system does not generate any alert message to the Jurisdictional Authority regarding such action taken on the taxpayer of his jurisdiction. Therefore, there was no mechanism by which enforcement officers can share information on interception of vehicle and levy of tax and penalty thereon with the respective jurisdictional proper officer. As such the Department was unable to ensure whether defaulter taxpayers are correctly availing ITC and fulfilling their tax obligations.

The matter was reported to the Department and the State Government (December 2024). The State Government stated (April 2025) in respect of Circle A, EW-I, Jaipur that generally anti-evasion activities are performed based on information received from the informer and no such action plan/mechanism has been prepared at the Department level. In case of seven Circles⁵⁰ it was stated that in most of the cases, penalty was deposited by person in charge of vehicle/driver/owner of goods by generation of temporary

49 The section was amended *w.e.f.* 01 November 2024 and it was made applicable for section 74 only.

50 Circle B Udaipur, A Hanumangarh, C- EW-I, B & C EW-II, A EW-III Jaipur and Circle Jhunjhunu.

IDs, jurisdiction of these temporary IDs is under the issuing authority. No mechanism of sharing of information exists at the level of proper officer.

Recommendation 9: The Department may consider developing a mechanism to alert the jurisdictional authority to take timely and appropriate action, in cases where proceedings have been initiated under Section 129 and 130 of the Act.

2.4.12.11 Irregularities in Management Information System (MIS) and incorrect reporting of booked cases

(i) A Management Information System is an organized system to collect, store and disseminate data in the form of specific information required to carry out management functions. It is one of the crucial tools that support decision-making processes. It involves a collaboration of reliable EWB data and work done by proper officers of the department.

During test check of the record of booked cases of Circle B & C, Enforcement Wing-II, Jaipur, the department provided records of only 61 cases out of 100 requisitioned booked cases.⁵¹ However, the remaining 39 cases were replaced with additional cases that were provided by the Department.

A review revealed that 370⁵² booked files were reported as per the MIS report of these Circles, however, 23 booked cases files⁵³ were not included in the reported 370 cases. This indicates that the MIS report was not accurately reflecting the status of booked cases.

The matter was reported to the Department and the State Government (December 2024). Reply is awaited (August 2025).

(ii) Underutilization of MIS Reports

The officer module of the EWB system encompasses functionalities to facilitate verification of the EWB and perform verification-related operations. It has also various Intelligence and analytical reports about the EWBs and offers a comprehensive platform for the officers to perform all the activities associated with the EWB verification, analysis and monitoring purposes. As per report J3⁵⁴ of the MIS module, it was observed that out of 654 users registered in the officer's module during the month March 2022, 356 users (54.43 *per cent*) did not log in the module even once. This indicates that the supervising officers/proper officers except the officers in the enforcement squads were not using the applications/modules regularly which may lead to underutilisation of MIS Reports.

The matter was reported to the Department and the State Government (December 2024). Reply is awaited (August 2025).

51 Circle B, EW-II, Jaipur-34 booked cases files and Circle C, EW-II, Jaipur-27 files.

52 193 booked cases Circle B, EW-II, Jaipur and 177 Circle C, EW-II, Jaipur.

53 12 files Circle B, EW-II, Jaipur and 11 files Circle C, EW-II, Jaipur.

54 Usages of reports by officer.

Recommendation 10: The Department may issue instructions to the officers of Enforcement and regular Circles to use the MIS portal extensively and ensure monitoring by higher authorities.

2.4.12.12 Impact on Integrated/ Central Goods and Services Tax

GST involves various components of GST such as CGST, IGST, SGST etc. The audit observations included in this chapter impact the revenue of both Union and the States. For the audit observations highlighted in this chapter, the monetary impact of audit findings on the IGST/CGST revenue of the Central Government is given in *Appendix 2.5*.

2.4.13 Conclusion

EWB is a document required for movement of goods and is designed to capture details of goods before being moved. Automation and standardisation of the entire process was intended to help check tax evasion and shore up GST collections. The EWB was introduced with effect from 01.04.2018 for all inter-State movement of goods having value exceeding ₹ 50,000. For the intra-State movements in Rajasthan, EWB was made mandatory for the consignment value of ₹ 50,000 as the threshold limit.

Audit selected 160 EWBs of 65 taxpayers for the period 2018-19 to 2021-2022 for examination of EWB mechanism and its effectiveness in protecting revenue. Audit also selected five Enforcement Circles and three Regular Circles and examined 289 booked cases from these selected Enforcement Circles for ensuring efficiency and effectiveness of the enforcement activities of the Department.

Audit sought for login Id and password based access to the E-Way Bill Portal of the Department. However, the same was not provided. As a result, Audit could not ascertain whether the taxpayers in these cases had correctly reported the details of supply as per E-Way Bills in their GST returns.

Audit examination of EWBs revealed compliance deviations by 36 taxpayers out of examined 65 taxpayers, which pertain to E-Way Bills generated by the cancelled taxpayers; ineligible taxpayers continuing under Composition Scheme and generation of EWBs for the transactions effected by suspicious vehicles. Further, Audit observed that EWBs were generated by unregistered persons having assessable value of goods above the prescribed registration threshold and generation of EWBs using invalid PIN Codes.

Audit also noticed gaps in the preventive and enforcement activity done by Enforcement Units of the Department such as improper levy of penalty, loss of revenue due to delay in auction, incorrect levy of RGST and CGST, misclassification of place of supply, generation of temporary GSTIN for already registered taxpayers, delay in set off of liability towards tax and penalty imposed on detention of goods and conveyance and discrepancies in MIS reports and their underutilisation.

Accordingly, Audit has the following recommendations to strengthen the EWB system and compliance verification mechanism of the Department.

(1) State Government may ensure provision of read only access of EWB portal to Audit.

(2) State Government may establish a mechanism to ensure that proper officers cancelling registration retrospectively, assess the tax liability or conclude best judgement assessment duly considering the quantum of E-Way Bills generated.

(3) State Government may ensure with NIC that suitable validations are built in the EWB system to prevent generation of EWBs after the effective date of cancellation.

(4) State Government may take up the matter with NIC to introduce validation controls in EWB system to prevent generation of EWBs using suspicious vehicles.

(5) State Government may take up the matter with NIC to incorporate the validation controls in the EWB system to restrict generation of EWBs with invalid PIN codes.

(6) State Government may examine the issue of non-production of records and ensure better record maintenance and production to Audit in future.

(7) State Government may take up the matter with GSTN for validation in the system to prevent creation of temporary registrations against already registered taxpayers as also for creation of demand on their registered GSTIN in respect of registered taxpayers whose jurisdictional control vest with other states.

(8) State Government may ensure that liability against tax and penalty imposed on detention of goods and conveyance is promptly set off after the demand has been paid by the owner/person in charge of the conveyance.

(9) The Department may consider developing a mechanism to alert the jurisdictional authority to take timely and appropriate action, in cases where proceedings have been initiated under Section 129 and 130 of the Act.

(10) The Department may issue instructions to the officers of Enforcement and regular Circles to use the MIS portal extensively and ensure monitoring by higher authorities.

CHAPTER-III
LAND REVENUE

CHAPTER III: LAND REVENUE

3.1 Tax administration

Assessment and collection of land revenue are governed under the Rajasthan Land Revenue Act, 1956 and rules framed thereunder. Land revenue mainly comprises of conversion charges, premium, rent on land, lease rent, and receipts from sales of Government land.

The Revenue Department administers all matters relating to assessment and collection of land revenue. The overall control of revenue related judicial matters along with supervision and monitoring over revenue officers vests with the Board of Revenue (BoR). The BoR is assisted by District Collectors (DCs) at the district level, Sub-Divisional Officers (SDOs) at the sub-division level and *Tehsildars* at the *Tehsil* level. The value of land (market rate) is determined by District Level Committees from time to time.

The Rajasthan Land Revenue Act, 1956, the rules made thereunder and the notifications issued by the Government from time to time govern the allotment of land and other related issues.

The total Tax revenue¹ of the State for 2022-23 was ₹ 1,07,910.81 crore (2021-22: ₹ 93,562.93 crore) while the Land Revenue receipts of the state for 2022-23 was ₹ 484.01 crore (2021-22: ₹ 631.48 crore). The Land Revenue receipts contributed 0.45 *per cent* of the total revenue of the State.

3.2 Internal Audit conducted by Department

The Financial Adviser, BoR is the head of the Internal Audit Wing. There were 18 internal audit parties sanctioned in the Department; but only 14 internal audit parties were deployed. The status of internal audit conducted during the period from 2018-19 to 2022-23 is given in **Table 3.1** below:

Table 3.1: Status of internal audit conducted during the period 2018-23

Year	Units pending	Units due for audit during the year	Total units due for audit during the year	Units audited during the year			Units remaining unaudited	Percentage of units remaining unaudited
				Pertaining to previous year	Pertaining to current year	Total		
1	2	3	4 (2+3)	5	6	7	8 (4-7)	9
2018-19	324	816	1,140	324	618	942	198	17
2019-20	198	816	1,014	198	631	829	185	18
2020-21	185	822	1,007	185	567	752	255	25
2021-22	255	846	1,101	255	548	803	298	27
2022-23	298	846	1,144	298	695	993	151	13

Source: Information provided by the Board of Revenue, Ajmer.

¹ Tax Revenue (excluding share of net proceeds assigned to State received from the Government of India) and Non-Tax Revenue.

Further, it was noticed that compliance of 27,585 paragraphs in the internal audit reports were outstanding at the end of 2022-23. Year-wise break up of outstanding paragraphs is given in **Table 3.2** below:

Table 3.2: Year-wise break up of outstanding paragraphs upto 2022-23

Year	Up to 2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Outstanding paragraphs of the audit conducted during the year	8,235	1,800	2,354	2,972	3,508	8,716	27,585
Amount involved (₹ in crores)	297.36	11.15	23.91	38.78	34.66	51.79	457.65

Source: Information provided by the Board of Revenue, Ajmer.

Out of 27,585 paragraphs, 8,235 paragraphs (29.85 per cent) were outstanding for more than five years for want of compliance/corrective action. The Department stated (August 2024) that additional working days were given during the year 2022-23 for the audit of outstanding units of Covid, but due to the vacancies in various cadres, less units were audited resulting in units remaining outstanding for audit.

The Government may take necessary steps to strengthen the internal audit wing and ensure expeditious compliance with the outstanding observations raised by the Internal Audit Wing.

3.3 Results of audit

There are 704 auditable units under the Land Revenue Department. From these auditable units, 104 units (approximate 14.77 per cent) were selected for test check during 2022-23. Irregularities relating to conversion, premium of land, non- reversion of land to the Government and others involving an amount of ₹ 175.38 crore in 16,138 cases were noticed in test check. Irregularities were also noticed in the expenditure audit of these selected units involving an amount of ₹ 10.05 crore in 2,977 cases.

These cases are illustrative only as these are based on test check of records. Audit pointed out similar omissions in earlier years. However, these irregularities not only persisted but also remained undetected till the next audit. Thus, there is a need on the part of the Government to significantly improve the internal control system including strengthening of internal audit so that recurrence of such cases can be avoided. Details of category-wise irregularities noticed are detailed in **Table 3.3** below:

Table 3.3: Details of category-wise irregularities noticed during 2022-23

(₹ in crore)			
Sl. No.	Category of irregularities	No. of cases	Amount
1.	Non-recovery/short recovery of premium	9,024	132.63
2.	Non-recovery/short recovery of conversion charges from <i>khatedars</i> ²	84	3.93
3.	Other irregularities relating to:		
	(i) Revenue	7,030	38.82
	(ii) Expenditure	2,977	10.05
Total		19,115	185.43

During the year 2022-23, the Department accepted audit observations worth ₹ 11.42 crore in 516 cases of which 14 cases having ₹ 0.03 crore money value were pointed out in the year 2022-23 and rest 502 cases involving ₹ 11.39 crore pertained to earlier years. The Department recovered ₹ 1.82 crore in 241 cases of which 14 cases having ₹ 0.03 crore money value pertained to the year 2022-23 and rest 227 cases involving ₹ 1.79 crore pertained to earlier years.

A few illustrative cases involving ₹ 7.36 crore in the audited units of the Department are discussed in the succeeding paragraphs. It is pertinent to mention that similar issues have been raised earlier and published in the CAG's Audit Report (Revenue Sector) of previous years wherein the Government accepted the observations and initiated action/recoveries. However, it is seen that the Department took action only in those cases pointed out by audit and did not strengthen the internal control system, which led to recurrence of the same issues in subsequent years.

3.4 Non-recovery of ₹ 7.23 crore of difference value of allotted pasture land for mining purpose

The Clause 3 of notification³ issued (March 2015) by the Finance Department (Tax Division) GoR, provides that the rate of agriculture land purchased or agriculture land in respect of which consent deed is executed between land owner and lessee for mining purposes shall be equal to two times of the rates of agriculture land of that area.

Rule 7(1) of the Rajasthan Tenancy (Government) Rules, 1955 prescribes that the Collector may change the classification of any pasture land as agricultural or for any non-agricultural purpose. Further, the Revenue Department of Government of Rajasthan (GoR), Jaipur had issued (May 2017 and October 2018) notifications⁴ for amendment in second proviso to Rule 7(1) of the Rajasthan Tenancy (Government) Rules, 1955. According to revised Rule 7(1) *ibid*, the classification of pasture land shall not be changed as unoccupied culturable government land (Sawai Chak) for mining purposes without the

2 A land holding by a *Khatedar* tenant (who has entered in the revenue records as a tenant) from land owner of the estate.

3 No. F.4 (4) FD/ Tax/ 2015-226 dated 09 March 2015.

4 Notification No. F. 10(3) Rev. 6/2001/19 dated 31 May 2017 and No. F.10 (3) Rev. 6/2001/ 75 dated 04 October 2018 respectively.

prior permission of the State Government. The State Government can grant permission if the applicant has surrendered equal area of khatedari land in favour of the State Government in the same village or nearby village within the same panchayat, or if land is not available in the same village or nearby village, then equal area of khatedari land in the nearby village of adjoining panchayat for such purpose, or in exceptional cases, equal area of khatedari land in the other panchayat of the District.

During the scrutiny (May- July 2022) of land allotment files of the office of the District Collector (Land Revenue), Chittorgarh it was observed that the State Government allotted pasture land to three cement companies⁵ for the purpose of mining in exchange of the surrendered land. The valuation of surrendered land was only ₹ 0.90 crore against the valuation of allotted pasture land i.e. ₹ 8.13 crore⁶ as calculated as per notification (March 2015) of the Finance Department. As a result, it was a unfair exchange of valuable pasture land by the government to the cement companies and difference amount of ₹ 7.23 crore is recoverable from cement companies.

The Revenue Board, while accepting the facts, stated (June 2024) that the cement companies surrendered private land of equivalent area in lieu of government pasture land and double value of pasture land was not recovered from three cement companies.

On being pointed out (February 2024), the State Government stated (June 2024) that permission only for mining (lease for 50 years) was granted to cement companies on the allotted pasture land and no amount was recoverable. The reply was not tenable as permission was granted by the Government in exchange for land and the value of surrendered land should be double/ two times of pasture land in view of Finance Department's notification as stated above.

Thus, the State Government did not assess the value of surrendered land before allotment of pasture land for mining purposes and did not ensure compliance of Land Revenue Rules.

3.5 Non/Short recovery of conversion charges

Rule 9 (1) of Rajasthan Land Revenue (Conversion of agricultural land for non-agricultural purposes in rural areas) Rules, 2007 provides that a khatedar tenant seeking permission for conversion of agricultural land for non-agricultural purposes shall submit duly filled application in Form-A alongwith specified documents online or in physical mode to the prescribed authority along with a copy of receipt of paid amount of conversion charges and should submit hard copy of complete application within 7 days to the prescribed authority in case of online submission. Rule 9(3) *ibid* stipulates that the prescribed authority after making necessary enquiry shall issue an order of

5 (i) M/s Wonder Cement Ltd, Nimbahera, (ii) M/s Rajputana Properties Pvt. Ltd., New Delhi and (iii) M/s J.K. Cement Works, Nimbahera.

6 True value of pasture land allotted by the Government ₹ 8.13 crore minus two times value of land surrendered by the companies ₹ 0.90 crore = ₹ 7.23 crore.

the conversion in Form-B within 90 days of the receipt of the completed application and inform the applicant for depositing the balance amount of the conversion charges or reject the application.

Rule 14-A *ibid* provides that where application of conversion is rejected by the department or the applicant withdraws his application before issuing conversion orders, five *per cent* administration charges shall be deducted from the deposited amount of conversion charges.

Rules 4 and 5 of the Rajasthan Enterprises Single Window Enabling and Clearance Rules, 2011 stipulates that the processing and monitoring of applications should be carried out at the level of Nodal Agency and Competent Authority.

On test check of records of offices⁷ of the District Collector (Land Revenue) during the year 2022-23, it was observed that the State Government started (January 2021) an online portal for electronic operation and processing of applications of land conversion within time limit of 60 and 90 days⁸ without incorporating provisions of depositing conversion charges as stipulated in Rule 2(aa) of RLR Rules, 2007 which stated that application for conversion is to be submitted alongwith the required documents and charges, if any. Due to this, in 184 cases of online applications which were either withdrawn by the applicants or rejected by the department, the five *per cent* administrative charges amounting to ₹ 13.68 lakh could not be deducted by the Department as provision for depositing due conversion charges was not incorporated in online process of conversion. On being pointed out (December 2023), the department intimated (February and March 2024) that ₹ 2.80 lakh in 177 cases was recovered, as detailed in **Table 3.4** below:

Table 3.4: Details of cases of non-recovery of administrative charges

S. No.	Name of auditee unit	Period of Audit	Particulars				Amount recovered (in no. of cases) (In ₹)
			Para No.		Number of cases	Amount (In ₹)	
			Part II A	Part II B			
1.	District Collector (LR), Bikaner	04/2018 to 03/2022	1	-	1	8,68,549	-
			-	6 (B)	3	1,834	1,834 (3)
			-	6 (C)	3	4,552	4,552 (3)
2.	District Collector (LR), Rajsamand	04/2018 to 03/2022	-	2 (A)	140	1,83,961	1,83,961 (140)
			-	2 (B)	9	31,261	31,193 (9)
3.	District Collector (LR), Bhilwara	04/2018 to 03/2022	-	9 (A)	4	31,994	31,994 (4)
4.	District Collector (LR), Kota	04/2018 to 03/2022	-	1	6	2,19,332	-

7 Bikaner, Bhilwara, Churu, Kota, Rajsamand and Udaipur.

8 Sl. No. 03 Schedule-I of the Rajasthan Enterprises Single Window Enabling and Clearance Rules 2011, time limit of conversion fixed as 60 days (up to 10 hec.) and 90 days (above 10 hec.) from submission of completed application to District Collector and State Government respectively.

S. No.	Name of auditee unit	Period of Audit	Particulars			Amount recovered (in no. of cases) (In ₹)	
			Para No.		Number of cases		Amount (In ₹)
			Part II A	Part II B			
5.	District Collector (LR), Udaipur	04/2017 to 03/2022	-	9	9	13,535	13,535 (9)
6	District Collector (LR), Churu	04/2017 to 03/2022	-	8	9	13,033	13,033 (9)
Total					184	13,68,051	2,80,102 (177)

The State Government, while accepting the facts, stated (April 2024) that action is being taken to incorporate the provision for depositing the conversion charges in online process under the Rajasthan Enterprises Single Window Enabling and Clearance Rules, 2011.

Thus, the non-inclusion of provision for depositing conversion charges in the online process by the Department has resulted in sustained loss of revenue to the State exchequer.

3.6 Conclusion and Recommendations

The Department did not reinforce its internal control mechanisms, resulting in the repeated occurrence of similar issues in subsequent years. Additionally, the State Government did not evaluate the value of surrendered land in accordance with the Land Revenue Rules. Furthermore, the non-inclusion of a provision for depositing conversion charges within the Department's online system has led to a sustained loss of revenue to the State exchequer.

The Government may:

- ensure expeditious compliance with the outstanding observations raised by the Internal Audit Wing;
- strengthen mechanism to monitor compliance of the conditions of conversion orders;
- incorporate the provision in online process for depositing the conversion charges.

CHAPTER-IV
STAMP DUTY AND
REGISTRATION FEE

CHAPTER IV: STAMP DUTY AND REGISTRATION FEE

4.1 Tax administration

Receipts from Stamp Duty and Registration Fee in the State are regulated under the Registration Act, 1908, the Rajasthan Stamp Act, 1998 and the rules made thereunder. According to Section 3 of the Rajasthan Stamp Act, every instrument shall be chargeable with duty according to the rates mentioned in the schedule to the Rajasthan Stamp Act. The Stamp Duty is leviable on execution of instruments and Registration Fee is payable on registration of instruments. Surcharge is also chargeable on Stamp Duty with effect from 9 March 2011.

The Registration and Stamps Department (Department) functions under the overall administrative control of Finance Department. The Inspector General, Registration and Stamp is the administrative head. The Additional Inspector General is the *Ex-officio* superintendent (Stamps) at headquarters and assists the Inspector General in administrative matters whereas the Financial Advisor assists the Inspector General in financial matters. The entire State has been divided into 17 circles¹ headed by Deputy Inspector General cum *Ex-officio* Collector (Stamps). There was total 604 Sub-Registrar Offices, out of which 113 full time Sub-Registrar Offices are headed by Sub-Registrars and 491 offices are headed by *Tehsildars* or *Naib Tehsildars* working under Land Revenue Department in *ex-officio* capacity.

4.2 Results of audit

There are 559 auditable units² (including 19 administrative units) in the Registration and Stamps Department. Out of these, audit selected 33 units (including 1 administrative unit) for test check. In these units 4,87,447 instruments were registered, out of which 1,78,892 instruments (approximately 36.70 *per cent*) were selected for detailed scrutiny. During scrutiny, audit noticed short/non- realization of Stamp Duty and Registration Fee of ₹ 15.68 crore in 942 instruments (approximately 0.53 *percent* of sampled instruments).

These cases are illustrative only and are based on test check of records. Though audit pointed out similar omissions in earlier years, these irregularities persist and remain undetected till next audit is conducted. Irregularities noticed broadly fall under the categories as shown in **Table 4.1** below:

- 1 DIG Ajmer, Alwar-I, II, Banswara, Barmer, Bharatpur, Bhilwara, Bikaner, Hanumangarh, Jaipur-I, II, III, Jodhpur, Kota, Pali, Sikar and Udaipur.
- 2 559 auditable units: Out of total 604 Sub Registrar offices, 540 Sub Registrar Offices (Registering authorities) were involved in revenue realization. In remaining 64 Sub Registrar Offices where registration work was not started/not involved in revenue realization as these were newly opened. Thus, 559 auditable units includes 540 Sub Registrar offices and 19 administrative units.

Table 4.1: Category-wise irregularities

			(₹ in crore)
Sl. No.	Category	No. of cases	Amount
1.	Incorrect determination of market value of properties	209	3.77
2.	Non/ Short levy of stamp duty and registration fee	298	10.38
3.	Other irregularities related to:	432	1.53
	(i) Revenue	03	0
	(ii) Expenditure		
Total		942	15.68

During the year 2022-23, the Department accepted under assessment and other deficiencies of ₹ 29.41 crore pertaining to 1115 cases, of which 727 cases involving ₹ 13.25 crore were pointed out during the year 2022-23 and the rest in the earlier years. The Department recovered ₹ 6.28 crore in 395 cases during the year 2022-23, of which 7 cases involving ₹ 0.04 crore related to the year 2022-23 and rest to the earlier years.

A few illustrative cases involving ₹ 3.86 crore are mentioned in the succeeding paragraphs.

It is pertinent to mention that most of these issues have been raised earlier wherein the State Government accepted the observations and initiated action/recoveries. However, it is seen that the Department took action only in cases which were pointed out by Audit and did not strengthen the internal control system which has led to recurrence of similar issues in subsequent years.

4.3 Non/short levy of Stamp Duty, Surcharge and Registration Fee on changes in partnership

According to Article 43(3)(a) of the schedule to the Rajasthan Stamp Act, 1998 where the partnership owns immovable property and the retiring partner takes no immovable property at the time of his retirement, the Stamp Duty as on conveyance on the market value of the part of the immovable property of the partnership equal to the share of the retiring partner or partners in the partnership is chargeable.

During test check (between July 2022 and January 2023) of records of three Sub Registrars³, it was found that three documents⁴ of immovable property were registered⁵ with the Sub Registrars. Shortcomings noticed by Audit are as follows:

3 Sub Registrars: Behror (Alwar), Bharatpur and Jaipur-IX.
 4 Agreement to sale without possession in SR Behror (Alwar), lease deed (rental deed) in SR Bharatpur and amended lease deed in SR Jaipur-IX.
 5 Document No. 2046/14.08.2019 in SR Behror (Alwar), 4826/13.09.2021 in SR Bharatpur and 5300/27.08.2021 in SR Jaipur-IX.

4.3.1. In case of Sub Registrar Behror, a partnership firm⁶, which possessed a residential land⁷, registered (14 August 2019) an Agreement to sale for sale of an apartment constructed upon the land. On cross verification of information available on RERA website with the information received from Registrar of Firms, Jaipur regarding change in partnership of the firm, it was found that one partner⁸ of the firm had retired from the firm *w.e.f.* 2 December 2016 and transferred his 5 *per cent* share to the other continuing partners of the firm as per partnership deed (stamped with ₹ 500 only). The partnership deed was further modified on 19 May 2019 (stamped with ₹ 2400 only) due to the retirement of another partner⁹ who transferred his 73 *per cent* share to other continuing partners of the firm.

Thus, total 78 *per cent* share in immovable property was transferred to the existing two partners of the firm due to retirement of the other partners on whom the Stamp Duty at the rate of conveyance was chargeable on the transferred share according to Article 43(3) (a) of the schedule to the Rajasthan Stamp Act, 1998.

This resulted in short levy of Stamp Duty and Surcharge of ₹ 93.46 lakh¹⁰ which was payable on market value of ₹ 15.58 crore¹¹ of the transferred share.

4.3.2. In case of Sub Registrar Bharatpur, a partnership firm¹², possessing a commercial land¹³, had presented (13 September 2021) a Lease deed (Rental Deed) regarding the changes in the sharing ratio of the partners of the partnership firm, the Registrar of Firms, Jaipur, provided required documents¹⁴. On scrutiny of these documents, it was noticed that its partnership had been modified three times¹⁵ in which share (cumulatively, 100 *per cent* change in ownership) of the property was transferred to continuing partners on which Stamp Duty and surcharge were chargeable as conveyance according to Article 43(3)(a) of the schedule to the Act.

The Sub Registrar did not consider the facts about change in partnership at the time of registration of lease deed on which Stamp Duty and Surcharge of ₹ 1.21

6 M/s. Radha Krishna Buildtech, Jaipur. It was also registered with RERA with registration number RAJ/P/2017/224.

7 Measuring 30143.78 sqmt (36038.56 sqyd) situated in village Dugheda, Tehsil Behror (Alwar).

8 Shri Preetam Chaidwal.

9 M/s. Radha Krishna Buildtech Pvt. Ltd.

10 ₹ 93.46 lakh: Stamp Duty of ₹ 77.89 lakh and Surcharge of ₹ 15.57 lakh.

11 Market value of 5 *per cent* share = (1801.92 sqyd x ₹ 4,980/- per sqyd) = ₹ 89,73,562/- and market value of 73 *per cent* share = (26308.14 sqyd x ₹ 5,580/- per sqyd) = ₹ 14,67,99,421/- Thus total market value of 78 *per cent* share = (₹ 89,73,562 + ₹ 14,67,99,421) = ₹ 15,57,72,983 or ₹ 15.58 crore.

12 M/s. Anupam properties, Jaipur.

13 Commercial land measuring 1966.68 sqyd (17700.12 sqft) situated in front of PWD office, Near SP office, Kunda, Bharatpur.

14 Documents such as partnership deeds and subsequent amended partnership deeds.

15 On 23 December 2020, 19 February 2021 and 30 July 2021. Cumulatively, 100 *per cent* change in ownership: (80 *per cent* on 23 December 2020 + 10 *per cent* on 19 February 2021 + 10 *per cent* on 30 July 2021).

crore¹⁶ was recoverable on market value of ₹ 15.47 crore¹⁷ of the transferred immovable property and recovered ₹ 1.65 lakh¹⁸ as Stamp Duty, Surcharge and Registration Fee only on the document of lease deed which was presented for registration. This resulted in short levy of Stamp Duty and surcharge of ₹ 1.19 crore (recoverable ₹ 1.21 crore – recovered ₹ 1.65 lakh).

4.3.3. According to State Government notification dated 19 July 2018, the Stamp Duty chargeable on instrument of partnership shall be ₹ 500, if the partnership is between grandfather, grandmother, father, mother, brother, sister, son, daughter, grandson, granddaughter, husband, and wife.

In the case of Sub Registrar Jaipur-IX, an amended lease deed of an industrial land¹⁹ was executed between lessor²⁰ and lessee²¹ on 7 July 2021. On scrutiny of the recital of document, it was noticed that the lessee was a partnership firm which was initially constituted (1 April 2006) with three equal partners²² and later the partnership was modified (1 April 2020) due to which amended lease deed was executed and was presented for registration.

As per the facts mentioned in the modified partnership deed, two partners had retired²³ from the firm and one new partner²⁴ had joined the firm. Due to the retirement of the two previous partners, a total of 66.67 per cent share²⁵ of immovable property of the firm was transferred *vide* the amended lease deed issued in favor of the remaining one²⁶ and one new²⁷ partner. Out of this, 17.67 per cent²⁸ was transferred within relations (brother²⁹) as mentioned in the State Government notification dated 19 July 2018 and so Stamp Duty, Surcharge and Registration Fee at reduced rates were recoverable on this share. The remaining 49 per cent share³⁰ of the immovable property was transferred to other (nephew) which was not covered under the defined relations mentioned in the Notification *ibid* and was therefore chargeable with Stamp Duty, Surcharge and Registration Fee as applicable on conveyance according to Article 43(3)(a) of the schedule to the Act. Thus, Stamp Duty, Surcharge and Registration Fee of

16 ₹ 1.21 crore: (₹ 97.48 lakh + ₹ 12.18 lakh + ₹ 10.97 lakh).

17 ₹ 15.47 crore: Market value for 80 per cent (14160.09 sqft x ₹ 8,826/- per sqft) = ₹ 12,49,76,954/- + for 10 per cent (1770.01 sqft x ₹ 8,826/- per sqft) = ₹ 1,56,22,108/- + for 10 per cent (1770.01 sqft x ₹ 7,943/- per sqft) = ₹ 1,40,59,189/- Thus, total market value of 100 per cent share = (₹ 12,49,76,954 + ₹ 1,56,22,108 + ₹ 1,40,59,189) ₹ 15,46,58,251/- or say ₹ 15.47 crore.

18 ₹ 1.65 lakh: SD of ₹ 1.10 lakh, Surcharge of ₹ 0.33 lakh and RF of ₹ 0.22 lakh.

19 Plot No. B-304, measuring 4431 sqmt situated at Vishwakarma Industrial Area, Jaipur.

20 Lessor: RIICO Vishwakarma Industrial Area, Jaipur.

21 Lessee: M/S Laxmi Industries, Jaipur.

22 Harish Chawla S/o Daulatram (33.34 per cent), Brij Mohan Chawla S/o Daulatram (33.33 per cent) and Yudhisthar Chawla S/o Daulatram (33.33 per cent).

23 Harish Chawla S/o Daulatram and Yudhisthar Chawla S/o Daulatram.

24 Mohit Chawla S/o Brij Mohan Chawla (49 per cent).

25 66.67 per cent share: 33.34 per cent share of Harish Chawla S/o Daulatram and 33.33 per cent share of Yudhisthar Chawla S/o Daulatram.

26 Brij Mohan Chawla S/o Daulatram.

27 Mohit Chawla S/o Brij Mohan Chawla.

28 17.67 per cent: (33.34 per cent + 33.33 per cent - 49 per cent).

29 Brij Mohan Chawla S/o Daulatram.

30 49 per cent share: Transferred to Mohit Chawla (nephew).

₹ 12.99 lakh³¹ was chargeable on market value of ₹ 1.48 crore³² of the 49 *per cent* share of transferred property.

However, Audit noticed that the Sub Registrar categorized it as supplementary deed and recovered Stamp Duty, Surcharge and Registration Fee of ₹ 850³³ only as the entire transfer was considered to be towards relations as mentioned in the notification *ibid*. This resulted in short levy of Stamp Duty, Surcharge and Registration Fee of ₹ 12.98 lakh³⁴.

These three cases resulted in short levy of Stamp Duty, Surcharge and Registration Fee of ₹ 2.25 crore³⁵.

The matter was reported to the State Government (July 2024). The State Government replied (April 2025) that an amount of ₹ 12.99 lakh against objected amount of ₹ 12.98 lakh (in Para 4.3.3) has been recovered in one instrument of SR, Jaipur-IX and remaining two cases are under adjudication of Collector (Stamps). Further progress was awaited (August 2025).

4.4 Irregular exemptions of Stamp Duty under Rajasthan Investment Promotion Scheme

According to Clause 3.1 of the Rajasthan Investment Promotion Scheme (Scheme) 2019, the scheme shall be applicable for new and existing enterprises making investment for setting up new units and existing enterprise making investment for expansion, provided that the enterprise shall commence commercial production or operation during the operative period of the scheme. Further according to Clause 3.2 of the scheme, the exemption in Stamp Duty shall not be applicable to a unit of an enterprises if its commercial production or operation has commenced before the issuance of Entitlement Certificate³⁶ (EC). Clause 4 of the Scheme provides that an enterprise to which EC has been issued shall be eligible to claim 100 *per cent* exemption in Stamp Duty (SD) payable on the instruments executed for the purchase or lease/sub-lease of land and construction or improvement on such land. The ceiling for exemption of SD was reduced from 100 *per cent* to 75 *per cent* *vide* notification dated 23 February 2022. Further, Clause 17 stipulates that in case of breach of any of the conditions of the Scheme, the benefits availed under the Scheme shall be withdrawn by the appropriate screening committee and on its recommendations, the concerned Department shall recover the benefits availed by the enterprise along with interest at the rate of 18 *per cent* per annum from the date on which the benefits have been availed.

31 ₹ 12.99 lakh: SD of ₹ 8.86 lakh, Surcharge of ₹ 2.66 lakh and RF of ₹ 1.47 lakh.

32 ₹ 1.48 crore: 49 *per cent* of ₹ 3.01 crore (Land Value ₹ 1,99,39,500/- (4431 sqmt X ₹ 4,500/- per sqmt), Tinshade ₹ 87,01,620/- (2900.54 sqmt x ₹ 3,000/- per sqmt) and construction ₹ 14,84,232/- (1236.86 x 1,200/- per sqft). Total market value = ₹ 3,01,25,352/- (₹ 1,99,39,500 + ₹ 87,01,620 + ₹ 14,84,232) or say ₹ 3.01 crore.

33 ₹ 850: SD ₹ 500, Surcharge ₹ 150 and RF ₹ 200.

34 ₹ 12.98 lakh: SD of ₹ 8.85 lakh, Surcharge of ₹ 2.66 lakh and RF of ₹ 1.47 lakh.

35 ₹ 2.25 crore: ₹ 0.93 crore + ₹ 1.19 crore + ₹ 0.13 crore.

36 Issued by the District Industries Centre under the Department of Industries, Government of Rajasthan for claiming benefits under Scheme.

During test check (between August 2023 and March 2024) of records of four Registrar offices³⁷, it was noticed that five instruments³⁸ were registered (between November 2020 and August 2022) with 100/75 per cent exemption in SD under the Scheme as discussed below:

4.4.1 In Sub Registrars Bhilwara-I and Neemrana (Alwar), three lease deeds were registered³⁹ (between November 2020 and September 2021) between Rajasthan State Industrial Development and Investment Corporation (RIICO) Limited, Jaipur (lessor)⁴⁰ and lessees⁴¹ for three industrial plots⁴² situated at RIICO Industrial areas valued at ₹ 2.84 crore⁴³ which were purchased through public auction by the lessees. 100 per cent exemption from SD and surcharge of ₹ 22.23 lakh⁴⁴ was granted at the time of registration of lease deeds upon presentation of an EC issued by the District Industries Centre, Bhilwara and Alwar under the Scheme. However, the lessees sold (between August 2022 and March 2023) these industrial plots without establishing the units. Therefore, the exemption in Stamp Duty and Surcharge amounting to ₹ 22.23 lakh was recoverable along with interest of ₹ 8.87 lakh⁴⁵ from the lessees.

4.4.2 In Sub Registrar Jaipur-II, a lease deed was registered⁴⁶ (July 2021) between RIICO, Sitapura, Jaipur (lessor) and a company (lessee)⁴⁷ for an industrial plot⁴⁸ situated at RIICO Prahaldpura, Jaipur which was purchased through a public auction by the lessee. 100 per cent exemption in SD and Surcharge amounting to ₹ 74.21 lakh⁴⁹ was granted at the time of registration of the lease deed upon presentation of an Entitlement Certificate issued by the District Industries Centre, Jaipur (Rural) under the Scheme for setting up an industrial unit for manufacturing of submersible pumps and panel. Further, at the request of the lessee, RIICO subdivided the plot into four parts. Subsequently, the lessee sold all four subdivided industrial plots to purchasers' firms⁵⁰ without establishing the unit and again 75 per cent exemption was given to the purchaser firms at the time of registration of sale deeds⁵¹. Therefore, the

37 Bhilwara, Jaipur-II, Neemrana and Pali-I

38 One lease deed each in SR Bhilwara and Jaipur-II, two lease deeds in SR Neemrana and one sale deeds in SR Pali-I.

39 Document registration number 13415/04.11.2020, 2204/23.09.2021 and 801/27.03.2021.

40 Lessor: RIICO Bhilwara and Neemrana.

41 Lessees: M/s Jitendra Enterprises, Bhilwara in SR Bhilwara-I and M/s Umang Enterprise, Haryana and M/s Rajasthan Enterprises, Neemrana (both in SR Neemrana).

42 Number P-27, RIICO Estate, Bhilwara of 469.19 sqmt, F-320 RIICO Ghiloth, Neemrana of 1287 sqmt and H1-34 RIICO Kolila Joga, Neemrana of 416 sqmt.

43 ₹ 2.84 crore: ₹ 1.27 crore (SR Bhilwara-I) and ₹ 1.57 crore (SR Neemrana).

44 ₹ 22.23 lakh: SD of ₹ 7.66 lakh and surcharge of ₹ 2.30 lakh (in SR Bhilwara-I) and SD of ₹ 9.44 lakh and surcharge of ₹ 2.83 lakh (in SR Neemrana).

45 ₹ 8.87 lakh: ₹ 5.38 lakh in SR Bhilwara-I and ₹ 3.49 lakh in SR Neemrana.

46 Document registration number 5901/20.07.2021.

47 M/s Millborn Switchgears Private Limited, Jaipur.

48 Plot number A-181 of 9411 sqmt valuing ₹ 9.51 crore (auction value at the rate ₹ 10,110 per sqmt).

49 ₹ 74.21 lakh: SD ₹ 57.09 lakh and surcharge ₹ 17.12 lakh.

50 M/s Century Overseas Jaipur, M/s Ocean Enterprises Jaipur, M/s Fine Paper Board Industries Jaipur and M/s Ocean Electronics Jaipur.

51 Document no. 4385/05.04.2022, 4386/05.04.2022, 4890/20.04.2022 and 4936/20.04.2022.

exemption of SD and Surcharge amounting to ₹ 74.21 lakh⁵² was recoverable along with interest of ₹ 22.69 lakh from the lessee.

4.4.3 In Sub Registrar Pali-I, it was noticed that a sale deed⁵³ for an industrial plot⁵⁴ was registered (26 August 2022) on which 75 *per cent* exemption in Stamp Duty and Surcharge of ₹ 8.42 lakh⁵⁵ was granted under RIPS 2019 on the basis of Entitlement Certificate issued (dated 10.08.2022) by the District Industries Centre, Pali. Scrutiny of the sale deed revealed that the industrial unit was already in operation at the time of registration, which meant the exemption should not have been provided as per clause 3.2 of RIPS, 2019. The Sub Registrar did not properly scrutinize the sale deeds before granting the exemption. Therefore, the irregular exemption in SD and Surcharge aggregating to ₹ 8.42 lakh was recoverable along with interest of ₹ 0.90 lakh.

Thus, in all these cases Stamp Duty and Surcharge aggregating to ₹ 1.05 crore⁵⁶ and interest ₹ 0.32 crore⁵⁷ was recoverable.

The matter was reported to the State Government (July 2024). The State Government replied (April 2025) that the entire amount of ₹ 2.11 lakh has been recovered in one instrument of SR Neemrana, three cases of SR, Bhilwara-I, Jaipur-II and Neemrana are under adjudication of concerned Collector (Stamps) and recovery is pending in the remaining one instrument of SR, Pali-I after the case has been decided by the Collector (Stamps). Further progress was awaited (August 2025).

4.5 Short levy of Stamp Duty and Surcharge on misclassification of developer agreement

According to Article 5(e) of Rajasthan Stamp Act, Stamp Duty was chargeable on an agreement which gives authority or power to a promoter or a developer for construction on any immovable property. The rate of duty to be paid is one *per cent* on owner's share and one and half *per cent* on developer's share of the market value of property.

The Inspector General, Registration and Stamps had instructed (July 2021) the registering authorities to inspect the physical records of Public Offices⁵⁸ as well as unstamped/unregistered documents available online on the websites of Public Offices.

During test check (between February 2024 and March 2024) of registration records of SR Jaipur-V and records available on the website of the Rajasthan

52 ₹ 74.21 lakh: SD of ₹ 57.09 lakh and surcharge of ₹ 17.12 lakh.

53 Document registration number 8703 dated 26.08.2022.

54 Plot E-112, Measuring 3400 sqmt, situated in Mandiya Road Industrial Area, Pali.

55 ₹ 8.42 lakh: SD of ₹ 6.48 lakh and Surcharge of ₹ 1.94 lakh.

56 ₹ 1.05 crore: ₹ 22.23 lakh + ₹ 74.21 lakh + ₹ 8.42 lakh

57 ₹ 0.32 crore: ₹ 8.87 lakh + ₹ 22.69 lakh + ₹ 0.90 lakh.

58 As per the State Government's notification dated 16 December 1997, all offices of the Central and State Governments, corporations, all local bodies, all registered institutions and cooperative societies, offices of all incorporated and unincorporated companies, and offices of notaries public and oath commissioners have been declared as Public Offices.

Real Estate Regulatory Authority (RERA), it was noticed that a land-owning firm⁵⁹, which was a partnership firm consisting five partners⁶⁰, owns a commercial plot⁶¹ for the purpose of developing a commercial project on this plot. The firm included a sixth partner⁶², as a developer and accordingly the partnership of the firm was amended through a deed of partnership for admission of new partner on 27 June 2022, designating the shares of the landowner (the partnership firm) and the developer (sixth partner) as 58 *per cent* and 42 *per cent*, respectively.

Further, scrutiny disclosed that the amended partnership deed was verified by a notary public on 28 June 2022 and only ₹ 650⁶³ were paid as Stamp Duty and Surcharge. However, this document was not an amended partnership deed but a development agreement, as it involved an agreement between the original partnership firm (landowner) and the new partner (Developer) to develop a commercial project on the land. The Stamp Duty and Surcharge of ₹ 24.50 lakh⁶⁴ were payable on market value of ₹ 15.57 crore⁶⁵, assessed at the commercial rate. To evade Stamp Duty, Surcharge and Registration Fee, the firm did not register this deed with the registering authorities. The failure of the registering authorities to inspect the records available digitally on the RERA website resulted in short levy of Stamp Duty and Surcharge of ₹ 24.49 lakh⁶⁶. Further, if the document had been registered, the department would have received an extra ₹ 15.57 lakh as Registration Fee.

The matter was reported to the State Government (July 2024). The State Government replied (April 2025) that a case is under the adjudication of the Collector (Stamps). Further progress was awaited (August 2025).

59 M/s Sukhani Builders and Developers, Jaipur.

60 M/s Manhattam Constructions LLP, M/s Tulsan Construction LLP, M/s Sukhani Buildcom LLP, M/s Phool Properties LLP and M/s Gagan Buildcon LLP.

61 SB 56 in Bapu Nagar, situated on Main Tonk Road, Jaipur with an area of 1022.50 square meters.

62 Sh. Nitesh Kumar Agrawal S/o Sh. Shambhu Dayal Agrawal, resident of Jaipur.

63 ₹ 650: Stamp Duty ₹ 500 and Surcharge ₹ 150.

64 ₹ 24.50 lakh: Stamp Duty ₹ 18.85 lakh (₹ 9,81,188 on developers share: One and half *per cent* of 42 *per cent* of ₹ 15,57,44,133 + ₹ 9,03,316 on landowners share: One *per cent* of 58 *per cent* of ₹ 15,57,44,133) and Surcharge ₹ 5.65 lakh (30 *per cent* of Stamp Duty).

65 ₹ 15.57 crore: 1022.50 sqmt x ₹ 1,52,317/- per sqmt = ₹ 15,57,44,133/- or say ₹ 15.57 crore.

66 ₹ 24.49 lakh: Stamp Duty ₹ 18.84 lakh and Surcharge ₹ 5.65 lakh.

CHAPTER-V
STATE EXCISE

CHAPTER V: STATE EXCISE

5.1 Tax administration

The Secretary, Finance (Revenue) is the administrative head of the State Excise Department (Department) at Government level. The Department is headed by the Excise Commissioner (EC). The Department has been divided into seven zones each headed by Additional Excise Commissioner (AEC). District Excise Officers (DEOs) and Excise Inspectors working under the AECs of the respective zones are deputed to monitor and regulate levy/collection of excise duty and other levies.

5.2 Results of audit

There are 108 auditable units (including 54 implementing units) in the State Excise Department, out of which, Audit selected 32 units (including 20 implementing units) for audit. The records of these units including 4,925 retail licensees (out of total 5,952 licensees) were analysed along with scrutiny of 11,646 cases. Audit noticed 6,797 cases (approximately 58 *per cent*) of non/short realization of excise duty, license fee, additional amount, interest/penalty on delayed payment, loss of excise duty on account of excess wastage of spirit/liquor/beer and other irregularities involving ₹ 512.38 crore. These cases are illustrative only, based on audit of the records of these selected units. Audit had pointed out similar omissions in previous years. However, not only did these irregularities persist but some of the issues also remained undetected till the conduct of the subsequent Audit.

Irregularities noticed broadly fall under the following categories given in Table 5.1.

Table 5.1: Categories of Irregularities noticed during Audit

(₹ in crore)

S. No.	Category	Number of cases	Amount
1	Non/short realization of excise duty and license fees	4,693	500.87
2	Non/short realization of additional amount on IMFL/Beer	254	5.89
3	Loss of excise duty on account of excess wastage of spirit/liquor/beer	07	0.10
4	Non-recovery of interest/penalty on delayed payment	354	5.52
5	Other irregularities:		
	(i) Revenue	1,489	0.00
	(ii) Expenditure	0	0.00
Total		6,797	512.38

The Department accepted deficiencies in 6,197 cases involving ₹ 502.28 crore, of which 5,030 cases involving ₹ 499.73 crore were pointed out in audit during 2022-23 and the rest in earlier years. The Department recovered ₹ 2.68 crore in 1,178 cases, of which 13 cases involving ₹ 0.15 crore had been pointed out during the year 2022-23 and the rest from earlier years.

The State Government accepted (September 2023) and completely recovered ₹ 20 lakh in one case related to short levy of license fee on a brewery under the

jurisdiction of District Excise Officer (DEO), Alwar. Further, the State Government accepted (May 2024) and completely recovered ₹ 14.00 lakh in two cases (pertaining to DEO, Behror) of short levy of license fee for wholesale vend of Beer. These paragraphs have not been discussed in this Report.

A few illustrative cases involving ₹ 247.72 crore observed in the audited units of the Department are discussed in the succeeding paragraphs. It is pertinent to mention that most of these issues have been raised earlier and published in the CAG's Audit Report of previous years wherein the Government accepted the observations and initiated action/recoveries. However, it is seen that the Department took action only in cases which were pointed out by audit and did not strengthen the internal control system which has led to recurrence of similar issues in subsequent years.

5.3 Non recovery of additional amount on short lifted quantity of IMFL and beer

According to the Rajasthan State Excise and Temperance Policy (Policy) 2017-19 to 2020-21, an additional amount was to be charged quarterly at the rate of ₹ 20 per bulk litre (BL) on short lifted quantity of Indian Made Foreign Liquor (IMFL) and ₹ 10 per BL on short lifted quantity of Beer during 2020-21 from retail-off licensees who did not increase lifting of IMFL and Beer upto minimum 10 *per cent* during each quarter of current year in comparison to the quantity lifted in the corresponding quarter of the previous year. This provision was also applicable to retail-on licensees up to 2019-20, however, the norm for increased lifting was revised to 5 *per cent* for retail-on licensees in the Policy of 2020-21. Thereafter, in view of *Covid* pandemic, the State Government relaxed (July 2020) this provision such that no penalty would be charged from retail-on licensees for lifting upto 10 *per cent less* in comparison to last year.

Further, all DEOs were directed (February 2020) by the Excise Commissioner (EC) that provision to calculate the shop wise short lifted quantity of liquor after every quarter was available at departmental *website*/Integrated Excise Management System (IEMS) and next permit should be issued to a group/shop only after deposition of the additional amount due at the end of each quarter. It was also directed that necessary provisions should be made by the IT section to ensure timely recovery of Government revenue.

During scrutiny (between August 2022 and January 2023) of the records of four¹ offices of DEO for the period 2016-22, it was noticed that during 2018-21, out of 503 licensees 254 licensees did not increase lifting of IMFL and Beer upto prescribed levels in comparison to the corresponding quarter of the previous year and were thus liable to pay the additional amount of ₹ 9.75 crore. Out of this shortfall, ₹ 3.91 crore was recovered/adjusted from security amount of the licensees, however, the department could not recover the remaining amount of ₹ 5.84 crore. Therefore, lack of action to enforce policy provisions and to comply with the extant directions of EC resulted in non-recovery of additional amount of ₹ 5.84 crore.

1 DEOs: Churu, Dholpur, Dungarpur and Jalore.

The matter was reported to the Department and the State Government (July 2024). The Government replied (September 2024) that ₹ 1.13 crore has been recovered and the concerned DEOs have been directed for recovery of remaining amount. Further, in respect of DEO Dungarpur it was stated that the amount of ₹ 2.21 crore, out of ₹ 4.65 crore is not recoverable as the additional amount of short lifted quantity of liquor was to be calculated group wise instead of shop wise and if there were more than one shop in a group, the additional amount of short lifting quantity of liquor would be calculated group wise. The reply is not acceptable in view of the policy provision as well as directions of EC which clearly stipulates that the additional amount on short lifted quantity of liquor was to be calculated shop wise. Further progress was awaited (August 2025).

5.4 Short realisation of monthly guarantee amount

According to the Rajasthan Excise and Temperance Policies (Policy) 2019-20 and 2020-21, group/shop wise licenses of Country Liquor (CL) and Rajasthan Made Liquor (RML) were allocated on the basis of Exclusive Privilege Amount (EPA)². The licensee was liable to pay the EPA prescribed for his licence period in the form of excise duty on CL and RML. Further, as per the conditions of retail sale license, the licensee was required to pay the annual EPA fixed for the prescribed group/shop for the concerned year in 12 equal monthly installments. The monthly installment was to be paid by the last date of that month. If a licensee failed to lift the minimum monthly quota of CL and RML, he was liable to pay the difference of excise duty in cash.

Scrutiny of the records of offices of six DEOs³ revealed that during 2019-21⁴, total 1,058 licensees lifted CL and RML worth ₹ 455.31 crore against the quota of ₹ 481.06 crore fixed for the concerned months due to which there was shortfall of ₹ 25.75 crore in monthly guarantee amount against 607 licensees. Out of this shortfall, ₹ 13.99 crore was recovered or adjusted from security amount of the licensees. However, the department could not recover the remaining amount of ₹ 11.76 crore from 388 licensees. Therefore, lack of action to enforce the provisions of the policy led to Short recovery of revenue amounting to ₹ 11.76 crore.

The matter was reported to the Department and the State Government (July 2024). The Government while accepting the facts stated (August-September 2024) that ₹ 2.12 crore has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

2 EPA: The amount to be charged by the Excise Department from CL and RML groups/shops for exclusive right to trade in liquor in the specified area is called EPA.

3 DEOs Churu, Dungarpur, Jalore (between August 2022 and January 2023), Baran, Sawai Madhopur, and Sriganganagar (between August 2023 and January 2024).

4 DEOs Churu, Dungarpur (2019-20 and 2020-21), Jalore, Baran, Sawai Madhopur, and Sriganganagar (2020-21).

5.5 Short recovery of basic license fee on short-lifted quantity of CL and RML

According to the Rajasthan Excise and Temperance Policy (Policy) 2020-21 and conditions of retail sale license of Country Liquor (CL) and Rajasthan Made Liquor (RML) and directions issued by Excise Commissioner (EC) (February 2020 and February 2021), licensee of CL and RML groups had to fulfil minimum 30 per cent of monthly Exclusive Privilege Amount (EPA) with lifting of 25 Under Proof (UP)⁵ RML and remaining 70 per cent with lifting of CL in which minimum 40 per cent would be of 50/60 UP CL and the remaining 60 per cent of 5 UP to 40 UP CL.

Further, as per directions *ibid*, if a licensee failed to fulfill the above prescribed guarantee ratio of RML and 50/60 UP CL in a particular month, he had to ensure lifting of RML and 50/60 UP CL in other months of concerned quarter in a manner that 30 per cent guarantee of total quarterly EPA was fulfilled from excise duty of RML, 28 per cent guarantee from 50/60 UP CL and remaining 42 per cent guarantee from 5 UP to 40 UP CL. In case of short lifting of RML and 50/60 UP CL *w.r.t.* prescribed 30 per cent and 28 per cent in a quarter, the licensee was liable to pay the difference of excise duty and basic license fee payable on required quota and actual lifting of RML and 50/60 UP CL in cash.

Scrutiny of the records of offices of seven DEOs⁶ revealed that during 2020-21, 913 licensees lifted 105.84 lakh Bulk Litre (BL) RML and 153.78 lakh BL 50/60 UP CL against the prescribed quota of 112.89 lakh BL RML and 158.04 lakh BL 50/60 UP CL for the concerned quarters. Due to this, there was shortfall of 7.05 lakh BL RML and 4.26 lakh BL 50/60 UP CL in quarterly guarantee quota on which basic license fees of ₹ 437.54 lakh was recoverable against 591 licensees. Out of this, ₹ 74.42 lakh was recovered or adjusted from the security amount of the licensees. However, the department could not recover the remaining amount of ₹ 363.12 lakh from 456 licensees. Therefore, lack of action to enforce the provisions of the policy led to short recovery of revenue amounting to ₹ 363.12 lakh.

The matter was reported to the Department and the State Government (July-August 2024). The Government while accepting the facts stated (August-September 2024) that ₹ 22.38 lakh has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

5.6 Non-recovery of difference amount of excise duty on CL and RML

According to the Rajasthan Excise and Temperance Policy (Policy) 2019-20 and conditions of retail sale licence of Country Liquor (CL), a licensee of CL groups had to fulfil 40 per cent of monthly Exclusive Privilege Amount (EPA)

⁵ UP refers to 'Under Proof'. It reflects the content of alcohol in an alcoholic beverage. For example, 50 Degree Proof can be denoted as 50 UP and 40 Degree proof can be denoted as 40 UP.

⁶ DEOs Churu, Dholpur, Dungarpur, Jalore (between August 2022 and January 2023), Baran, Sawai Madhopur and Sriganganagar (between August 2023 and January 2024).

with lifted quantity of 50/60 UP CL. Further, as per the policy 2020-21 and conditions of retail sale license of CL and Rajasthan Made Liquor (RML) and directions⁷ of Excise Commissioner, licensee of CL and RML groups had to fulfil minimum 30 *per cent* of monthly EPA with lifted quantity of 25 UP RML and remaining 70 *per cent* with lifted quantity of CL in which minimum 40 *per cent* would be of 50/60 UP CL and maximum 60 *per cent* would be of 5 UP to 40 UP CL.

If the licensee failed to fulfill the prescribed guarantee ratio of RML and 50/60 UP CL in a particular month, he had to ensure lifting of RML and 50/60 UP CL in other months of concerned quarter in a manner that quarterly guarantee quota of RML and 50/60 UP CL in total quarterly EPA was fulfilled for the quarter. In case of short lifting of RML and 50/60 UP CL in a quarter, the licensee was liable to pay the difference of excise duty and basic license fee payable on required quota and actual lifting of RML and 50/60 UP CL in cash.

Scrutiny of the records of offices of seven DEOs⁸ revealed that during 2019-21⁹, 1,248 licensees lifted 50/60 UP CL and RML worth ₹ 327.85 crore against the prescribed quota of ₹ 341.09 crore for the concerned quarters and thus there was shortfall of ₹ 13.24 crore in quarterly guarantee quota against 614 licensees. Out of this shortfall, ₹ 1.44 crore was recovered or adjusted from security amount of the licensees. However, the department could not recover the remaining amount of ₹ 11.80 crore from 533 licensees. Therefore, lack of action to enforce the provisions of the policy led to short recovery of revenue amounting to ₹ 11.80 crore.

The matter was reported to the Department and the State Government (August 2024). The Government replied (August 2024) that ₹ 0.58 crore has been recovered/adjusted and the concerned DEOs have been directed for recovery of the remaining amount.

Further, in respect of DEO Dholpur it was stated that the amount of ₹ 3.70 lakh from six licensees is not recoverable as there is a provision in the conditions of the license that adjustment can be provided to a licensee in second quarter against the excess lifting of liquor in first quarter. The reply is not acceptable as there was no provision in the Policy, license conditions or directions of EC regarding adjustment of the amount of excess lifting of liquor of first quarter against shortfall in prescribed quarterly guarantee quota of RML and 50/60 UP CL in the other quarters of the year. Besides, in the relevant adjustment orders provided by the State Government, adjustment was actually regarding shortfall of Special Vend Fee and there was no adjustment of the difference amount of excise duty on short lifted quantity of 50/60 UP CL and RML in quarterly guarantee quota. Further progress was awaited (August 2025).

7 Dated 26 February 2020 and 23 February 2021.

8 DEOs Churu, Dholpur, Dungarpur, Jalore (between August 2022 and January 2023), Baran, Sawai Madhopur and Sriganganagar (between August 2023 and January 2024).

9 DEOs Baran, Churu, Dungarpur (2019-20 and 2020-21), Dholpur, Jalore, Sawai Madhopur, and Sriganganagar (2020-21).

5.7 Short recovery of composite fees from liquor shops

According to para number 4.2 of the State Excise and Temperance Policy for the year 2021-22 and para number 17.4 of the detailed directions and conditions issued by the Excise Commissioner in respect of application for licenses of liquor shops, licensees of liquor shops had to deposit 50 *per cent* of the prescribed composite fees¹⁰ of the shop up to 31 March 2021 or before commencement of the shop, whichever was earlier and the remaining 50 *per cent* composite fees would have to be deposited in the next three months.

Further, relaxation was given by the State Government from time to time in deposition of the remaining 50 *per cent* composite fees without interest and extended up to 31 August 2021 and further extended up to 28 February 2022 vide orders of 17 June 2021 and 5 February 2022 respectively.

During scrutiny (between August 2023 and January 2024) of the records related to composite fees of retail licensees under four DEOs¹¹ for the period 2021-22, it was noticed that out of 1081 licensees, 229 licensees deposited composite fees amounting to ₹ 4.99 crore against their prescribed composite fees of ₹ 8.10 crore and operated their shops whole year up to 31 March 2022 without depositing remaining composite fees which resulted short recovery of composite fees amounting to ₹ 3.11 crore against 222 licensees. It indicates that the Department did not recover the remaining amount of composite fees and granted undue benefit to the licensees in operation of their shops.

The matter was reported to the Department and the State Government (July 2024). The State Government replied (August 2024) that ₹ 0.57 crore has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

5.8 Non-levy of Excise Duty on expired beer stock

Section 28 of Rajasthan Excise Act (Act) prescribes that an excise duty may be imposed on any excisable article manufactured in any distillery, pot-still or brewery established or licensed under this Act. Further, Rule 15 of the Rajasthan Brewery Rules, 1972 provides that the State Government shall not be liable for the destruction, loss or damage of any beer stored in a brewery by fire or theft, or by gauging or by any other accident or cause whatsoever. Rule 41 of the Rules provides that no beer shall be removed from a brewery until the duty imposed under Section 28 of the Act has been paid or until a bond has been executed by the brewer for export of beer outside the state, direct from the brewery. Further, as per Para 4.9.12 of the Excise and Temperance Policy for the year 2020-21, the period of 'Best before use' for the supply of beer in the state was increased from six months to one year and according to para 7.2 of the Liquor Sourcing Policy¹² (policy), any stock of beer older than 225 days

10 Composite fee: Fee levied on those shops which are authorised to sale all types of liquor *i.e.* Country liquor, Indian made foreign liquor and Beer.

11 DEOs Baran, Sawai Madhopur, Sikar, and Sri Ganganagar.

12 Issued by Rajasthan State Beverages Corporation Limited (RSBCL) in February 2021.

from the date/month of bottling will not be acceptable to RSBCL as it becomes unfit for human consumption.

During scrutiny (November 2023) of the records of a brewery¹³ under the jurisdiction of DEO, Behror for the period 2021-23, it was noticed that the concerned brewer failed to dispatch 31,990 cases of beer within one year from the date/month of manufacturing (March 2022-November 2022) and it became unfit for human consumption. Excise duty of the expired beer was not deposited by the brewer and no action was taken by the Department to destroy the expired stock of the beer and for realisation of excise duty as per the provisions.

Thus, the excise duty on the expired beer stock was neither paid by the brewer nor demanded by the Excise Department which resulted in non-levy of excise duty amounting to ₹ 2.53 crore. Further, inaction on the part of the Department to drain out such beer resulted in blockage of the expired beer stock at brewery and possibility of any mis-happening due to use of such beer cannot be ruled out.

The matter was reported to the Department and the State Government (May and July 2024). The State Government replied (June 2024) that the unit is currently closed for production and they are not renewing the licenses. However, notice has been issued (June 2024) for depositing the dues and action regarding recovery of the duty /disposal of the beer would be taken on receipt of the response of the notice. The State Government further stated (August 2024) that the unit got (July 2024) stay on recovery from the Rajasthan High Court. Further progress was awaited (August 2025).

5.9 Non recovery of penalty imposed on breach of license conditions

According to Section 34 (c) of the Rajasthan Excise Act, 1950 (Act) and Rule 76 (c) of the Rajasthan Excise Rules, 1956 (Rules), the authority granting a license under these Act or Rules may cancel or suspend the license if the licensee or his servant has been guilty of the violation of a condition of his license or the contravention of the provision of the Act or any notification, order or rule issued under the Act. Further, Section 58 (c) of the Act provides penalty provision for each offence with fine for wilful act or omission in breach of any condition of license by the licensee and Section 70 of the Act authorises the Excise Officers to compound offences subject to such conditions and restrictions as may be prescribed.

Further, para number 15 and 14 of the State Excise and Temperance Policy for the years 2021-22 and 2022-23 respectively and condition number 26 of detail directions regarding application for liquor shops provided the suspension/cancellation of license for selling of liquor at a price higher than the maximum retail price (MRP) and for opening the shop after the prescribed time as it is a violation of license condition as per provision of the Section 58(C) of the Act.

13 M/s Jeeviya Beverages Pvt. Limited, Bhiwadi under DEO, Behror.

During scrutiny (between August 2023 and January 2024) of the records related to cases registered and compounded under six DEOs¹⁴, it was noticed that total 1649 cases were registered under Section 58 (c) during 2017-23. Out of these, 1566 cases were compounded by the EC or concerned DEOs by way of imposing penalty/composition amount. As per the compounding orders of such cases, in case of non-deposit of compound amount within 15 days, action was to be taken to cancel the license under Section 34 (c) and Rule 76 (c).

It was observed that out of these 1566 cases, composition amount was deposited in 1339 cases and in the remaining 227 cases, composition amount of ₹ 74.73 lakh was not deposited by the concerned licensees within the prescribed time limit mentioned in the compounding orders. The concerned DEOs neither recovered the due amount nor cancelled the licenses of such licensees as per the condition mentioned in compounding orders and allowed the licensees to continue their business without payment of penalty. It was also observed that most of the cases were pertained to sale of liquor above MRP and opening the shops after prescribed time.

Though entries of cases registered by the Department are made in 'Online FIR Registration module' of IEMS and FIR was printed through this online module but further action regarding disposal of cases were not updated in the module which indicated lack of control of the Departmental authorities in disposal of cases and recovery of penalty amounting to ₹ 74.73 lakh.

The matter was reported to the Department and the Government (August 2024). The Government replied (August 2024) that ₹ 8.15 lakh has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

5.10 Short recovery of Annual License fees

According to the State Excise and Temperance Policy for the year 2022-23 and conditions of licenses of composite shops for retail sale of liquor, Annual License Fees (ALF) was prescribed equal to five *per cent* of the Annual Guarantee Amount (AGA) of the licensee for the year 2022-23. Licensees of liquor shops had to deposit 50 *per cent* amount of prescribed ALF of the shop upto 14 March 2022 or in case of allotment of shop through online auction, this amount was to be deposited by the date prescribed in the terms and conditions of the auction. The remaining 50 *per cent* amount of ALF was to be deposited in equal installments in the second and third quarter of the respective year. If the licensee fulfilled the quarterly guarantee amount determined on the basis of the AGA, liquor could be lifted against this amount of 50 *per cent* of the ALF.

Further, all DEOs were directed (January 2023) by the Excise Commissioner (EC) that outstanding amount of ALF of the licensees till the third quarter could be fulfilled by depositing in cash or lifting of liquor upto 15 February 2023.

14 DEOs Ajmer, Alwar, Baran, Sawai Madhopur, Sikar and Sriganganagar.

During scrutiny (between August 2023 and January 2024) of the records related to ALF of retail licensees under six DEOs¹⁵ for the period 2022-23, it was noticed that 1,799 licensees deposited ALF amounting to ₹ 90.93 crore against their prescribed ALF of ₹ 91.85 crore, due to which there was shortfall of ₹ 0.92 crore in ALF against 51 licensees. Further, DEOs released ₹ 14.86 crore from installments of ALF deposited during second and third quarters to licensees for lifting of liquor whereas the concerned licensees lifted liquor worth ₹ 14.08 crore, due to which there was shortfall of ₹ 0.78 crore in ALF against 78 licensees. Thus, there was total shortfall of ₹ 1.70 crore in ALF against 129 licensees. Out of this shortfall, ₹ 0.19 crore was recovered or adjusted from security amount of licensees. However, the department could not recover the remaining amount of ₹ 1.51 crore from 106 licensees.

The matter was reported to the Department and the State Government (August 2024). The Government replied (September 2024) that ₹ 0.14 crore has been recovered and the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

5.11 Short recovery of excise duty and basic license fees on short lifted guarantee quota of liquor

According to the Excise and Temperance Policy (Policy) for the years 2021-22 and 2022-23, licenses for shops of Country Liquor (CL), Rajasthan Made Liquor (RML), Indian Made Foreign Liquor (IMFL) and beer were allocated on the Annual Guarantee Amount (AGA) obtained as per the maximum price through online auction process by prescribing shop wise Minimum Reserve Price (MRP). The licensee of such composite shop was liable to pay the AGA in the form of excise duty and additional excise duty. Further the policy's, detailed directions and conditions¹⁶ provide ratio of lifting the liquor for the year 2021-22.

15 DEOs Ajmer, Alwar, Baran, Sawai Madhopur, Sikar and Sriganganagar.

16 Licensees had to fulfil minimum 50 per cent of the total AGA of CL and RML with lifted quantity of RML and remaining 50 per cent with lifted quantity of CL in which minimum 40 per cent with lifted quantity of 50/60 UP CL and 60 per cent with 40 UP CL.

- If the licensee failed to fulfil the prescribed guarantee ratio of CL and RML in a particular month, he had to ensure lifting of CL and RML in other months of concerned quarter in a manner that 50 per cent guarantee of total quarterly AGA of CL and RML was fulfilled from excise duty of RML, 20 per cent guarantee from 50/60 UP CL and remaining 30 per cent guarantee from 5 UP to 40 UP CL.

- In case of short lifting of liquor against the prescribed ratio of quarterly guarantee amount (equal to quarterly MRP), the licensee was liable to pay the difference of excise duty and basic license fees payable on required quota and actual lifting of liquor in cash.

- Relaxation in lifting of RML was given by the State Government that licensees had the option to fulfil minimum 35 per cent instead of 50 per cent of the total AGA of CL and RML with lifted quantity of RML and remaining 15 per cent with lifted quantity of CL (*w.e.f.* 09 September 2021) or IMFL (*w.e.f.* 02 December 2021). Besides, permission was granted to adjust excess lifting of liquor in first quarter against shortfall in second and third quarter and relaxation to recoup the shortfall of first and second quarter by lifting of liquor in third quarter. In addition, relaxation was granted by the Government (28 March 2022) to recoup the shortfall of first, second and third quarter by lifting of liquor upto March 2022.

Similarly, policy and conditions¹⁷ provides ratio of lifting the liquor for the year 2022-23.

During test check (between August 2023 and January 2024) of the records of offices of six DEOs¹⁸ with EPA Report and Shop Guarantee data of liquor shops downloaded from IEMS (computerized system of the State Excise Department) and information provided by the concerned DEOs for the years 2021-23 revealed that during 2021-23, 2885 licensees lifted liquor worth ₹ 2,566.19 crore against the quota of ₹ 2,772.85 crore fixed for the concerned quarters due to which there was shortfall of ₹ 206.66 crore in annual guarantee amount against 1,744 licensees. Out of this shortfall, ₹ 43.29 crore was recovered or adjusted from security amount of licensees. However, the department could not recover the remaining amount of guarantee ₹ 163.37 crore from 1,138 licensees as summarised in the **Table 5.2** below:

Table 5.2: Shortfall of Recovery of AGA

Year	Total licensees	Quota fixed (₹ in Crore)	Lifted liquor (₹ in Crore)	Shortfall amount (₹ in Crore)	No. of defaulter licensees	Recovered or adjusted amount (₹ in Crore)	Remaining defaulter licensees	Remaining amount (₹ in Crore)
2021-22	1,086 (under four DEOs ¹⁹)	951.85	803.90	147.95	937	35.97	665	111.98
2022-23	1,799 (under six DEOs ²⁰)	1,821.00	1,762.29	58.71	807	7.32	473	51.39
Total	2,885	2,772.85	2,566.19	206.66	1,744	43.29	1,138	163.37

Further, shortfall of ₹ 206.66 crore in annual guarantee amount involved shortfall of RML of ₹ 32.47 crore, 50/60 UP CL of ₹ 14.06 crore and 40 UP CL of ₹ 41.55 crore on which basic license fees of ₹ 45.55 crore was recoverable from 1,487 licensees. Out of this shortfall, ₹ 2.13 crore was recovered or adjusted from security amount of licensees. However, the department could not

17 Licensees had to fulfil minimum 30 per cent of the total AGA of CL (including RML) with lifted quantity of RML and minimum 40 per cent of the remaining 70 per cent AGA of CL (including RML) with lifted quantity of 50/60 UP CL.

- If the licensee failed to fulfil the above prescribed guarantee ratio in a particular month, he had to ensure lifting of liquor in other months of concerned quarter in a manner that 30 per cent guarantee of total quarterly AGA of CL (including RML) was fulfilled from excise duty of RML and 28 per cent guarantee from 50/60 UP CL.
- In case of short lifting of liquor against the prescribed ratio of quarterly guarantee amount (equal to quarterly MRP), the licensee was liable to pay the difference of excise duty and basic license fees payable on required quota and actual lifting of liquor in cash.
- Further, permission was granted by Excise Commissioner (20 July 2022) to recoup the shortfall of first quarter by lifting of liquor upto 30 July 2022. In addition, relaxation was granted by EC (30 January 2023) to recoup the shortfall of first, second and third quarter by lifting of liquor upto 15 February 2023.

18 DEOs Ajmer, Alwar, Baran, Sawai Madhopur, Sikar and Sriganganagar.

19 DEOs Baran, Sawai Madhopur, Sikar and Sriganganagar.

20 DEOs Ajmer, Alwar, Baran, Sawai Madhopur, Sikar and Sriganganagar.

recover the remaining amount of BLF ₹ 43.42 crore from 1,073 licensees as summarised in the **Table 5.3** below:

Table 5.3: Shortfall of recovery of BLF

Year	Shortfall of guarantee amount (difference of quota fixed and lifted liquor) (₹ in Crore)					Total amount of BLF leviable on RML and CL (₹ in Crore)	No. of defaulter licensees	Recovered or adjusted amount (₹ in Crore)	Remaining defaulter licensees	Remaining amount of BLF (₹ in Crore)
	Total short fall	IMFL	RML	50/60 UP CL	40 UP CL					
2021-22	147.95	83.76	23.03	9.61	31.55	34.16	862	1.59	676	32.57
2022-23	58.71	34.82	09.44	4.45	10.00	11.39	625	0.54	397	10.85
Total	206.66	118.58	32.47	14.06	41.55	45.55	1,487	2.13	1,073	43.42

Therefore, lack of action on part of the DEOs to enforce the provisions of the Policy and conditions of the license led to short recovery of excise duty and basic license fees amounting to ₹ 206.79 crore.

The matter was reported to the Department and the Government (August 2024). The Government replied (September 2024) that guarantee amount of ₹ 3.72 crore has been recovered out of ₹ 163.37 crore and basic license fees of ₹ 0.55 crore has been recovered out of ₹ 43.42 crore. It was also stated that the concerned DEOs have been directed for recovery of the remaining amount. Further progress was awaited (August 2025).

Part-B
EXPENDITURE SECTOR

CHAPTER-VI
GENERAL

CHAPTER VI: GENERAL

6.1 Profile of the Audited Entity

There are 63 Departments, 176 Autonomous Bodies (ABs) and 14 Public Sector Undertakings (PSUs) under General and Social Sector of the Government of Rajasthan, headed by Additional Chief Secretary/Principal Secretaries/Secretaries, which are audited by the Principal Accountant General (Audit-I), Rajasthan, Jaipur. A list of the Departments is given in *Appendix 6.1*.

The comparative position of expenditure incurred by the Government of Rajasthan during 2018-19 to 2022-23 is given in **Table 6.1**.

Table 6.1: Comparative position of expenditure incurred by the Government

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue expenditure					
General services	54,364	56,186	60,144	65,406	71,875
Social services	65,687	68,313	74,009	85,054	90,168
Economic services	46,722	51,986	44,156	59,330	64,436
Grants-in-aid and Contribution	-*	-**	-***	-****	-*****
Total (A)	1,66,773	1,76,485	1,78,309	2,09,790	2,26,479
Capital and other expenditure					
Capital Outlay	19,638	14,718	15,271	24,152	19,798
Loans and Advances disbursed	1,113	2,255	491	621	175
Payment of Public Debt	16,915	18,616	17,539	17,586	20,819
Contingency Fund	-	-	-	500	-
Public Accounts disbursement	1,60,570	1,79,741	1,99,229	2,40,110	2,34,001
Total (B)	1,98,236	2,15,330	2,32,530	2,82,969	2,74,793
Grand Total (A+B)	3,65,009	3,91,815	4,10,839	4,92,759	5,01,272

Source: Audit Reports on State Finances of the respective years.

* ₹ 9 lakh only, ** ₹ 7 lakh only, *** ₹ 7 lakh only, **** ₹ 4 lakh only, ***** ₹ 4 lakh only.

6.2 Authority for Audit

The authority for Audit by the Comptroller and Auditor General of India (CAG) is derived from Articles 149 and 151 of the Constitution of India and Section 13, 14, 15 & 17 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971. Principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2020 and the Auditing Standards, 2017 issued by the CAG.

6.3 Audit Planning and conduct of Audit

The Office of the Principal Accountant General (Audit-I), Rajasthan conducts audit of Government Departments/Offices/Autonomous Bodies/PSUs/Institutions under the General and Social Sector, under the directions of the CAG. During 2022-23, financial and compliance audits of the selected units under various General and Social Sector Departments, Autonomous Bodies, PSUs and externally aided projects of the GoR were conducted by audit teams of office of the Principal Accountant General (Audit-I), Rajasthan, Jaipur.

The audit process starts with an assessment of risk exposure of various Government Departments/Organisations/Autonomous Bodies and schemes/projects, etc. Risk assessment is based on expenditure, criticality/complexity of activities, level of delegated financial powers and assessment of overall internal controls and the concerns of stakeholders. Audit findings during previous years are also considered in this exercise.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of the units/departments with the request to furnish replies on audit findings within one month of receipt of the Inspection Report. When the replies are received, audit findings are either settled or further compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Report.

During 2022-23, 20,856 mandays (for financial audit and compliance audit) were used for audit of 518 units (out of the 24,144) of General and Social Sector Departments (except Panchayati Raj Institutions and Urban Local Bodies). The audit plan covered those units/entities, which were vulnerable to significant risk, as per the risk assessment.

6.4 Response of the Government/ Departments to Audit observations

6.4.1 The draft paragraphs are forwarded to the Principal Secretaries/ Secretaries of the departments concerned, drawing their attention, for their response. It is brought to their personal attention that in view of likely inclusion of such paragraphs in the Audit Reports of the Comptroller and Auditor General of India, which are placed before State Legislature, it would be desirable to include their comments. Accordingly, draft paragraphs proposed for inclusion in this report, were forwarded to the Principal Secretaries/Secretaries concerned. The State Government did not send replies for four out of eight compliance Audit paragraphs included in chapter VII. The responses of the State Government/ concerned departments wherever received, have been suitably incorporated in the Report.

6.4.2 Rule 327 (1), read with Appendix 6 of General Financial and Accounts Rules prescribes the retention period of various accounting records, which ranges between one and three years after Audit by Accountants General.

Inability of the departmental officers to furnish compliance of audit observations in Inspection Reports (IRs) results in non-settlement of IR paragraphs. As of August 2024, there were 5,251 IRs containing 22,800 paragraphs, issued during the period from 1998-99 to 2022-23 which were pending for settlement. Year-wise pendency is given in **Table 6.2**.

Table 6.2: Details of IRs and Paragraphs pending for settlement

S.No.	Year	IRs	Paragraphs
1	Up to 2015-16	3,147	9,407
2	2016-17	332	1,833
3	2017-18	250	1,521
4	2018-19	408	2,365
5	2019-20	556	3,699
6	2020-21	257	1,737
7	2021-22	144	1,234
8	2022-23 (issued up to March 2023)	157	1,004
Total		5,251	22,800

For early settlement of outstanding paragraphs in IRs, Government of Rajasthan issued (May 1997) instructions to all the departmental officers for sending first reply to IRs within a month. These instructions have been reiterated from time to time. The instructions issued in March 2002 envisaged appointment of nodal officers and Departmental Committee in each of the Administrative Department for ensuring compliance of all the matters relating to audit.

Detailed analysis of IRs issued to two¹ departments was carried out to study the pendency in department's response to the paragraphs brought out in the IRs. Analysis of the IRs of various units of Women and Child Development Department (582 IRs) and Labour Department (64 IRs) revealed that 3,150² paragraphs pertaining to 646 IRs were outstanding as on 30 September 2023. Category-wise details of irregularities is given in **Appendix 6.2**. It was further noticed that the first compliances, which had to be submitted to Audit within one month of issue of IRs, was received with an average delay of 13 months (ranging from three days to 123 months) in respect of 604 IRs³.

The Government should look into the matter and ensure that procedures exist for (a) taking action against the officials who failed to send replies to IRs/paragraphs as per time schedule, (b) taking action to recover loss/outstanding advances/overpayment in time bound manner and (c) revamping the system to ensure prompt and proper response to audit observations.

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- 1 Two Departments: (1) Women and Child Development Department (2) Labour Department.
 - 2 3,150 paragraphs: 2,788 Paragraphs (Women and Child Development Department) + 362 Paragraphs (Labour Department)
 - 3 604 IRs : Delayed first compliance: Women and Child Development Department: 582 (three days to 123 months) + Labour Department: 22 (seven days to 55 months).

6.5 Follow-up on Audit Reports

The Finance Department of the GoR decided (December 1996) that Action Taken Explanatory Notes (ATENs) on all paragraphs/performance audits that have appeared in Audit Reports be submitted to the Public Accounts Committee (PAC), duly vetted by Audit, within three months from the date of laying of the Reports in the State Legislature.

A total of 39 compliance audit paragraphs that featured in the Reports of the Comptroller and Auditor General of India on Expenditure Sector (erstwhile General and Social Sector) for the years ended 31 March 2017, 2018, 2019, 2020 and 2021 were placed before the State Legislature between 05 September 2018 and 22 September 2022. ATENs on six paragraphs were received within prescribed time and ATENs on 33 paragraphs were received late with an average delay of 02 to 03 months.

The PAC discussed 26 selected paragraphs pertaining to the Audit Reports for the years from 2016-17 to 2020-21 and its recommendations on the 24 paragraphs were incorporated in 19 PAC Reports (pertaining to 18 departments) up to May 2025.

6.6 Coverage of this part of the Report

During the last few years, audit has reported several significant deficiencies in implementation of various programmes/activities as well as the quality of internal controls in selected departments through performance audits, which had impacted the success of programmes and functioning of the departments. Similarly, the deficiencies noticed during compliance audit of the government departments/organizations were also reported.

The current report brings out deficiencies in critical areas, which impact the effectiveness of the GoR. Some important findings of compliance audit paragraphs have been reported in Chapter VII.

CHAPTER-VII
COMPLIANCE AUDIT OF
EXPENDITURE SECTOR

CHAPTER VII: COMPLIANCE AUDIT OF EXPENDITURE SECTOR

Audit of transactions of the Government Departments, their field formations as well as audit of the Autonomous Bodies brought out lapses in management of resources and non-observance of the norms of regularity, propriety and economy, which have been presented in the succeeding paragraphs.

Department of Personnel

7.1 Irregularities in procurement of Frisking Services by Rajasthan Staff Selection Board

Between September and October 2021, the Rajasthan Staff Selection Board awarded two frisking service contracts to the same firm, Innovatiview, for the Agriculture Supervisor and Patwar Examinations. Audit revealed multiple irregularities in both procurements, including collusive bidding, ineligible qualification, and procedural lapses. This indicated systemic weaknesses in the Board's procurement practices.

The Government of Rajasthan established the Rajasthan Staff Selection Board¹ (the Board) in 2014 to recruit candidates for various subordinate services across the State. The Board is responsible for conducting fair examinations and preventing malpractice. To facilitate the smooth conduct of examinations, it outsources critical services such as, candidate frisking, biometric attendance, invigilation, security, and CCTV surveillance to external agencies through a tendering process governed by the Rajasthan Transparency in Public Procurement (RTPP) Act, 2012.

An audit was conducted in January 2024 covering two cases of frisking services outsourced to a private firm between September and October 2021. Audit revealed several irregularities and deficiencies that compromised the integrity of the procurement process. The Board did not exercise due diligence during bid evaluation, neglecting to thoroughly verify the documents submitted by the bidders.

The following two sections detail these cases.

Section A: Procurement of Frisking Services for Junior Engineer (Civil) and Agriculture Supervisor Examinations – September 2021

The Board planned to conduct direct recruitment examinations for the posts of Junior Engineer (Civil) and Agriculture Supervisor on 12 September 2021 and 18 September 2021, respectively. For these examinations, it estimated the cost of frisking services at ₹ 32 lakh, calculated at ₹ 15 per candidate. A proposal

¹ Rajasthan Subordinate and Ministerial Services Selection Board renamed as Rajasthan Staff Selection Board from 12 June 2018.

seeking financial sanction was submitted to the State Government on 25 August 2021, just 17 days before the first examination.

Despite the pending financial approval, the Board proceeded to invite *e*-tenders for the frisking services on 27 August 2021. By the tender submission deadline of 03 September 2021, three² bids had been received. One of the bidders, AVA Systems, was disqualified during the technical evaluation (06 September 2021) for not meeting the past experience criteria specified in the Notice Inviting Tender (NIT).

The financial bids of the remaining two firms were opened, and Innovatiview emerged as the lowest bidder with a quote of ₹ 39.90 per candidate, which was subsequently negotiated (08 September 2021) down to ₹ 35.99 per candidate. The State Government granted the financial sanction on 10 September 2021, just two days before the scheduled Junior Engineer (Civil) Examination (12 September 2021). However, Innovatiview informed (08 September 2021) the Board of its inability to provide frisking services for the 12 September examination.

Consequently, the Board conducted the Junior Engineer (Civil) Examination on 12 September 2021 without any frisking arrangements.

Subsequently, the Board issued a work order to Innovatiview on 13 September 2021 for frisking services for the Agriculture Supervisor Examination, scheduled on 18 September 2021. The services were to cover 1,67,502 candidates across 488 centres, at a total cost of ₹ 60.28 lakh. A payment of ₹ 58.21 lakh was made to the firm after receiving Centre Satisfactory Reports.

An audit review of the related documents maintained by the Board revealed the following:

(i) The NIT issued by the Board specified that firms must have an average annual turnover of ₹ five crore in any three of the last five financial years. This requirement was disproportionately high compared to the estimated cost of the work, which was ₹ 32 lakh, making the turnover threshold nearly 15 times the estimated contract value. Such a high benchmark was unjustified and amounted to an overly restrictive condition that limited the competition.

The State Government stated (November 2024) that the RTPP Rules, 2013 do not specify a fixed standard for turnover requirements. However, it acknowledged the issue and informed that to encourage broader participation by capable and reputable firms, the turnover criterion was reduced to twice the estimated contract value or even less in subsequent tenders.

(ii) According to Rule 80 of the RTPP Rules, 2013, which outlines the Code of Integrity, bidders are prohibited from engaging in collusion, bid rigging, or any anti-competitive practices that could compromise the transparency, fairness, and integrity of the procurement process.

² Innovatiview, AVA Systems and Roman Networks Private Limited.

Audit found that two of the participating firms –Innovatiview and AVA Systems were related parties. Shri Ankit Agarwal, the founder and Director of Innovatiview India Private Limited (third party), submitted the bid of Innovatiview as its proprietor, while Shri Vishal Mittal, also a Director in Innovatiview India Private Limited, submitted the bid of AVA Systems as its proprietor. This close association between the bidders raises serious concerns about the genuineness and integrity of the competitive bidding process, potentially violating the RTPP Rules and principles of fair competition.

Additionally, Audit observed that the demand drafts submitted by Innovatiview and Roman Networks Private Limited (the two technically qualified bidders) for the tender and processing fees were issued from the same bank branch, on the same date, and had consecutive serial numbers. It is highly unusual for competing firms to procure payment instruments at the same time and place, and the presence of consecutive serial numbers further indicates that these drafts may have been obtained in a single transaction or as part of a coordinated effort.

These audit findings point to a likely attempt to manipulate the bidding process through collusion.

In its response dated November 2024, the State Government stated that each bidder had submitted the mandatory declaration affirming adherence to the Code of Integrity. It added that the observed similarities could be coincidental, possibly resulting from the firms being located in the same area. It further acknowledged that the Board had not examined the issues raised by the audit and confirmed that explanations have since been sought from the concerned bidders.

The explanation given by the State Government is not convincing. In fact, the registered offices of participating firms are located in entirely different areas of New Delhi –Innovatiview is based in Karkardooma, East Delhi; AVA Systems is located in Naraina Industrial Area, South West Delhi; while Roman Networks Private Limited operates from Nehru Place, South Delhi.

As per the minimum qualification criteria outlined in the NIT, participating firms were required to have prior experience in frisking at least 10,000 candidates using Hand Held Metal Detectors (HHMD) during a single examination shift within the past five years. However, a detailed audit of the bid documents submitted by the selected firm (Innovatiview) revealed that it did not meet this requirement. The specific details of the firm’s claimed experience are presented in **Table 7.1** below:

Table 7.1: Details of past experience claimed by Innovatiview

S. No.	Name of firm	Date of examination	Name of examination	Number of candidates frisked	Audit observations
1.	Innovatiview	05.05 2019	Professional Entrance and Eligibility Examination conducted by National Testing Agency	Approximately 15 lakh	Work order was issued only for frisking of candidates at the examination centres. Frisking through HHMD was not mentioned in the work order.

S. No.	Name of firm	Date of examination	Name of examination	Number of candidates frisked	Audit observations
2.	Innovatiview	15.04. 2017	Dental Surgeon class II conducted by Haryana Public Service Commission	One day in single shift	Number of candidates was not mentioned in the work order.
3.	Innovatiview India Private Limited	16.08.2019 to 22.08.2019	HSC and Other Allied Services Examination conducted by Haryana Public Service Commission	10,019 (seven days; number of shifts not mentioned)	The firm (Innovatiview) submitted the past experience of another firm (Innovatiview India Private Limited) to whom the work order was actually issued.
4.	Innovatiview India Private Limited	03.10.2019 & 04.10.2019	Various posts in Colleges conducted by Haryana Public Service Commission	12,696 (two days in single shift)	The firm (Innovatiview) submitted the past experience of another firm (Innovatiview India Private Limited) to whom the work order was actually issued.
5.	Innovatiview India Private Limited	27.01.2020	Various posts conducted by Haryana Public Service Commission	15,778 (one day in two shifts)	The firm (Innovatiview) submitted the past experience of another firm (Innovatiview India Private Limited) to whom the work order was actually issued.
6.	Innovatiview	20.08.2021	Preliminary Eligibility Test conducted by UP Subordinate Services Selection Commission	One day in two shifts	Work order was issued only for frisking of candidates at the examination centres. Frisking through HHMD was not mentioned in the work order.

As evident from the **Table 7.1**, in three of the six cited cases (S. No. 1, 2, and 6), the work orders either did not mention the number of candidates frisked or did not confirm the use of HHMDs. In the remaining three cases (S. No. 3, 4, and 5), Innovatiview presented the past experience that pertained to a different legal entity (Innovatiview India Private Limited) as its own, indicating serious lapses in the bid evaluation process and negligence of the Board to enforce the eligibility criteria.

In May 2024, the Board acknowledged that it was unable to verify the authenticity of the past work orders and experience documents submitted by Innovatiview due to time constraints. Subsequently, in its response submitted in November 2024, the State Government provided documents to Audit indicating that the Board had sought clarification from Innovatiview on 23 September 2024. In response, Innovatiview submitted an alliance agreement dated 15 November 2018, executed between Innovatiview (a sole proprietorship) and Innovatiview India Private Limited, suggesting that the two entities had agreed to collaborate on various works, contracts, and tenders related to examination security services.

This clearly indicates that the alliance agreement was not available to the Board at the time of the technical evaluation of bids for conducting direct recruitment examinations for the posts of Junior Engineer (Civil) and Agriculture Supervisor.

Thus, there was a significant oversight on the part of the Board, which did not exercise due diligence in verifying and evaluating the qualification documents.

As a result, Innovatiview was wrongly technically qualified based on the work experience of Innovatiview India Private Limited.

As detailed in earlier paragraphs, the Board adopted unusually tight timelines throughout the pre-contract phase, including the submission of proposals to the State Government, invitation of tenders, evaluation of bids, price negotiations, and issuance of the work order. These compressed timelines were inexplicable and had significant adverse outcomes. These actions also undermined transparency, limited competition, and compromised the integrity of the overall procurement process.

Section B: Procurement of Frisking Services for Patwar Examination - October 2021

The Board scheduled the direct recruitment examination for the post of Patwaris on 23 and 24 October 2021. While the examination notification was issued on 17 January 2020, the NIT was published only on 08 October 2021, more than 20 months later. The same three firms namely, Innovatiview, AVA Systems and Roman Networks Private Limited submitted bids. Following the technical evaluation, AVA Systems was disqualified for not meeting the required past experience criteria. Among the remaining two, Innovatiview emerged as the lowest bidder with a quote of ₹ 38 per candidate, which was later negotiated to ₹ 35. Accordingly, a work order was issued to Innovatiview on 18 October 2021 for providing frisking services to 15,63,000 candidates across 4,674 examination centres, at a total contract value of ₹ 5.47 crore. A payment of ₹ 5.40 crore was made to the firm upon receipt of Centre Satisfactory reports from the centres.

Scrutiny of records revealed the following inadequacies:

(i) The participating firms were given only eight days to submit their bids, contrary to the 20 days required under Rule 43 of the RTPP Rules, 2013. The State Government, in its response (November 2024) stated that as the time available before the examination was limited, only eight days were given for bid submission.

However, this explanation is unconvincing, given the substantial 20 month gap between the notification of the examination and the publication of the NIT. Had the NIT been issued earlier, the Board would have had ample time to plan effectively and ensure a transparent procurement process for all services related to the examination.

(ii) Internet Protocol (IP) address is a unique number assigned to every device connected to the internet, allowing them to communicate with one another. Audit observed that Innovatiview and AVA Systems submitted the bids from same IP address (14.99.59.158). The submission of bids by Innovatiview and AVA Systems, two entities registered at different addresses within New Delhi, from the same IP address strongly indicates that these two entities were not operating independently but potentially coordinating their bids to manipulate the outcome of the tendering process. Also, given the fact that Innovatiview and AVA Systems were related parties, as mentioned in paragraph (i) of Section A, further reinforces the possibility of collusion and raises serious

concerns about the integrity and fairness of the bidding process. It also reflects a significant lapse on the part of the Board, which did not detect the identical IP address on the system-generated bid acknowledgment documents submitted by both entities.

The Board stated in June 2024 that verifying the IP addresses was not within their mandate. However, given the importance of ensuring the integrity of the bidding process, the Board should have considered such checks an essential part of their responsibilities to prevent any potential manipulation.

The demand drafts submitted by all the three participating firms for the tender and processing fees were issued by the same bank branch (Axis Bank, Sector 44, Noida) on the same date and at the same time, as evidenced by the continuous serial numbers on the drafts. Considering that the firms are based in entirely different locations in New Delhi, as detailed in paragraph (ii) of Section A, the procurement of demand drafts with consecutive serial numbers from the same branch on the same day strongly suggests a coordinated effort among the bidders. This indicates serious concerns about collusion among the bidders and constitutes a violation of Rule 80 of the RTPP Rules, 2013, regarding the Code of Integrity in the procurement process.

Conclusion

The audit findings revealed significant lapses in the procurement processes for frisking services, marked by inadequate planning, procedural violations, and indication of bidder collusion. The Board did not ensure to enforce key safeguards such as, verifying bidder eligibility, ensuring fair competition, and detecting coordinated behaviour undermined the transparency, integrity, and fairness of the tendering process.

Urban Development and Housing Department

7.2 Short recovery of ₹ 1.17 crore of urban assessment from a firm by Urban Improvement Trust (UIT), Jaisalmer

Urban Improvement Trust (UIT), Jaisalmer recovered less amount of urban assessment of ₹ 1.17 crore from the firm on a commercial plot auctioned on lease of 99 years for construction of a hotel. The UIT calculated urban assessment at the 2.5 per cent for all the years was the violation of the condition of the auction of plot issued by the UIT as it provided that urban assessment (Lease money) was to be charged at 2.5 per cent of the reserve price for first five years and further at the rate of five per cent.

According to Rules 7 (1) and (3) of the Rajasthan Improvement Trust (Disposal of Urban Land) Rules 1974, urban assessment³ (Lease money) was to be

³ Urban assessment means annual charges recoverable from the lessee or sub-lessee for the grant of lease hold rights.

charged at 2.5 per cent of reserve price⁴ in case of land given on lease for residential, educational, social and charitable institutions, medical clinic and nursing homes, tourist unit and five per cent of reserve price in case of land given on lease for commercial and other purposes. For the first five years only half of the urban assessment and thereafter full urban assessment on the plots was to be charged. The urban assessment was to be charged from the date on which the possession of the plot was given.

During examination of records of Urban Improvement Trust (UIT), Jaisalmer in January 2023 and collection of further information in May 2024, audit noted that the UIT auctioned (21 March 2013) a commercial plot measuring 15,425 square meter (sq.m.) under a Hotel Complex Scheme⁵ on lease of 99 years to a firm (Amit Mittal & Party) for construction of a hotel and urban assessment (Lease money) was to be charged at 2.5 per cent of the reserve price for first five years and further at the rate of 5 per cent as per the condition of the auction of plot issued by the UIT. The UIT handed over possession of the plot to the firm on 09 March 2015.

The UIT charged (December 2016) urban assessment of the plot for the first two years (09 March 2015 to 08 March 2017) as ₹ 9,12,774⁶ per year calculated at the rate of 2.5 per cent of the reserve price of ₹ 2,367 per sq.m.

In order to resolve the difficulties of urban citizen and for quick resolution of their problem, the State Government started (02 October 2021) “Prashasan Shahron ke Sang Abhiyan-2021⁷”. It provided that in cases where lease money of previous years is outstanding, a free hold lease deed can be given by depositing 40 per cent of the outstanding lease amount and depositing the 10 years lease amount in advance. Also, on depositing outstanding lease amount, 100 per cent rebate was provided on the interest by an order issued in May 2021 and the same was also allowed during “Prashasan Shahron ke Sang Abhiyan-2021”.

Further, the firm applied (27 March 2024) for issue of free hold lease deed of the plot under Prashasan Shahron ke Sang Abhiyan-2021. The UIT issued (03 April 2024) free hold lease deed of the plot by recovering urban assessment of ₹ 1,05,88,180 arrived at by calculating outstanding urban assessment of ₹14,60,440⁸ of the previous four years (09 March 2017 to 08 March 2021) and advance urban assessment of ₹ 91,27,740⁹ for next 10 years. The urban

4 Reserve price means sanctioned reserve price or the scheme price at which the land shall be disposed off by the trust.

5 Hotel Complex Scheme was developed by UIT, Jaisalmer at Jodhpur Road in Golden and Tourist City Jaisalmer. This scheme was developed for construction of hotels for better view of Jaisalmer Fort and at prime location of the city.

6 $15,425 \text{ sq.m} \times ₹ 2,367 \text{ per sq.m} \times 2.5\% = ₹ 9,12,774$.

7 The period of Prashasan Shahron ke Sang Abhiyan-2021 was further extended (September 2023) up to 31 March 2024.

8 Urban assessment of one year = ₹ 9,12,774, Outstanding urban assessment of one year = 40 per cent of ₹ 9,12,774 = ₹ 3,65,110. Therefore, outstanding urban assessment of four years (period 09.03.2017 to 08.03.2021) = ₹ 3,65,110 x 4 = ₹14,60,440.

9 Urban assessment of one year = ₹ 9,12,774, Advance urban assessment of 10 years (from 09.03.2021) = ₹ 9,12,774 x 10 = ₹ 91,27,740.

assessment was calculated at the rate of 2.5 per cent of the reserve price of ₹ 2,367 per sqm and after allowing rebate of 60 per cent for the period 09 March 2017 to 08 March 2021.

Audit observed that charging urban assessment at 2.5 per cent for all the years was the violation of the condition of the auction of the plot issued by the UIT as it provided that urban assessment (Lease money) was to be charged at 2.5 per cent of the reserve price for first five years and further at the rate of 5 per cent. Therefore, urban assessment should have been recovered at the rate of five per cent from March 2020 onwards. Since the firm applied for issue of free hold lease deed in March 2024, therefore, outstanding urban assessment should have been calculated till March 2024. However, the UIT, Jaisalmer issued free hold lease deed of the plot without recovering the urban assessment of ₹ 21,90,660 for the period 09.03.2021 to 08.03.2024. Calculation of urban assessment is given in the **Table 7.2** below:

Table 7.2: Calculation of urban assessment (Amount in ₹)

Period	Urban assessment to be recovered			Urban assessment recovered by the UIT			Amount of short recovery of the urban assessment
	Rate (%)	Yearly amount	Actual amount to be recovered*	Rate	Yearly amount	Actual amount recovered*	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8=4-7)
09.03.2015 to 08.03.2016	2.5	9,12,774	9,12,774	2.5	9,12,774	9,12,774	0.00
09.03.2016 to 08.03.2017	2.5	9,12,774	9,12,774	2.5	9,12,774	9,12,774	0.00
09.03.2017 to 08.03.2018	2.5	9,12,774	3,65,110	2.5	9,12,774	3,65,110	0.00
09.03.2018 to 08.03.2019	2.5	9,12,774	3,65,110	2.5	9,12,774	3,65,110	0.00
09.03.2019 to 08.03.2020	2.5	9,12,774	3,65,110	2.5	9,12,774	3,65,110	0.00
09.03.2020 to 08.03.2021	5	18,25,549	7,30,220	2.5	9,12,774	3,65,110	3,65,110
09.03.2021 to 08.03.2022	5	18,25,549	7,30,220	-	-	0	7,30,220
09.03.2022 to 08.03.2023	5	18,25,549	7,30,220	-	-	0	7,30,220
09.03.2023 to 08.03.2024	5	18,25,549	7,30,220	-	-	0	7,30,220
Advance for 10 years	5	18,25,549	1,82,55,490	2.5	9,12,774	91,27,740	91,27,740
Total			2,40,97,248			1,24,13,728	1,16,83,510

* 40 per cent of yearly amount of urban assessment after allowing rebate of 60 per cent for the period 09.03.2017 to 08.03.2024 as per the provisions of the *Prashasan Shahron ke Sang Abhiyan-2021*.

Thus, the UIT recovered urban assessment of ₹ 1.24 crore against the recoverable amount of ₹ 2.41 crore which resulted in short recovery of urban assessment of ₹ 1.17 crore from the firm.

The matter was brought to the notice of the State Government in December 2024 for their comments; their reply is awaited.

Medical, Health and Family Welfare Department

7.3 Delay in Construction of Auxiliary Nurse and Midwife Training Centre hostel building in Jhalawar, Rajasthan

Department did not provide land and approved drawings before award of contract and despite the slow progress of contractor, the Department did not take any action to terminate the contract or take any penal action against the contractor as per the terms of conditions of the contract agreement. As a result, the construction work could not be completed even after a lapse of six years after incurring an expenditure of ₹ 3.04 crore.

The Government of India (GoI) approved (June 2018) ₹ 4.07 crore for construction of Auxiliary Nurse and Midwife Training Centre (ANMTC) Hostel building in Jhalawar, under State Programme Implementation Plan (SPIP) of National Health Mission (NHM) for the year 2018-19.

Rule 298 of the Public Works Financial & Accounts Rules (PWF&AR), Part-I provides that availability of land is a pre-requisite for planning. Also, Section-II of Appendix XIII of PWF&AR, Part-II stipulates that extension of time for the execution of works of the contract is to be granted on recorded reasons.

Further, Clause 27A of contract agreement provided that Engineer-in-charge was to supervise the work and if pro rata progress of the work is not achieved, the work shall be withdrawn (Clause 32) from the firm, by serving notice in writing to that effect and another agency can be engaged for completing the work. Compensation was to be levied for delay in progress in accordance with Clause 2 of the contract agreement.

National Health Mission, Government of Rajasthan (GoR) issued (June 2018) Administrative and Financial (A&F) sanction of ₹ 4.07 crore for construction of ANMTC hostel building. The work was awarded (December 2018) to the lowest bidder at ₹ 3.49 crore (7 per cent above estimated cost) with the stipulated date of completion as 28 August 2019. Further, electric work contract was awarded (November 2019) at an estimated cost of ₹ 0.31 crore with stipulated date of completion as July 2020.

Audit noted that land for construction of hostel was allotted in February 2019 after a lapse of more than seven months of issuance of A&F sanction (June 2018). This was in contravention of Rule 298 of the Public Works Financial & Accounts Rules, Part-I which provides that availability of land is a prerequisite for planning. Thereafter, the Chief Medical & Health Officer (CM&HO) approved the drawings after three more months i.e. on 21 June 2019. Executive Engineer, M&H, Kota granted extensions two times i.e. upto 27 December 2019 and upto 30 November 2020 without citing any reason for extension which was in contravention to the PWF&AR. Executive Engineer M&H Kota had issued various notices (December 2020, February 2021, April 2021, June 2021) to the contractor for slow progress of work. It was noticed that no further extension was granted for execution of work by the competent authority (after 30 November 2020) but the contractor executed the work till December 2024 and

as per financial progress' payment of ₹ 2.20 crore¹⁰ (58 per cent work) was made till May 2025. As per the monthly progress report (August 2025) provided by the department, the painting work was in progress in construction of the ANMTC and an expenditure of ₹ 3.04 crore has been made.

The Executive Engineer, M&H, Kota issued various notices to the contractor on the extremely slow pace of work and also repeatedly requested (June, July 2021 and January, March 2022) Chief/Superintendent Engineer, M&H, Jaipur to take action against the firm. No action was however, initiated to close the contract and engage another agency for completing the work as per Clause 32 of the contract agreement.

The State Government stated (December 2023 and November 2024) that the land was allotted late by Revenue Authority and it involves detailed discussions and holding of meetings with client (user department), architect and CM&HO concerned for approval of map. It was also intimated that an amount of ₹ 2.25 lakh has been deducted from the running bill on account of delay on the part of the contractor. The department further stated that the finishing work is in progress and amount of Liquidated Damages (LD) finalised by Administrative Department shall be recovered from the contractor.

Audit is of view that there is huge negligence of the part of Department. Despite the fact the department was aware that contractor was executing the work without extension for the period after 30 November 2020, no action was initiated by the department either to extend the contract or terminate it. It is clear from the records of the department that the work was being done at a very slow pace (more than four years on the part of contractor) and no action has been initiated by the department to take penal action against the contractor. Thus, lack of monitoring and inaction at the part of department in taking action, resulted in an incomplete work despite lapse of six years and after incurring an expenditure of ₹ 3.04 crore.

7.4 Unfruitful expenditure of ₹ 8.35 crore on construction of 12 DEICs due to non-recruitment of manpower and non-procurement of equipment of ₹ 21.87 crore even after a lapse of more than 3 to 5 years

During 2016-17 to 2017-18, the Department of Medical Health & Family Welfare spent ₹ 8.35 crore on constructing 12 District Early Intervention Centres (DEICs). However, the Centres remained non-functional as of June 2025 due to critical gaps in operational readiness such as no staff was recruited. Additionally, no essential diagnostic or medical equipment was provided, despite ₹ 22.91 crore sanctioned by GoI, of which ₹ 21.87 crore remained unutilized. As a result, the core objective of early detection and intervention for childhood developmental disorders and disabilities remains unfulfilled, indicating serious lapses in planning and implementation.

10 ₹ 2.03 crore on civil works + ₹ 0.17 crore on electrical works upto May 2025 = ₹ 2.20 crore.

In February 2013, the Ministry of Health & Family Welfare, GoI, issued the Child Health Screening and Early Intervention Services operational guidelines under National Rural Health Mission (NRHM), aimed at establishing a District Early Intervention Centre (DEIC) in each District Hospital. The key objectives of establishing DEICs were to identify children (birth to 18 years, with special emphasis on 0–6 years) who have or are at risk of developmental delays, disabilities, congenital anomalies, or other health conditions, and to facilitate their timely referral and linkage to tertiary-level healthcare institutions.

In June 2015, GoI sanctioned the construction of 34 DEICs in Rajasthan at an estimated cost of ₹ 0.75 crore per Centre. However, due to non-availability of land in nine districts, the Mission Director, National Health Mission (NHM), Jaipur, sanctioned (December 2015) construction of 25 DEICs. Later in November 2017, the sanction for a DEIC in Jodhpur was also withdrawn due to persistent land issues.

Between 2016-17 and 2019-20, 24 DEICs were constructed at a total cost of ₹ 16.55 crore. In June 2023, four additional DEICs were approved at a revised cost of ₹ 1.30 crore each. Of these, one was completed (October 2024) at the cost of ₹ 1.21 crore and three were under construction as of July 2025.

Audit observed that out of these 24 DEICs, 12 DEICs constructed at a cost of ₹ 8.35 crore remained non-functional as of June 2025 due to following critical gaps in operational readiness identified during the compliance audit of the department.

i. Acute Shortage of Manpower

The operational guidelines issued by the Ministry of Health & Family Welfare, GoI, in February 2013 for Child Health Screening and Early Intervention Services under NRHM specified that each DEIC should have a 13-member¹¹ medical team to ensure smooth operations.

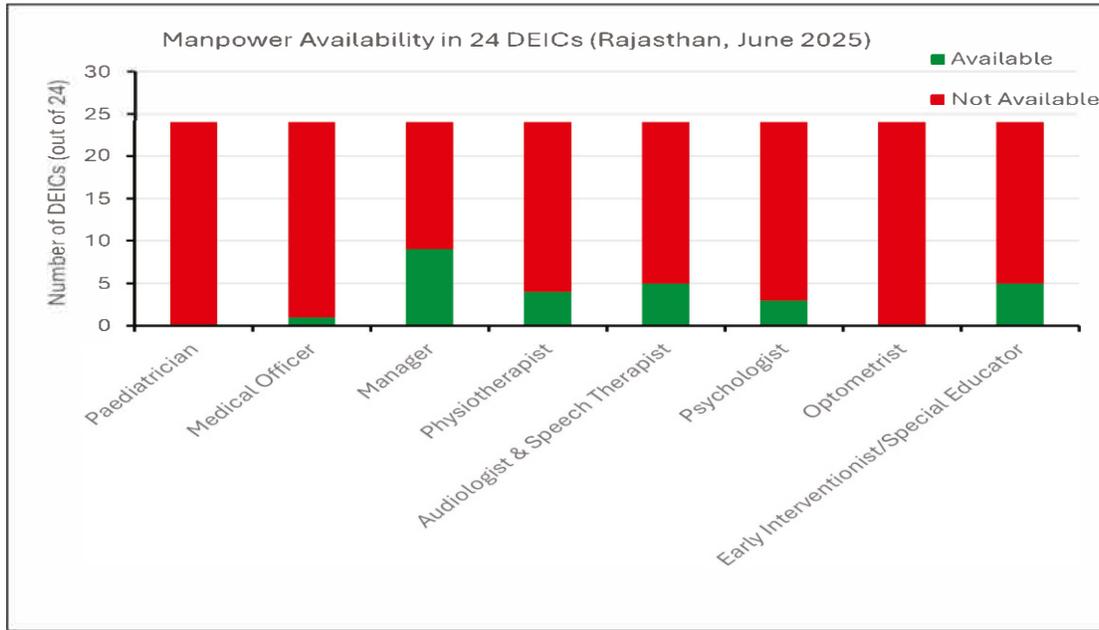
The State Government, during 2018-21, submitted proposals to the GoI for the sanction of only eight¹² posts per DEIC, and that too for just 12 DEICs. Proposals for all the 29 DEICs (including five operating from District Hospitals and Medical College attached Hospitals) were submitted from 2021-22 onwards, and the GoI approved them in the respective years. However, as of January 2025, proposals for the sanction of the remaining five¹³ posts per DEIC had not been submitted to the GoI. The details of manpower posted in the 24 DEICs as of June 2025 are presented in following bar **Chart-I** and further detailed in *Appendix-7.1*.

11 Paediatrician:01, Medical Officer:01, Dentist:01, Physiotherapist:01, Audiologist & Speech Therapist:01, Psychologist:01, Optometrist:01, Early Interventionist cum Special Educator cum Social Worker:01, Lab Technician:02, Dental Technician:01, Manager:01 and Data Entry Operator:01

12 Paediatrician:01, Medical Officer:01, Manager:01, Physiotherapist:01, Audiologist & Speech Therapist:01, Psychologist:01, Optometrist:01 and Early Interventionist cum Special Educator cum Social Worker:01

13 Dentist:01, Lab Technician:02, Dental Technician:01 and Data Entry Operator:01

Chart-I: Manpower Availability in 24 DEICs as of June 2025



The data reveals that not a single DEIC had all eight-member medical team as of June 2025, despite the fact that all the 24 DEICs were completed between 2016-17 and 2019-20. Significantly, 12¹⁴ out of the 24 DEICs (50 per cent) had no staff deployed as of June 2025, rendering them entirely non-functional.

Audit observed that none of the 24 DEICs had a Paediatrician or an Optometrist, while the remaining six¹⁵ medical posts remained unfilled in 63 to 96 per cent of the DEICs. Consequently, the DEICs were largely non-functional in providing comprehensive early intervention services.

In its response, the State Government acknowledged the facts and stated (January 2025) that the positions remained unfilled due to the non-availability of suitable personnel for various posts. It further informed that the recruitment process was currently in progress.

ii. Critical lapses in procurement of equipment

In May 2014, the Ministry of Health & Family Welfare, GoI, issued operational guidelines for setting up DIECs, which, among other provisions, included a comprehensive inventory¹⁶ of diagnostic and medical equipment, tools, consumables, lab equipment required for the diagnosis and treatment of a range of health conditions within these Centres.

14 Banswara, Bhilwara, Dausa, Dungarpur, Jaisalmer, Jalore, Jhalawar, Pratapgarh, Rajsamand, Sawai Madhopur, Sirohi and Sri Ganganagar.

15 Posts remained unfilled: Medical Officer: 96 per cent (Out of 24 only one was posted) and Manager: 63 per cent (Out of 24, only nine were posted).

16 Otoacoustic Emissions (OAE) Screener, Audiometer, Infantometer, Paediatric Stethoscope, Sphygmomanometer, Stadiometer, Ophthalmoscope, Hearing and Vision Impairment Equipment, Equipment for Physiotherapy/Occupation Therapy, Dental Chair with all attachments, Wall-mounted Dental X-Ray, Medical equipment (Adult Weighing Machine and digital Hemoglobinometer) etc.

As per information provided to Audit by the Project Director, Rashtriya Bal Swasthya Karyakram (RBSK), NHM, Jaipur in June 2024, the GoI sanctioned ₹ 22.91 crore between 2013-14 and 2021-22 for procurement of medical equipment for 29¹⁷ DEICs. Of this amount, the State Government sanctioned ₹ 20.61 crore, comprising:

- ₹ 18.36 crore (sanctioned between July 2018 and July 2022) for procurement of equipment¹⁸ through Rajasthan Medical Services Corporation Limited (RMSCL)¹⁹, and
- ₹ 2.25 crore (sanctioned between July 2017 and March 2020) for procurement through District Health Societies, headed by the District Collectors.

Audit scrutiny revealed that out of ₹ 18.36 crore, RMSCL procured (October 2024) 29 Otoacoustic Emission (OAE) Analyzers at a total cost of ₹ 0.83 crore. Despite several reminders sent by the Mission Director, NHM, Jaipur to the Managing Director/Executive Director of RMSCL in May, June and October 2023, and again in January 2024, no response or clarification was received regarding the reasons for non-procurement of medical equipment.

Further, it was also observed that only ₹ 0.21 crore²⁰ of ₹ 2.25 crore, allocated through District Health Societies, was spent during 2018-20, and that too on non-core items such as computers, printers, UPS systems, and other equipment for seven DEICs. No key diagnostic or medical equipment was procured. As of July 2025, no medical equipment had been purchased from the remaining ₹ 21.87 crore (₹ 22.91 crore - ₹ 0.83 crore - ₹ 0.21 crore) of the total ₹ 22.91 crore sanctioned by the GoI.

Additionally, of the unutilized sanctioned amount of ₹ 2.30 crore (₹ 22.91 crore - ₹ 20.61 crore) sanctioned by the GoI, ₹ 1.95 crore remained with the Mission

17 This includes five DEICs operating from the District Hospitals and Medical College attached Hospitals.

18 ₹ 18.36 crore for procurement of equipments: **₹ 1.45 crore (July 2018):** Oto acoustic emission (OAE) instrument, impedance audiometer, Pediatric Auroscope (Otoscope), Speech & Language Assessment Kit, Streak Retinoscope, Lea Grating Paddles, Vineland Adaptive Behaviour Scales, Bayler-III Screening Test Complete Kit Includes : Manual , Stim Book, Picture Book, Record Forms 25 packs, Dyslexia Early Screening Test 4-6 Years (DEST) and Dyslexia Screening Test Junior (6-11 years)), **₹ 1.25 crore (December 2020):** Speech & Language Assessment Kit, Streak Retinoscope, Lea Grating Paddles, Vineland Adaptive Behaviour Scales, Bayler-III Screening Test Complete Kit Includes : Manual , Stim Book, Picture Book, Record Forms 25 packs, Dyslexia Early Screening Test 4-6 Years (DEST) and Dyslexia Screening Test Junior (6-11 years) **₹ 15.66 crore (July 2022):** Equipment for Physiotherapy/Occupational Therapy, Diagnostic Equipment/Tools for Vision, Hearing and Speech (**OAE Screener**), Intellectual, Emotional and Behavioral Assessment, Dental Equipment and Medical Equipment (**Adult Weighing Machine and digital Hemoglobinometer**) and furniture etc.

19 A State Public Sector Undertaking responsible for procurement of drugs, surgical items and medical equipment for all Government healthcare institutions in the State.

20 Bhilwara: ₹ 2.51 lakh; Chittorgarh: ₹ 4.40 lakh; Jalore: ₹ 1.99 lakh; Jodhpur: ₹ 2.87 lakh; Pali: ₹ 1.93 lakh, Sawai Madhopur: ₹ 2.23 lakh and Sirahi: ₹ 5.44 lakh.

Director, NHM, Jaipur since 2018-19, while the status of the remaining ₹ 0.35 crore was not available with the Project Director, RBSK.

In response, the State Government stated in January 2025 that purchase orders were being placed for 29 Digital Hemoglobin Meters (strip-based) and 58 Adult Weighing Scales, and the procurement of the remaining equipment was underway.

Clearly, none of the 24 DEICs established between 2016 and 2020 had been equipped with any diagnostic or medical equipment, even after more than five years of their establishment.

As a result, the 12 DEICs remained non-functional and 12 DEICs remained partially functional, defeating the very purpose of their establishment. The investment of ₹ 8.35 crore has thus resulted in unfruitful expenditure, reflecting systemic deficiencies in planning, coordination, and execution by the Department of Medical Health & Family Welfare.

The State Government needs to take immediate corrective actions to operationalize these Centres and prevent further wastage of public resources.

Higher Education Department

7.5 Unwarranted advantage to a firm

In October 2021 Jai Narain Vyas University, Jodhpur awarded a contract for maintenance of University Management System to a firm that did not meet key financial and technical eligibility norms. The firm did not fulfil contractual obligations, with only six out of 25 modules operational, and the system remained underutilized due to a persistent shortage of trained personnel even after 43 months. Despite these deficiencies, the university paid ₹ 18.44 crore to the firm. Monitoring committee recommendations for payment recovery and retendering were ignored, indicating serious lapses in contract management.

A University Management System (UMS) is a software platform designed to streamline academic and administrative processes within a university. It facilitates the management of student records, course schedules, faculty details, financial transactions, and other essential university functions. After deployment, ongoing maintenance is required to ensure the system continues to operate effectively.

The current UMS at Jai Narain Vyas University, Jodhpur (the university) was developed, implemented and maintained by ITI Limited²¹, New Delhi, from 2016 to 2021. To extend the maintenance support contract for another three years (2021-2024), the university issued an open invitation for bids through the e-procurement process on 04 August 2021. The estimated value of the work was

21 A Central Public Sector Undertaking in the telecommunications technology segment.

₹ 16 crore. By the bid closing date of 23 August 2021, three²² firms had submitted their proposals. The evaluation of these bids was to be conducted using the Quality and Cost Based Selection (QCBS)²³ method.

Audit scrutiny of the relevant documents maintained by the university revealed the following discrepancies:

(i) Rule 59 (5) of the Rajasthan Transparency in Public Procurement (RTPP) Rules, 2013 states that a bid should be deemed responsive if it meets all the requirements of the Notice Inviting Tender (NIT), and minor or non-material deviations, errors, or oversights that do not affect the essence of the bid should be ignored.

During bid evaluation on 25 August 2021, the university's bid evaluation committee rejected the bid submitted by Transit Electronics Limited on relatively minor grounds. The committee cited that the earnest money deposit receipt, along with other documents such as the affidavit regarding delisting/blacklisting and the authority letter authorising a representative to sign on behalf of the firm, were submitted in an online format instead of the mandated physical format.

On the same day, the committee opened the technical bids of the remaining two firms – ITI Limited and Expedien eSolutions Limited. The bid submitted by ITI Limited was declared non-responsive due to a minor discrepancy in the affidavit regarding blacklisting, where the address was mistakenly stated as Jaipur, Rajasthan, instead of New Delhi. This decision by the university appeared inappropriate, given that ITI Limited had already been providing maintenance support for the university's existing UMS over the previous five years (2016-2021).

The rejection of the bids of Transit Electronics Limited and ITI Limited was unjustified and contravened Rule 59 (5) of the RTPP Rules, which permits acceptance of minor deviations that do not materially affect the bid's validity.

(ii) The QCBS method intended for bid evaluation effectively lost its relevance in this case, as the unsolicited disqualification of other bidders left no opportunity to assess and compare the technical competence and price reasonableness of competing proposals. Consequently, Expedien eSolutions Limited emerged as the sole remaining bidder.

The university proceeded to select Expedien eSolutions Limited on the basis of a technical presentation conducted on 02 September 2021. The financial bid was opened the following day, on 03 September 2021, revealing a quoted rate of ₹ 250 per student per examination. This was later negotiated down to ₹ 240 per student per examination on 20 September 2021. Subsequently, the university entered into an agreement with Expedien eSolutions Limited on 06 October

22 Transit Electronics Limited, Ahmedabad, Gujarat; ITI Limited, New Delhi; and Expedien eSolutions Limited, Noida.

23 QCBS is a method used in bid evaluation, especially for hiring of consultants or services in which predetermined weightage is assigned to both technical and financial components.

2021 at the final rate of ₹ 240 per student per examination, with the contract period spanning three years, from 13 October 2021 to 12 October 2024.

(iii) Expedien eSolutions Limited was declared qualified despite not meeting the minimum pre-qualification (PQ) or eligibility criteria related to financial turnover and technical capability. These are detailed below in **Table 7.3**:

Table 7.3: Lack of fulfillment of PQ criteria by Expedien eSolutions Limited

PQ Criteria	Specifications in NIT	Audit observation
Financial: Turnover from IT/ITeS	As per published audited balance sheets, average annual turnover of the bidder from IT/ITeS for last three financial years <i>i.e.</i> 2018-19 to 2020-21 should be at least ₹ 25 crore.	As per the audited financial statements, the turnover of Expedien eSolutions Limited was only ₹ 21.48 crore in 2018-19 and ₹ 22.41 crore in 2019-20. The financial statement for 2020-21, which was unaudited, reflected a turnover of ₹ 69.08 crore. Moreover, the financial statements did not clarify whether the average annual turnover was specifically derived from IT/ITeS or from the firm's overall business activities, as the bid documents did not include any schedules to support this information.
Technical capability	The bidder must have successfully completed at least the following number of similar projects for software deployment, customization, implementation and maintenance & support for an Indian Central/State Government University, during the last five years: 1. Two projects of not less than ₹ 10 crore each; or 2. Three projects of not less than ₹ five crore each; or 3. Four projects of not less than ₹ four crore each.	Expedien eSolutions Limited submitted work orders, purportedly issued by 11 universities (Appendix 7.2), to demonstrate its technical capabilities. Audit, however, observed that all the work orders had originally been issued to ITI Limited and were subsequently subcontracted to Expedien eSolutions Limited for execution. This indicates that Expedien eSolutions Limited was not the primary vendor in any of the cases it cited.

The university stated in July 2024 that the turnover certificates were provided in the prescribed format and certified by a Chartered Accountant, which, according to them, met the tender requirements. Additionally, the bid evaluation committee accepted the work orders submitted by Expedien eSolutions Limited as valid proof of technical capability.

The university's response is not acceptable, as the audited turnover of Expedien eSolutions Limited for the years 2018-19 and 2019-20, as could be seen from the **Table 7.3** above, was below ₹ 25 crore, and the firm submitted unaudited financial statements for 2020-21, which did not comply with the specifications outlined in the NIT, as indicated in the **Table 7.3** above. Furthermore, the committee's acceptance of work orders originally issued to another firm – ITI Limited – as valid experience for Expedien eSolutions Limited was also improper. Consequently, the selection process lacked the required fairness and transparency.

(iv) According to the tender conditions, the selected firm was required to provide a performance guarantee amounting to 2.5 per cent (₹ 0.40 crore) of the estimated project cost (₹ 16 crore) immediately after signing the contract. However, the selected firm initially submitted only ₹ 0.10 crore in the form of a bank guarantee on 12 November 2021. The remaining ₹ 0.30 crore was submitted much later, after a delay of approximately 26 months, on 23 January 2024.

In its response (July 2024), the university claimed that since the contract was for a three-year period, a performance guarantee of ₹ 0.10 crore was taken for the first year of operations. However, this explanation is not acceptable, as the tender conditions clearly required performance guarantee to be provided immediately upon contract signing. This constituted a clear violation of the tender terms and amounted to an undue advantage being extended to the firm.

(v) In its meeting held on 03 July 2023, the monitoring committee of the university expressed dissatisfaction with the performance of Expedien eSolutions Limited under the contract. The committee made the following key observations:

- Of the 25 contracted services/modules, 18 (72 per cent) were not being delivered by the firm.
- A physical verification conducted by the administrative heads of various departments revealed that only nine personnel had been deployed (53 per cent), against the contractual commitment of 17 personnel.
- Since July 2022, MBM University²⁴ began independently managing its own online functions through the UMS, following its separation from Jai Narain Vyas University. As MBM University accounted for approximately 33 per cent of the total workload, the volume of work under the contract for Jai Narain Vyas University had proportionately decreased. Therefore, continuing full payments under the original contract terms was no longer deemed justifiable.

Following detailed deliberations, the committee recommended the following actions:

- In light of the service deficiencies, at least 50 per cent of the payments made to the firm so far should be recovered and deposited back into the university's bank account.
- Given the reduced scope of work after MBM University's separation, the firm may be allowed to continue only if it agrees to execute the remaining services at 40 per cent of the original rates.
- The university should reassess and redefine the scope of work in view of the new institutional structure and invite fresh tenders to assign the UMS responsibilities accordingly.

24 MBM Engineering College, which was previously operating under the administrative control of Jai Narain Vyas University, was separated and established as an independent State University by the Government of Rajasthan in September 2021.

Audit, however, noted that none of these recommendations were acted upon. Instead, the university extended the firm's contract until July 2025 on the original terms and conditions. A total of ₹ 18.44 crore was paid to the firm up to January 2025.

In July 2024, the university claimed that the deficiencies had been addressed by the firm, thereby justifying the continuation of periodic payments. However, this claim of the university was not supported by facts. As per university's own admission in January 2025, out of the 25 developed UMS modules, only six were operational, nine were partially in use and 10 modules remained unused (**Appendix 7.3**).

In May 2025, the university further stated that efforts were being made to utilise the modules to the extent possible, but acknowledged that some modules remained unused due to a shortage of trained personnel.

However, as per the agreement signed on 06 October 2021, Expedien eSolutions Limited was responsible for providing training to university staff across various user domains, as well as offering on-demand training for all official users. Given that 43 months have passed (October 2021 to May 2025) since the commencement of the contract, it was matter of concern that the university continues to face a shortage of trained personnel.

Thus, the university awarded the contract to a firm that did not meet the pre-qualification criteria of the NIT. Moreover, despite clear recommendations from the monitoring committee to recover payments and redefine the scope of work, the university neither took corrective action nor reassessed performance before extending the contract and made the full payment of the contract *i.e.* ₹ 18.44 crore.

The matter was reported to the State Government in June 2024, their reply was awaited as of May 2025.

7.6 Idle investment of ₹ 1.85 crore

The construction of the Centre for Entrepreneurship and Small Business Management building at Jai Narain Vyas University (JNVU), Jodhpur, remains non-functional despite an expenditure of ₹ 1.85 crore and a delay of six years. The building is still without critical facilities such as furniture, library, computers, and essential utilities like water and electricity.

As per Rule 298 of the Public Works Financial & Accounts Rules (Part-I), availability of the site is a pre-requisite for planning and designing of a work and as such no department of the Government should initiate planning until the site is physically in its possession.

The Ministry of Micro, Small & Medium Enterprises, GoI sanctioned (18 January 2017) setting up of a Centre for Entrepreneurship and Small Business Management (CESBM) within the campus of Jai Narain Vyas University,

Jodhpur (the university), at an estimated cost of ₹ 3.15 crore²⁵. Of this, ₹ 1.50 crore was to be provided by the GoI, while the remaining ₹ 1.65 crore was to be contributed by the university to the project account.

In March 2018, the University's Building Cell invited tenders for the construction of the CESBM building, at an estimated cost of ₹ 1.74 crore. The contract was awarded on 28 May 2018 for ₹ 1.67 crore, with a stipulated completion period of 12 months ending on 27 May 2019. However, audit scrutiny revealed that the contract was awarded without ensuring site availability. The site was handed over to the contractor only on 26 February 2019, just three months before the scheduled completion date. Consequently, the university had to revise the construction timeline, setting new commencement and completion dates as 02 March 2019 and 01 March 2020, respectively.

Despite the extension, the construction was completed only on 30 August 2020, at a cost of ₹ 1.85 crore, representing a delay of 15 months from the original timeline and six months from the revised schedule.

Audit further observed that although the university was required to contribute ₹ 1.65 crore to the project, it contributed only ₹ 1.50 crore in March 2017. Out of this, ₹ 1.25 crore was diverted in June 2017 to meet pension liabilities of retired university employees. Consequently, key infrastructure components such as furniture, furnishings, library resources, computers and equipment could not be procured, rendering the building non-functional despite its completion in August 2020. The university further deposited ₹ 1.30 crore in instalments between July 2020 and November 2023, of which ₹ 0.96 crore was again diverted in September 2022 for use by the Department of Management Studies of the university.

The University stated in July 2024 that it would deposit the diverted amount to the project account and the building would be made functional after procuring the pending facilities. However, the CESBM building remains non-functional as of May 2025, despite an expenditure of ₹ 1.85 crore and passage of six years since the originally stipulated completion date of May 2019.

The building continues to lack essential facilities such as furniture, library, computers, water, and electricity connections, rendering it unusable for its intended purpose.

The matter was reported to the State Government in June 2024; their reply was awaited as of May 2025.

25 Infrastructure: ₹ 1.86 crore; Furniture, furnishing and equipment: ₹ 0.85 crore; Library: ₹ 0.17 crore; Computers: ₹ 0.07 crore; and Miscellaneous: ₹ 0.20 crore.

Local Self Government Department

7.7 Cancellation of contract due to non-transparent and irregular working of JCTSL

Cancellation of a contract to procure e-buses from a reputed supplier due to non-transparent and irregular working of JCTSL resulting into non-utilisation of GoI funds and loss of opportunity to provide environment friendly buses to the common public of Jaipur city.

Government of India (GoI), Ministry of Heavy Industries in April 2019 launched the phase-II of “Faster Adoption and Manufacturing of (Hybrid&) Electric Vehicles in India” (FAME India Scheme) for a period of three years. Under this scheme proposals were invited (June 2019) from State/City Transport undertaking for deployment of e-buses.

In response, Jaipur City Transport Services Limited (JCTSL) submitted (June 2019) a proposal for 300 e-buses in Jaipur city. GoI accorded (August 2019) approval for deployment of 100 e-buses in Jaipur city. The operator (private concessionaire) was to be selected through open competitive bidding according to the procedure laid down by the Ministry. Procurement process and issue of supply order were to be completed by the JCTSL within three months from the issue of sanction order and all buses were to be put into operation within 12 months from the date of issue of supply order.

JCTSL issued (October 2019) Notice Inviting Bid (NIB) for supply cum operation and maintenance of 100 fully built air-conditioned pure electric midi buses in Jaipur city. Buses were to be operated from four depots along the prescribed routes. The operator was assured a minimum coverage of 160 kms per day per bus. In response to this, two firms²⁶ M/s Evey Trans Private Ltd and M/s Tata Motors Limited submitted their bids and both the firms were technically qualified. However, bids were cancelled in November 2019 citing the reason that rate offered by the lowest bidder was higher than the rates paid in other states like Uttar Pradesh and Gujarat.

Further, JCTSL issued fresh NIB in November 2019 with increased minimum assured coverage from 160 to 200 km per day per bus and the number of depots to be operated were reduced from four to three. Based on the recommendation of technical and financial evaluation committee, M/s Tata Motors Ltd was selected with the lowest quote of ₹ 66.50 per km per bus and JCTSL issued Letter of Acceptance (LoA), to M/s Tata Motors Ltd. on 13.12.2019.

The contract with M/s Tata Motors Ltd. was to be executed within 30 days of issue of Letter of Acceptance (December 2019), however, it was executed on 25.06.2020.

²⁶ M/s Evey Trans Private Ltd. offered ₹ 85.95 per km per bus excluding GST and M/s Tata Motors Ltd. offered ₹ 89.10 per km per bus excluding GST.

Request for Proposal (RFP) specified that the operator will supply the prototype of the e-bus for approval of JCTSL, within 90 days from date of issue of LoA. Against deadline of 13 March 2020, M/s Tata Motors Ltd supplied the prototype of e-bus in September 2020. Inspection of the prototype was conducted by a Joint Committee of JCTSL which submitted its report in October 2020. A mobilization advance of ₹ 9.00 crore was paid to the firm in January 2021. This was paid from the first installment of the demand incentive of ₹ 9.00 crore²⁷ received from GoI.

During scrutiny of documents, it was observed that:-

- JCTSL did not evaluate the prototype with reference to the specifications detailed in the fresh NIB (November 2019) and after receiving prototype in September 2020, it pointed out (October 2020) shortcomings in the prototype suggesting changes not envisaged in the NIB. These included incorrect positioning of rear door, low height of front door/exit door, no separate driver cabin, no seat for conductor, no provision for hydraulic ramp for disabled person/senior citizens, small size of fire instruments installed in the bus.

It was noticed that M/s Tata Motors Ltd. accepted (November 2020) some suggestion of JCTSL and agreed to modify the bus accordingly. However, the main point of contention was the position of rear door of the bus. JCTSL wanted it to be behind the rear wheels, instead of being in the middle of the bus. M/s Tata Motors Ltd. argued that the prototype of e-bus was made as per the specifications notified in the NIB. Moreover, the firm was required to submit the prototype according to the specifications stipulated in the NIB and the inspection committee was to conduct the inspection in accordance to these specifications. Changing the specification by JCTSL after the award of contract was irregular.

- Meanwhile, JCTSL referred (August 2021) the matter for clarification to Central Institute of Road Transport (CIRT) which did not agree (September 2021) to the change proposed by JCTSL. Based on this report, JCTSL Inspection committee approved the prototype in March 2022 after a delay of 17 months²⁸. Instead of endorsing the communication of the prototype's approval to the firm, MD, JCTSL, issued (April 2022) written instructions to examine the contract signed with M/s Tata Motors Ltd. afresh and to point out all those provisions in the contract which are against the interest of JCTSL. A report was presented (April 2022) by Chief Financial Officer of JCTSL pointing out seven issues in the contract which were renegotiated (May 2022) with M/s Tata Motors Ltd. M/s Tata Motors Ltd was fully or

27 As per the expression of interest, 20% of demand incentive to be released to the JCTSL by the GoI after the issue of supply order and signing of the agreement by JCTSL with M/s Tata Motors Ltd. Total incentive amount was ₹ 45 crore.

28 17 months: from 13.10.2020 (date of inspection) to 16.03.2022 (approval of prototype by Inspection Committee).

conditionally²⁹ agreed (June/July 2022) on four issues and disagreed³⁰ on the remaining issues where modification required change in costing or were not feasible at that stage of contract. Audit found that issues raised by JCTSL were unjustified and indicated that JCTSL did not honor contractual obligations as these issues were in contravention to the original contract.

- After many rounds of discussions and meetings between JCTSL and the firm for amendment in the original contract, finally, in December 2022, JCTSL sent a note to the Government of Rajasthan (GoR) for guidance stating that M/s Tata Motors Ltd. had refused to modify the bus structure (rear door positioning) and the prototype submitted by the firm had been inspected by the third party (CIRT), but omitted the fact that CIRT had approved the prototype. From December 2022 to June 2023, JCTSL and the GoR were engaged in correspondence, but no decision was taken on procurement of e-buses.
- Since JCTSL had not made any progress in procurement of 100 e-buses sanctioned under FAME-II scheme after lapse of four years, Government of India cancelled the project in June 2023. Further, GoI directed JCTSL to refund ₹ 9.00 crore paid by GoI along with interest and also directed to submit the reasons for non-procurement of the e-buses, as per the Government of India's directions. Subsequently, in August 2023, Government of Rajasthan cancelled the PPP contract with M/s Tata Motors Ltd.

Thus, the contract was cancelled due to non-transparent and irregular working of JCTSL.

In reply, the MD, JCTSL mentioned (July 2024) that JCTSL had written to M/s Tata Motors Ltd. regarding change in positioning of door behind the rear door wheels 'as per the provision of contract' but no action was taken by M/s Tata Motors Ltd. It was also stated that the advance of ₹ 9 crore has been recovered from M/s Tata Motors Ltd. without interest and has been refunded (November 2024) to GoI. The reply is not tenable as the firm submitted the prototype according to the specifications stipulated in the NIB and proposal of JCTSL in changing of door position was also not accepted by CIRT.

Thus, despite receiving funds from the Government of India, JCTSL was unable to proceed with the procurement of e-buses under the FAME-II scheme due to irregularity, lack of transparent processing and the introduction of inconsistent contractual conditions which ultimately resulted in lapse of the intended opportunity.

29 To increase time limit for payment to M/s Tata Motors Ltd from 15 days to two months, to increase changes in electricity charges from six monthly to annually, Revision of time line in submitting the bills by the firm from 15 days to 30 days, Adherence to timeline for supply of e-buses. M/s Tata Motors Ltd agreed subject to the approval of prototype of bus by JCTSL within 60 days from the date of the renegotiation meeting.

30 Amend the contract to exclude the dead mileage from cost per km per bus and require the dead mileage to be borne by the firm, Change the location of one of the three depots from that designated in the contract. Cost of electricity connection of two out of three depots should be borne by M/s Tata Motors Ltd. The firm disagreed on these issues.

The matter was reported to the State Government in December 2024, their reply was awaited as of August 2025.

Sainik Kalyan Vibhag

7.8 Improper planning resulted in non-utilisation of Veerangana Hostel cum Rehabilitation Centre, Jodhpur

Construction of Veerangana Hostel cum Rehabilitation Centre, Jodhpur at the cost of ₹ 5.51 crore without conducting feasibility study remained unutilised even after lapse of more than five years.

Sainik Kalyan Vibhaag (SKV), Government of Rajasthan (GoR) established four³¹ Veerangana Hostel cum Rehabilitation Centres (VHRC)³² with an objective to provide rehabilitation facilities to war widows by imparting training to improve technical skills and provide academic education to dependent children and make them self-dependent. Audit noticed non-utilisation of VHRC and Residential Flats³³ at Jodhpur as discussed below:

In compliance of budget announcement for the year 2012-13, GoR made a provision of ₹ 6.45 crore for construction of VHRC at Jodhpur. Against this provision, GoR issued (June 2012) sanction of ₹ 1.50 crore for expenditure on the work. Further, an additional sanction of ₹ 4.95 crore was issued in May 2013. Work was to be executed by Public Works Department (PWD).

Scrutiny of records (April 2022 and August 2024) of Director, SKV revealed that Zila Sainik Kalyan Adhikari (ZSKA), Jodhpur on the directions of Director, SKV had sent (February 2006) a proposal for allotment of land to Jodhpur Development Authority (JDA), then Urban Improvement Trust, Jodhpur for construction of VHRC. After five years, the JDA, Jodhpur allotted (April 2011) 2,000 sq.mt. land for the purpose.

During construction of second floor of the residential flats, the work was stopped (December 2013) by Air Force Station, Jodhpur directing ZSKA, Jodhpur for want of 'No Objection Certificate' (NOC) from Ministry of Defence (MoD) as the site was in close vicinity of Air Force Station. Thereafter, ZSKA, Jodhpur applied (October 2014) for NOC and subsequently MoD issued (March 2015) NOC for construction of the building.

Audit noticed that neither SKV nor the PWD was aware of the requirement of obtaining the NOC and it was only upon receiving the notice that the procedure of applying for NOC was undertaken. Even after receipt of NOC, the work was completed after four years in March 2019 due to delay in water pipeline connection and work related to furniture. An expenditure of ₹ 5.51 crore was incurred on the construction work. ZSKA, Jodhpur did not take over the

31 Four VHRCs established during September 2005 to September 2019: (i) Jaipur – 17 September 2005; (ii) Jhunjhunu – 16 September 2010; (iii) Sikar – 1st phase: 21 October 2011 & 2nd phase: 28 October 2016 and (iv) Jodhpur – 07 September 2019.

32 The Veerangana Hostel and residential flats are the components of VHRC.

33 The hostels are meant for children of Veeranganas who are more than of 18 years of age, whereas the residential flats are for Veeranganas living alone or with her children.

building from PWD owing to certain deficiencies³⁴ but consequent upon verbal instruction of District Magistrate (DM), Jodhpur, ZSKA, Jodhpur, took over the buildings in September 2019.

It was also observed that the hostel and rehabilitation centre is located at a far flung and an isolated location, 12 and 15 kms from the railway station and bus stand respectively with no public conveyance available for 1.5 kms from the main road to the hostel and rehabilitation centre.

With a view to utilise the facilities, personal letters were to be written to the probable beneficiaries as well as all ZSKAs. Also, the information was to be promulgated in Sainik rallies and through pamphlets and newspapers. SKV wrote to all ZSKAs in January, March, and June 2020 to publicise and encourage the intended beneficiaries. However, no eligible widows or dependents of martyrs or ex-servicemen has shown interest in applying for the flats or hostel facilities. The construction of VHRC was taken up without conducting any feasibility study for assessing the actual requirement of a VHRC in Jodhpur. Moreover, no record was found in support of conducting any feasibility study as regard to location of the Hostel. Consequently, ZSKA, Jodhpur recommended (December 2021) SKV to explore possibilities for alternative usage of the constructed building and sent (December 2021 and December 2022) a proposal to utilise the existing infrastructure for handed over to any Government department like Social Welfare Department or imparting skill development and academic coaching to the ex-servicemen, widows and their dependents. This exhibits that there was no specific plan for alternate utilisation of the asset created.

Joint physical verification conducted (April 2023) by audit with ZSKA official revealed that the hostel and rehabilitation centre was lying unutilized since its handing over of the building and electricity connection was temporarily disconnected as shown below:



Photographs showing building and facilities lying idle at Rehabilitation Centre, Jodhpur

The GoR stated (January 2025) that no consent was taken from SKV for allotment of land. Despite adequate publicity and efforts, no applications were received due to peculiar social background and customs in the area. It was further stated that the proposal for alternate utilisation of the non-functional

³⁴ Pipe for removal of rainy water, breaking of handles of windows, non-installation of light in bathrooms, broken of plaster, cracks in walls, tube light/blub/exhaust fan not fitted in latrines, pelmet not fitted on windows and rooms etc.

buildings is under consideration at the State Government level and ₹ 0.59 crore have been approved for repair work of the rehabilitation centre.

The reply of the department establishes that there was no coordination between the SKV and local administration in deciding the location of the site for hostel and rehabilitation centre. Further, allotment of land at isolated location by authorities concerned shows the insensitivity towards war-widows. It also shows that in addition to non-achieving the primary objective, the prolonged non-utilisation has resulted in an avoidable burden of ₹ 0.59 crore on repair works of the unutilised buildings. With regard to proposal for alternate utilisation of the non-functional building, it was observed that the proposal was sent to State Government in December 2022, but no decision has been made even after lapse of more than two years.

Due to non-conduct of any feasibility study and improper selection of site in consonance with the desired purpose, VHRC Jodhpur remained unutilised even after more than five years of its completion. Moreover, the Government has not made alternative use of property despite the proposal submitted two years ago.

JAIPUR,
The 20 January 2026


(SATISH KUMAR GARG)
Principal Accountant General
(Audit-I), Rajasthan

Countersigned

NEW DELHI,
The 27 January 2026


(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES

Appendix 2.1

(Refer Paragraph 2.3.7.2)

Summary of deficiencies noticed during Centralized audit

(₹ in crore)

Audit Dimension	No. of Tax payers	Cases where reply received		Cases under examination or pending under Appeal, NCLT, High Court etc.		Department reply accepted by Audit						Compliance deviations						Total	
						Data entry errors		Action taken before query		Other valid explanations		SCN issued/Demand raised/Recovery made ¹		ASMT-10/Notice/DRC-01A issued		Department's reply not acceptable to Audit (Rebuttal)			
		No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
ITC mismatch between GSTR 2A and GSTR 3B (D1)	58	93	738.69	13	138.12	8	63.46	12	87.17	27	176.37	31	241.41	-	-	2	32.16	33	273.57
ITC Availed without supplier remitting tax (D2)	30	75	290.15	9	56.03	0	0	5	26.08	55	192.18	06	15.86	-	-	-	-	06	15.86
ITC Availed on GSTR 3B filed after limitation period (D3)	45	57	99.28	10	21.88	0	0	3	2.96	16	23.50	24	48.82	1	0.16	3	1.96	28	50.94
Incorrect availment of ISD credit (D4)	15	23	7.53	4	1.55	0	0	0	0	10	3.48	8	1.39	-	-	1	1.11	9	2.50
ITC availed under RCM versus payment of tax in GSTR 3 B/GSTR 9 (D5)	35	56	72.02	10	8.31	19	12.52	5	16.51	14	17.18	08	17.50	-	-	-	-	08	17.50
Mismatch of ITC availed between Annual returns and Books of accounts (D6)	14	23	484.02	1	1.69	3	28.22	1	1.71	9	38.60	7	411.54	2	2.26	-	-	09	413.80
Reconciliation between ITC availed in Annual returns with expenses in financial statements (D7)	15	23	647.48	0	0	8	47.47	1	7.12	5	26.50	8	563.83	-	-	1	2.56	9	566.39
Unsettled liabilities (D8)	64	112	824.65	19	209.41	7	44.82	6	5.12	60	464.28	18	86.21	2	14.81	-	-	20	101.02

1 SCN issued in 78 cases of ₹ 1,245.26 crore, demand raised in 140 cases of ₹ 334.40 crore and recovery made of ₹ 1.58 crore in 18 cases.

Audit Dimension	No. of Tax payers	Cases where reply received		Cases under examination or pending under Appeal, NCLT, High Court etc.		Department reply accepted by Audit						Compliance deviations							
						Data entry errors		Action taken before query		Other valid explanations		SCN issued/Demand raised/Recovery made ¹		ASMT-10/Notice/DRC-01A issued		Department's reply not acceptable to Audit (Rebuttal)		Total	
						No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.	No	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Suppression in taxable value in comparison with E-Way bills (D9)	44	103	1,569.71	5	64.41	3	25.98	1	28.18	62	879.87	8	83.60	24	487.67	-	-	32	571.27
Mismatch in tax paid between books of accounts and returns (D10)	15	19	36.17	3	7.73	0	0	5	4.84	7	16.46	2	3.90	1	1.44	1	1.80	4	7.14
Suppression of taxable value identified through TDS/TCS declaration (D11)	24	40	495.98	1	248.84	0	0	1	57.03	25	86.81	8	89.46	3	7.77	2	6.07	13	103.30
Suppression of taxable value identified through mismatch in unbilled revenue declared in Table 5 of GSTR 9C (D12)	14	18	210.76	2	15.49	3	66.56	0	0	10	106.80	1	7.41	2	14.50	-	-	03	21.91
Mismatch in taxable turnover declared in GSTR 9C Table 7G (D13)	15	26	- ²	1	0	1	-	0	0	22	-	-	-	2	-	-	-	02	-
Composition taxpayer also availing e-commerce facility (D14)	9	9	-	0	0	0	0	0	0	7	-	2	-	-	-	-	-	02	-
GSTR 3B was not filed but GSTR 1 is available (D15)	45	67	-	22	-	0	0	6	-	3	-	34	-	02	-	-	-	36	-
Short payment of interest (D16)	68	182	32.48	26	6.27	0	0	67	13.26	17	2.50	71	10.31	01	0.14	-	-	72	10.45
Total	510	926	5,508.92	126	779.73	52	289.03	113	249.98	349	2,034.53	236	1581.24	40	528.75	10	45.66	286	2,155.65

2 Total unreconciled taxable turnover (TO) in table 7G of GSTR 9C in the 26 cases is ₹ 7,567.87 crore, out of which Data entry error TO of ₹ 2,166.46 crore in one case, in 22 cases involving mismatched TO of ₹ 3,709.74 crore, valid explanations were provided by the Department and in two cases involving mismatched TO of ₹ 1,191.36 crore ASMT-10 has been issued and remaining one case involving mismatched TO of ₹ 500.31 crore is under stay of High court.

Appendix 2.2

(Refer paragraph 2.3.8.1)

Non-Production of records

(₹ in crore)

S. No.	Jurisdictional Circle	Sample	Non-production	
		Number of Taxpayers	Number of Taxpayers	Mismatch in ITC/Tax Liability
1	Circle-I Jaipur-III	15	15	24.55
2	Circle-H Jaipur-II	2	2	5.73
3	Circle-H Jaipur-III	1	1	10.09
4	Circle-H Jaipur-IV	1	1	0.03
5	Circle-J Jaipur-I	2	2	1.49
6	Circle-J Jaipur-II	1	1	119.97
7	Circle-J Jaipur-III	1	1	0.20
8	Circle-Shahjahapur	2	2	10.98
9	Circle-A Bhiwadi	1	1	0.06
10	Circle-D Jaipur-II	3	3	4.26
11	Circle-B Alwar	1	1	0.59
12	Circle-C Alwar	1	1	10.26
13	Circle-B Ajmer	1	1	0.94
14	Circle-A Ajmer	1	1	0.52
15	Circle-Tonk Jaipur-II	1	1	1.66
16	Circle-D Jodhpur II	2	2	4.98
17	Circle-Merta city	2	2	0.05
18	Circle-B Bhilwara	2	2	4.35
19	Circle-Baran	2	2	0.87
20	Circle-D Kota	1	1	0.98
21	Circle-E Kota	1	1	13.46
22	Circle-I Jaipur-I	5	5	23.33
23	Circle-C Jaipur-I	3	3	15.29
24	Circle-C Jaipur-III	3	3	16.19
25	Circle-D Jaipur-I	1	1	0.14
26	Circle-H Jaipur I	2	2	1.68
27	Circle-A Banswara	1	1	2.73
28	Circle-A Barmer	1	1	1.14
29	Circle-A Jaipur-II	1	1	0.04
30	Circle-A Jaipur IV	5	5	154.73
31	Circle-A Sri Ganganagar	1	1	12.78
32	Circle-A Udaipur	1	1	0.28
33	Circle-Bundi	2	2	3.19

S. No.	Jurisdictional Circle	Sample	Non-production	
		Number of Taxpayers	Number of Taxpayers	Mismatch in ITC/Tax Liability
34	Circle-B Barmer, Jodhpur II	1	1	1.61
35	Circle-B Bharatpur	1	1	0.62
36	Circle-B Jodhpur II	1	1	0.39
37	Circle-B Kota	3	3	3.75
38	Circle-C Hanumangarh	1	1	0.06
39	Circle-C Jaipur II	1	1	11.97
40	Circle-Churu	1	1	0.00
41	Circle-D Udaipur	3	3	0.21
42	Circle-E Jaipur II	1	1	0.30
43	Circle-E Jodhpur II	1	1	0.01
44	Circle-E Udaipur	2	2	4.11
45	Circle-F Jaipur II	3	3	3.92
46	Circle-G Jaipur III	1	1	0.05
47	Circle-Karauli	1	1	0.61
48	Circle-N Jaipur III	1	1	0.72
49	Circle-Neem Ka Thana	1	1	0.09
50	Circle-Pratapgarh	1	1	0.00
51	Circle-Sirohi	2	1	0.19
Total		96	95	476.15

Appendix 2.3

(Refer paragraph 2.4.4)

List of forms involved in E-Way Bill system

Sl. No.	Form No.	Description	Originator	Pursuer	Receiver	Purpose
1	GST MOV-01	Statement of the owner/Driver/Person i/c of the goods and conveyance during interception of the conveyance	Person i/c of the vehicle	Proper Officer	PO	Recording of inspection
2	GST MOV-02	Order for Physical verification/inspection of the Conveyance, Goods and Documents	Proper Officer	All Stakeholders	Transporter	Verification of taxability
3	GST MOV-03	Order of Extension of time for inspection beyond three working days.	Joint/Addl. Commissioner.	Proper Officer	PO	Inspection of goods
4	GST MOV-04	Physical verification report	Proper Officer	Transporter	Transporter	Recording of inspection
5	GST MOV-05	Release Order for Goods conveyance	Proper Officer	Transporter	Transporter	
6	GST MOV-06	Order of Detention for non-production of documents or defective documents etc.	Proper Officer	Transporter	Transporter	For verification of records
7	GST MOV-07	SCN on the outcome of inspection of goods	Proper Officer	Transporter	Transporter	Collection of tax due
8	GST MOV-08	Bond for Provisional release of goods and conveyance	Taxpayer	Proper Officer	PO	Indemnity for tax due
9	GST MOV-09	Order of Demand of tax and Penalty (Detained Goods/Conveyance)	Proper Officer	Transporter	Transporter	For payment of tax & penalty
10	GST MOV-10	Notice for Confiscation of Goods or Conveyances and levy of penalty	Proper Officer	Transporter	Transporter	Intimation to the owner/Transporter
11	GST MOV-11	Order of Confiscation of Goods and Conveyance - Demand of Tax, Fine and Penalty	Proper Officer	Transporter	Transporter	Intimation to the owner/Transporter

Appendix 2.4

(Refer Paragraph 2.4.5.4)

Key Problem Area/Risk Dimensions identified

Sl. No.	Key Problem Area
1	Composition taxpayers generating EWBs for inter-State supplies
2	Composition taxpayers generating EWBs for outward supplies exceeding threshold limit
3	Taxpayers with only outward supplies supported by EWBs in any given year.
4	Taxpayers who effect disproportionate outward supplies compared to inward supply (EWBs supported) in any given year.
5	Taxpayers who had generated EWBs using duplicate invoices.
6	Generation of EWBs by Nil Filers of Return.
7	Generation of EWBs by Returns Defaulters (Non-Filers).
8	Taxpayers who have generated EWBs after effective date of cancellation.
9	Taxpayers who have generated EWB whose registration was subsequently cancelled.
10	Taxpayers who had generated EWBs and had cancelled subsequently.
11	Taxpayers who had generated EWBs and were subsequently rejected by the recipients.
12	Taxpayers who had generated disproportionate supplies supported by EWBs on the inward side compared to outward side in any given year.
13	Extension of EWBs by taxpayers.
14	EWBs generated using risky vehicles i.e., 2 wheelers.
15	EWBs generated using theft vehicles.
16	High value of EWBs in first 6 months of registration.
17	EWBs using invalid Pin codes.
18	EWBs generated using suspended, scrapped, surrendered, and cancelled vehicles.
19	E-Way Bills generated by defaulter list of MCA.
20	EWBs generated by income tax defaulters.
21	EWBs generated by DGARM-identified/Other agencies-identified taxpayers.
22	EWBs generated by DGFT-blacklisted exporters.

Appendix 2.5

(Refer Paragraph 2.4.12.12)

Impact on Integrated Goods and Services Tax (IGST) and Central Goods and Services Tax (CGST)

Sl. No	Para Number	Cases	CGST Amount involved (₹ in lakh)	CGST Amount accepted	CGST Amount recovered	IGST Amount involved (₹ in lakh)	IGST Amount accepted	IGST Amount recovered
1	2.4.12.3	8	24.24			3.45		
Total		8	24.24			3.45		

Appendix 6.1

(Refer paragraph 6.1)

List of Departments

S.No.	Name of Department	S.No.	Name of Department	S.No.	Name of Department
1	Agriculture	22	Ground Water	43	Rajasthan Staff Selection Board (RSSB)
2	Agriculture Marketing	23	Higher Education	44	Revenue Intelligence
3	Animal Husbandry	24	Home including Home Guard	45	Sainik Kalyan
4	Archaeology & Museum	25	Horticulture	46	Sanskrit Education
5	Art & Culture	26	Information & PR including Information Commission	47	Secondary Education
6	Ayurveda	27	Inspection	48	Settlement
7	Bhasha and Pustakalya	28	Irrigation (Indira Gandhi Nahar Pariyojana - IGNP)	49	State Insurance & Provident Fund
8	Collector (Misc.)	29	Jail	50	Skill Employment and Entrepreneurships
9	Command Area Development	30	Labour	51	Social Justice & Empowerment
10	Cooperative	31	Land Revenue	52	Stamp Duty and Registration Fee
11	Devasthan	32	Law & Legal	53	State Excise
12	Disaster Management Relief & Civil Defence	33	Local Fund Audit	54	Statistics & Economics
13	Election	34	Medical & Health	55	Technical Education
14	Elementary Education	35	Medical Education	56	Tourism
15	Employees State Insurance	36	Minority Affairs	57	Treasuries & Accounts
16	Evaluation	37	Patwar Training Centres	58	Tribal Area Development
17	Finance	38	Pension (Banks)	59	Value Added Tax/Goods and Service Tax
18	Fisheries	39	Personnel	60	Water Resources Department
19	Food, Civil Supplies and Consumer Affairs	40	Printing & Stationery	61	Ways and Means
20	GAD including Governor, Vidhan Sabha Sectt.	41	Rajasthan Institute of Public Administration	62	Women & Child Development
21	Gopalan	42	Rajasthan Public Service Commission (RPSC)	63	Youth Affairs and Sports

Appendix 6.2

(Refer paragraph 6.4)

Statement showing category-wise details of irregularities commented in Inspection Reports

S. No	Nature of Irregularity	Women and Child Development Department		Labour Department	
		No. of Paragraphs	Amount (₹ in crore)	No. of Paragraphs	Amount (₹ in crore)
1	Fraud/Misappropriation/ embezzlement/losses/ theft of stores and cash	32	4.21	04	0.63
2	Recoveries pointed out by audit	278	83.87	67	245.87
3	Violation of contractual obligation, undue favour to contractor	58	13.17	04	0.11
4	Avoidable/Excess Expenditure	99	36.34	07	279.98
5	Wasteful/infructuous expenditure	160	299.43	06	44.31
6	Regulatory issues	804	532.97	91	645.43
7	Idle investments/idle establishment/blockade of funds/diversion of funds	172	340.39	60	883.76
8	Idle/delay in commissioning of equipment	52	73.26	0	0
9	Non-achievement of objectives	448	274.90	68	26.49
10	Miscellaneous	685	355.32	55	1456.74
Total		2788	2013.86	362	3583.32

Appendix 7.1

(Refer paragraph 7.4)

Statement showing status of manpower posted in 24 DEICs as of June 2025

S. No.	Name of DEIC	Building constructed (Month/Year)	Year in which Manpower was sanctioned in PIP, NHM by GoI	Pediatrician	Medical Officer	Manager	Physiotherapist	Audiologist & Speech Therapist	Psychologist	Optometrist	Early Interventionist cum Special Educator cum Social Worker
1.	Bharatpur	09/2016	2015-16	00	00	00	Posted	Posted	Posted	00	Posted
2.	Bhilwara	12/2016	2015-16	00	00	00	00	00	00	00	00
3.	Bikaner	10/2016	2015-16	00	00	Posted	00	Posted	Posted	00	Posted
4.	Chittorgarh	11/2016	2015-16	00	00	Posted	00	Posted	00	00	Posted
5.	Churu	03/2020	2015-16	00	00	Posted	Posted	Posted	00	00	Posted
6.	Jalore	09/2017	2015-16	00	00	00	00	00	00	00	00
7.	Udaipur	07/2016	2015-16	00	00	Posted	Posted	Posted	Posted	00	00
8.	Banswara	02/2017	2021-22	00	00	00	00	00	00	00	00
9.	Baran	10/2016	2021-22	00	Posted	00	00	00	00	00	00
10.	Bundi	03/2017	2021-22	00	00	00	Posted	00	00	00	00
11.	Dausa	01/2017	2021-22	00	00	00	00	00	00	00	00
12.	Dungarpur	03/2017	2021-22	00	00	00	00	00	00	00	00
13.	Hanumangarh	08/2016	2021-22	00	00	Posted	00	00	00	00	00
14.	Jaisalmer	12/2017	2021-22	00	00	00	00	00	00	00	00
15.	Jhalawar	06/2017	2021-22	00	00	00	00	00	00	00	00
16.	Jhunjhunu	11/2016	2021-22	00	00	Posted	00	00	00	00	Posted
17.	Karauli	11/2016	2021-22	00	00	Posted	00	00	00	00	00
18.	Nagaur	12/2017	2021-22	00	00	Posted	00	00	00	00	00
19.	Pali	03/2017	2021-22	00	00	Posted	00	00	00	00	00
20.	Pratapgarh	10/2016	2021-22	00	00	00	00	00	00	00	00

S. No.	Name of DEIC	Building constructed (Month/Year)	Year in which Manpower was sanctioned in PIP, NHM by GoI	Pediatrician	Medical Officer	Manager	Physiotherapist	Audiologist & Speech Therapist	Psychologist	Optometrist	Early Interventionist cum Special Educator cum Social Worker
21.	Rajsamand	12/2016	2021-22	00	00	00	00	00	00	00	00
22.	Swai Madhupur	10/2016	2021-22	00	00	00	00	00	00	00	00
23.	Sirohi	07/2016	2021-22	00	00	00	00	00	00	00	00
24.	Sri Ganganagar	04/2017	2021-22	00	00	00	00	00	00	00	00
	Total	2016-17 : 18 DEIC 2017-18 : 05 DEIC 2019-20 : 01 DEIC	2015-16 : 07 DEICs 2021-22 : 17 DEICs	Not available in all 24 DEICs	Not available in 23 DEICs	Not available in 15 DEICs	Not available in 20 DEICs	Not available in 19 DEICs	Not available in 21 DEICs	Not available in all 24 DEICs	Not available in 19 DEICs

Source: Information provided by the Mission Director, National Health Mission, Government of Rajasthan.

Appendix 7.2

(Refer paragraph 7.5)

List of 11 universities whose projects were initially assigned to ITI Limited but executed by Expedien eSolutions Limited

S. No.	Name of university
1	Chaudhary Ranbir Singh University, Jind (Haryana)
2	Gauhati University Gopinath Bardoloi Nagar, Gauhati
3	Chaudhary Charan Singh Haryana Agriculture University, Hisar
4	Rajasthan University of Veterinary & Animal Sciences, Bikaner
5	Rajasthan ILD Skills University, Jaipur
6	Swami Keshwanand Rajasthan Agriculture University, Bikaner
7	Himachal Pradesh University, Shimla
8	Jai Narain Vyas University, Jodhpur
9	Mohanlal Sukhadia University, Udaipur
10	Dr. Harisingh Gour Vishwavidyalaya, Sagar (M.P.)
11	Maharana Pratap University of Agriculture & Technology, Udaipur

Appendix 7.3

(Refer paragraph 7.5)

Functional status of 25 modules under UMS as on January 2025

S. No.	Module name	Functional status
1	Pre-Admission	Being utilised
2	Admission & Academics	Being utilised
3	Student Fee Management	Being utilised
4	Alumni Management	Being utilised
5	Examination and Result (Pre)	Being utilised
6	Examination and Result (Post)	Being utilised
7	Self-Service Portal for Students	Partially utilized
8	Student/Staff Attendance Management System	Partially utilized
9	Financial Accounting and Government Treasury System	Partially utilized
10	Employee Establishment Management	Partially utilized
11	Employees Self-Service Portal	Partially utilized
12	Pension Management	Partially utilized
13	EPF and Loan Application Online Service	Partially utilized
14	College Affiliation Management	Partially utilized
15	Guest House Management	Partially utilized
16	Hostel Management	Not being utilized
17	Placement Management	Not being utilized
18	Budget Management	Not being utilized
19	Recruitment Management	Not being utilized
20	Leave Management	Not being utilized
21	Stores and Purchase	Not being utilized
22	RTI Cell Management	Not being utilized
23	Research and Projects (Development Section)	Not being utilized
24	Research Management (Research Cell)	Not being utilized
25	Students Identity Card	Not being utilized

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