

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.

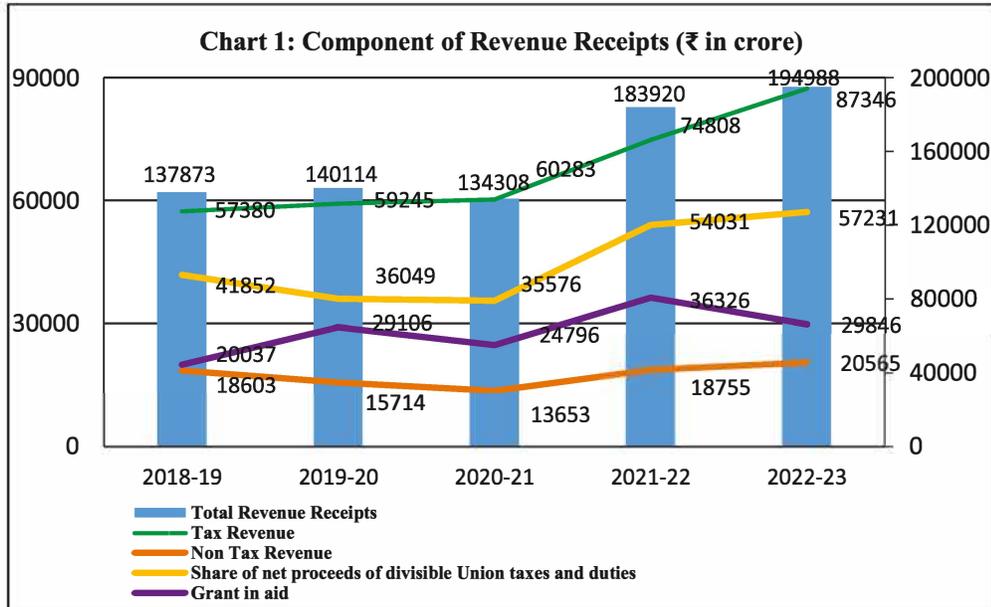
1 For details, please see Table 1.2 of this chapter.

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.

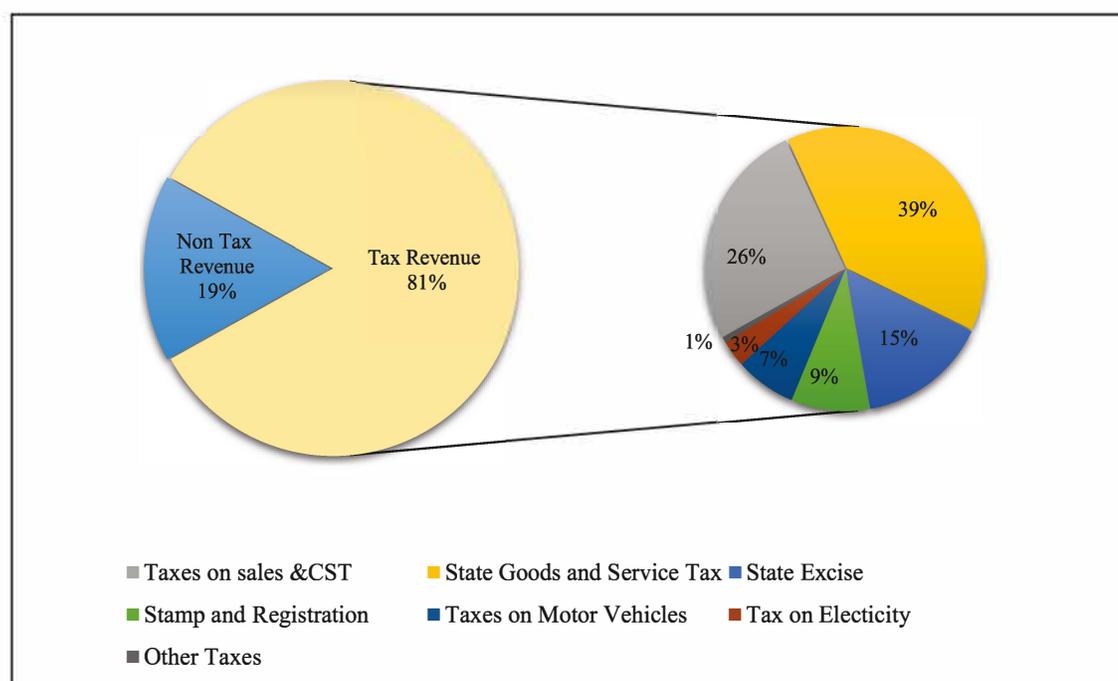
The concerned departments intimated that:

- 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	2018-19	2019-20	2020-21	2021-22	2022-23	(₹ in crore)
						Percentage increase (+)/ decrease (-) in 2022-23 over 2021-22
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.

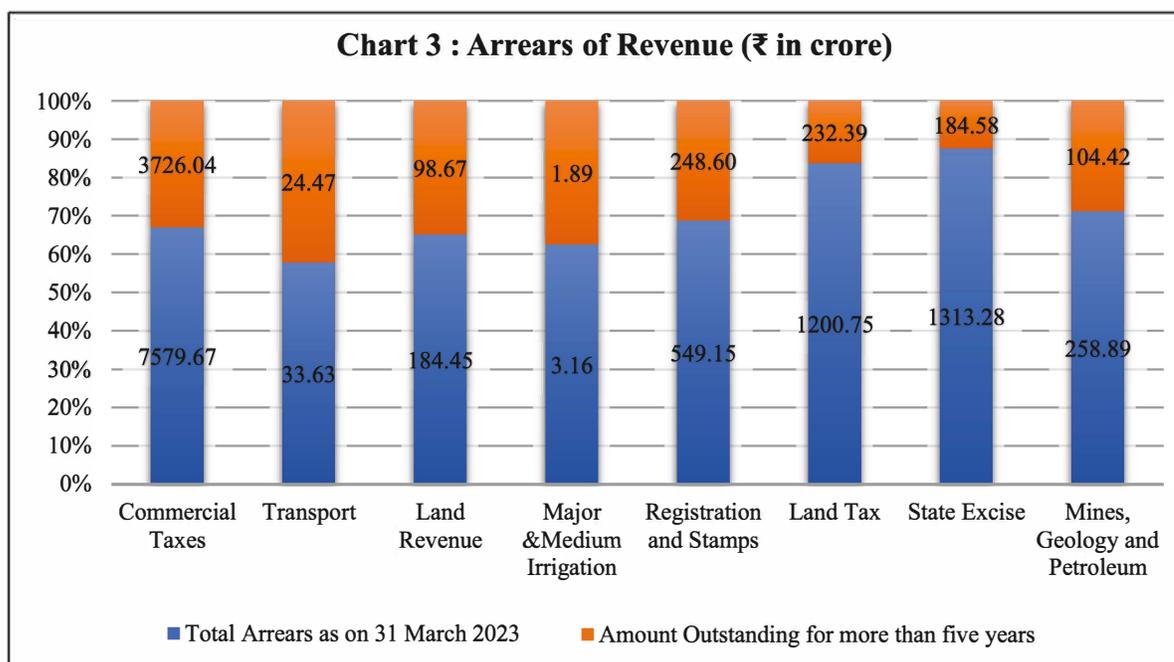
Table 1.4: Arrears of revenue

(₹ 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

(₹ in crore)					
S. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit paragraphs	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).