

## 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 2003-04, state's share of divisible Union taxes and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

(Rupees in crore)

Sl. No.	Particulars	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004
<b>I.</b>	<b>Revenue raised by the State Government</b>					
	(a) Tax revenue	4,530.90	5,299.96	5,671.17	6,253.34	7,246.18
	(b) Non-tax revenue	1,573.77	1,687.98	1,508.46	1,569.00	2,071.64
	<b>Total</b>	<b>6,104.67</b>	<b>6,987.94</b>	<b>7,179.63</b>	<b>7,822.34</b>	<b>9,317.82</b>
<b>II.</b>	<b>Receipts from Government of India</b>					
	(a) State's share of divisible Union taxes	2,184.84	2,836.61	2,882.36	3,063.10	3,602.22
	(b) Grants-in-aid	1,500.10	2,577.23	2,091.30	2,196.42	2,503.80
	<b>Total</b>	<b>3,684.94</b>	<b>5,413.84</b>	<b>4,973.66</b>	<b>5,259.52</b>	<b>6,106.02</b>
<b>III.</b>	<b>Total receipts of the State (I and II)</b>	<b>9,789.61</b>	<b>12,401.78</b>	<b>12,153.29</b>	<b>13,081.86</b>	<b>15,423.84<sup>1</sup></b>
<b>IV.</b>	<b>Percentage of I to III</b>	<b>62</b>	<b>56</b>	<b>59</b>	<b>60</b>	<b>60</b>

<sup>1</sup> For details, please see `Statement No. 11-Detailed Accounts of Revenue by Minor Heads` in the Finance Accounts of the Government of Rajasthan for the year 2003-04. Figures under the head 0020-Corporation Tax, 0021-Taxes on Income other than Corporation Tax, 0032-Taxes on wealth, 0037-Customs, 0038-Union Excise Duties, 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 under A-Tax Revenue have been excluded from revenue raised by the State and included in 'State's share of divisible Union Taxes' in this statement.

**1.1.2** Details of tax revenue raised during the year 2003-04 alongwith the figures for the preceding four years are given below:-

(Rupees in crore)

Sl. No.	Revenue heads	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	Percentage of increase (+)/ decrease (-) in 2003-2004 over 2002-2003
1.	(a) Taxes on Sales, Trade etc.	2,279.83	2,644.51	2,869.23	3,229.79	3,751.80	(+) 16
	(b) Central Sales Tax	144.69	176.70	199.80	208.11	233.63	(+) 12
2.	State Excise	960.81	1,118.48	1,110.27	1,142.34	1,163.15	(+) 2
3.	Stamp Duty and Registration Fees	376.77	436.73	478.89	515.73	611.77	(+) 19
4.	Taxes and Duties on Electricity	193.67	251.90	250.88	239.85	280.29	(+) 17
5.	Taxes on Vehicles	455.48	511.30	566.33	646.14	904.31	(+) 40
6.	Taxes on Goods and Passengers	8.45	19.55	23.10	130.44	150.50	(+) 15
7.	Other taxes on Income and Expenditure, Tax on Professions, Trades Callings and Employments	-	10.99	15.56	17.23	20.11	(+) 17
8.	Other Taxes and Duties on Commodities and Services	49.42	52.89	54.04	47.12	46.85	(-) 1
9.	Land Revenue	35.09	44.81	79.17	57.98	71.44	(+) 23
10.	Other Taxes	26.69	32.10	23.90	18.61	12.33	(-) 34
	<b>Total</b>	<b>4,530.90</b>	<b>5,299.96</b>	<b>5,671.17</b>	<b>6,253.34</b>	<b>7,246.18</b>	

Reasons for shortfall in receipts during 2003-04 as compared to those of 2002-03, as intimated by the respective departments, are given below:-

**Taxes on Sales, Trade etc. and Central Sales Tax:** The increase (16 per cent and 12 per cent respectively) was due to check on tax evasion and recovery efforts of the Department.

**Stamp Duty and Registration Fee:** The increase (19 per cent) was due to increase in number of registered documents, audit recovery (Rs.19.40 crore) against RSEB and other old recoveries.

**Taxes and Duties on Electricity:** The increase (17 per cent) was due to receipts of subvention.

**Taxes on vehicles:** The increase (40 per cent) was due to book adjustment and cash recovery of Special Road Tax from RSRTC and increased receipts of composite fee on national permits.

**Taxes on Goods and Passengers:** The increase (15 per cent) was due to increased collection of entry tax on goods.

**Other Taxes on Income and Expenditure, Tax on Professions, Trades, Callings and Employments:** The increase (17 per cent) was due to increase in actual receipts.

**Land Revenue:** The increase (23 per cent) was due to income from sale of land.

**1.1.3** Details of major non-tax revenue raised by the state during the year 2003-04 alongwith the figures for the preceding four years are given below:-

(Rupees in crore)

Sl. No.	Heads of Revenue	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	Percentage of increase (+)/ decrease (-) in 2003-04 over 2002-03
1.	Interest Receipts	670.42	589.55	583.77	607.04	685.12	(+) 13
2.	Forestry and Wild Life	22.98	37.02	44.82	41.63	39.53	(-) 5
3.	Non-ferrous Mining and Metallurgical Industries	349.53	370.13	412.98	449.38	513.70	(+) 14
4.	Miscellaneous General Services	138.78	241.92	46.23	43.88	340.50	(+) 676
5.	Power	-	0.10	0.02	1.40	0.02	(-) 99
6.	Major and Medium Irrigation	40.88	36.48	18.43	20.74	43.23	(+) 108
7.	Medical and Public Health	12.38	16.13	24.57	22.40	16.28	(-) 27
8.	Co-operation	4.45	7.33	6.79	7.90	6.93	(-) 12
9.	Public Works	19.14	22.33	17.49	19.69	16.45	(-) 16
10.	Police	46.38	57.43	48.66	57.59	46.16	(-) 20

Sl. No.	Heads of Revenue	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	Percentage of increase (+)/ decrease (-) in 2003-04 over 2002-03
11.	Other Administrative Services	52.82	43.65	34.76	38.21	50.65	(+) 33
12.	Other Non-Tax Receipts	216.01	265.91	269.94	259.14	313.07	(+) 21
<b>Total</b>		<b>1,573.77</b>	<b>1,687.98</b>	<b>1,508.46</b>	<b>1,569.00</b>	<b>2,071.64</b>	

**Interest Receipts:** The increase (13 *per cent*) was due to increased receipts from Departmental Commercial Undertakings and from Public Sector and other Undertakings.

**Non-Ferrous Mining and Metallurgical Industries:** The increase (14 *per cent*) was due to additional receipts from contracts and enhancement in rates of lease money of Jhamar Kotra mines.

**Public works:** The decrease (16 *per cent*) was due to less receipt on account of percentage charges.

**Police:** The decrease (20 *per cent*) was due to less receipt on account of Police supplied to other Governments.

**Miscellaneous General Services:** The abnormal increase (676 *per cent*) under Miscellaneous General Receipts was due to increase under the head 'Other Receipts'. The detail of this particular receipts and reasons for the abnormal increase therein was neither intimated by the Government/Department nor were on record. .

Besides reasons for variation wherever found substantial in respect of other heads though called for (January/February 2005) have not been intimated.

## 1.2 Variations between Revised estimates and actuals

The variations between the revised estimates and actuals of revenue receipts for the year 2003-04 in respect of the principal heads of tax and non-tax

revenue are given below:-

(Rupees in crore)

Sl. No.	Heads of revenue	Revised estimates	Actuals	Variation excess (+) or Shortfall (-)	Percentage of variation
<b>Tax revenue</b>					
1.	Taxes on Sales, Trade etc.	4,200.00	3,985.43	(-) 214.57	(-) 5
2.	State Excise	1,240.00	1,163.15	(-) 76.85	(-) 6
3.	Stamp Duty and Registration Fee	700.00	611.77	(-) 88.23	(-) 13
4.	Taxes and Duties on Electricity	279.90	280.29	(+) 0.39	-
5.	Taxes on Vehicles	852.10	904.31	(+) 52.21	(+) 6
6.	Land Revenue	95.08	71.44	(-) 23.64	(-) 25
7.	Taxes on Immovable Property other than Agricultural Land	5.00	11.99	(+) 6.99	(+) 140
<b>Total</b>		<b>7,372.08</b>	<b>7,028.38</b>	<b>(-) 343.70</b>	<b>(-) 5</b>
<b>Non-tax revenue</b>					
1.	Non-ferrous Mining and Metallurgical Industries	532.08	513.70	(-) 18.38	(-) 3
2.	Interest Receipts	702.19	685.12	(-) 17.07	(-) 2
3.	Miscellaneous General Services	90.70	340.50	(+) 249.80	(+) 275
4.	Forestry and Wild Life	36.56	39.53	(+) 2.97	(+) 8
5.	Police	67.79	46.16	(-) 21.63	(-) 32
<b>Total</b>		<b>1,429.32</b>	<b>1,625.01</b>	<b>(+) 195.69</b>	<b>(+) 14</b>

**Stamps Duty and Registration Fee:-**The decrease (13 *per cent*) was due to famine.

**Land Revenue:-**The decrease (25 *per cent*) was due to less deposit of conversion charges by local bodies/Urban Improvement Trusts.

**Taxes on Immovable Property other than Agricultural Land:-**The increase (140 *per cent*) was due to recovery of arrears against Electricity Companies.

**Miscellaneous General Services:** The abnormal increase (275 *per cent*) under Miscellaneous General Receipts was due to increase under the head 'Other Receipts'. The detail of this particular receipts and reasons for the abnormal increase therein was neither intimated by the Government/Department nor were on record. .

Besides reasons for variation wherever found substantial in respect of other heads though called for (January/February 2005) have not been intimated.

### 1.3 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the years 2001-02, 2002-03 and 2003-04, along with the relevant all India average percentage of expenditure on collection to gross collection for 2002-03 were as follows:

(Rupees in crore)

Sl. No.	Heads of revenue	Year	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India Average percentage for the year 2002-2003
1.	2.	3.	4.	5.	6.	7.
1.	Taxes on Sales, Trade etc.	2001-02 2002-03 2003-04	3,069.03 3,437.90 3,985.43	32.60 32.69 37.05	1.1 1.0 0.9	1.18
2.	State Excise	2001-02 2002-03 2003-04	1,024.68 1,142.34 1,163.15	19.13 18.60 19.82	1.9 1.6 1.7	2.92
3.	Taxes on vehicles	2001-02 2002-03 2003-04	566.33 646.14 904.31	10.07 10.27 11.49	1.8 1.6 1.3	2.86
4.	Stamp duty and Registration fee	2001-02 2002-03 2003-04	478.89 515.73 611.77	10.11 10.40 11.23	2.1 2.0 1.8	3.46

### 1.4 Collection of Sales Tax per assessee

(Rupees in lakh)

Year	No. of assessees	Sales tax revenue	Revenue/assessee
1999-2000	1,68,429	2,42,452	1.44
2000-2001	1,79,418	2,82,121	1.57
2001-2002	1,87,281	3,06,903	1.64
2002-2003	2,19,052	3,43,790	1.57
2003-2004	2,09,216 <sup>2</sup>	3,98,543	1.90

<sup>2</sup> Number of assessees were reduced due to the allotment of TIN number (to actual dealers).

### 1.5 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2004 in respect of some principal heads of revenue amounted to Rs.2,417.49 crore of which Rs.418.31 crore were outstanding for more than five years as detailed below:

(Rupees in crore)

Sl. No.	Heads of revenue	Amount outstanding as on 31 March 2004	Amount outstanding for more than 5 years	Remarks
1.	2.	3.	4.	5.
1.	Taxes on Sales, Trade etc.	1,705.17	262.50	Out of Rs.1,705.17 crore, demand for Rs.310.74 crore was stayed by the court and judicial authorities. Demand for Rs.94.23 crore were covered under recovery certificate under Land Revenue Act and Revenue Recovery Act. Recovery of Rs.46.75 crore were held up due to dealers becoming insolvent. Demand of Rs.5.92 crore was likely to be written off. Demand of Rs.164.99 crore was pending against the dealers which are not traceable. Arrears of Rs.1,082.54 crore were at various stages of recovery.
2.	State Excise	211.19	50.01	All demand was covered by revenue recovery certificate under Land Revenue Act.
3.	Taxes on vehicles	16.69	8.28	Out of Rs.16.69 crore, demand for Rs.2.42 crore was stayed by the court/government. Demand for Rs.0.76 crore was covered under recovery certificates under LR and PDR Act. Arrears of Rs.13.51 crore were at other stages of recovery
4.	Taxes on passenger and goods	1.90	1.90	Stages of recovery not intimated by Transport Department.
5.	Stamp duty and Registration fees	43.67	6.46	Out of Rs.43.67 crore, demand for Rs.17.42 crore was covered by recovery certificates. Demand for Rs.24.99 crore was stayed by High Court and other judicial authorities. Demand of Rs.1.26 crore was held up due to rectification/review of applications.
6.	Land Revenue	68.53	21.27	Out of Rs.68.53 crore, demand for Rs.5.77 crore was stayed by the Government and Rs.4.87 crore was stayed by the High Court and other judicial authorities. Arrears of Rs.57.89 crore were at various stages of recovery.
7.	Taxes on Immovable property other than Agricultural land.	94.22	12.17	Out of Rs.94.22 crore, demand of Rs.28.44 crore had been stayed by the High Court/judicial authorities and Rs.4.60 crore was stayed by the Government. Arrears of Rs.2.44 crore were held up due to rectification/review of applications. Rs.13.08 crore were covered under recovery certificates and Rs.45.66 crore were at other stages of recovery

1.	2.	3.	4.	5.
8.	Water supply and Sanitation receipts from Rural/Urban water supply scheme	47.83	16.14	Out of Rs.47.83 crore, demand of Rs.0.31 crore had been stayed by the High Court/Judicial authorities and Rs.0.07 crore were stayed by the Government. Demand for Rs. 1.62 crore was likely to be written off. Arrears of Rs.0.11 crore were held up due to rectification/review of application. Rs.0.08 crore were covered under recovery certificates and Rs.45.64 crore were at other stages of recovery.
9.	Non ferrous Mining and Metallurgical Industries	62.98	28.32	Out of Rs.62.98 crore, demand of Rs.20.49 crore was stayed by the High Court/other judicial authorities and Rs.2.75 crore was stayed by the Government. Demand for Rs.26.09 crore was covered under recovery certificates. Arrears of Rs.0.20 crore was likely to be written off. Recovery of Rs.0.08 crore was held up due to rectification/review of application and Rs.2.93 crore was held up due to dealers becoming insolvent. Arrears of Rs.10.44 crore were at various stages of recovery.
10.	Miscellaneous General Services-Sale of Land	88.37	3.00	Out of Rs.88.37 crore, demand of Rs.0.03 crore was stayed by the High Court and other judicial authorities. Remaining amount of Rs.88.34 crore was pending recovery from allottees of the land .
11.	<sup>3</sup> Major and Medium Irrigation	76.94	8.26	Out of Rs.76.94 crore, recovery of Rs.27.05 crore was suspended (deferred) vide Government order dated 30 September 2003 and 24 January 2004 as intimated by Board of Revenue, Rajasthan, Ajmer. Arrears of Rs.49.89 crore were pending collection at various stages of recovery.
<b>Total</b>		<b>2,417.49</b>	<b>418.31</b>	

## 1.6 Arrears in assessments

The details of cases pending assessment at the beginning of the year 2003-04, cases becoming due for assessments during the year, cases disposed of during the year and number of cases pending finalisation at the end of the year 2003-

<sup>3</sup> This information pertains to Board of Revenue, Rajasthan, Ajmer; Commissioner, Command Area Development Chambal, Kota; Chief Engineer, Irrigation, Rajasthan, Jaipur and Chief Engineer, Indira Gandhi Nahar Pariyojana, Bikaner.

04 as furnished by the departments are as follows:

Head of revenue	Opening balance	New cases due for assessment	Total	Cases disposed of	Balance	Percentage of Column 5 to 4
1.	2.	3.	4.	5.	6.	7.
<b>Finance Department</b>						
Sales Tax	78	3,08,558	3,08,636	2,27,290	81,346	73.66
Entertainment Tax	2,573	2,527	5,100	3,040	2,060	120.30
Taxes on Immovable property other than Agricultural Land	30,738	NIL	30,738	4,508 <sup>4</sup>	26,230	5.64
Non-ferrous mining and Metallurgical Industries	5,439	4,195	9,634	1,920	7,714	45.77

**Taxes on immovable property other than Agricultural land:-**The reasons for low rate of disposal of cases of taxes on immovable property was mainly due to abolition of Lands and Buildings Tax as well as closure of the concerned Department with effect from 1 April 2003.

### 1.7 Evasion of Tax

The details of cases of evasion of tax detected by the departments, cases finalised and the demand for additional tax raised during 2003-04 as reported by the departments are given below:

Sl. No.	Head of revenue	Opening balance as on 1 <sup>st</sup> April 2003	Cases detected	Total	No. of cases in which assessments/investigations completed and additional demands including penalty etc., raised.		No. of cases pending finalisation as on 31 March 2004
					No. of cases	Amount of demand (rupees in crore)	
1.	Taxes on Sales, Trade etc.	700	6,761	7,461	7,006	34.77	455
2.	Non-ferrous mining and Metallurgical Industries	5,343	567	5,910	580	Not intimated	5,330
3.	Stamp Duty and Registration Fee	20,561	9,870	30,431	12,987	Not intimated	17,444

<sup>4</sup> Disposal of 4,508 cases included 2,774 cases which were reduced in balance due to consolidation of double/triple files of a case and few tax free files.

### 1.8 Write-off and waiver of revenue

During the year 2003-04, demand for Rs.963.63 lakh in 4,728 cases were written off/waived/remitted as detailed below:

(Rupees in lakh)

Sl. No.	Name of Department	Number of case	Amount	Reasons
1.	Commercial Taxes	2,138	699.72	Waived due to death, not having movable/immovable property.
2.	State Excise	2	27.41	Waived/written off due to various reasons.
3.	Registration and Stamps	2,588	236.50	In 1,374 cases penalty worth Rs.108.82 lakh was remitted and 1,214 cases worth Rs.127.68 lakh were waived/written off for other reasons.
	<b>Total</b>	<b>4,728</b>	<b>963.63</b>	

### 1.9 Refunds

The number of refund cases pending at the beginning of the year 2003-04 claims received during the year, refunds allowed during the year and cases pending at the close of the year 2003-04 as reported by departments are given below:

(Rupees in crore)

Name of department	Opening balance		Claims received		Refunds allowed		Closing balance	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Commercial Taxes	487	3.31	2,534	24.43	2,175	20.43	846	7.31
Registration and Stamps	1,722	1.24	1,033	1.29	838	1.23	1,917	1.30
Land Revenue	18	0.07	52	0.28	51	0.28	19	0.07
Colonisation	21	0.04	70	0.18	54	0.12	37	0.10
Land and Building Tax	6	0.05	36	0.80	24	0.05	18	0.80
<b>Total</b>	<b>2,254</b>	<b>4.71</b>	<b>3,725</b>	<b>26.98</b>	<b>3,142</b>	<b>22.11</b>	<b>2,837</b>	<b>9.58</b>

Interest of Rs.3.46 crore in 223 cases were paid by the Commercial Taxes Department due to belated refunds and Rs.1.64 crore in 597 cases due to other reasons which were not specified.

It would thus be seen that the balance at the end of the year was 103 *per cent* higher than the claims outstanding at the beginning of the year.

### 1.10 Results of audit

Test check of records of sales tax, land revenue, state excise, motor vehicles tax, stamps and registration fee, electricity duty, other tax receipts, forest receipts and other non-tax receipts conducted during the year 2003-04 revealed under-assessment, short levy and loss of revenue amounting to Rs.715.87 crore in 18,459 cases. During the course of the year the departments accepted under-assessment of Rs.69.03 crore in 21,723 cases. No replies have been received in respect of the remaining cases.

This Report contains 31 paragraphs including two reviews relating to non-levy/ short levy of taxes, duties, interest and penalties etc., involving Rs.381.48 crore. The Department/Government accepted audit observations involving Rs.220.98 crore of which Rs.29.13 crore had been recovered upto September 2004. No reply has been received in other cases.

### 1.11 Outstanding inspection reports and audit observations

Audit observations on under-assessments, short determination/ realisation of taxes, duties, fees *etc.* and defects in the maintenance of initial records, which are not settled on the spot, are communicated to the heads of the Departments through inspection reports. Important irregularities are also reported to Government/departments through inspection reports by the office of Accountant General (Commercial & Receipt Audit) to which reply is required to be furnished by them within one month of their issue.

The number of inspection reports and audit observations relating to revenue receipts issued upto 31 December 2003, which were pending settlement with the departments as on 30 June 2004, alongwith figures for the preceding two years, are given below:-

Sl. No.	Particulars	As on 30 June		
		2002	2003	2004
1.	Number of inspection reports pending settlement	2,818	2,914	2,971
2.	Number of outstanding audit observations	7,178	6,102	7,477
3.	Amount of revenue involved (Rupees in crore)	814.77	892.82	1,117.84

Department-wise break up of the inspection reports and audit observations outstanding as on 30 June 2004 is given below:-

Sl. No.	Department	Number of outstanding inspection reports	Number of outstanding audit observations	Amount (Rupees in crore)	Earliest year to which reports relate	Number of inspection reports where even first compliance not received
1.	Commercial Taxes	600	1,728	130.08	1989-90	-
2.	Land Revenue	672	1,169	290.21	1987-88	11
3.	Registration and Stamps	784	1,536	48.40	1990-91	85
4.	Transport	375	1,276	47.66	1995-96	-
5.	Forest	174	409	4.32	1995-96	-
6.	Mines and Geology	140	501	138.71	1988-89	22
7.	State Excise	104	304	427.68	1997-98	-
8.	Lands and Buildings Tax	97	498	29.68	1991-92	1
9.	Electrical Inspectorate	25	56	1.10	1995-96	-
	<b>Total</b>	<b>2,971</b>	<b>7,477</b>	<b>1,117.84</b>		<b>119</b>

The above position was brought to the notice of the Government in October 2004.

### 1.12 Departmental Audit Committee Meetings

Audit Committee meetings were to be arranged by each Department, twice a year on half yearly basis upto June and December respectively. Department-wise position of Audit Committee meetings held during 2003 was as under:

Sl. No.	Name of Department	Number of meetings held during 2003		
		Half year ending June 2003	Half year ending December 2003	Total
1.	Commercial Taxes	Nil	Nil	Nil
2.	State Excise	Nil	Nil	Nil
3.	Transport	1	Nil	1
4.	Registration and Stamps	Nil	Nil	Nil
5.	Land and Building	Nil	Nil	Nil
6.	Land Revenue	Nil	1	1
7.	Mines and Geology	Nil	1	1
	<b>Total</b>	<b>1</b>	<b>2</b>	<b>3</b>

The above details would reveal that as against 14 meetings required to be held during the year 2003, only three (21 *per cent*) were held.

Commercial Taxes, State Excise, Registration and Stamps and Lands and Buildings Tax Department did not arrange any such meetings during 2003.

### **1.13 Response of the Departments to Draft Audit Paragraphs**

The Finance Department issued directions to all departments in August 1969 to send their response to the Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within three weeks of their receipts. The draft paragraphs are forwarded by the respective Audit offices to the Secretaries of the concerned Department through demi-official letters drawing their attention to the audit findings and requesting them to send their response within three weeks. The fact of non-receipt of replies from the Government is invariably indicated at the end of each such paragraph included in the Audit Report.

Draft paragraphs included in the Report of the Comptroller and Auditor General of India (Revenue Receipts) for the year ended 31 March 2004 were forwarded to the Secretaries of the respective departments between May 2004 and August 2004 through demi-official letters. Out of the 80 cases (clubbed into 31 paragraphs) issued, the Department has accepted audit observations in 52 cases.

### **1.14 Follow up on Audit Reports-summarised position**

According to instructions issued by the Finance Department, all Departments are required to furnish explanatory memoranda duly vetted by audit to the Rajasthan Legislative Secretariat in respect of paragraphs included in the Audit Report within three month of their being laid on the table of the House.

The position of paragraphs which have appeared in the Audit Reports and those pending discussion as on 30 September 2004 is given in the *Annexure-'A'*. It would be seen that during the year 57 audit paragraphs were discussed by the Public Accounts Committee. As a result thereof, no audit paragraph pertaining to reports upto the year 1999-2000 is pending discussion in the Public Accounts Committee and 88 paragraphs pertaining to the period 2000-01 to 2002-03 were pending.

As per the Rules and Procedures of the Committee on Public Accounts of the Rajasthan State Assembly framed in 1997, the concerned Department shall take necessary steps to send its Action Taken Notes (ATNs) on the recommendation of the Public Accounts Committee (PAC) on the Audit Reports within six months from the date of its presentation to the House. The position of outstanding ATNs due is given in the *Annexure-'B'*. It would be seen that the pendency of ATNs ranged from two months to 13 years.