

## 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 2013-14, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and grants-in-aid received from the Government of India during the year and corresponding figures for the preceding four years are mentioned in the table 1.1.1.

**Table 1.1.1**

(₹ in crore)

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
<b>1.</b>	<b>Revenue raised by the State Government</b>					
	• Tax revenue	16,414.27	20,758.12	25,377.05	30,502.65	33,477.70
	• Non-tax revenue	4,558.22	6,294.12	9,175.10	12,133.59	13,575.25
	<b>Total</b>	<b>20,972.49</b>	<b>27,052.24</b>	<b>34,552.15</b>	<b>42,636.24</b>	<b>47,052.95</b>
<b>2.</b>	<b>Receipts from the Government of India</b>					
	• Share of net proceeds of divisible Union taxes and duties	9,258.13	12,855.63	14,977.05	17,102.85	18,673.07
	• Grants-in-aid	5,154.39	6,020.33	7,481.56	7,173.92	8,744.35
	<b>Total</b>	<b>14,412.52</b>	<b>18,875.96</b>	<b>22,458.61</b>	<b>24,276.77</b>	<b>27,417.42</b>
<b>3.</b>	<b>Total revenue receipts of the State Government (1 and 2)</b>	<b>35,385.01</b>	<b>45,928.20</b>	<b>57,010.76</b>	<b>66,913.01</b>	<b>74,470.37<sup>1</sup></b>
<b>4.</b>	<b>Percentage of 1 to 3</b>	<b>59</b>	<b>59</b>	<b>61</b>	<b>64</b>	<b>63</b>

The above table indicates that during the year 2013-14, the revenue raised by the State Government (₹ 47,052.95 crore) was 63 *per cent* of the total revenue receipts. The balance 37 *per cent* of receipts during 2013-14 was from the Government of India by way of share of net proceeds of divisible Union Taxes and duties and grants-in-aid.

<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 2013-14. Figures under the head 0020 - Corporation tax, 0021 - Taxes on income other than corporation tax, 0022 - Taxes on agriculture income, 0032 - Taxes on wealth, 0037 - Customs, 0038 - Union excise duties and 0044 - Service tax - 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 The details of the budget estimates (BE) and the actual receipts in respect of the tax revenue raised during the period from 2009-10 to 2013-14 are given in the table 1.1.2.

**Table 1.1.2**

(₹ in crore)

Heads of revenue	BE Actual	2009-10	2010-11	2011-12	2012-13	2013-14	Percentage of increase (+)/ decrease (-) in 2013-14 over 2012-13
Taxes on sales, trade, etc.	BE	9,599.64	11,514.82	13,088.08	15,402.08	19,528.00	
	Actual	9,681.38	11,901.24	14,665.63	17,214.34	19,834.72	(+) 15
Central sales tax	BE	430.36	215.18	401.92	1,147.92	1,522.00	
	Actual	482.15	728.35	1,100.80	1,360.31	1,380.79	(+) 2
State excise	BE	2,300.00	2,450.00	2,623.00	3,250.00	4,500.00	
	Actual	2,300.48	2,861.41	3,287.05	3,987.83	4,981.59	(+) 25
Stamp duty and registration fees							
Stamps-judicial	BE	46.47	35.60	43.15	60.14	105.40	
	Actual	30.47	43.07	79.40	144.27	104.59	(-) 28
Stamps-non-judicial	BE	1,393.53	1,379.48	1,577.08	2,264.97	3,268.57	
	Actual	1,104.79	1,522.01	2,153.68	2,693.13	2,577.76	(-) 4
Registration fee	BE	210.00	234.92	279.77	474.89	526.03	
	Actual	227.68	375.96	418.29	497.47	442.98	(-) 11
Taxes on motor vehicles	BE	1,300.00	1,450.00	1,650.00	1,900.00	2,500.00	
	Actual	1,372.87	1,612.25	1,927.05	2,283.13	2,498.90	(+) 9
Taxes and duties on electricity	BE	707.23	778.80	846.64	1,505.25	1,512.61	
	Actual	699.99	905.81	1,094.48	1,570.06	948.93	(-) 40
Land revenue	BE	250.06	185.06	196.06	196.06	185.51	
	Actual	147.66	222.17	209.01	304.55	337.98	(+) 11
Taxes on goods and passengers	BE	225.00	252.00	265.00	280.00	300.00	
	Actual	176.10	230.69	220.13	248.57	287.92	(+) 16
Other taxes and duties on commodities and services	BE	69.59	74.99	78.74	50.99	55.00	
	Actual	58.52	64.43	43.44	48.47	68.46	(+) 41
Other taxes <sup>2</sup> etc.	BE	209.77	450.00	300.00	300.00	50.00	
	Actual	132.18	290.73	178.09	150.52	13.08	(-) 91
<b>Total</b>	<b>BE</b>	<b>16,741.65</b>	<b>19,020.85</b>	<b>21,349.44</b>	<b>26,832.30</b>	<b>34,053.12</b>	
	<b>Actual</b>	<b>16,414.27</b>	<b>20,758.12</b>	<b>25,377.05</b>	<b>30,502.65</b>	<b>33,477.70</b>	<b>9.75</b>
<b>Percentage of increase of actual over previous year</b>			<b>26.46</b>	<b>22.24</b>	<b>20.19</b>	<b>9.75</b>	

<sup>2</sup> Other taxes on income and expenditure, tax on professions trades, callings and employments and land tax.

There has been continuous increase in the collection of tax revenue during the last four years. The growth of revenue was the least (9.75 per cent) during 2013-14.

The decrease (91 per cent) in “other taxes etc.”, was due to the abolition of land tax in the State while reasons for decrease in taxes and duties on electricity (40 per cent) though called for (November 2014) were not received from the Department.

**1.1.3** The details of the budget estimates (BE) and the actual receipts in respect of the non-tax revenue raised during the period from 2009-10 to 2013-14 are given in the table 1.1.3.

**Table 1.1.3****(₹ in crore)**

Heads of revenue	BE Actual	2009-10	2010-11	2011-12	2012-13	2013-14	Percentage of increase (+)/ decrease (-) in 2013-14 over 2012-13
Non-ferrous mining and metallurgical industries	BE	1,450.00	1,760.00	2,060.00	2,500.00	3,210.00	
	Actual	1,612.26	1,929.58	2,366.32	2,838.59	3,088.66	(+) 9
Interest receipts	BE	1,189.32	1,129.25	1,229.22	1,428.79	1,933.88	
	Actual	1,185.45	1,276.70	1,714.53	2,067.00	2,142.49	(+) 4
Miscellaneous general services	BE	1,342.83	216.02	195.40	324.29	576.17	
	Actual	739.30	271.19	353.09	686.10	846.36	(+) 23
Police	BE	102.00	200.00	150.00	165.00	170.48	
	Actual	126.24	133.93	143.54	192.07	167.27	(-) 13
Other administrative services	BE	52.82	61.49	60.99	78.88	89.94	
	Actual	49.12	80.33	110.99	85.50	147.38	(+) 72
Major and medium irrigation	BE	59.76	61.27	69.21	122.21	90.62	
	Actual	48.83	86.04	91.83	87.21	80.62	(-) 8
Forestry and wild life	BE	56.79	61.50	61.60	56.05	66.67	
	Actual	56.35	93.20	74.95	91.24	77.52	(-) 15
Public works	BE	64.00	70.00	75.75	75.75	65.00	
	Actual	62.75	62.10	55.85	57.63	69.16	(+) 20
Medical and public health	BE	31.84	42.78	48.17	61.88	61.00	
	Actual	56.55	45.46	59.38	96.04	65.61	(-) 32
Co-operation	BE	30.00	23.81	21.12	23.65	20.42	
	Actual	21.03	16.35	22.38	22.02	18.80	(-) 15
Other non-tax receipts <sup>3</sup>	BE	903.64	1,349.82	2,466.69	4,114.64	6,370.23	
	Actual	600.34	2,299.24	4,182.24	5,910.19	6,871.38	(+) 16
<b>Total</b>	<b>BE</b>	<b>5,283.00</b>	<b>4,975.94</b>	<b>6,438.15</b>	<b>8,951.14</b>	<b>12,654.41</b>	
	<b>Actual</b>	<b>4,558.22</b>	<b>6,294.12</b>	<b>9,175.10</b>	<b>12,133.59</b>	<b>13,575.25</b>	<b>(+) 12</b>
<b>Percentage of increase of actual over previous year</b>			<b>38.08</b>	<b>45.77</b>	<b>32.24</b>	<b>11.88</b>	

<sup>3</sup> Other non-tax receipts constitute from housing, village and small industries, fisheries, dividends and profit, contribution and recoveries towards, pension and other retirement benefits, etc.

There has been regular increase in the collection of non-tax revenue during the last four years. However, the growth of revenue was the least (11.88 per cent) during 2013-14.

There was increase (72 per cent) in revenue under the head “Other administrative services” which was mainly due to more receipts on account of civil defence, motor garage and other receipts.

## 1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2014 relating to some principal heads of revenue amounted to ₹ 4,032.86 crore of which ₹ 1,476.82 crore was outstanding for more than five years, as given in the table 1.2.

**Table 1.2**

(₹ in crore)

Sl. No.	Head of revenue	Total Amount outstanding as on 31 March 2014	Amount outstanding for more than five years as on 31 March 2014
1.	Commercial taxes	3,026.15	1,096.18
2.	Transport	63.82	19.30
3.	Land revenue	356.87	56.25
4.	Registration and stamps	172.63	52.93
5.	State excise	219.82	203.88
6.	Mines, geology and petroleum	193.57	48.28
<b>Total</b>		<b>4,032.86</b>	<b>1,476.82</b>

Source: Furnished by the concerned Departments.

It would be seen from the table that recovery of ₹ 1,476.82 crore was pending for more than five years. The stages at which arrears were pending collection though called (November 2014) for were not intimated by the Departments. The State Excise Department intimated that the cases involving ₹ 35.55 crore were referred for write off and other cases were also being pursued regularly.

## 1.3 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year as furnished by the respective Departments in respect of Commercial Taxes, Registration and Stamps and Mines, Geology and Petroleum are given in the table 1.3.

**Table 1.3**

Name of the Department	Opening balance	New cases due for assessment during 2013-14	Total assessments due	Cases disposed of during 2013-14	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Commercial taxes	20	3,72,542	3,72,562	3,72,547	15	99.99
Registration and Stamps	5,750	5,378	11,128	4,288	6,840	38.53
Mines, geology and petroleum	14,933	13,138	28,071	16,739	11,332	60.00

Source: Furnished by the concerned Departments.

As would be seen the percentage of disposal of cases was the least in Registration and Stamps Department. The Department may take necessary action for disposal of the cases.

#### 1.4 Evasion of tax detected by the Department

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

**Table 1.4**

Sl. No.	Head of revenue	Cases pending as on 31 March 2013	Cases detected during 2013-14	Total	Number of cases in which assessment/investigation completed and additional demand with penalty <i>etc.</i> raised		Number of cases pending for finalisation as on 31 March 2014
					Number of cases	Amount of demand (₹ in crore)	
1.	Commercial Taxes	201	4,379	4,580	4,248	217.98	332

Source: Furnished by the Commercial Taxes Department.

It would be seen from the above table that 93 *per cent* of the total cases were settled during the year 2013-14. However the amount recovered on account of settlement in these cases was not intimated (December 2014).

#### 1.5 Pendency of refund cases

The number of refund cases pending at the beginning of the year 2013-14, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2013-14 as reported by the Department is given in the table 1.5.

**Table 1.5**

(₹ in crore)

Sl. No.	Particulars	Sales tax/VAT		Registration and stamps	
		No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	182	63.34	918	3.70
2.	Claims received during the year	5,392	503.13	1,864	8.68
3.	Refunds made during the year	5,368	467.89	1,953	7.47
4.	Balance outstanding at the end of year	206	98.58	829	4.91

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

### 1.6 Response of the Government/Departments towards audit

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

Inspection Reports issued upto December 2013 disclosed that 9,477 paragraphs involving ₹ 4,592.63 crore relating to 2896 IRs remained outstanding at the end of June 2014. The figures as on June 2014 alongwith the corresponding figures for the preceding two years are given in the table 1.6.

**Table 1.6**

Particulars	June 2012	June 2013	June 2014
Number of IRs pending for settlement	2,628	2,882	2,896
Number of outstanding audit observations	8,260	9,489	9,477
Amount of revenue involved (₹ in crore)	5,958.95	7,731.42	4,592.63

**1.6.1** The Department-wise details of the IRs and audit observations outstanding as on 30 June 2014 and the amounts involved are mentioned in table 1.6.1.

**Table 1.6.1**

Sl. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Amount involved (₹ in crore)
1.	Commercial taxes	Taxes/VAT on sales, trade etc.	590	2,595	835.86
		Entertainment tax, luxury tax etc.	24	27	0.07
2.	Transport	Taxes on motor vehicles	435	1,495	186.69
3.	Land revenue	Land revenue	178	408	745.92
4.	Registration and Stamps	Stamp duty and registration fee	1,258	3,342	204.47
5.	State excise	State excise	109	214	80.37
6.	Mines, geology and petroleum	Non-ferrous mining and metallurgical industries	302	1,396	2,539.25
<b>Total</b>			<b>2,896</b>	<b>9,477</b>	<b>4,592.63</b>

Audit did not receive first replies from the heads of offices even after expiry of more than one month from the date of issue in respect of 24 IRs issued during 2013-14. The huge pendency of the IRs is indicative of the fact that the heads of offices and the Departments did not take adequate action to rectify the defects, omissions and irregularities pointed out by Audit through the IRs.

The Government may advise the concerned Departments to make more efforts for rectifying the defects and irregularities pointed out by Audit. It may also direct the heads of the offices to furnish their first replies within the prescribed period.

### **1.6.2 Departmental Audit Committee Meetings**

The Government set-up audit committees to monitor and expedite the progress of the settlement of the paragraphs in the IRs. The details of the audit committee meetings held during the year 2013-14 and the paragraphs settled are mentioned in the table 1.6.2.

**Table 1.6.2**

Sl. No.	Name of the Department	Number of audit committee meetings held	Number of audit sub-committee meetings held	Number of paragraphs settled	Amount (₹ in crore)
1.	Commercial taxes	4	Nil	Nil	Nil
2.	Transport	3	Nil	Nil	Nil
3.	Land revenue	2	11	74	117.62
4.	Registration and Stamps	4	6	70	0.80
5.	State excise	4	Nil	Nil	Nil
6.	Mines, geology and petroleum	4	Nil	Nil	Nil
	<b>Total</b>	<b>21</b>	<b>17</b>	<b>144</b>	<b>118.42</b>

It would be seen from the above that in six meetings held in respect of land revenue and stamp duty 144 paragraphs were settled while in respect of Commercial Taxes, Transport, State Excise, Mines, Geology & Petroleum Department though 15 meeting were held, not a single paragraph was settled.

### **1.6.3 Response of the Departments to the draft audit paragraphs**

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

Forty one draft paragraphs clubbed into 34 paragraphs including two Performance Audit were sent to the Principal Secretaries/Secretaries of the respective Department by name between April to December 2014. The Principal Secretaries/Secretaries of the Departments did not send replies to four draft paragraphs, the same have been included in this Report without the response of the Department.

### **1.6.4 Follow-up on the Audit Reports - summarised position**

The Rules and Procedures of the Public Accounts Committee (PAC) of the Rajasthan State Assembly framed in 1997, prescribe that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs and the action taken explanatory notes thereon should be submitted by the Government within three months of tabling the Report, for consideration of the PAC. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed inordinately. 190 paragraphs (including performance audit) included in the Reports of the Comptroller and Auditor General of India on the Revenue Sector of the Government of Rajasthan for the years ended 31 March 2009, 2010, 2011, 2012 and 2013 were placed before the State Legislative Assembly between 12 March 2010 and 18 July 2014. The action taken explanatory notes from the



concerned Departments on these paragraphs were received late with an average delay of 70 days in respect of each of these Audit Reports. The PAC discussed 62 selected paragraphs pertaining to the Audit Reports for the years from 2008-09 to 2009-10 and its recommendations on 45 paragraphs were incorporated in their five Reports (2011-12 to 2013-14). Action taken explanatory notes had not been received from the Transport Department in respect of 19 recommendations of the PAC as mentioned in table 1.6.4.

**Table 1.6.4**

Year	Transport Department
2008-09	11
2009-10	8
<b>Total</b>	<b>19*</b>

\*Action taken explanatory notes will become due on 16.01.2015

### 1.7 Analysis of the mechanism for dealing with the issues raised by Audit in Commercial Taxes Department

To analyse the system of addressal of the issues highlighted in the Inspection Reports/Audit Reports by the Departments/Government, the action taken on the paragraphs and performance audits included in the Audit Reports of the last 10 years for one Department was evaluated.

The succeeding paragraphs 1.7.1 to 1.7.2 discuss the performance of the Commercial Taxes Department on the cases detected in the course of local audit during the last ten years and also the cases included in the Audit Reports for the years 2003-04 to 2012-13.

#### 1.7.1 Position of inspection reports

The summarised position of the inspection reports pertaining to Commercial Taxes Department, issued during the last 10 years, paragraphs included in these reports and their status as on 30 September 2014 are tabulated in the table 1.7.1.

**Table 1.7.1**

(₹ in crore)

Sl. No.	Position upto year	Opening balance			Addition during the year			Clearance during the year			Closing balance during the year		
		IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value
1.	2004-05	274	1,263	456.49	203	838	264.02	95	719	231.77	382	1,382	488.74
2.	2005-06	382	1,382	488.74	228	910	655.53	289	972	560.63	321	1,320	583.64
3.	2006-07	321	1,320	583.64	174	594	327.13	129	557	282.57	366	1,357	628.20
4.	2007-08	366	1,357	628.20	140	617	387.30	113	604	303.46	393	1,370	712.04
5.	2008-09	393	1,370	712.04	78	452	136.57	73	472	387.86	398	1,350	460.75
6.	2009-10	398	1,350	460.75	81	558	56.99	36	296	173.27	443	1,612	344.47
7.	2010-11	443	1,612	344.47	66	633	142.76	33	342	44.47	476	1,903	442.76
8.	2011-12	476	1,903	442.76	104	867	1,897.45	35	354	31.20	545	2,416	2,309.01
9.	2012-13	545	2,416	2,309.01	88	689	1,087.44	21	338	134.77	612	2,767	3,261.68
10.	2013-14	612	2,767	3,261.68	72	526	87.57	73	834	2,565.68	611	2,459	783.57

The Government arranges audit sub-committee meetings between the Department and the Audit Office to settle the old paragraphs. However, there was a continuous increase in the outstanding IRs and number of the objections specially during the last five years except 2013-14. This is indicative of the fact that adequate steps were not taken by the Department in this regard resulting in increase of the outstanding IRs and paragraphs.

### 1.7.2 Recovery of accepted cases

The details of paragraphs relating to Commercial Taxes Department included in the Audit Reports of the last 10 years, those accepted by the Department and the amount recovered are mentioned in the table 1.7.2.

**Table 1.7.2**

(₹ in crore)

Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted including money value	Money value of accepted paragraphs	Amount recovered during the year	Cumulative position of recovery of accepted cases as of 31.03.2014
2003-04	7	28.29	6	14.08	0	2.85
2004-05	13	98.45	8	3.06	0	1.59
2005-06	14	100.98	10	10.05	0	1.55
2006-07	9	150.60	6	144.26	0.01	0.15
2007-08	5	17.88	3	0.82	0.22	0.54
2008-09	10	28.24	7	17.79	0	0.96
2009-10	8	4.47	6	3.38	0.60	1.18
2010-11	9	105.18	9	3.38	0	1.95
2011-12	6	396.20	5	337.28	3.05	3.05
2012-13	7	161.16	7	14.51	7.14	7.14
<b>Total</b>	<b>88</b>	<b>1,091.45</b>	<b>67</b>	<b>548.61</b>	<b>11.02</b>	<b>20.96</b>

The Department could recover an amount of ₹ 20.96 crore only during the period of ten years against total 88 observations valuing of ₹ 1,091.45 crore, out of which 67 observations of ₹ 548.61 crore were already accepted by it. The recovery was just 3.82 per cent of the accepted amount of observations.

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

### 1.7.3 Action taken on the recommendations accepted by the Departments/Government

The draft Performance Audits (PAs) conducted by the Accountant General are forwarded to the concerned Department/Government for their information with a request to furnish their replies. These PAs are also discussed in exit conferences and the Department's/Government's views are included while finalising the PAs for the Audit Reports.

During the last five years, four performance audits were conducted in the Commercial Taxes Department in which 24 recommendations were made for improving the working and system of tax collection. The Department has

accepted all the recommendations and has taken action in respect of 14 recommendations by issuing instructions/guidelines relating to cross verification of transactions, disposal of appeal cases, display of the declaration forms online in the computerised system, examination of annual returns/Audit Reports, verification of tax deposits before allowing input tax credit *etc.* The progress made in the implementation of the remaining ten recommendations has not been received (December 2014).

## 1.8 Audit Planning

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

During the year 2013-14, 345 units were planned and 343 units had been audited.

Two performance audits were also conducted one each in Commercial Taxes Department and Mines, Geology and Petroleum Department to examine the efficacy of the revenue administration system.

## 1.9 Results of audit

### Position of local audit conducted during the year

Test check of the records of 343 units of Commercial Taxes, Transport, Land Revenue, Registration and Stamps, State Excise, Mining and other Departmental offices conducted during the year 2013-14 revealed underassessments, short levy/loss of revenue *etc.* aggregating to ₹ 790.81 crore in 23,612 cases. During the year, the concerned Departments accepted underassessments and other deficiencies in 24,483 cases involving Government revenue of ₹ 452.57 crore, of which 7,179 cases involving ₹ 75.79 crore were pointed out in audit during 2013-14 and the rest in the earlier years. The Departments recovered ₹ 36.45 crore in 7,398 cases during 2013-14.

## 1.10 Coverage of this Report

This Report contains 34 paragraphs (selected from the audit detections made during the local audit referred to above and during earlier years, which could not be included in earlier reports) including two Performance Audit on 'Levy and Collection of Value Added Tax (VAT) on Works Contract' and 'Receipts from Minor Minerals' involving financial effect of ₹ 228.02 crore.

The Departments/Government have accepted audit observations involving ₹ 97.66 crore out of which ₹ 5.08 crore had been recovered. The replies in the remaining cases were either not received or found unsatisfactory. These are discussed in Chapters II to VII.

