

CHAPTER-1: General

1.1 Trend of revenue receipts

(i) The tax and non-tax revenue raised by the State Government during the year 2001-2002, 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 two years are given below:-

		(Rupees in crore)		
		1999-2000	2000-2001	2001-2002
I.	Revenue raised by the State Government			
	(a) Tax revenue	4530.90	5299.96	5671.17
	(b) Non-tax revenue	1573.77	1687.98	1508.46
	Total	6104.67	6987.94	7179.63
II.	Receipts from Government of India			
	(a) State's share of divisible Union taxes	2184.84	2836.61	2882.36
	(b) Grants-in-aid	1500.10	2577.23	2091.30
	Total	3684.94	5413.84	4973.66
III.	Total receipts of the State Government (I and II)	9789.61	12401.78	12153.29*
IV.	Percentage of I to III	62	56	59

* 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 2001-2002. Figures under the head 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, 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.

(ii) Tax revenue raised by the State

The details of the tax revenue raised during the year 2001-2002 alongwith figures for the preceding two years are given below:-

(Rupees in crore)

Sl. No.	Revenue heads	1999-2000	2000-2001	2001-2002	Percentage of increase (+)/ decrease (-) in 2001-2002 over 2000-2001
1.	Taxes on Sales, Trade etc.	2424.52	2821.21	3069.03	(+) 9
2.	State Excise	960.81	1118.48	1110.27	(-) 1
3.	Taxes on Vehicles	455.48	511.30	566.33	(+) 11
4.	Stamp Duty and Registration Fees	376.77	436.73	478.89	(+) 10
5.	Taxes and Duties on Electricity	193.67	251.90	250.88	(-) 0.4
6.	Land Revenue	35.09	44.81	79.17	(+) 77
7.	Other taxes	84.56	115.53	116.60	(+) 1
Total		4530.90	5299.96	5671.17	

Reasons for variations in receipts during 2001-2002 as compared to those of 2000-2001, as intimated by the respective departments, are given below:-

Taxes on vehicles: The increase (11 per cent) was due to better enforcement of revenue machinery.

Stamp Duty and Registration Fees: The increase (10 per cent) was due to increase in number of documents, rate of stamp duty, market rate of properties and launching of incentive schemes.

Land Revenue: The increase (77 per cent) was due to special campaign for regularisation of land by local bodies/Urban Improvement Trusts (UIT).

(iii) Non-tax revenue of the State

The details of non-tax revenue raised by the State during the year 2001-2002 alongwith the figures for the preceding two years under the principal heads of revenue are given below:-

(Rupees in crore)					
Sl. No.	Revenue heads	1999-2000	2000-2001	2001-2002	Percentage of increase (+)/ decrease (-) in 2001-2002 over 2000-2001
1.	Interest Receipts	670.42	589.55	583.77	(-) 1
2.	Non-ferrous Mining and Metallurgical Industries	349.53	370.13	412.98	(+) 12
3.	Miscellaneous General Services	138.78	241.92	46.23	(-) 81
4.	Water Supply and Sanitation	125.72	138.89	139.83	(+) 1
5.	Others	289.32	347.49	325.65	(-) 6
Total		1573.77	1687.98	1508.46	

Analysis of individual items of Miscellaneous General Services showed that decrease (81 per cent) in revenue for 2001-2002 as compared to 2000-2001 was due to decrease in unclaimed deposits, sale of land and property and other receipts.

Non-ferrous Mining and Metallurgical Industries: The increase (12 per cent) was due to better departmental efforts for recoveries.

1.2 Variations between Budget estimates and actuals

The variations between the Budget estimates of revenue for the year 2001-2002 and actual receipts under the principal heads of revenue are given below:-

(Rupees in crore)

Sl. No.	Heads of revenue	Budget estimates	Actuals	Variation Increase (+) Shortfall (-)	Percentage of variation with reference to Budget estimates
Tax revenue					
1.	Taxes on Sales, Trade etc.	3150.00	3069.03	(-) 80.97	(-) 3
2.	State Excise	1075.00	1110.27	(+) 35.27	(+) 3
3.	Taxes on Vehicles	550.00	566.33	(+) 16.33	(+) 3
4.	Stamp Duty and Registration Fee	500.00	478.89	(-) 21.11	(-) 4
5.	Land Revenue	94.00	79.17	(-) 14.83	(-) 16
6.	Taxes on Immovable Property other than Agricultural Land	20.00	23.90	(+) 3.90	(+) 20
Total		5389.00	5327.59	(-) 61.41	
Non-tax revenue					
1.	Non-ferrous Mining and Metallurgical Industries	430.00	412.98	(-) 17.02	(-) 4
2.	Interest Receipts	594.61	583.77	(-) 10.84	(-) 2
3.	Miscellaneous General Services	48.12	46.23	(-) 1.89	(-) 4
4.	Forestry and Wild Life	41.34	44.82	(+) 3.48	(+) 8
Total		1114.07	1087.80	(-) 26.27	

Land Revenue:-Decrease (16 per cent) was due to less conversion charges deposited by Local Bodies/Urban Improvement Trusts than estimated.

Taxes on Immovable Property other than Agricultural Land:-Increase (20 per cent) was due to departmental efforts for recoveries and implementation of Self Assessment Schemes and recovery of tax at Slab System.

1.3 Cost of collection

The gross collections in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collections during the years 1999-2000, 2000-2001 and 2001-2002 along with the relevant all India average percentage for 2000-2001, are given below:-

(Rupees in crore)

Sl. No.	Revenue heads	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year 2000-2001
1.	Taxes on Sales, Trade etc.	1999-2000	2424.52	28.61	1.2	1.31
		2000-2001	2821.21	30.28	1.0	
		2001-2002	3069.03	32.60	1.1	
2.	State Excise	1999-2000	832.51	17.57	2.1	3.10
		2000-2001	1008.92	17.90	1.8	
		2001-2002	1024.68	19.13	1.9	
3.	Taxes on Vehicles	1999-2000	455.48	7.55	1.7	3.48
		2000-2001	511.30	8.98	1.8	
		2001-2002	566.33	10.07	1.8	
4.	Stamp Duty and Registration Fee	1999-2000	376.77	7.90	2.1	4.39
		2000-2001	436.73	9.30	2.1	
		2001-2002	478.89	10.11	2.1	

1.4 Arrears of revenue

As on 31 March 2002 arrears of revenue under principal heads of revenue, as reported by the departments, were as under:-

Sl. No.	Revenue heads	Total arrears	Arrears outstanding for more than 5 years	Remarks
1.	2.	3.	4.	5.
(Rupees in crore)				
01.	Taxes on Sales, Trade etc.	990.55	Information not furnished	Out of Rs.990.55 crore, demands for Rs.270.97 crore had been stayed by the Government and Judicial authorities. Demands for Rs. 2.61 crore were likely to be written off. Demands for Rs.716.97 crore were at various stages of recovery.

1.	2.	3.	4.	5.
		(Rupees in crore)		
02.	Water Supply and Sanitation-Receipts from Rural/Urban Water Supply Schemes	37.92	10.88	Out of Rs. 37.92 crore, demands for Rs. 0.28 crore had been stayed by the Judicial authorities and Rs. 0.37 crore were stayed by the Government. Demands for Rs. 2.09 crore were likely to be written off. Rs. 0.18 crore were held up due to rectification/review of application. Rs. 0.23 crore were covered under recovery certificates and Rs. 34.77 crore were at other stages of recovery.
03.	Taxes on Immovable Property other than Agricultural Land	73.04	9.14	Out of Rs.73.04 crore, demands of Rs. 8.80 crore were covered under recovery certificates. Demands for Rs. 27.21 crore were stayed by the High Court and other Judicial authorities. Demands for Rs. 37.03 crore were at other stages of recovery.
04.	State Excise	218.61	40.04	All demands are covered under Land Revenue Act.
05.	Non-ferrous Mining and Metallurgical Industries	40.76	10.14	Out of Rs. 40.76 crore, demands for Rs. 20.59 crore were stayed by the High Court and other Judicial authorities. Rs.0.23 crore were stayed by the Government, Rs.0.02 crore were likely to be written off and Rs. 19.92 crore were at other stages of recovery.
06.	Land Revenue	48.00	13.17	Out of Rs.48 crore, demands for Rs. 5.41 crore had been stayed by the Government and Rs. 4.02 crore were stayed by the High Court and other Judicial authorities. Demands for Rs.38.57 crore were at various stages of recovery.
07.	Sale of Land and Property	45.21	1.48	Out of Rs. 45.21 crore, demands of Rs. 0.04 crore were stayed by High Court and other Judicial Authorities. Stages of action of the remaining amount of Rs. 45.17 crore were not furnished.

1.	2.	3.	4.	5.
		(Rupees in crore)		
08.	Stamp Duty and Registration Fee	35.83	2.55	Out of Rs. 35.83 crore, demands of Rs. 9.56 crore were covered by recovery certificates. Demands of Rs. 3.79 crore were stayed by High Court and other Judicial authorities and Rs. 0.87 crore were stayed by Government. Demands of Rs. 0.23 crore were held up due to rectification/ review applications and Rs. 0.28 crore were due to dealers becoming insolvent. Demands of Rs. 0.35 crore were likely to be written off and demands of Rs. 20.75 crore were at other stages of recovery.
09.	Taxes on Vehicles	17.83	8.00	Out of Rs. 17.83 crore, demands for Rs. 1.48 crore were stayed by the Court/Government and Rs. 16.35 crore were at other stages of recovery.
10.	Major and Medium Irrigation*	23.90	6.75	Out of Rs. 23.90 crore demands of Rs. 2.64 crore were at other stages of recovery in respect of Chief Engineer Mahi Project Banswara. Stages of action for the remaining amount of Rs.21.26 crore were not furnished though called for.
	Total	1531.65	102.15	

1.5 Arrears in assessments

The details of assessment cases pending finalisation at the beginning of the years, cases becoming due for assessments during the year, cases disposed of and number of cases pending finalisation in respect of various taxes at the end of 1999-2000, 2000-2001 and 2001-2002 as furnished by the concerned

*This information pertains to the Chief Engineer, Irrigation Jaipur; Chief Engineer, Indira Gandhi Nahar Pariyojna, Bikaner; Chief Engineer, Indira Gandhi Nahar Pariyojna, C.A.D Bikaner and Chief Engineer, Mahi Project, Banswara.

departments, are given below:-

Sl. No.	Heads of revenue	Year	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the close of the year	Percentage of column 8 to 6
1.	2.	3.	4.	5.	6.	7.	8.	9.
1.	Taxes on Sales, Trade etc.	1999-2000	1,91,858	1,69,695	3,61,553	1,24,884	2,36,669	65
		2000-2001	2,36,669	1,66,588	4,03,257	2,13,598	1,89,659	47
		2001-2002	1,89,659	2,28,534	4,18,193	2,74,181	1,44,012	34
2.	Entertainment Tax	1999-2000	1,123	1,276	2,399	1,275	1,124	47
		2000-2001	1,124	794	1,918	1,303	615	32
		2001-2002	615	4,594	5,209	3,027	2,182	42
3.	Taxes on Passengers and Goods	1999-2000	90	Nil	90	Nil	90	100
		2000-2001	90	Nil	90	Nil	90	100
		2001-2002	90	Nil	90	Nil	90	100
4.	Taxes on Immovable Property other than Agricultural Land	1999-2000	41,053	7,193	48,246	7,533	40,713	84
		2000-2001	40,713	10,736	51,449	16,724	34,725	67
		2001-2002	34,725	11,147	45,872	9,391	36,481	80
5.	Non-ferrous Mining and Metallurgical Industries	1999-2000	6,811	1,237	8,048	1,955	6,093	76
		2000-2001	6,093	4,637	10,730	4,368	6,362	59
		2001-2002	6,362	11,998	18,360	12,921	5,439	30
6.	Stamp duty and Registration Fee	1999-2000	18,897	12,315	31,212	13,694	17,518	56
		2000-2001	17,518	11,331	28,849	12,238	16,611	58
		2001-2002	16,611	13,403	30,014	11,738	18,276	61

The table indicates that there has been no addition or clearance in the number of cases relating to taxes on passengers and goods in the past 3 years. Department stated (January 2003) that most of them were sub-judice or had been granted stay. However, this also indicated lack of pursuance by the department.

1.6 Fraud and evasion of tax and non-tax receipts

The details of cases of frauds and evasion of taxes and duties pending at the beginning of the year, number of cases detected during the year, number of cases in which assessments/investigations were completed, additional demands (including penalties *etc.*) raised during the year and the number of

cases pending finalisation at the end of March 2002, as furnished by the departments concerned, are given below:-

Sl. No.	Heads of Revenue	Cases pending as on 1 April 2001	Cases detected during 2001-2002	Cases in which assessment/ investigation completed and additional demand including penalty etc. raised		Number of cases pending as on 31 March 2002
				Number of cases	Amount of demand (Rs in lakh)	
1.	Taxes on Sales, Trade etc.	2126	7660	7152	2626.22	2634
2.	Stamp duty and Registration fee	7	2	1	-	8
3.	Taxes on Vehicles	11	22	1	0.03	32

1.7 Refunds

The number of refund claims (alongwith the amount involved) in respect of Stamp Duty and Registration fee, Land Revenue, Lands and Buildings tax and Sale of Land and Property received and disposed of during the year 2001-2002 and pending finalisation at the end of March 2002 and the corresponding figures for the preceding two years are given below:-

(Rupees in lakh)

Sl. No.	Revenue heads	Year	Claims for refund outstanding at the beginning of the year		Claims received during the year		Claims settled during the year		Claims outstanding at the end of the year	
			Number	Amount	Number	Amount	Number	Amount	Number	Amount
1.	Stamp Duty & Registration Fee	1999-2000	593	21.48	1524	155.98	851	92.19	1266	85.27
		2000-2001	1266	85.27	1253	137.34	1072	127.95	1447	94.66
		2001-2002	1447	94.66	1244	149.13	1126	139.50	1565	104.29
2.	Land Revenue	1999-2000	58	3.66	71	14.81	70	8.30	59	10.17
		2000-2001	59	10.17	65	1.50	95	0.13	29	11.54
		2001-2002	29	11.54	38	15.35	47	18.94	20	7.95
3.	Lands & Buildings Tax	1999-2000	6	0.41	7	0.66	8	0.95	5	0.12
		2000-2001	5	0.12	9	8.89	9	0.60	5	8.41
		2001-2002	5	8.41	27	9.34	24	8.48	8	9.27
4.	Sale of Land & Property	1999-2000	-	-	8	4.77	7	4.13	1	0.64
		2000-2001	1	0.64	368	78.61	338	72.24	31	7.01
		2001-2002	31	7.01	324	66.65	262	51.39	93	22.27

1.8 Internal Audit Wing

There are separate Internal Audit wings in the Commercial Taxes, Transport, Land Revenue, Electrical Inspector, Indira Gandhi Nahar Pariyojna, Excise, Mines and Geology, Public Health Engineering, Lands and Buildings Tax, Forest and Colonisation departments.

The table below indicates the number of units due for audit by the Internal Audit wing in various departments, units actually audited and the number of units left unaudited during the years 1999-2000 to 2001-2002:-

Year	Number of units due for audit	Number of units audited	Number of units not audited	Percentage of shortfall
1999-2000	2780	1161	1619	58
2000-2001	3562	1203	2359	66
2001-2002	4150	1751	2399	58

The departments stated that the shortfall in units audited was mainly due to shortage of staff and postponement of inspections due to administrative grounds.

The number of inspection reports/audit objections issued by the Internal Audit wings, objections settled and demands raised in pursuance of the findings of internal audit during the years 1999-2000 to 2001-2002 are as follows:-

(Rupees in lakh)

Year	Number of inspection reports issued	Objections raised		Objections settled		Demands raised/ recoveries effected	
		Number	Amount	Number	Amount	Number	Amount
1	2	3	4	5	6	7	8
1999-2000	999	11138	6245.47	2001	375.14	2579	451.25
2000-2001	1010	16676	6610.89	4123	154.03	2919	517.43
2001-2002	1414	16798	8023.72	4960	693.60	2776	469.38

The number of objections settled during the years 1999-2000, 2000-2001 and 2001-2002 constituted 18, 25 and 30 *per cent* respectively of the total number of objections raised in these years.

1.9 Results of audit

Test check of the records of Sales Tax, State Excise, Motor Vehicles Tax, Land Revenue and other departmental offices conducted during the year 2001-2002 revealed under-assessments/short levy/loss of revenue amounting to

Rs.758.23 crore in 14585 cases. The concerned departments accepted under-assessments etc. of Rs. 96.42 crore involved in 5909 cases, of which 3345 cases involving Rs. 72.05 crore had been pointed out in audit during the year 2001-2002 and the rest in earlier years. The departments recovered an amount of Rs. 15.08 crore in 1218 cases at the instance of audit during the year 2001-2002.

This Report contains 45 Paragraphs including 3 Reviews involving Rs.448.86 crore representing some of the major findings of audit. The Government/ departments have so far accepted the audit observations involving Rs. 69.50 crore of which Rs. 5.25 crore have been recovered. No reply has been received in respect of remaining cases.

1.10 Outstanding inspection reports and audit observations

(i) 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 (Audit) II to which reply is required to be furnished by them within one month of their issue.

(ii) The number of inspection reports and audit observations relating to revenue receipts issued upto 31 December 2001, which were pending settlement with the departments as on 30 June 2002, alongwith figures for the preceding two years, are given below:-

		As on 30 June		
		2000	2001	2002
1.	Number of inspection reports pending settlement	3140	2975	2818
2.	Number of outstanding audit observations	8468	7895	7178
3.	Amount of revenue involved (Rupees in crore)	427.54	647.92	814.77

(iii) Department-wise break up of the inspection reports and audit observations outstanding as on 30 June 2002 is given below:-

Sl. No.	Department	Number of outstanding inspection reports	Number of outstanding audit observations	Amount (Rupees in crore)	Number of inspection reports where even first reply has not been received	Earliest year to which reports relate
1.	Commercial Taxes	646	2038	97.75	10	1986-87
2.	Land Revenue	615	1115	99.27	8	1987-88
3.	Stamps and Registration	732	1294	22.58	-	1990-91
4.	Transport	326	1059	25.28	-	1987-88
5.	Forest	166	425	1.51	16	1984-85
6.	Mines and Geology	122	387	99.15	-	1989-90
7.	State Excise	106	363	449.44	-	1995-96
8.	Other departments (Lands and Buildings Tax and Electrical Inspectorate)	105	497	19.79	4	1991-92
	Total	2818	7178	814.77	38	

The above position was brought to the notice of the Government (October 2002).

1.11 Position of discussion of Audit Report (Revenue Receipts) by the Public Accounts Committee

The position of paragraphs which appeared in the Audit Reports and those pending discussion as on 31 August 2002 is given in the Annexure-'A'. It would be seen that during the year 44 audit paragraphs were discussed by the Public Accounts Committee. As a result thereof, no audit paragraphs pertaining to reports upto the year 1997-98 is pending discussion in the Public Accounts Committee. 74 paragraphs of 1998-99 to 2000-01 were pending.

1.12 Follow up on Audit Reports

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 presentation to the House. The position of outstanding ATNs due from the department is given in the Annexure-B. It would be seen that the pendency of ATNs ranges from two months to ten years.