



**Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2021**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Government of Rajasthan
Report No. 1 of the year 2022
(Compliance Audit)

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PREFACE

This Report for the year ended 31 March 2021 has been prepared for submission to the Governor of the State of Rajasthan under Article 151 of the Constitution of India.

This report contains seven Chapters in two parts. Part A relates to audit of four of the Revenue earning departments and Part B relates to audit of the Expenditure incurred by the selected Government departments. Audit was conducted under provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Regulations on Audit and Accounts 2007 issued there under by the Comptroller and Auditor General of India. This report is required to be placed before the State Legislature under Article 151 (2) of the Constitution of India.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the period 2020-21 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2020-21 have also been included, wherever necessary.

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

OVERVIEW

About this Report

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

The primary purpose of the Report is to bring important results of Audit to the notice of the State Legislature. Auditing Standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of Audit are expected to enable the Executive to take corrective actions and also to frame policies and directives that will lead to improved financial management of the audited entities, thus, contributing to better governance.

This report has two parts:

Part-A includes audit observations noticed during Audit of revenue earning Departments i.e. Commercial Taxes, Land Revenue, Stamps & Registration and State Excise.

Part-B includes audit observations related to expenditure incurred by various State Government Departments.

PART-A

Revenue Sector

The Part-A contains 19 paragraphs involving ₹ 249.40 crore. Some of the significant audit findings are mentioned below:-

I. General

- The total revenue receipts of the Government of Rajasthan during 2020-21 were ₹ 1,34,308 crore as against ₹ 1,40,114 crore for the year 2019-20. The revenue raised by the Government amounted to ₹ 73,936 crore comprising tax revenue of ₹ 60,283 crore and non-tax revenue of ₹ 13,653 crore. The receipts from the Government of India were ₹ 60,372 crore (State's share of divisible Union taxes of ₹ 35,576 crore and grants-in-aid of ₹ 24,796 crore).

(Paragraph 1.1)

- Analysis of Inspection Reports (IRs) issued upto March 2021 disclosed that 5,308 paragraphs involving ₹ 1,656.71 crore relating to 1,799 IRs remained outstanding at the end of September 2021 in four departments viz. Commercial Taxes, Land Revenue, Registration & Stamps and State Excise Department.

(Paragraph 1.8)

II. Taxes on Sales, Trade, Supplies etc.

The office conducted audit of 45 units of Commercial Taxes Department. The major irregularities noticed are:

- Assessing authority incorrectly assessed the taxable turnover at ₹ 90.00 crore instead of ₹ 131.02 crore resulting in short levy of tax amounting to ₹0.41 crore.

(Paragraph 2.4)

- Irregular allowance of ITC of ₹ 0.44 crore on the goods sold at subsidized price.

(Paragraph 2.5)

- Assessing Authorities did not utilize the information available on the web-based application *RajVISTA* to impose entry tax which resulted in short/non-levy of entry tax of ₹ 1.81 crore and interest of ₹ 1.02 crore.

(Paragraph 2.6)

A Subject Specified Compliance Audit on “Processing of Refund claims under GST” was conducted. The major irregularities noticed are as under:

- There was delay in sanction of refunds ranging from 1 to 522 days in 247 cases. The Department did not pay interest amounting to ₹ 16.82 lakh which was due to the claimants in all these cases.

(Paragraph 2.7.6.2)

- There was delay in sanction of provisional refund on account of zero-rated supply in 57 cases ranging from 1 to 324 days.

(Paragraph 2.7.6.3)

- Irregular allowance of refund of ₹ 7.09 crore was allowed in 24 cases under inverted duty structure.

(Paragraph 2.7.6.4)

- Irregular allowance of refund of ₹ 0.36 crore was allowed in 16 cases under zero rated supply of goods or services.

(Paragraph 2.7.6.5)

- Sanction of provisional refund in cases other than zero rated supplies led to irregular grant of provisional refund amounting to ₹ 2.62 crore.

(Paragraph 2.7.6.6)

- The state GST portal lacks a system validation check to calculate the correct refundable amount of IGST, CGST and SGST in the prescribed

order due to which refund of CGST and SGST sanctioned in 208 cases was more than the eligible amount.

(Paragraph 2.7.7.1)

- Mechanism to identify the export of goods where export proceeds were not realized was not available. In the absence of availability of such information, the Department did not identify cases where proof of exports proceeds realisation was not available.

(Paragraph 2.7.7.3)

- Thirty four taxpayers had claimed refunds of ITC on account of inverted duty structure two years after the due date for furnishing of returns for the period to which the refund claims pertained.

(Paragraph 2.7.7.4)

- ITC availed by two taxpayers, on input services and capital goods were also considered to calculate the Net ITC, resulting in irregular allowance of refund amounting to ₹2.34 crore.

(Paragraph 2.8.1)

- Jurisdictional officer failed to detect duty drawback of Central Tax and allowed refunds as claimed by taxpayers which resulted in irregular allowance of refunds amounting to ₹1.46 crore.

(Paragraph 2.8.2)

A Subject Specified Compliance Audit on “Transitional Credit under GST” was conducted. The major irregularities noticed are as under:

- Transitional credit of SGST carried forward by 674 taxpayers was more than the ITC available to be carried forward as per assessment/rectification orders resulting in excess carry forward of ITC amounting to ₹164.68 crore which was required to be recovered alongwith interest.

(Paragraph 2.9.6.1)

- A taxpayer claimed transitional credit of ₹ 32.75 lakh as a closing balance of legacy period which included ₹ 26.65 lakh ITC on purchase of goods which were sold as exempted goods and were irregularly carried forward from 2016-17. This resulted in excess claim of ITC of ₹ 26.65 lakh in TRAN-1.

(Paragraph 2.9.6.2)

- Irregular transitional credit of ₹ 5.42 crore was claimed by 16 taxpayers, which was subsequently deposited by them or reversed by the taxpayers/department. However, neither the taxpayers paid the interest nor was it demanded by the Department which resulted in non-payment of interest amounting to ₹ 0.90 crore.

(Paragraph 2.9.6.3)

- Out of the selected 1325 cases, the Department had verified 459 cases. Audit noticed irregularities in respect of 86 cases out of these 459 cases, which were not detected by the Department.

(Paragraph 2.9.6.4)

- The details of outstanding declaration forms (C, H & F) in table 5(c) of TRAN-1 such as turnover relating to outstanding declaration forms along with difference tax payable and amount of reversible ITC relatable to the pending forms was not available in case of 644 taxpayers. The department did not seek necessary details of the declaration forms from the taxpayers and the GST portal also allowed transitional credit claims with these fields left blank.

(Paragraph 2.9.6.5)

- Thirteen taxpayers claimed transitional credit of SGST in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day. However, the relevant supporting information and records *i.e.* details of closing stock and supporting invoices were not available with the department.

(Paragraph 2.9.6.6)

- A taxpayer claimed transitional credit as SGST in respect of unavailed SGST credit on Capital Goods amounting to ₹52.40 lakh. Further, two taxpayers claimed SGST credit amounting to ₹ 29.44 lakh on inputs received on or after the appointed day but the tax in respect of which had been paid by the supplier under the existing law. However, the prescribed information *e.g.* details of capital goods and closing stock alongwith supporting invoices were not available as verification of these transitional credit cases was not carried out by the department.

(Paragraph 2.9.6.7)

- Jurisdictional Officers of 71 circles could provide only limited information attributing the reason to lack of relevant MIS on the GST *BOWEB* portal. The remaining 23 circles provided the required information on the basis of compilation of information at the level of circles. However, in the absence of any supporting documents, the veracity of the information provided by these circles could not be ascertained.

(Paragraph 2.9.6.9)

- Failure to verify the ITC available under pre- GST regime resulted in taxpayer availing excess Transitional Credit of ₹ 2.48 crore.

(Paragraph 2.10)

III. Land Revenue

The office conducted audit of 57 units of Land Revenue Department. The major irregularities noticed are:

- Failure to incorporate the provisions of the Rajasthan Imposition of Ceiling on Agriculture Holding Act, 1973 in exemption notification resulted in non-recovery of conversion charges of ₹ 0.90 crore for change of land use from agriculture to industrial purposes in Tehsil, Phulera of Jaipur District.

(Paragraph 3.4.1)

- Use of agricultural land for institutional, industrial, residential colony and commercial purposes without conversion in seven tehsils of Tonk and

Jaipur Districts resulted in non-recovery of conversion charges of ₹ 14.21 crore.

(Paragraph 3.4.2)

- Calculation of conversion rate on the basis of incorrect area of land for changing agricultural land use to industrial purpose in Tehsil, Chomu of Jaipur District resulted in short-recovery of conversion charges of ₹ 0.14 crore

(Paragraph 3.4.3)

- Conversion of agriculture land by applying incorrect rate in four tehsils of Dausa, Jaipur and Tonk Districts resulted in short-recovery of conversion charges of ₹ 0.18 crore.

(Paragraph 3.4.4)

IV. Stamp Duty and Registration Fee

The office conducted audit of 29 units of Registration and Stamps Department. The major irregularities noticed are:

- Undervaluation of Immovable properties by Registering Authorities resulted in short levy of Stamp duty, Surcharge and Registration Fee totalling ₹ 1.52 crore.

(Paragraph 4.4)

- Incorrect valuation of lease deeds led to short levy of stamp duty, surcharge and registration fee totalling ₹ 1.20 crore.

(Paragraph 4.5)

- Incorrect valuation of institutional land by the registering authority led to short levy of stamp duty, surcharge and registration fee totalling ₹ 0.18 crore.

(Paragraph 4.6)

- Failure of the registering authority to correctly classify the instrument of conveyance led to short levy of Stamp duty and Surcharge totalling ₹ 0.27 crore.

(Paragraph 4.7)

- Failure of Registering Authorities to utilize information available with RERA led to short levy of Stamp Duty and Surcharge totalling ₹ 0.31 crore.

(Paragraph 4.8)

V. State Excise

The office conducted audit of 41 units of State Excise Department. The major irregularities noticed are:

- District Excise Officers failed to collect the prescribed Monthly Guarantee Amount from country liquor licensees which led to loss of revenue of ₹ 9.14 crore.

(Paragraph 5.5)

- District Excise Officers failed to recover the prescribed additional amount on short lifted quantity of IMFL and Beer which led to loss of revenue of ₹ 9.75 crore.

(Paragraph 5.6)

- District Excise Officers failed to recover the difference amount of Excise Duty on short lifted quantity from country liquor licensees which led to loss of revenue of ₹ 5.54 crore.

(Paragraph 5.7)

- Failure to notify the increase in the rate of permit fees on transportation of Country Liquor in line with the policy provision led to loss of revenue of ₹ 16.07 crore.

(Paragraph 5.8)

PART-B

Expenditure Sector

VI. General

- There are 66 Departments, 234 Autonomous Bodies (ABs) and 14 Public Sector Undertakings (PSUs) of the Government of Rajasthan, headed by Additional Chief Secretary/Principal Secretaries/Secretaries, which are audited by the Accountant General¹ (Audit-I), Rajasthan, Jaipur.

(Paragraph 6.1)

- During 2020-21, audit of 699 out of the 24,258 units of General and Social Sector Departments, have been carried out. Further, 16,537 mandays (for financial audit and compliance audit) were used.

(Paragraph 6.3)

- A total of 75 paragraphs that featured in the Reports of the Comptroller and Auditor General of India on Expenditure Sector for the years ended 31 March 2016, 2017, 2018, 2019 and 2020 were placed before the State Legislative Assembly. Out of this, ATNs on 16 paragraphs were received within prescribed time and ATNs on 51 paragraphs were received late with an average delay of 3 to 4 months from the concerned Departments. ATNs on eight paragraphs were due to be received.

(Paragraph 6.6)

¹ Erstwhile Office of the 'Principal Accountant General (General and Social Sector Audit)' has been renamed as Office of the 'Accountant General (Audit-I)' with effect from 18.05.2020.

VII. Compliance Audit of Expenditure Sector

The significant audit observations are:

- Lack of proper planning and imprudent decision by Rajasthan State Seeds Corporation Limited to sell/auction the seeds as grain instead of storing and re-certifying them for distribution in the next season, resulted in a loss of ₹ 10.15 crore.

(Paragraph 7.1)

- The Rajasthan State Warehousing Corporation, instead of utilizing the storage capacity available under an existing beneficial contract, entered into a contract with less beneficial revenue sharing arrangement initiated through a suo-moto single source procurement system, which resulted in undue benefit of ₹ 1.57 crore to a private firm.

(Paragraph 7.2)

- Cooperative Department's failure in procuring the targeted quantities of oilseed and pulses under Minimum Support Price scheme deprived the farmers from getting guaranteed price for their produce.

(Paragraph 7.3)

- Fisheries Department's decision of not providing opportunity to the only bidder left, after the failure of the highest bidder to comply with the prescribed rules, in violation of the General Financial and Accounts Rules led to loss of opportunity to earn an additional ₹ 3.97 crore.

(Paragraph 7.4)

- Food, Civil Supplies and Consumer Affairs department's delayed/non distribution of subsidised sugar to the eligible beneficiaries and procurement of sugar in excess of the requirement resulted in piling up of huge stock and ultimately rendered the subsidised sugar worth ₹ 2.73 crore being unfit for human consumption.

(Paragraph 7.6)

- The laxity of Rajasthan Building and Other Construction Workers' Welfare Board in finalising the location and taking possession of the land allotted by Jaipur Development Authority for construction of workers houses resulted in blockage of ₹ 13.74 crore for more than six years and deprived the building construction workers of the benefits of group housing scheme.

(Paragraph 7.7)

- Non-commencement of Trauma Care Centres of Medical and Health Department for more than seven years after construction of the buildings not only resulted in unproductive expenditure of ₹ 5.45 crore but also deprived the accident victims from immediate life-saving treatment.

(Paragraph 7.9)

- The Medical Education Department initiated paramedical courses without obtaining recognition from Rehabilitation Council of India (RCI) which led to discontinuance of courses, adversely impacting the career prospects of enrolled students and resulting in infructuous expenditure of ₹ 1.40 crore incurred on infrastructure and equipment as well as blockage of unutilized funds amounting to ₹ 1.15 crore even after lapse of five years.

(Paragraph 7.11)

- Non-adherence to terms and conditions of sanction and inordinate delay by Minority Affairs Department and WAQF Board in construction of Girls' Hostel resulted in unfruitful expenditure of ₹ 2.10 crore and deprived intended facilities to beneficiaries.

(Paragraph 7.12)

- The Minority Affairs Department and WAQF Board failed to adhere to the Micro Finance Scheme Guidelines while disbursing loan of Self Help Groups which resulted in non-recovery of loans and penalty of ₹ 3.28 crore and defeated the very purpose of microfinancing.

(Paragraph 7.13)

- Slackness of Department of Personnel in providing encroachment free land and transfer of advances to the executive agency in contravention of Rule 8 of GF&AR not only resulted in blockage of ₹ 7.50 crore for more than three years but the very purpose of the budget announcement was also not achieved.

(Paragraph 7.14)

Part-A
REVENUE SECTOR

CHAPTER-I

GENERAL

CHAPTER-I: GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Rajasthan during the year 2020-21, 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 the **Table 1.1** below:

Table 1.1

(₹ in crore)						
Sl. No.	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
1	Revenue raised by the State Government					
	• Tax revenue ¹	44,371.66	50,605.41	57,380.34	59,244.98	60,283.44
	• Non-tax revenue ²	11,615.57	15,733.72	18,603.01	15,714.16	13,653.02
	Total	55,987.23	66,339.13	75,983.35	74,959.14	73,936.46
2	Receipts from the Government of India					
	• Share of net proceeds of divisible Union taxes and duties ³	33,555.86	37,028.01	41,852.35	36,049.14	35,575.77
	• Grants-in-aid ⁴	19,482.91	23,940.04	20,037.32	29,105.53	24,795.65
	Total	53,038.77	60,968.05	61,889.67	65,154.67	60,371.42
3	Total revenue receipts of the State Government (1 and 2)	1,09,026.00	1,27,307.18	1,37,873.02	1,40,113.81	1,34,307.88
4	Percentage of 1 to 3	51	52	55	53	55

Source: Finance Accounts of the respective years.

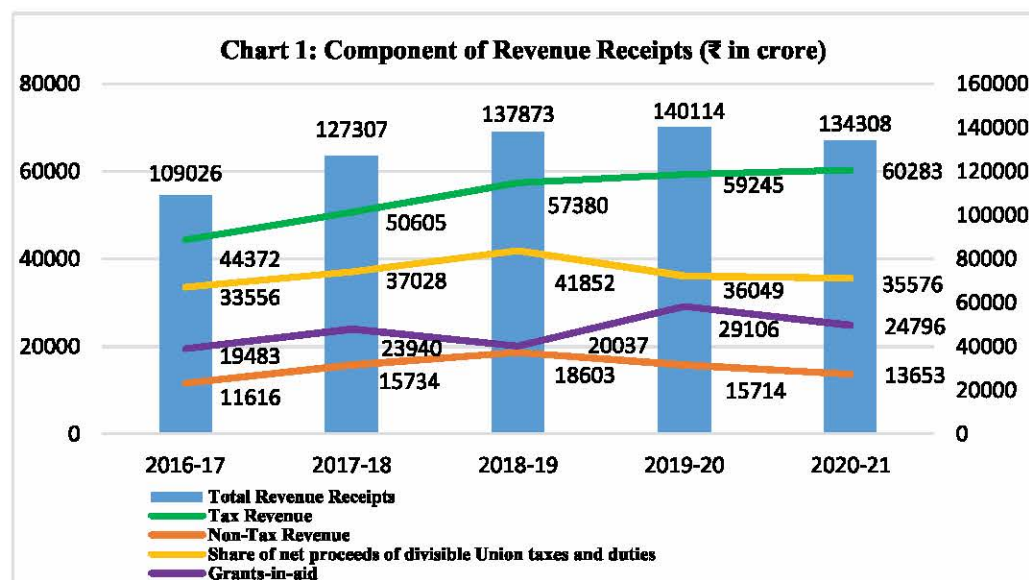
The revenue raised by the State Government (₹ 73,936.46 crore) was 55 *per cent* of the total revenue receipts (₹ 1,34,307.88 crore) during the year 2020-21. The balance 45 *per cent* of receipts during 2020-21 was from the Government of India by way of share of net proceeds of divisible Union taxes 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 2020-21. 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 2020-21 major Head-1601.



1.1.2 The details of the revised estimates (RE), and the actual receipts in respect of the tax revenue raised during the period 2016-17 to 2020-21 are given in Table 1.2 below:

Table 1.2

								(₹ in crore)
Sl. No.	Heads of revenue	RE	2016-17	2017-18	2018-19	2019-20	2020-21	Percentage increase (+) /decrease (-) in 2020-21 over 2019-20
		Actual						
1	Taxes on sales, trade, etc.	RE	27,767.60	18,800.00	15,900.00	19,262.16	18,820.07	
		Actual	27,151.54	18,285.44	14,225.31	15,361.61	17,146.94	(+) 11.62
	Central sales tax	RE	1,227.40	700.00	600.00	737.83	279.93	
		Actual	1,406.88	722.80	565.65	481.15	332.09	(-) 30.98
2	State Goods and Services Tax.	RE	-	11,700.00	23,500.00	25,605.23	24,000.00	
		Actual	-	12,137.02	22,938.33	21,954.17	20,754.87	(-) 5.46
3	State excise	RE	7,600.00	7,800.00	9,300	10,500.00	11,500.00	
		Actual	7,053.68	7,275.83	8,694.10	9,591.63	9,853.00	(+) 2.73
4	Stamp duty and registration fee							
	Stamps-judicial	RE	103.34	92.58	104.07	84.79	47.00	
		Actual	73.94	59.78	60.70	61.88	47.87	(-) 22.64
	Stamps-non-judicial	RE	2,701.00	3,346.15	4,035.94	4,615.82	4,836.11	
		Actual	2,502.86	3,070.79	3,255.34	3,544.91	4,571.89	(+) 28.97
	Registration fee	RE	445.66	611.27	609.99	649.37	666.89	
		Actual	476.45	544.21	569.99	627.94	677.51	(+) 7.89
	5	Taxes on motor vehicles	RE	3,650.00	4,300.00	5,000	5,650.00	5,200.00
Actual			3,622.83	4,362.97	4,576.45	4,950.98	4,368.17	(-) 11.77
6	Taxes and duties on electricity	RE	2,172.00	3,500.00	2,339.50	2,804.01	2,800.00	
		Actual	738.24	3,376.67	2,147.95	2,262.77	2,142.39	(-) 5.32
7	Land revenue	RE	359.01	566.71	463.16	404.98	408.61	
		Actual	314.69	363.86	289.94	364.49	279.32	(-) 23.37
8	Taxes on goods and passengers	RE	750.00	328.00	37.57	35.00	25.00	
		Actual	803.28	340.78	50.79	41.12	45.18	(+) 9.87
9	Other taxes and duties on commodities and services	RE	200.00	62.00	28.38	24.03	1.20	
		Actual	220.08	63.93	5.14	1.01	1.23	(+) 21.78
10	Other taxes ⁵ , etc.	RE	10.00	10.00	10.00	1.00	300.00	
		Actual	7.19	1.33	0.65	1.32	62.97	(+) 4,670.45
	Total	RE	46,986.01	51,816.71	61,928.61	70,374.22	68,884.81	
		Actual	44,371.66	50,605.41	57,380.34	59,244.98	60,283.43	(+) 1.75
	Percentage of increase of actual over previous year		3.88	14.05	13.39	3.25	1.75	

Source: Finance Accounts of the respective years.

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

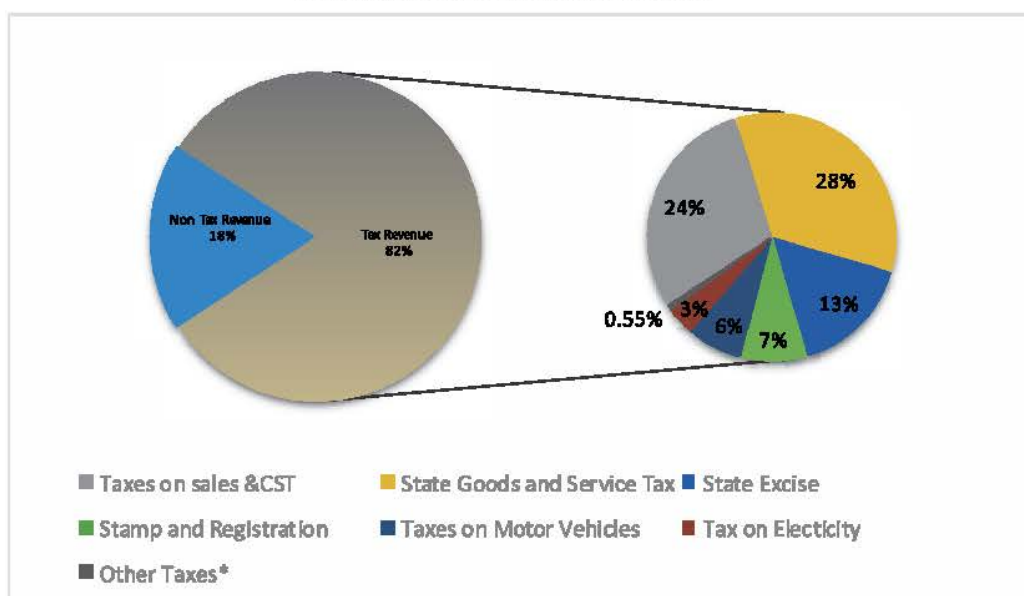
Even though there has been a continuous increase in the overall tax revenue during the last five years, the actual collection has been less than the RE for each year. The percentage growth of tax revenue which has been declining since 2018-19 further declined in 2020-21.

The concerned departments intimated that:

- Decrease in 'Taxes on motor vehicles' (11.77 *per cent*) was due to extension of validity for fitness, permits, driving license & registration up to 30 June 2021, exemption/rebate in Motor vehicle Tax on state carriage/contract carriage, spare vehicles & Rajasthan State Road Transport Corporation and decrease in sale of vehicles as compared to previous year.
- Land Revenue decreased by 23.37 *per cent* due to reduction in Land allotment and conversion cases.
- Increase in Stamp and registration (25.09 *per cent*) was due to increase in Stamp Duty, DLC rates and cow promotion cess rate.
- The reasons for decrease in revenues from Central Sales Tax (30.98 *per cent*) and State Goods and Services Tax (5.46 *per cent*) were awaited from the concerned department (December 2021).

The revenues of the state during 2020-21 and the composition of the Tax revenues are shown in Chart 2.

Chart 2: Revenues of the State



*Other tax revenues include Land Revenue, Taxes on goods and passengers, other taxes and duties on commodities and services and other taxes.

1.1.3 The details of the RE and the actual receipts in respect of the non-tax revenue raised during the period 2016-17 to 2020-21 are given in the Table 1.3 below:

Table 1.3

(₹ in crore)

Heads of revenue	RE	2016-17	2017-18	2018-19	2019-20	2020-21	Percentage increase (+)/ decrease (-) in 2020-21 over 2019-20
	Actual						
Non-ferrous mining and metallurgical industries	RE	4,200.00	4,900.00	6,000.00	6,600.00	5,800.00	
	Actual	4,233.74	4,521.52	5,301.48	4,579.09	4,966.39	(+) 8.46
Interest receipts	RE	2,002.97	4,924.14	5,810.44	4,039.38	2,701.94	
	Actual	1,933.37	4,858.90	5,790.87	3,851.99	2,693.15	(-) 30.08
Miscellaneous general services	RE	859.39	888.31	1,171.34	1,150.93	1,343.89	
	Actual	660.70	762.36	783.86	915.51	747.01	(-) 18.41
Police	RE	220.15	333.73	360.95	428.51	350.15	
	Actual	190.78	296.56	345.38	641.68	192.54	(-) 69.99
Other administrative services	RE	222.35	228.41	258.82	264.87	229.00	
	Actual	210.51	207.55	246.49	207.16	146.62	(-) 29.22
Major and medium irrigation	RE	129.79	90.30	115.26	127.26	273.83	
	Actual	112.77	277.72	179.31	77.19	245.47	(+) 218.01
Forestry and wildlife	RE	123.95	173.82	154.01	145.18	111.43	
	Actual	113.00	182.26	147.45	109.47	73.67	(-) 32.70
Public works	RE	95.30	107.37	126.50	251.80	90.71	
	Actual	84.31	109.26	125.92	91.91	92.98	(+) 1.16
Medical and public health	RE	115.74	152.34	166.01	221.44	205.00	
	Actual	125.39	130.67	163.59	238.16	227.09	(-) 4.65
Co-operation	RE	41.25	47.75	29.02	35.51	20.01	
	Actual	44.10	63.11	22.24	9.11	95.75	(+) 951.04
Other non-tax receipts ⁶	RE	4,458.43	4,813.11	5,774.05	6,332.52	4,598.17	
	Actual	3,906.90	4,323.81	5,496.42	4,992.89	4,172.35	(-) 16.43
Total	RE	12,469.32	16,659.28	19,966.44	19,597.40	15,724.13	
	Actual	11,615.57	15,733.72	18,603.01	15,714.16	13,653.02	(-) 13.12
Percentage of increase of actual over previous year		6.29	35.45	18.23	(-) 15.53	(-) 13.12	

Source: Finance Accounts of the respective years.

It is evident from the table that the collection of non-tax revenue during 2020-21 was less than the RE like the previous years and there was overall decrease in revenue collection by 13.12 *per cent* as compared to the previous year. The concerned departments intimated that this was due to:

- Decrease in 'Interest receipts' on loans given to electricity companies under UDAY⁷ (30.08 *per cent*)
- Decrease in revenues from 'Police' (69.99 *per cent*) due to less receipt of revenue on deployment of State police in Railways, GOI, SBI and other states and
- Decrease in 'Forestry and wildlife' (32.70 *per cent*) as a result of COVID-19 pandemic.

Further, increase under the head 'Non-ferrous mining and metallurgical industries' (8.46 *per cent*) was due to increase in revenue under Amnesty Scheme, increase under 'Co-operation' (951.04 *per cent*) was due to receipt of

6 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.

7 Ujwal DISCOM Assurance Yojana.

amount in excess of estimates and increase in 'Major and Medium Irrigation' (218.01 *per cent*) was due to increase in the rate of water for industrial use.

1.2 Analysis of arrears of revenue

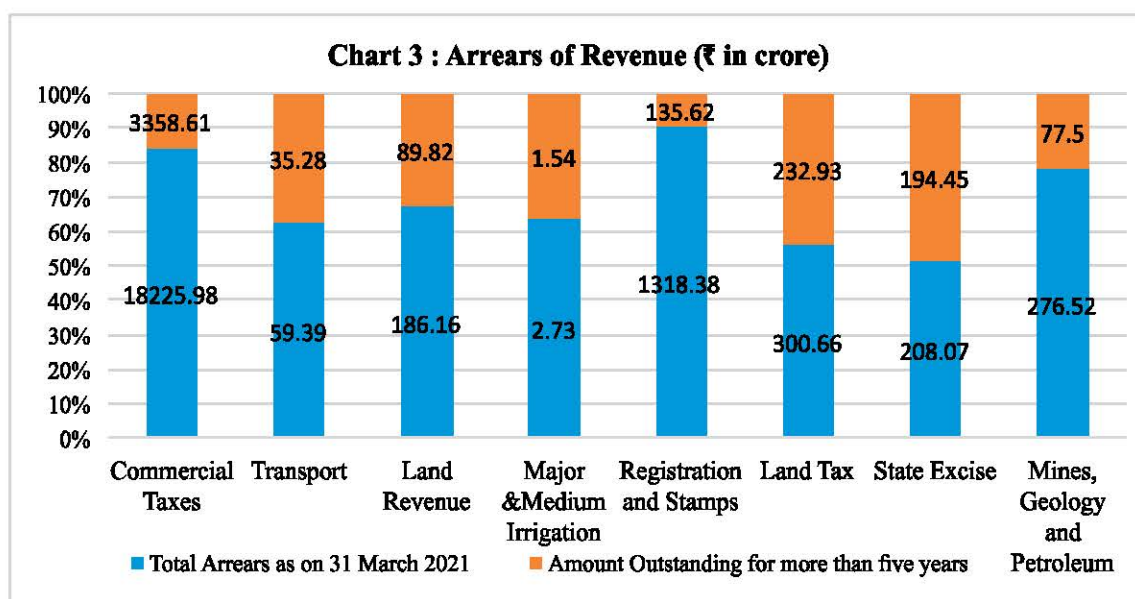
The arrears of revenue as on 31 March 2021 relating to certain principal heads of revenue amounted to ₹ 20,577.89 crore, out of which ₹ 4125.75 crore was outstanding for more than five years as given in the Table 1.4 below:

Table 1.4

(₹ in crore)

Sl. No.	Heads of revenue	Total amount outstanding as on 1 April 2020	Total amount outstanding as on 31 March 2021 and percentage increase in comparison to previous year		Amount outstanding for more than five years as on 31 March 2021
1	Commercial Taxes*	21,874.45	18,225.98	(-) 16.68	3,358.61
2	Transport	64.14	59.39	(-) 10.55	35.28
3	Land Revenue ⁸	200.65	186.16	(-) 7.22	89.82
4	Major & Medium Irrigation	2.79	2.73	(-) 2.15	1.54
5	Registration and Stamps	1,339.42	1,318.38	(-) 1.57	135.62
6	Land Tax	238.08	300.66	(+) 26.29	232.93
7	State Excise	201.58	208.07	(+) 3.22	194.45
8	Mines, Geology and Petroleum	321.45	276.52	(-) 13.97	77.50
Total		24,242.56	20,577.89	(-) 15.12	4,125.75

Source: Information provided by the concerned Departments.



⁸ * The figures shown as outstanding balance(s) on 1 April 2020 are at variance with the balances on 31 March 2020 (Land Revenue ₹ 20.96 crore and Commercial Taxes ₹ 54.12 crore). Reasons for variation have not been intimated by the Departments (December 2021).

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, Mines, Geology and Petroleum and Transport are given in the Table 1.5 below:

Table 1.5

Name of the Department		Opening balance	New cases due for assessment during 2020-21	Total assessments due	Cases disposed of during 2020-21	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
(1)		(2)	(3)	(4)	(5)	(6)	(7)
Commercial Taxes		18	4,626	4,644	4,643	01	99.98
Registration and Stamps	Registration and Stamps	5,122	6,754	11,876	6,807	5,069	57.32
	Land Tax	2,261	3,710	5,971	2,019	3,952	33.81
Mines, Geology and Petroleum		8,799	10,609	19,408	9,107	10,301	46.92
Transport		1,537	19,963	21,500	20,264	1,236	94.25

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, in comparison, 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, 3059 cases of tax evasion were noticed during 2020-21 which included cases noticed by the three anti-evasion circles of the anti-evasion zone⁹ of the Department as well as 17 anti-evasion circles of the 13 zones of the state. During the year, assessment/investigation was completed in 2,870 cases which included cases detected during the previous years. Further, additional demand with penalty *etc.* amounting to ₹ 21,473.37 crore was raised during 2020-21 out of which the Department recovered ₹ 6,435.85 crore. In Registration and Stamps Department, 432 cases of tax evasion were noticed during 2020-21, all of which were assessed/investigated by the Department. Further, additional demand with penalty *etc.* amounting to ₹ 8.36 crore was raised during 2020-21 out of which the Department recovered ₹ 0.21 crore. Department of Mines,

9 There are 14 zones of Commercial Taxes Department, GoR. Out of this, the entire area of the state of Rajasthan is divided into 13 zones and 'Anti-evasion' is the 14th zone. The anti-evasion zone is divided into 3 anti-evasion circles covering the entire state. Further, the remaining 13 zones have their own anti-evasion circles which also detect cases of tax evasion.

Geology and Petroleum intimated that 15 cases of tax evasion were noticed during 2020-21, out of which assessment/investigation was completed in 15 cases. Further, additional demand with penalty *etc.* amounting to ₹ 0.18 crore was raised during 2020-21 which was recovered by the Department.

1.5 Pendency of refund cases

The refund cases pending at the beginning of the year 2020-21, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2020-21 as reported by the respective Departments are given in the Table 1.6 below:

Table 1.6

(₹ in crore)

Sl. No.	Particulars	Commercial Taxes		Registration and Stamps		Transport	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1	Claims outstanding at the beginning of the year	1,290	130.52	987	9.94	554	2.57
2	Claims received during the year	4,600	1,006.52	1,698	8.90	629	3.29
3	(i) Refunds made during the year	3,513	184.99	1,436	7.59	413	3.10
	(ii) Rejected during the year	1,614	839.56	23	0.30	28	0.19
4	Balance outstanding at the end of year	763	112.12	1226	10.95	742	2.57

Source: Information provided by the concerned Departments.

Department of Mines, Geology and Petroleum intimated *nil* pendency of the refund cases.

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. Regulations on Audit & Accounts, 2007 (Regulations), as amended in 2020 and Auditing Standards 2017, issued by the CAG of India lay down the principles for Receipt Audit.

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, white paper on State finances, Report of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analyses of the revenue earnings during the past five years, audit coverage and its impact during the past five years. During the year 2020-21, there were 1,852 auditable units in Commercial Taxes, Registration and Stamps, Land Revenue and State Excise Departments. Out of these auditable units, 185 units were planned and 172 units were audited (3,488 mandays were used), which is 9.29 per cent of the total auditable units. The shortfall in audit coverage was attributable to lockdown in the state due to COVID-19 pandemic. In addition, two Subject Specific Compliance Audits on '*Processing of refund claims under GST*' and '*Transitional credit*' were also conducted during the year (1,101 mandays were used).

1.8 Response of the Government/Departments to Audit observations

The 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 offices inspected 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 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 2021 disclosed that 5,308 paragraphs involving ₹1,656.71 crore relating to 1,799 IRs issued for these four main revenue earning departments¹⁰ remained outstanding at the end of September 2021. The figures as on 30 June 2021 along with the corresponding figures for the preceding two years are given in the Table 1.7 below:

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

Table 1.7

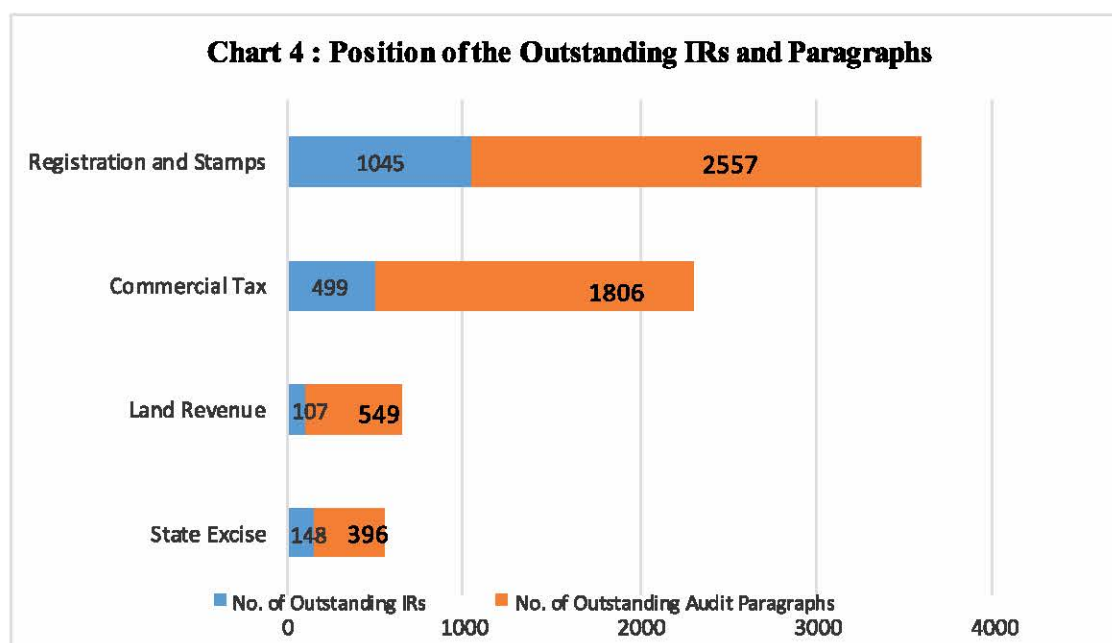
Particulars	June 2019 (IRs issued up to December 2018)	June 2020 (IRs issued up to December 2019)	June 2021 (IRs issued up to December 2020)	September 2021 (IRs issued up to March 2021)
Number of IRs pending for settlement	1,720	1,701	1,707	1,799
Number of outstanding audit paragraphs	5,097	5,100	4,963	5,308
Amount of revenue involved (₹ in crore)	1,204.29	1,063.82	1,079.06	1,656.71

1.8.1 The Department-wise details of the IRs and audit paragraphs outstanding as on 30 September 2021 and the amounts involved are given in the Table 1.8 below:

Table 1.8

(₹ in crore)					
Sl. 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.	499	1,806	327.90
2	Land Revenue	Land revenue	107	549	295.97
3	Registration and Stamps	Stamp duty and registration fee	1,045	2,557	744.08
4	State Excise	State excise	148	396	288.76
Total			1,799	5,308	1,656.71

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



1.8.2 Departmental Audit Committee Meeting

The Government constituted Audit Committees¹¹ 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 2020-21 and the paragraphs settled therein are given in the Table 1.9 below:

Table 1.9

SL No.	Name of the Department	Number of Audit Committee meetings held	Number of Audit sub-committee meetings held	(₹ in crore)	
				Number of paragraphs settled	Amount
1	Commercial Taxes	1	3	134	44.96
2	Land Revenue	1	1	6	0.06
3	Registration and Stamps	1	8	229	9.74
4	State Excise	3	1	11	0.23
Total		6	13	380	54.99

It can be seen that 380 paragraphs involving ₹ 54.99 crore were settled in Audit sub-committee meetings held in respect of Commercial Taxes, Land Revenue, 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 Departments¹², drawing their attention to the audit findings and requesting them to send their response within six weeks.

Twenty six draft paragraphs (combined into 19 paragraphs of the report) were sent to the Principal Secretaries/Secretaries of the respective four Departments between May and November 2021. The responses of the concerned departments received 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 (ATEN) thereon should be submitted by the Government within three months of tabling of the Report, for

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

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

consideration of the PAC. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed. Eighty six paragraphs (including performance audit) included in the Reports of the Comptroller and Auditor General of India for the years ended 31 March, 2016, 2017, 2018, 2019 and 2020 were placed before the State Legislative Assembly between 28 March 2017 and 14 September 2021. The ATEN from the concerned Departments on these paragraphs were received late with a delay ranging between 5 to 81 days. However, ATEN in respect of State Excise Department for the Audit Report year ended 31 March 2020 was still awaited (December 2021). The PAC discussed 41 selected paragraphs pertaining to the Audit reports for the years from 2015-16 to 2016-17 and its recommendations on 37 paragraphs were incorporated in five Reports¹³ of PAC (2020-21).

1.9 Analysis of the mechanism for dealing with the issues raised by Audit in Registration and Stamps Department

To analyse the system of addressing the issues highlighted in the Inspection Reports/Audit Reports by the Departments/Government, the action taken on the paragraphs included in the Inspection Reports/Audit Reports of the last five years for Registration and Stamps Department was evaluated.

The succeeding paragraphs 1.9.1 to 1.9.2 discuss the performance of the Registration and Stamps Department on the cases detected in the course of local audit and also the cases included in the Audit Reports.

1.9.1 Position of inspection reports

The summarised position of the IRs pertaining to Registration and Stamps Department issued during 2016-17 to 2020-21, paragraphs included in these reports and their status are given in the Table 1.10 below:

Table 1.10

(₹ in crore)

Position upto Year	Opening balance			Addition during the year			Clearance during the year			Closing balance at the end of the year		
	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value
2016-17	1,456	3,680	307.96	184	580	95.65	228	918	40.03	1,412	3,342	363.58
2017-18	1,412	3,342	363.58	205	727	51.92	188	649	21.58	1,429	3,420	393.92
2018-19	1,429	3,420	393.92	89	430	431.43	451	1166	73.09	1,067	2,684	752.26
2019-20	1,067	2,684	752.26	97	508	39.65	106	416	34.20	1,058	2,776	757.71
2020-21 (IRs issued upto March 2021)	1,058	2,776	757.71	63	258	19.78	76	477	33.41	1,045	2,557	744.08

During 2020-21, one Audit committee meeting and eight Audit sub-committee meetings were held and 229 paras were settled. Considering the large number of pending IRs and paras, more efforts are required to improve the position in this regard.

13 Five Reports pertaining to: Commercial Taxes (1), Land Revenue (1), Registration and Stamps (1) and State Excise (2).

1.9.2 Position of paragraphs and recovery of accepted cases included in the Audit Reports

The details of paragraphs relating to Registration and Stamps Department included in the Audit Reports of the last five years, those accepted by the Department and the amount recovered are given in the Table 1.11 below:

Table 1.11

(₹ in crore)

Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year 2020-21	Cumulative position of recovery of accepted cases as of 31 March 2021
2015-16	10	141.70	10	141.70	-	7.57
2016-17	10	36.20	10	36.20	0.90	7.03
2017-18	1	88.52	1	88.52	2.40	21.43
2018-19	1	20.32	1	20.32	1.44	3.94
2019-20	8	11.38	8	11.38	0.65	0.65
Total	30	298.12	30	298.12	5.39	40.62

The Department accepted an amount of ₹ 298.12 crore against the total objected amount of ₹ 298.12 crore, out of which an amount of ₹ 40.62 crore had been recovered by the Department. The recovery was just 13.63 per cent of the accepted amount of the paragraphs.

It is recommended that the Registration and Stamp Department may take steps to recover the remaining objected amount on priority.

1.10 Results of Audit

Test check of the records of 172 audited units disclosed instances of under-assessments, short levy/loss of revenue, etc. aggregating ₹ 584.31 crore in 8,291 cases. During the year, the concerned Departments accepted under-assessments and other deficiencies in 6,696 cases involving Government revenue of ₹ 71.55 crore, of which 4,298 cases involving ₹ 32.71 crore were pointed out in audit during 2020-21 and the rest in the earlier years. The Departments had recovered ₹ 13.50 crore in 2,017 cases up to 31 March 2021.

1.11 Coverage of this part of the Report

This part of the Report contains 19 paragraphs. The total financial impact of the paragraphs is ₹ 249.40 crore. These are discussed in Chapters II to V. The Departments/Government have accepted audit observations involving ₹ 227.11 crore (as of December 2021). Out of the accepted audit observations, the Departments had recovered ₹ 18.18 crore upto December 2021 which was in addition to the recoveries (₹ 13.50 crore) made through local audit inspection reports during the year 2020-21. Further, the concerned Departments recovered ₹ 41.26 crore during the year 2020-21 in respect of objections raised in previous Audit Reports. Thus, total recoveries made at the instance of audit during the year aggregated ₹ 72.94 crore.

CHAPTER-II
TAXES ON SALES,
TRADE, SUPPLIES, etc.

CHAPTER-II: TAXES ON SALES, TRADE, SUPPLIES etc.

2.1 Tax administration

The receipts from the Goods and Services Tax/Value Added Tax/Central Sales Tax/Entry Tax payable under the respective laws relating to state taxpayers are administered at the Government level by the Principal Secretary (Finance). The Commissioner is the head of the Commercial Taxes Department (Department) and is assisted by 23 Additional Commissioners, 46 Deputy Commissioners (DC), 91 Assistant Commissioners (AC), 136 Commercial Taxes Officers (CTO), 405 Assistant Commercial Taxes Officers (ACTO) and a Financial Advisor (FA). They are assisted by Junior Commercial Taxes Officers (JCTO) and other allied staff for administering the relevant tax laws and rules.

2.2 Internal audit

Financial Advisor is the head of the Internal Audit Wing. There are 17 internal audit parties. The status of internal audit conducted during the period 2016-17 to 2020-21 is given in Table 2.1 below:

Table 2.1

Year	Units pending	Units due for audit during the year	Total units due for audit	Units audited during the year			Units remaining unaudited	Percentage of units remaining unaudited
				Pertaining to previous years	Pertaining to current year	Total		
2016-17	484	468	952	284	142	426	526	55
2017-18	526	468	994	385	141	526	468	47
2018-19	468	467	935	565	282	847	88	09
2019-20	88	467	555	324	162	486	69	12
2020-21	69	467	536	69	467	536	-	-

Source: Information furnished by Commercial Taxes Department.

It is evident from the table that the Department has performed well to cover all the units due for audit during 2020-21 and bring down the shortfall from 55 per cent in 2016-17 to *nil* in 2020-21.

It was noticed that 11,210 paragraphs of the internal audit reports were outstanding as on 31 March 2021. Year-wise break up is given in the Table 2.2 below:

Table 2.2

Year	Up to 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Outstanding paragraphs of the audit conducted during the year	4,022	336	527	1,302	1,978	3,045	11,210

Source: Information furnished by Commercial Taxes Department.

Out of 11,210 paragraphs, 4,022 paragraphs were outstanding for more than five years for want of compliance/corrective action. The Department may undertake a focused intervention for reduction of outstanding paragraphs of internal audit reports to enhance the effectiveness of internal control system and maximize revenue collection.

2.3 Results of audit

- There are 484 auditable units in the Commercial Taxes Department, out of which, audit selected 45 units for test check during the year 2020-21 wherein 1.37 lakh assessments were finalised.
- Among these, audit test checked 4,668 assessments (approximately 3.41 per cent) and noticed 462 cases (approximately 9.9 per cent of the audited sample) of short/non-levy of tax/interest, irregular allowance of Input Tax Credit, non-imposition of penalty for misuse of declaration forms, irregular allowance of investment subsidy, application of incorrect rate of tax, irregular allowance of refunds under GST, excess allowance of transitional credits under GST and non-observance of provisions of Acts/Rules etc. involving an amount of ₹449.68 crore.
- These cases are illustrative as these are based on test check of records. Audit pointed out similar omissions in earlier years also. However, not only do these irregularities persist, but they also remain undetected till the next audit is conducted. There is a need for the Government to improve the internal control system so that recurrence of such cases can be avoided.

Irregularities noticed broadly fall under the categories given in Table 2.3 below:

Table 2.3

Sl. No.	Category	Number of cases	(₹ in crore) Amount
1.	Under assessment of tax	75	431.04
2.	Acceptance of defective statutory forms	1	0.03
3.	Evasion of tax due to suppression of sales/purchase	41	3.46
4.	Irregular/incorrect/excess allowance of Input Tax Credit	59	5.97
5.	Other irregularities relating to		
	(i) Revenue	275	9.01
	(ii) Expenditure	11	0.17
Total		462	449.68

During 2020-21, the Department accepted underassessment and other deficiencies of ₹ 12.30 crore in 602 cases, of which 70 cases involving ₹ 0.82 crore were pointed out in audit during 2020-21, and the rest in earlier years. In addition, during 2020-21, the Department recovered/ adjusted ₹ 4.51 crore in 248 cases, of which 70 cases involving ₹ 0.82 crore pertained to 2020-21 and the rest to earlier years.

The State Government accepted and recovered/adjusted (March 2021 and August 2021) an amount of ₹0.22 crore from two dealers on account of tax on

Inter-state sale and short-levy of exemption fee after it was pointed out (July 2020 and September 2020) by the Audit. These paragraphs have not been discussed in the Report.

Few illustrative cases involving ₹ 189.71 crore are discussed in the succeeding paragraphs. It is pertinent to mention that most of these issues have been raised earlier and published in the CAG's Audit Report of previous years wherein the Government accepted the observations and initiated action/recoveries. However, it is seen that the Department took action only in cases which were pointed out by audit and failed to strengthen the internal control system which has led to recurrence of the same issues in subsequent years.

2.4 Short levy of tax

Incorrect assessment of taxable turnover by Assessing authority resulted in short levy of tax

Section 21 of Rajasthan VAT Act, 2003 provides that every registered dealer shall assess his liability under this Act, and shall furnish return, for such period, in such form and manner as may be prescribed, to the assessing authority or to the officer authorized by the Commissioner. Further, Section 23 of the Act provides that every registered dealer who has furnished, all the returns under the provisions of section 21, for the year, shall, subject to the provisions of section 24, be deemed to have been assessed on the basis of such returns.

During test check of assessment records of office of the Assistant Commissioner, Circle-H, Jaipur, it was noticed (June 2020) that a dealer had disclosed taxable turnover¹ of goods amounting to ₹131.02 crore² in his annual return³ for the year 2016-17. However, while finalizing the assessment, the assessing authority incorrectly assessed the taxable turnover at ₹90.00 crore. Thus, incorrect assessment of taxable turnover at lower value resulted in short levy of tax amounting to ₹41.02 lakh.

The matter was reported to the Department and the State Government (May 2021). The Department replied (July 2021) that ₹17.74 lakh was adjusted from the excess ITC of previous years and demand of ₹ 38.88 lakh⁴ had been raised. The State Government further informed (August 2021) that efforts are being made for recovery. Further progress was awaited (December 2021).

1 as per section 2(40) of the Rajasthan VAT Act, 2003

2 taxable at one *per cent*

3 VAT 10-A

4 Revised assessment at ₹ 41.62 lakh and Interest ₹ 15.00 lakh.

2.5 Irregular allowance of Input Tax Credit

Failure of Assessing authorities to reverse excess input tax on goods sold at subsidized prices led to irregular allowance of Input Tax Credit

According to section 18(3)(A) of RVAT Act, 2003, notwithstanding anything contained in the Act, where any goods purchased in the State are subsequently sold at subsidized price, the input tax allowable under this sub-section in respect of such goods shall not exceed the output tax payable on such goods.

During test check of the assessment records of three circles⁵, it was noticed (September/ October 2020) that twelve dealers purchased goods in the State and subsequently sold them at subsidized prices due to which input tax on these goods exceeded the output tax. However, the assessing authorities, while finalising the assessments, failed to reverse the excess Input Tax Credit (ITC) and allowed the ITC as claimed by the dealers which resulted in irregular allowance of ITC amounting to ₹43.75 lakh.

The omission was reported to the Department and State Government (July 2021). The Government replied (September 2021) that demand of ₹46.17 lakh along with interest of ₹16.77 lakh had been raised in eleven cases, out of which in eight cases ₹24.15 lakh was recovered/ adjusted from the excess ITC of previous years and ₹8.09 lakh waived off under Amnesty scheme 2021, while notice had been issued in the remaining case. Further progress was awaited (December 2021).

2.6 Short/ Non- levy of Entry Tax

Short/ Non- levy of Entry Tax on specified goods due to non-utilization of information available on *RajVISTA*

According to notification dated 9 March 2015 under section 3(1) of the Tax on Entry of Goods into Local Area Act, 1999, the State Government notified the tax payable by a dealer in respect of the specified goods brought into any local area for consumption or use or sale at such rates as given in the notification.

During test check of records of seven commercial tax offices⁶, it was noticed that 23 dealers purchased goods specified vide notification *ibid* worth ₹ 54.66 crore from outside the state during 2015-18. Further scrutiny revealed that the dealers had not mentioned the sale of these goods in their respective VAT returns which indicated that the goods were used for consumption or in business due to which entry tax was leviable on these goods. Complete information regarding purchase of goods was available on the departmental web-based application '*RajVISTA*' and accessible to all assessing authorities (AAs). However, the concerned AAs while finalizing the entry tax assessment of these dealers did not utilize the available information to impose entry tax and plug the revenue leakage. This resulted in short/non-levy of entry tax amounting to ₹1.81 crore and interest of ₹1.02 crore.

5 Circles: B- Sikar, I- Jaipur and P- Jaipur.

6 Circle -E ,H ,I ,Q , Special Circle-II, Special Circle-XI Jaipur and Circle B- Sikar.

The omission was pointed out to the Department and the State Government (September 2021). The Government replied (October 2021) that demand of ₹ 1.88 crore had been raised in 20 cases, of which ₹0.98 crore had been recovered and ₹0.52 crore waived off under Amnesty scheme 2021 in 15 cases. Further, notices had been issued in three cases, of which, two dealers stated that the purchased goods were sold out within the state and VAT on these goods had been paid. The reply is not acceptable as it is evident from the 'Form C'⁷ of the dealers that the goods were purchased from outside the state for the purpose of use in manufacture. Further, in case of one of these dealers, the sales invoices indicate that excise duty was collected on the sold goods which further corroborates the fact that the purchased goods were utilized for manufacture. Therefore, entry tax was leviable in case of both these dealers. Further progress was awaited (December 2021).

2.7 Subject Specific Compliance Audit on 'Processing of Refund claims under GST'

2.7.1 Introduction

Timely refund mechanism constitutes a crucial component of tax administration as it facilitates trade through release of blocked funds for working capital, expansion and modernization of existing businesses. Goods and Services Tax (GST) laws aimed to streamline and standardize the refund procedures with the claim and sanctioning procedures contemplated to be completely online. However, in the initial phase of GST implementation, due to unavailability of electronic refund module on the GST Network (GSTN) portal, a temporary mechanism was followed where the applicants were required to file the refund applications in Form GST RFD-01A, take a printout of the same and submit it physically to the jurisdictional tax officer along with all the supporting documents. The procedure for the subsequent processing of the refund application by the Commercial Taxes Department continued to be manual.

Section 54 to 58 and section 77 of Central Goods and Services Tax Act, 2017, Section 15, 16 and 19 of the Integrated Goods and Services Tax Act, 2017 and Section 54 to Section 58 of the Rajasthan State Goods and Services Tax Act, 2017 provide legal authority for claim and grant of refund.

2.7.1.1 Categories of taxpayers eligible for refund and Conditions of refund

A claim for refund by taxpayer may arise on account of the following:

- (i) Export of goods or services;
- (ii) Supplies to Special Economic Zone (SEZ) units and developers;
- (iii) Deemed exports;
- (iv) Refund of taxes on purchase made by UN or embassies etc.;

⁷ Available on 'RajVISTA.'

- (v) Refund arising on account of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court;
- (vi) Refund of accumulated Input Tax Credit of GST on account of Inverted Duty structure/Reverse Charge cases;
- (vii) Finalisation of provisional assessment;
- (viii) Balance in electronic cash ledger;
- (ix) Refund of pre-deposit;
- (x) Excess GST payment;
- (xi) Refunds to International tourists of GST paid on goods in India and carried abroad at the time of their departure from India;
- (xii) Refund on account of issuance of refund vouchers for taxes paid on advances against which, goods or services have not been supplied;
- (xiii) Refund of CGST & SGST paid by treating the supply as intra-state supply which is subsequently held as inter-state supply and *vice versa*.

A taxpayer may claim refund of any unutilised input tax credit in case of (i) zero rated supplies made without payment of tax; (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies. Further, a registered person may claim refund of any balance in the electronic cash ledger and a specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation, Consulate or Embassy of foreign countries *etc.* may also claim refund of tax paid by it on inward supplies of goods or services or both.

2.7.1.2 Electronic Refund procedure came into effect from 26th September 2019, wherein submission and processing of refund claims under GST were brought online.

2.7.2 Audit Objectives

Audit of Refund cases under GST regime was conducted to assess:

- (i) The adequacy of the Acts, Rules, notifications, circulars *etc.* issued in relation to grant of refund;
- (ii) The compliance of extant provisions by the tax authorities and the efficacy of the systems in place to ensure compliance by taxpayers;
- (iii) Whether effective internal control mechanism exists to check the performance of the departmental officers in disposing the refund applications.

2.7.3 Scope of Audit

Pan-India GST refund data was obtained from GSTN and through risk-based data analysis, a sample of refund cases was extracted for detailed examination. Refund cases processed in the selected circles of Commercial Taxes

Department, Rajasthan (Department) from July 2017 to July 2020 were examined. According to the information provided by the Department, during the period July 2017 to March 2021, 31,229 refund claims involving ₹ 3,287.66 crore were received in the state, out of which 26,398 refund claims involving ₹ 2,392.35 crore were sanctioned by the Department.(December 2021).

An Exit Conference was held on 20th July 2021 with Secretary, Finance (Revenue) Department, Chief Commissioner (CCT) State Tax and other representatives of the Department in which the audit findings were discussed. The views expressed by the State Government during Exit Conference and the written replies to draft report have been suitably incorporated in the relevant paragraphs.

2.7.4 Sample selection and audit

GSTN provided pan-India Refund Data for the period from July 2017 to July 2020. For the period prior to 26 September 2019, i.e. pre-automation period, the refund applications under each category were sorted in descending order of refund amount claimed by taxpayers. The sorted refund applications were divided into 4 quartiles for drawing the sample.

For selecting refund applications filed after 26 September 2019, a composite risk score was devised using risk parameters such as refund amount claimed (60 *per cent* weightage), delay in sanctioning refund (15 *per cent*), refund sanctioned to refund amount claimed ratio (10 *per cent*) and issue of deficiency memo issued. Based on the risk score arrived as per this process, refund applications were selected.

Based on the above procedure, 1193 cases of refunds claimed prior to 26 September 2019 pertaining to 93 circles were selected (pre-automation cases) out of which 491 cases belonging to 35 circles could be examined due to constraints on physical movement as a result of COVID-19 pandemic. For the post 26 September 2019 period, 1,212 refund cases of 92 circles (post automation cases) were selected and examined using the login ID based access to State GST portal⁸. Thus, out of 13,231 refund cases processed in the selected circles, a total of 1,703 cases (12.87 *per cent*) were examined by Audit for this Subject Specific Compliance Audit (SSCA). Category-wise audit universe and sample selection are given in the **Appendix 2.1**.

2.7.5 Audit Criteria

The audit criteria were derived from the following Acts, Rules and notifications/circulars issued thereunder:

- (i) Central Goods and Services Tax (CGST) Act, 2017
- (ii) Rajasthan Goods and Services Tax (RGST) Act, 2017
- (iii) Central Goods and Services Tax Rules, 2017

⁸ BOWEB portal

- (iv) Rajasthan Goods and Services Tax Rules, 2017
- (v) Integrated Goods and Services Tax (IGST) Act, 2017
- (vi) Integrated Goods and Services Tax Rules, 2017

2.7.6 Audit Findings

Table 2.4 brings out the extent of deficiencies noted during the audit of refund cases, selected for detailed audit.

Table 2.4

(₹ in lakh)

Nature of Audit Findings	Audit Sample		Number of deficiencies noticed		Deficiencies as percentage of Sample
	Number	Amount	Number	Amount	
Delay in issue of acknowledgment	1703	32,624.54	415	-	24.37
Delay in issue of Refund orders	1703	32,624.54	247	16.82	14.50
Delay in sanction of Provisional refund on account of Zero-rated supply	607	16,844.83	57	-	9.39
Irregular refund under Inverted Duty structure	835	12,972.09	62	999.46	7.43
Irregular refund in Zero-rated supply cases	607	16,844.83	16	35.98	2.64
Irregular grant of provisional refund other than Zero rated supply	988	15,779.71	22	261.96	2.23

As evident from the table above, Audit noticed significant delay in issuance of acknowledgment in 24 *per cent* cases, in issuance of refund orders in 14 *per cent* cases, and in sanction of Provisional Refunds in Zero-rated supplies in 9 *per cent* cases.

Further, Audit also noticed deviations from provisions of the Acts and Rules which resulted in irregular refunds in cases pertaining to Inverted Duty Structure, zero-rated supply and provisional refund other than zero-rated supply; the deviation ranges from two *per cent* to seven *per cent*.

Audit findings noticed and the lapses identified based on these cases are included in the subsequent paragraphs.

2.7.6.1 Delay in issue of acknowledgment

Rule 90(1) and (2) of CGST/SGST Rules, 2017 stipulate that the acknowledgment shall be issued within fifteen days of filing of refund claim by the proper officer, if the application is found complete in all respects. In case of pre-automation cases, the stipulated period of 15 days will be counted from the date of manual submission of refund application along with all supporting documents.

During the audit period, 13,231 refund cases were processed in the selected circles, out of which 1,703 refund cases were examined and it was noticed that there was delay in issue of acknowledgement in 415 cases⁹ (24.37 *per cent*) from 1 to 272 days with the average delay being 25.61 days in these cases. Of these, 388 cases were delayed by 1 to 3 months, 23 cases by 3 to 6 months and four cases by more than six months. Thus, the department failed to adhere to the timelines for issuing acknowledgements as prescribed in the rules *ibid*.

The matter was reported to the Department and the State Government (May 2021). The Government accepted the audit observation (July 2021) and stated that the delay in 17 circles¹⁰ (151 cases) was due to technical problems on the GST portal and in eight circles¹¹ (32 cases), it was attributable to imposition of lockdown due to COVID 19 pandemic.

For seven cases pertaining to one circle¹², Government stated that delay in acknowledgment of refund application has not resulted in delay of issue of the refund. The fact remains that the Department failed to adhere to the timeline for issuing acknowledgements as prescribed in the rules *ibid*.

During the Exit Conference, the CCT accepted the audit contention and stated that even though the acknowledgements were delayed, the refunds were issued within the prescribed period.

Reply in respect of 225 cases pertaining to 37 circles was awaited (December 2021).

(Refer to Appendix 2.2 and 2.3)

2.7.6.2 Delay in issue of Refund orders

Section 54(5) and (7) of CGST/SGST Act, 2017 provide that the proper officer should sanction the refund within 60 days from the date of receipt of application. Further, as per Section 56 of the Act, if any tax ordered to be refunded under sub-section (5) of Section 54 to any applicant is not refunded within this period of sixty days, interest at such rate not exceeding six *per cent* as may be specified in the notification issued by the Government shall be payable in respect of such refund.

Audit observed that in 247 cases¹³ (14.50 *per cent*), out of 1,703 refund cases examined, there was delay in sanction of refunds ranging from 1 to 522 days with the average delay being 81.38 days in these cases. Of these 172 cases were delayed by 1 to 3 months, 41 cases by 3 to 6 months and 34 cases by

⁹ pertaining to 63 Circles.

¹⁰ Circle A,C,I, J, K,L,Q, P & Special III Jaipur, A Bhilwara, Kishangarh, Nagaur, Circle B, C, D & F Jodhpur and A Bhiwadi.

¹¹ Circles I, J, N & special III Jaipur, A& C Bhilwara, A Bharatpur, and Shahjahanpur.

¹² Circle B, Kota.

¹³ in respect of 57 Circles

more than six months. Further, the Department did not pay interest amounting to ₹ 16.82 lakh¹⁴ which was due to the claimants in all these cases.

The matter was reported to the Department and the State Government (May 2021). The Government accepted the audit contention (July 2021) and stated that the delay was due to technical problems on GST portal in sixteen circles¹⁵ (83 cases) and imposition of lockdown due to COVID-19 pandemic in eight circles¹⁶ (twenty two cases). Regarding non-payment of Interest, the Government stated that for two cases (one circle¹⁷) no interest for delay was claimed by the taxpayers and for two cases (one circle¹⁸) it was stated that the taxpayers requested in writing that they do not want to claim the interest. The reply is not acceptable as Section 56 of the CGST/SGST Act makes it mandatory for the interest to be paid in cases of delayed refund orders without making it contingent upon claim by the taxpayer. In one case (one circle¹⁹), the Government stated that the interest was not paid as wrong bank account was given by the taxpayer. The reply is not acceptable as the Interest could have been paid in the same account in which the Refund amount was paid. The Government reply was silent about the non-payment of interest in 105 cases of 24 circles.

During the Exit Conference, the CCT agreed with the audit contention and stated that directions are being issued to all the field offices to ensure that the prescribed timelines are followed.

Reply in respect of 137 cases pertaining to 30 circles was awaited (December 2021).

(Refer to Appendix 2.4 and 2.5)

2.7.6.3 Delay in sanction of provisional refund on account of zero-rated supply

Rule 91 of CGST/SGST Rules, 2017 provides that provisional refund to the extent of 90 percent of the total refund claimed on account of zero-rated supply shall be granted within seven days of the acknowledgement subject to fulfillment of certain conditions.

During the audit period, 5,013 refund cases of zero-rated supply were processed in the selected circles. Out of these, 607 refund cases were examined and it was noticed that there was delay in sanction of provisional refund in 57 cases²⁰ (9.39 per cent) ranging from 1 to 324 days with the average delay being 29.85 days in these cases. Of these, 55 cases were delayed by 1 to 3 months, one case by 3 to 6 months and one case by more than six

14 calculated at the rate of six per cent

15 Circle A, C, F, I, J, K, L, P, M, N & Spl. III Jaipur, Circle A Bhiwadi, Circle Jhalawar, Circle Shahjahanpur, Circle A Bharatpur and Circle B Kota

16 Circle C, J, L, Q and Special- III Jaipur, Circle A & B Bharatpur and Special I, Bhiwadi.

17 Circle D, Jodhpur.

18 Circle A, Jaipur

19 Circle, Dausa.

20 In respect of 15 Circles.

months. Thus, the department failed to adhere to the timeline of sanctioning provisional refund for zero-rated supplies as prescribed in the rule *ibid*.

The matter was reported to the Department and the State Government (May 2021). The Government accepted the audit contention (July 2021) and stated that the delay in six circles²¹ (30 cases) was due to technical problems on GST portal. During the Exit Conference, the CCT agreed with the audit contention and stated that directions are being issued to all the field offices to ensure that the prescribed timelines are followed.

Reply in respect of 27 cases pertaining to nine circles was awaited (December 2021).

(Refer to Appendix 2.6 and 2.7)

2.7.6.4 Irregular refund under Inverted Duty structure

As per section 54 (3) of the CGST/SGST Act 2017, a registered person may claim refund of any unutilized Input Tax Credit (ITC) at the end of any tax period where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (i.e. Inverted Duty Structure). Further, Rule 89(5) of the CGST/SGST Rules 2017 prescribes the formula²² for maximum refund of unutilized ITC on account of inverted duty structure. As per the rule, Net ITC includes the ITC availed only on inputs during the relevant period and does not include credit availed on input services and capital goods.

During the audit period, 3,845 refund cases of Inverted Duty structure were processed in the selected circles. Out of these, 835 refund cases were examined and it was noticed that the department, while granting the refund in 24 cases²³ (2.87 per cent) considered ITC availed on input services and capital goods for calculating the Net ITC or considered incorrect total adjusted turnover/inverted turnover/tax paid to calculate maximum amount of eligible refund. This indicated lack of proper scrutiny of refund claims by jurisdictional officers. This resulted in irregular allowance of refund amounting to ₹ 7.09 crore.

The matter was reported to the Department and the State Government (May 2021). The Government stated (July 2021) that ₹ 10.24 lakh has been recovered in four cases²⁴ while notices have been issued in seven cases²⁵. For three cases pertaining to one circle²⁶, the Government stated that ITC on services or capital goods have not been claimed by the taxpayer. The reply in

21 Circle C, N and Q Jaipur, Circle Shahjahanpur, Circle Kishanganh and Circle C Jodhpur.

22 Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) * Net ITC/Adjusted Total Turnover} - Tax payable on such inverted rated supply of goods and services.

23 Relating to 13 circles.

24 pertaining to Circle C Jaipur (₹ 0.12 lakh) Circle G Jaipur (₹ 0.17 lakh) Circle B Ajmer (₹ 9.64 lakh and Circle C Jodhpur (₹ 0.31 lakh)

25 Pertaining to Circle P, L & C Jaipur Circle A Bhiwadi and Circle Nagaur.

26 Circle K Jaipur.

respect of these three cases is not tenable as the details in the returns filed by the taxpayers viz. inverted turnover/ITC as per 2A/ adjusted turnover do not match with the details in the refund claims and the refund claims include the ITC on services as well due to which refunds granted were more than the maximum amount of eligible refund. For two cases²⁷, it was stated that the refund has been claimed within the relevant period. The reply is not appropriate as the irregularity in these cases pertains to irregular refund of ITC under the inverted duty structure. During the Exit Conference, Secretary Finance (Revenue) stated that Department would take up the matter of introduction of validation check to segregate the ITC on Input Services and Capital Goods in the IT system.

Reply in respect of eight cases pertaining to three circles was awaited (December 2021).

(Refer to Appendix 2.8 and 2.9)

An illustrative case is given below: -

During test check of processing of refund claims in Circle K Jaipur, it was observed that a taxpayer had made separate refund claims for June 2019, September 2019 and January 2020 aggregating ₹ 6.12 crore. Scrutiny of records revealed that the Net ITC as claimed by the taxpayer in his refund applications did not match with the details of ITC in the taxpayer's GSTR-2A. It was also evident from the details provided in the taxpayer's GSTR-2A that the taxpayer had irregularly availed ITC of capital goods and services. Further, the taxpayer had not submitted Annexure-B containing the HSN code along with the refund application as required to distinguish ITC on capital goods/and or input services out of the total ITC. The Department did not detect the irregularities and sanctioned the refund as claimed by the taxpayer due to which refunds granted exceeded the maximum amount of eligible refund. This resulted in irregular allowance of refund amounting to ₹6.08 crore.

The matter was reported to the Department and the State Government (May 2021). The State Government stated (July 2021) that the taxpayer has now provided the Annexure-B with HSN code. The Government also stated that the ITC availed by the taxpayer matched with the GSTR-2A and taxpayer has not claimed ITC on Capital Goods and Services due to which no irregular refund has been sanctioned.

While the Government did not provide any documents in support of the reply, the reply of the Government is not acceptable as it is clear from the GSTR- 2A that the ITC on Capital Goods and Services had been included in the calculation of net ITC available to the taxpayer, and in addition the ITC

27 Circle G Jaipur.

available in GSTR-2A did not match with the refund applications which were subsequently sanctioned. Further progress was awaited (December 2021).

2.7.6.5 Irregular refund in zero-rated supply cases

As per Section 54(3) of the CGST/SGST Act, 2017, refund of unutilized ITC can be claimed by a registered person at the end of any tax period. The refund in the case of zero-rated supply of goods or services shall be granted as per the formula²⁸ prescribed under rule 89(4) of the CGST/SGST Rules, 2017. According to the formula, the ITC availed on capital goods shall not be considered.

During the audit period, 5,013 refund cases pertaining to zero rated supply were processed in the selected circles. Out of these, 607 refund cases were examined and it was noticed that in 16 cases²⁹ (2.63 per cent), the Jurisdictional Officers did not exclude the ITC availed on capital goods for calculating Net ITC or considered incorrect total adjusted turnover/Zero rated turnover/Net ITC/difference of 2A return in calculating maximum amount of eligible refund. Thus, lack of correct application of the prescribed formula by the jurisdictional officers while processing the refund claims resulted in irregular allowance of refund of ₹35.98 lakh.

The matter was reported to the Department and the State Government (May 2021). The Government stated (July 2021) that ₹ 7.90 lakh has been recovered in four cases³⁰ and notices have been issued in five cases³¹. During the Exit Conference, Special Commissioner (GST) agreed with the audit contention.

Reply in respect of seven cases pertaining to four circles was awaited (December 2021).

(Refer to Appendix 2.10 and 2.11)

An illustrative case is given below: -

During test check of processing of refund claims in Circle-L Jaipur, it was observed that a taxpayer claimed refund of ₹12.21 lakh on accumulated ITC on account of zero-rated export for the period May 2018 to December 2018. Scrutiny of relevant records revealed that zero-rated export was made only during the month of May 2018 in this duration. Therefore, accumulated ITC for the period June 2018 to December 2018 was not eligible for refund. However, the Department did not detect the irregularity and sanctioned the refund as claimed by the taxpayer resulting in irregular allowance of refund amounting to ₹8.25 lakh. The matter was reported to the Department and the

28 Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) * Net ITC ÷ Adjusted Total Turnover, where "Net ITC" means input tax credit availed on inputs and input services during the relevant period.

29 Relating to 10 circles.

30 Pertaining to Circle J Jaipur (₹ 3.55 lakh) Special- I Ajmer (₹ 4.18 lakh) and Circle C Jaipur (₹ 0.17 lakh)

31 belonging to Circle C Jaipur, Circle A Bhilwara and Circle L Jaipur.

State Government (May 2021). The Government stated (July 2021) that notice has been issued to the taxpayer. Further progress was awaited (December 2021).

2.7.6.6 Irregular grant of provisional refund in cases other than zero-rated supply

As per Section 54(6) of CGST/SGST Act, 2017, in case of any claim for refund on account of zero-rated supply of goods or services or both made by registered persons, 90 *per cent* of refund claimed may be sanctioned on a provisional basis and thereafter an order made under sub section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.

During the audit period, 6,824 refund cases other than zero-rated supply were processed in the selected circles. Out of these, 988 refund cases were examined, and it was noticed that in 22 cases³² (2.23 *per cent*), the Department issued provisional refund of 90 *per cent* in cases pertaining to Inverted Duty structure. Thus, sanction of provisional refund in cases other than zero-rated supplies in contravention of the provision *ibid* led to irregular grant of provisional refund amounting to ₹ 2.62 crore.

The matter was reported to the Department and the State Government (May 2021). The Government stated (July 2021) in respect of nine cases³³ that the refunds were sanctioned as per rule. However, the refunds were not sanctioned as per the rules because provisional refund was provided in these cases even when these cases did not belong to the category of zero-rated supplies. Further, for three cases³⁴, the Government stated that the refund was sanctioned within the prescribed time period and paid in two instalments, through RFD 04 (90 *per cent*) and RFD 06 (10 *per cent*), therefore, no excess refund has been granted. The replies are not tenable because in these three cases, 90 *per cent* provisional refund was provided even when the cases did not pertain to zero-rated supplies. Reply in respect of 10 cases pertaining to four circles was awaited (December 2021).

During the Exit Conference, Special Commissioner (GST) while accepting the audit observation stated that this was a procedural lapse and did not cause financial loss to the government. It is pertinent to mention here that even though there is no impact on the overall refund amount, the provisional refund facility is provided exclusively to zero rated supplies as a measure to address the working capital requirements till the final settlement of refund claim. Providing refund on a provisional basis, *i.e.* before the final settlement based on due verification of documents, for other categories of taxpayers results in undue benefit to such taxpayers through premature release of government funds to them.

(Refer to Appendix 2.12)

32 Relating to seven circles.

33 Special Circle III, Jaipur

34 Belonging to Circle C and L Jaipur.

An illustrative case is given below: -

During test check of processing of refund claims in Circle Special-III, Jaipur, it was observed that a taxpayer had made nine refund claims pertaining to accumulated ITC on account of inverted duty structure. The Department issued provisional refund of 90 *per cent* against all these nine cases of inverted duty structure in contravention of the provisions *ibid* resulting in irregular grant of provisional refund aggregating ₹ 2.03 crore.

This was pointed out to the Department and the Government (May 2021). The Government stated (July 2021) that the refunds were sanctioned as per rule. The reply is not acceptable because all these nine claims pertained to Inverted duty structure and thus were ineligible for provisional refund.

2.7.7 Other Irregularities

2.7.7.1 Lack of validation check on common portal to calculate refundable amount of IGST, CGST and SGST

According to CBIC *vide* Circular No. 59/33/2018-GST dated 04 September 2018 and the Department *vide* Circular no. 6/2018 dated 26 September 2018, after the determination of the amount refundable, the equivalent amount is to be debited to electronic credit ledger (ECL) of the taxpayer in the following order: (a) Integrated tax, to the extent of balance available; (b) Central tax and State tax/Union Territory tax, equally to the extent of balance available and in the event of a shortfall in the balance available in a particular ECL (say, Central tax), the differential amount is to be debited from the other ECL (i.e., State tax/Union Territory tax, in this case).

Audit observed that in 208 cases³⁵ (12.21 per cent), out of 1,703 refund cases examined, refund of CGST and SGST sanctioned was more than the eligible amount against the provision *ibid*. It is also pertinent to mention that the state GST portal lacks a system validation check to calculate the correct refundable amount of IGST, CGST and SGST in the prescribed order. Further, the taxpayers did not follow the order of debiting the refundable amount into the ECL and the jurisdictional officers, without manually checking the correctness, sanctioned the refund as claimed by the taxpayers. The error resulted in excess refunds from CGST and SGST ECLs aggregating ₹ 16.04 crore, which further resulted in excess credit balance in IGST ECL to that extent.

The matter was reported to the Department and the State Government (May 2021). The Government informed (July 2021) that notices have been issued in 30 cases³⁶ and ₹ 5.41 lakh was recovered in three cases³⁷. In 63 cases³⁸, the irregularity was attributed to technical problems of the GST portal

³⁵ Relating to 43 circles.

³⁶ Pertaining to four circles: Circle A Bhiwadi, L Jaipur, A Ajmer and Nagaur .

³⁷ Circle B and Special I Ajmer.

³⁸ Pertaining to twelve circles: C,K, Q Jaipur, B Kota , B Hanumangarh , Nagaur, Kishangarh, A and C Bhilwara, A Bhiwadi, Shahjahanpur and B Ajmer.

such as inability of the tax authorities to modify the refund claimed under various heads and lack of feature to rectify the head-wise amounts after grant of refunds. In respect of two cases³⁹, Government stated that refund has been sanctioned in compliance with the provisions of the circular after calculating the amount in accordance with rule 89(5) of the CGST Rules. The reply is not acceptable as in both these cases, the order of debiting from the ECLs as prescribed by the circulars *ibid* was not followed leading to excess debit from CGST and SGST ECLs. During the Exit Conference, Special Commissioner (GST) stated that such a validation check has now been introduced on the portal.

Reply in respect of 110 cases pertaining to 24 circles was awaited (December 2021).

(Refer to Appendix 2.13 and 2.14)

2.7.7.2 Lacunae/deficiencies in fully electronic refund process

Refund procedure became fully electronic with effect from 26th September 2019 and CBIC vide circular No.125/44/2019-GST dated 18 November, 2019 clarified that refund application (RFD-01A) along with the supporting documents shall be submitted electronically. Further, vide Circular no. 05/2020 dated 04 April 2020, Department clarified that HSN/SAC⁴⁰ code of the Goods/Services is to be mandatorily included in the statement of invoices relating to inward supply in Annexure-B to distinguish ITC on capital goods and/or input services out of the total ITC.

During the audit period, 6,155 post-automation refund cases were processed in the selected circles. Out of these, 1212 refund cases were examined and it was noticed that in 296 cases⁴¹ (24.42 *per cent*) Annexure-B was not submitted along with RFD-01A application. Further, it was also noticed that in six refund cases⁴², HSN/SAC code was not mentioned. In the absence of Annexure-B and HSN/SAC code of the goods/services, ITC eligible for refunds could not be verified. Thus, the jurisdictional officers sanctioned refunds amounting to ₹ 56.98 crore without ensuring online submission and completeness of the Annexure-B as required.

The matter was reported to the Department and the State Government (May 2021). The Government stated (July 2021) in respect of 82 cases⁴³ that there was technical problem in uploading annexure B online. Further, it was also informed that notices have been issued in 67 cases⁴⁴ and taxpayers manually submitted Annexure-B to the Department in 24 cases⁴⁵. The replies need to be

39 Circle K, Jaipur.

40 Harmonized System of Nomenclature (HSN)/ Servicing Accounting Code (SAC).

41 Relating to 44 Circles.

42 Relating to three circles.

43 Of Circle K and Special III Jaipur, Kishangarh, Shahjahanpur A & C Bhilwara,, Special-I, A & B Ajmer, B Hanumangarh and A Bhiwadi.

44 Circle B, J,Q Jaipur, A Bharatpur, B Kota, Pali, Nagaur and Balotra.

45 Circle- G and N Jaipur , Balotra and A, Alwar

viewed in light of the fact that the system was fully automated since 26th September 2019 and Annexure-B and other documents were required to be submitted electronically along with RFD-(01A). In respect of one case⁴⁶, the Government stated that the refund was applied before issue of the circulars, and therefore, the provisions of the circulars were not applicable. The reply is not acceptable because as per available records taxpayer had applied for the refund after the circulars had been issued. During the Exit Conference, CCT agreed with the audit contention.

Reply in respect of 128 cases pertaining to 23 circles was awaited (December 2021).

(Refer to Appendix 2.15 and 2.16)

2.7.7.3 Absence of mechanism to identify the export of goods where export proceeds not realized

Rule 96B⁴⁷ of the CGST Rules, 2017 relates to cases where any refund of unutilised input tax credit on account of export of goods or of integrated tax paid on export of goods has been paid to an applicant but the sale proceeds in respect of such exported goods have not been realized in India, in full or in part, within the period allowed under the Foreign Exchange Management Act, 1999.

As per the Rule, in such a case, the person to whom the refund has been made shall deposit the amount so refunded, to the extent of non-realization of sale proceeds, along with applicable interest within thirty days of the expiry of the said period.

An undertaking to the above effect has been inserted in the Form GST RFD-01 to be provided by the exporter.

During the audit period, 5,013 refund cases pertaining to zero rated supply were processed in the selected circles. Out of these, submission of proof of exports proceeds realization was examined in 111 cases and it was noticed that in 34 cases⁴⁸ (30.63 *per cent*) the taxpayers did not submit the Bank Realisation Certificate (BRC). The information regarding pendency of proof of exports proceeds realisation was not available with the jurisdictional officers of the tax circles and such MIS reports were not available on the State GST portal. Audit scrutiny revealed that such information was available with Reserve Bank of India (RBI) in the form of Export Outstanding Statement (XOS statement) which included proof of outstanding realization from the exporters under State/Department jurisdiction. However, the mechanism to make this information available to the jurisdictional officers in the tax circles was absent. Further, the Department also did not undertake correspondence with the exporters in this regard. In the absence of availability of such information, the Department did not identify cases where proof of exports proceeds realisation were not available.

46 Of circle F Jaipur.

47 Inserted *vide* Notification no. 16/2020/ dated 23 March 2020.

48 Relating to nine circles.

The matter was reported to the Department and the State Government (May 2021). The Government stated (July 2021) that notices have been issued in 12 cases⁴⁹. During the Exit conference, Secretary, Finance (Revenue) while accepting the suggestion, stated that efforts will be made to collect the required information from RBI or GSTN would be requested to provide such information on the portal.

Reply in respect of 22 cases pertaining to six circles was awaited (December 2021).

(Refer to Appendix 2.17)

2.7.7.4 Irregular Refund in time barred cases

Section 54 (1) of CGST/SGST Act, 2017 provides a time limit of two years from the relevant date for claiming refunds. Further, as per Notification No.02/2019- CBIC dated 29 January 2019 (w.e.f. 01 February 2019), in the case of accumulated ITC due to inverted duty structure, relevant date means two years from the due date for furnishing of return under Section 39 for the period in which such claim for refund arises.

During the audit period, out of 3,845 refund cases of inverted duty structure in the selected circles, 835 refund cases were examined and it was noticed that in 34 refund cases⁵⁰ (4.07 per cent), taxpayers had claimed refunds of ITC on account of inverted duty structure two years after the due date for furnishing of returns for the period to which the refund claims pertained. After deduction of the ITC pertaining to the time barred period for these cases, the eligible amount of refund was ₹ 1.05 crore. However, the Department failed to deduct the ITC pertaining to the time barred period and refunded ₹ 3.73 crore which resulted in excess refund of ₹ 2.68 crore.

The matter was reported to the Department and the State Government (May 2021). The Government stated (July 2021) that objected amount of ₹ 10.94 lakh along with interest has been recovered in two cases⁵¹ and notices have been issued in five cases⁵². In respect of one case⁵³, it was stated that the aforesaid notification is not applicable as the refund claim pertains to 2017-18. The reply is not acceptable as the amendment in the Act vide notification dated 29 January 2019 was effective from 01 February 2019 while the refund claim was made in March 2020. Therefore, the amendment was applicable on the claim due to which the claim for the period July 2017 to January 2018 was time barred and thus ineligible for refund. During the Exit conference, Secretary, Finance (Revenue) stated that the request for validation check in this regard will be made in the meeting of the GST law committee.

Reply in respect of 26 cases pertaining to 12 circles was awaited (December 2021).

(Refer to Appendix 2.18)

49 Circle A, Bhilwara, Circle B, Hanumangarh and Circle Kishangarh.

50 Relating to 19 circles

51 Circle K Jaipur (₹ 9.83 lakh) and Circle Banswara (₹ 1.11 lakh).

52 Belonging to Circles Nagaur, A, Bharatpur, C, Bhilwara and N Jaipur.

53 Circle Nagaur.

An illustrative case is given below: -

During test check of refund claims in Circle -C, Jodhpur, it was observed that a taxpayer filed a refund application on 24 June 2020 for the period July 2017 to March 2018 for refund of ITC on account of inverted duty structure amounting to ₹63.69 lakh. Out of the total refund claimed, refund claim for the period July 2017 to January 2018 was time barred as refund was applied for after the expiry of two years from the due date for furnishing of return for the period. For the period February 2018 to March 2018, the eligible refund as per the prescribed formula⁵⁴ was *nil*. However, while processing the refund claim, the Department sanctioned the entire refund claim, resulting in excess refund of ₹ 63.69 lakh.

This was pointed out to the Department and the Government (May 2021). The Government stated (July 2021) that reply from the concerned circle was awaited.

2.7.7.5 Irregular refund of compensation cess in inverted duty structure

According to proviso to section 54(3), no refund of unutilised input tax credit shall be allowed in cases other than: (i) zero rated supplies made without payment of tax; (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies).

No refund under inverted duty structure will be available on compensation cess paid on input supplies, since compensation cess on output supplies is exempted. It will be available only in case of export of goods.

Under section 11(1) of GST (Compensation to States) Act, 2017, the provisions of the CGST Act and the rules made there under, including those relating to assessment, input tax credit, non-levy, short-levy, interest, appeals, offences and penalties, shall, as far as may be, *mutatis mutandis*, apply, in relation to the levy and collection of the cess leviable under section 8 on the intra-State supply of goods and services, as they apply in relation to the levy and collection of central tax on such intra-state supplies under the said Act or the rules made there under.

During the audit period, out of 3,845 refund cases of inverted duty structure in the selected circles, 835 refund cases were examined and it was noticed in three cases⁵⁵ that refund of accumulated ITC of compensation cess was sanctioned in cases of inverted duty structure where cess was not leviable on outward supply, in contravention of the extant provisions. Thus, lack of proper scrutiny of the refund claims by the jurisdictional officers resulted in irregular grant of refund amounting to ₹ 9.81 lakh.

The matter was reported to the Department and the State Government (May 2021). The Government stated (July 2021) that the concerned circle

⁵⁴ According to rule 89(5) RGST/CGST rules, 2017.

⁵⁵ Pertaining to circle C, Jaipur and circle E, Jodhpur.

officers have been instructed to submit their replies. Further progress was awaited (December 2021).

2.7.7.6 Irregular refund of GST on solar energy supply

Solar plants were treated as works contract services till 31.12.2018 and were to be taxed accordingly. CBIC, vide Notification (27/2018) dated 31 December 2018, amended the law to provide that if renewable energy devices were supplied along with supply of other goods and taxable services in relation to their setting up, then 70 per cent of the gross consideration would be deemed as 'value of supply of goods' attracting GST of 5 per cent and the remaining 30 per cent would be 'value of services' attracting GST of 18 per cent. The same is to be taxed separately for supply of goods and for supply of services under Sl.No.38 of Notification No.11/2017-CT(R) and Sl. No.234 of Notification No.1/2017-CT(R) of CBIC with effect from 01.01.2019.

During the audit period, out of 3,845 refund cases pertaining to inverted duty structure in selected circles, 835 refund cases were examined and it was noticed that in one case, the taxpayer⁵⁶ had supplied services in addition to the supply of goods due to which 30 per cent of the gross consideration was required to be deemed 'value of services'. However, the taxpayer, in his returns declared the entire supply at the tax rate of 5 per cent and claimed refund on account of inverted duty structure whereas 30 per cent of the supply being 'value of services' (taxable at 18 per cent) was outside the ambit of inverted duty structure. However, the Jurisdictional Officer allowed the IGST refund as claimed by the taxpayer. Thus, lack of proper scrutiny of the refund claims by the jurisdictional officers resulted in irregular grant of refund amounting of ₹ 12.88 lakh.

The matter was reported to the Department and the State Government (May 2021). The Government stated (July 2021) that the concerned circle officer has been instructed to submit his reply. Further progress was awaited (December 2021).

(Refer to Appendix 2.19)

2.7.8 Conclusion

Audit noticed certain cases where the Department did not adhere to the prescribed timelines leading to instances of delay in issuing of acknowledgement, refund orders and provisional refund. Further, lack of proper scrutiny of refund claims by the jurisdictional officers led to irregular allowance of refund in certain cases under inverted duty structure, zero-rated supplies, time barred cases etc.

In addition, systematic issues such as lack of validation check on GSTN portal, lacunae/deficiencies in fully electronic refund process and absence of mechanism to identify the export of goods where export proceeds were not

⁵⁶ Engaged in the supply and installation of solar plant.

realized, contributing to irregular sanctioning of refund claims, were also noticed.

2.7.9 Recommendation

Apart from the requisite action on the irregularities brought out by Audit as highlighted in the preceding paragraphs, the Department needs to take proactive steps to ensure that similar instances are not repeated in other circles/cases. Moreover, the issues concerning the GST portal including the deployment of additional system validation checks need to be addressed on priority to fully leverage the benefits of the IT system to minimize human errors and to aid the tax authorities in ensuring compliance with GST laws.

2.8 Irregular allowance of refunds under GST

During 2020-21, Audit conducted a Subject Specific Compliance Audit (SSCA) on GST Refunds. The important findings of this SSCA were discussed in para 2.7 of this report. In addition to this, Audit also examined 369 cases pertaining to GST Refunds in 10 Circles, as mentioned in para 2.7 above, and observed irregularities in the processing of Refunds. The audit findings are discussed below:

2.8.1 Failure of Jurisdictional Officer to exclude Input Tax Credit of capital goods and input services on account of Inverted Duty Structure resulted in irregular allowance of refunds

According to section 54 (3) of the CGST/SGST Act 2017, a registered person may claim refund of any unutilized Input Tax Credit (ITC) at the end of any tax period where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (i.e. inverted duty structure). Further, rule 89(5) of the CGST 2017 prescribes the formula⁵⁷ for maximum refund of unutilized ITC on account of inverted duty structure in which 'Net ITC' includes the ITC availed only on inputs⁵⁸ during the relevant period and does not include credit availed on input services and capital goods.

During test check of records of office of the Deputy Commissioner, State Tax, Circle-B, Sikar, it was noticed that two taxpayers claimed refunds for the period July 2017 to December 2019 in respect of accumulated ITC on account of inverted duty structure. Audit scrutiny revealed that in the refund claims, ITC availed on input services and capital goods were also considered to calculate the Net ITC in contravention of the rules. However, the jurisdictional officer failed to detect the irregularity while sanctioning the refund and allowed the refund as claimed by the taxpayers due to which the refund sanctioned exceeded the maximum refund amount according to the prescribed formula. This resulted in irregular payment of refund of ₹2.34 crore.

57 Maximum Refund Amount= (Turnover of inverted rated supply of goods and services) * Net ITC/Adjusted Total Turnover)-Tax payable on such inverted rated supply of goods and services.

58 Inputs means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business.

The audit observation was reported to the Department and the Government (July 2021). The Government replied (September 2021) that recovery of the entire amount of ₹0.81 crore has been made in one case, while the matter is *sub-judice* in the Hon'ble Rajasthan High Court in the other case. Further progress was awaited (December 2021).

2.8.2 Jurisdictional officers failed to detect duty drawback of Central Tax and allowed refunds as claimed by taxpayers

According to the third proviso to section 54(3) of the Central Goods and Services Tax (CGST) Act, 2017 no refund of Input Tax Credit (ITC) shall be allowed if the supplier of goods or services or both avails drawback in respect of central tax or claims refund of the integrated tax paid on such supplies.

Audit scrutiny of records of three State Tax Offices⁵⁹, revealed that 15 taxpayers claimed refunds of unutilized ITC under GST for the months of July, August and September 2017 in respect of export of goods without payment of tax. Further, scrutiny revealed that these taxpayers had availed duty drawback in respect of Central Tax due to which these taxpayers were not eligible to claim refund of unutilized ITC of CGST and IGST for this period. However, Jurisdictional officers while sanctioning the refunds could not detect the irregularity and erroneously allowed refunds as claimed by the taxpayers. This resulted in irregular allowance of refunds amounting to ₹1.46 crore.

The irregularity was reported to the Department and the State Government (July 2021). The Government replied (September 2021) that ₹ 46.75 lakh on account of difference of excess duty drawback has been deposited in two cases⁶⁰, ₹8.56 lakh⁶¹ has been recovered in four cases while notices have been issued in the remaining cases. Further progress was awaited (December 2021).

2.8.3 Jurisdictional officers did not ensure availability of required information, resulting in irregular sanction of refund under GST

According to section 7 of Rajasthan Goods and Service Tax (RGST) Act, 2017, read with section 2(21) of Integrated GST Act, 2017, '*supply*' includes all forms of supply of goods or services or both made for a consideration by a person in the course or furtherance of business.

The Chief Commissioner, State Tax, Rajasthan, vide GST circular⁶² no. 32/2019 clarified that the activity of sending/ taking the goods out of India for exhibition or on consignment basis for export promotion does not constitute '*supply*' as the said activity does not fall within the scope of section 7 *ibid* and hence cannot be considered as '*zero-rated supply*'⁶³ as per the provisions of

59 Circle-P, Circle-H and Circle-L Jaipur.

60 Belonging to Circle-P Jaipur.

61 Belonging to Circle-H Jaipur.

62 Notification F.17 (134-Pt-II) Acct/GST/ 2017/4644 dated 19 July 2019.

63 According to section 16 of IGST Act, 2017, '*Zero rated supply*' means export of goods or services or both or supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.

the section 16 of the IGST Act. The circular also provides the procedure to be followed in respect of goods sent/taken outside India and brought back.

Audit scrutiny (June 2020) of records of office of the Deputy Commissioner, State Tax, Circle-H, Jaipur, revealed that nine taxpayers claimed GST refunds of ₹ 27.34 lakh under zero-rated supply of goods outside India without payment of tax. Further scrutiny of records revealed that out of this amount, refund of ₹ 19.24 lakh pertained to goods sent/taken outside India for exhibition or on consignment basis for export promotion against which details/records of goods sold abroad were not provided. Thus, the value of actual 'supply' on which refunds were to be availed as per the provisions *ibid* could not be ascertained. The Jurisdictional Officers did not ensure availability of the information required to verify the claim and sanctioned the refund as claimed by the taxpayers resulting in irregular refund amounting to ₹ 19.24 lakh.

The issue was reported to the Department and the State Government (July 2021). The Government replied (September 2021) that notices have been issued in respect of six cases while recovery of ₹0.17 lakh has been made in two cases. In one case, the Government stated (September 2021) that the taxpayer informed that goods amounting to ₹13.15 crore, out of total ₹ 16.25 crore were re-imported and rest were sold out. However, the taxpayer did not submit the requisite documents⁶⁴ in support of his claim. The Government further stated that the taxpayer claimed the refunds in the next financial year after deducting refund on re-imported goods. Thus, it is evident from the Government reply that the Jurisdictional officers did not ensure the availability of required information before sanction of the refunds.

In case of another taxpayer, the Government stated (September 2021) that instead of zero-rated export, in two instances the refund was claimed due to excess payment of tax and in one instance the refund was claimed due to supply to Special Economic Zone with payment of IGST. However, the Government did not provide any relevant documents in support of the reply. Further progress was awaited (December 2021).

2.9 Subject Specific Compliance Audit on 'Transitional credit under GST'

2.9.1 Introduction

Introduction of Goods and Services Tax (GST) was a significant reform in the field of indirect taxes in our country, which replaced multiple taxes levied and collected by the Centre and States. GST is a destination based tax on supply of goods or services or both and is levied simultaneously by the Centre and States on a common tax base. Central GST (CGST) and State GST

⁶⁴ Such as Foreign Inward Remittance Certificate (FIRC) or Bank Reconciliation Certificate (BRC).

(SGST)/Union Territory GST (UTGST) are levied on intra-state supplies and Integrated GST (IGST) is levied on inter-state supplies. Availability of input tax credit (ITC) of taxes paid on inputs, input services and capital goods for set off against the output tax liability is one of the key features of GST as it avoids cascading effect of taxes and ensures uninterrupted flow of credit from the seller to buyer. To ensure the seamless flow of input tax from the existing laws to GST regime, a '*Transitional arrangement for input tax*' was included in the GST Acts to provide for the entitlement and manner of claiming input tax in respect of appropriate taxes or duties paid under existing laws. The transitional credit provisions ensure transition of accumulated credits from the legacy returns, input tax in respect of raw materials, work in progress, finished goods held in stock as on the appointed day⁶⁵ as well as credit in respect of capital goods into the GST regime.

2.9.2 Audit objectives

Transitional credit claimed under TRAN 1⁶⁶ and TRAN 2⁶⁷ returns, credited to the Electronic Credit Ledger of the taxpayers as ITC, is adjusted against GST output tax liability of the taxpayers and therefore, such claims have a direct impact on GST revenue collection. Thus, the audit of transitional arrangements for ITC under GST was taken up with the following audit objectives with a view to seek an assurance on:

- (i) Whether the mechanism envisaged by the Department for selection and verification of transitional credit claims was adequate and effective (System issues).
- (ii) Whether the transitional credits carried over by the assessee into GST regime were valid and admissible (Compliance issues).

2.9.3 Audit scope

The scope of audit comprised a review of Transitional credit claim returns, both TRAN 1 and TRAN 2, filed by the taxpayers under the transitional arrangements for input tax provided under Section 140 of the RGST Act. The period of review was from the appointed date to the end of March 2020.

2.9.4 Audit methodology and Sample selection

Audit methodology of the Subject Specific Compliance Audit (SSCA) involved the scrutiny of process and outcomes of departmental verifications along with detailed independent verification of selected claims. Verification of individual transitional credit claims entailed the examination of SGST credit

65 Appointed date means the date on which the provisions of GST Act came into force i.e. 01st July 2017.

66 GST TRAN- 1 is a transitional form for the already registered taxpayers under pre-GST regime who are filing the GST TRAN -1 form for availing their previous input tax credit accumulated before the implementation of the GST.

67 GST TRAN-2 is a transitional form which can be filed by a dealer/trader who was unregistered under the pre-GST regime or did not have a VAT or excise invoices for stocks held by him on 30 June 2017.

claimed by the taxpayers in the last returns filed under existing laws, immediately preceding the appointed date, along with the documentary evidence in support of such claims. Further, in respect of input tax claimed pertaining to materials held in stock, verification involved examination of necessary accounting details, documents or records evidencing purchase of such goods. In addition, the records pertaining to the transitional credit claims verified by the Department were also requisitioned for verification.

In Rajasthan, there were a total of 53,432 Transitional Credit applications which were received during the period 1 July 2017 to 31 March 2020. Out of these, 1325 cases⁶⁸ (2.48 *per cent* of the total number of claims) belonging to 94 circles of State Tax Department (Department) were selected for detailed scrutiny on the basis of risk-based data analysis carried out on the extracted TRAN-1 data and legacy VAT returns data provided by the Department. These cases were scrutinized through the login ID based access to the departmental web portal *RajVISTA* and GST *BOWEB* portal alongwith examination of records available with the Circles.

Entry conference of this SSCA was held on 20 July 2021 in which the Audit objectives, sample selection, audit scope and methodology were explained. The Exit Conference was held on 12 October 2021 with Secretary, Finance (Revenue), Government of Rajasthan, Chief Commissioner of State Tax and other officers of the State Government in which the audit findings were discussed. The views expressed by the State Government during the Exit Conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs.

2.9.5 Audit Criteria:

The audit criteria were derived from the following Acts, Rules and notifications/circulars issued there under:

- (i) Rajasthan Goods and Services Tax (RGST) Act, 2017
- (ii) Rajasthan Goods and Services Tax Rules, 2017
- (iii) Rajasthan Value Added Tax (VAT) Act, 2003
- (iv) Rajasthan Value Added Tax Rules, 2006
- (v) Central Sales Tax (CST) Act, 1956
- (vi) Central Sales Tax (Registration and turnover) Rules, 1957

2.9.6 Audit Findings

During examination of individual transitional cases, Audit observed significant deviations from the GST Acts/Rules in 691 cases⁶⁹ (52 *per cent*), out of 1,325 cases examined by Audit. The irregularities pertained to excess

68 It included 570 taxpayers under Central Jurisdiction and 755 taxpayers under State Jurisdiction.

69 674 cases of excess carry forward of Input Tax Credit as per assessment /rectification order (Para 6.1.1), One case of Irregular allowance and carry forward of ITC of previous period (Para 6.1.2) and 16 cases of non-payment of interest (Para 6.1.3).

carry forward of Input Tax Credit, non-payment of interest on reversal of irregular transitional credit, etc.

The deficiencies related to compliance issues, noticed during the SSCA, are summarized in the Table 2.5 below:

Table 2.5

(₹ in crore)

Nature of Audit Findings	Audit Sample		Number of deficiencies noticed		Deviation as percentage of Sample	
	Number	Amount	Number	Amount	Number	Amount
Excess carry forward of Input Tax Credit as per assessment order/rectification order	1325 (Central-570 & State-755)	624.24(Central 364.49 & State 259.75)	674	164.68	50.86	26.38
Excess carry forward of Input Tax Credit as per legacy returns			101 ⁷⁰	8.9	7.62	1.42
Non-payment of interest	29	7.60 (Central 0.70 & State 6.90)	16	0.90	55.17	11.84

In addition to the compliance issues, Audit also observed systemic issues, such as allowance of transitional credit without necessary details, non-reconciliation of TRAN-1 with Electronic credit ledger and lack of Management Information System (MIS) for monitoring of verification of transitional credits.

Audit findings related to compliance and systemic issues identified on the basis of scrutiny of the selected cases are included in the subsequent paragraphs.

Compliance issues

2.9.6.1 Excess carry forward of Input Tax Credit

According to Section 140 of the RGST Act, 2017, a registered person, shall be entitled to take, credit of the amount of Value Added Tax (VAT), carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law. Further, it was provided in the Section that the registered person shall not be allowed to take credit unless the said credit was admissible as ITC under the existing law and is also admissible as ITC under this Act.

Further, credit as is attributable to a claim related to Section 3, sub-section (3) of Section 5, section 6, section 6A or sub-section (8) of section 8 of the Central Sales Tax Act, 1956 (Central Act No. 74 of 1956) which is not

70 Out of these 101 cases, 96 cases are included in 674 cases of excess carry forward of ITC as per assessment order. In the remaining 5 cases, the Department had already issued notices regarding excess carry forward of ITC on the basis of assessment/rectification order.

substantiated in the manner prescribed in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 shall not be eligible to be credited to the Electronic Credit Ledger (ECL). Section 23 and 24 of the RVAT Act, 2003 and Section 9 of the CST Act, 1956 provide for assessment of the taxpayers on the basis of returns filed by them under the existing GST law.

Out of the examined 1325 transitional credit claims pertaining to 94 circles, audit scrutiny revealed excess carry forward of ITC in case of 674 taxpayers⁷¹ of 79 circles. In these cases, the transitional credit of SGST, carried forwarded in Table 5(c) of TRAN-1, was more than the ITC available to be carried forward as per assessment/rectification orders. As per the assessment order, these taxpayers had pending declaration forms and/or outstanding demands under pre-GST regime which were calculated after adjusting available ITC as per the last VAT/CST returns. However, this ITC had already been carried forward as Transitional Credit by the taxpayers. As a result, excess ITC amounting to ₹164.68 crore was carried forward in ECL of the taxpayers which was required to be recovered alongwith interest as per provisions *ibid*. **Out of these 674 taxpayers, 40 taxpayers under State Jurisdiction had been verified by the State Tax Department. However, the irregularities remained unnoticed until pointed out by Audit. Further, in respect of 34 assesseees, migrated to Centre after GST implementation, it could not be ascertained during audit as to whether demand raised in the assessment of the VAT returns was intimated to the Central tax authorities.**

Non-consideration of the transitional credit already availed by the taxpayers, at the time of assessments of legacy returns by the assessing authorities, resulted in the excess availing of credit under Transition Provisions of the RGST Act, 2017.

Further, 101 taxpayers⁷² of 47 circles claimed excess ITC of ₹8.90 crore in TRAN 1 as compared to VAT credit balance declared in the legacy returns⁷³. This reflects that the taxpayers did not match their transitional credit claim with the balance to be carried forward in their legacy returns in contravention of section 140 of RGST Act. Since the transitional credit claim process on GSTN system was based on self-declaration by the taxpayers and had no linkage with the commercial taxes portal⁷⁴ of the State Government, the GSTN system could not prevent such excess claims.

The assessments of legacy returns have been carried out in all these cases and therefore, the net impact of 96 cases on the revenues of the State Government has been taken into account in the paragraph above and in the remaining five cases, the Department had already issued notices regarding excess carry forward of ITC on the basis of assessment/rectification order.

The matter was reported to the Department and the State Government (November 2021).

71 It includes 354 taxpayers of Central Jurisdiction and 320 taxpayers of State Jurisdiction.

72 It includes 49 taxpayers of Central Jurisdiction and 52 taxpayers of State Jurisdiction

73 VAT-10.

74 *RajVISTA*

- Regarding the 674 cases of excess carry forward as compared to assessment/rectification orders, the Government stated (December 2021) that the concerned circle officers have been instructed to submit compliance in 286 cases, notices have been issued in respect of 197 cases, reply would be communicated after due examination in 102 cases, matter brought to the notice of the central tax authorities in 53 cases, rectification order issued in 22 cases and ₹73 lakh recovered/ adjusted in 14 cases.
- The Government further intimated (October 2021) that out of the 34 assessees, who migrated to Centre after GST implementation, demand raised in the assessment of the VAT returns was intimated to the Central tax authorities in respect of three assesses and the cases of the remaining assesses were under examination.
- In respect of the 101 cases of excess carry forward in comparison to legacy returns, the Government stated (December 2021) that the concerned circle officers have been instructed to submit compliance in 64 cases, reply would be communicated after due examination in three cases, notices issued in respect of 22 cases, matter brought to the notice of the central tax authorities in six cases, rectification order issued in three cases and ₹ 4.76 lakh recovered in three cases.

During the exit conference, Additional Commissioner, GST while accepting the facts stated that most of the cases related to ITC mismatch or pending declaration forms which would be set off after submission of pending declaration forms or verification of mismatched ITC. Further progress was awaited (December 2021).

An illustrative case is given below: -

During scrutiny of records in Circle E, Jaipur it was noticed that a taxpayer claimed ITC of ₹ 9.51 crore in legacy return⁷⁵ which was carried forward in TRAN-1 (December 2017). Further examination of records revealed that as per the assessment order of 2017-18 (December 2019), allowable ITC was only ₹ 14.65 lakh. Further, it was observed that the assessing authority raised a demand of ₹ 2.71 crore after adjusting the ITC of ₹ 14.65 lakh and tax payment of ₹ 94.52 lakh against the total liability of ₹ 3.80 crore. As a result, excess transitional credit amounting to ₹ 9.51 crore was availed by the taxpayer.

The matter was reported to the Department and the State Government (November 2021). Government stated (December 2021) that the concerned circle officer has been instructed to submit compliance. Further progress was awaited (December 2021).

75 VAT-10

2.9.6.2 Irregular allowance and carry forward of ITC of previous period

As per Section 18(1) of Rajasthan VAT Act, every taxpayer is allowed to claim ITC on the purchase of taxable goods from a registered dealer within the State and for the purposes specified in clauses (a) to (g).

During scrutiny of records of Circle Sumerpur, it was noticed that a taxpayer brought forward ITC amounting to ₹26.70 lakh from Financial Year 2016-17 to 2017-18. Examination of returns/assessment for the year 2016-17 disclosed that the taxpayer had claimed ITC of ₹26.65 lakh on purchase of goods which were sold as exempted goods. Therefore, ITC was not allowable on purchase of these goods. However, the Assessing Authority, while finalising the assessments for the year 2016-17, failed to detect the irregularity and allowed ITC as claimed by the taxpayer which was carried forward for the year 2017-18. The taxpayer claimed transitional credit of ₹32.75 lakh as a closing balance of legacy period which included ₹26.65 lakh irregularly carried forward from 2016-17. This resulted in excess claim of ITC of ₹ 26.65 lakh in TRAN-1 which was recoverable along with interest.

The matter was reported to the Department and the State Government (November 2021). The Government stated (December 2021) that notice has been issued to the taxpayer. During exit conference, the Chief Commissioner (State Tax) accepted the audit contention. Further progress was awaited (December 2021).

2.9.6.3 Non-payment of interest

Rule 121 of the CGST/SGST 2017 stipulates that proceedings under Section 73 or 74 of the SGST Act shall be initiated in respect of any credit wrongly availed. The proceeding under Section 73 or 74 shall require the taxpayer to pay the credit along with interest payable thereon under Section 50 of the Act. Section 50 of the Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made there under, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay interest at the rate notified.

Out of the examined 1325 transitional credit claims pertaining to 94 circles, audit scrutiny revealed that irregular transitional credit amounting to ₹ 6.56 crore was reversed in 29 cases of 20 circles. It was noticed in case of 16 taxpayers⁷⁶ of 12 circles⁷⁷, that irregular transitional credit of ₹ 5.42 crore was claimed which was subsequently deposited by the taxpayers or reversed by the taxpayers/Department, in which interest was leviable on the amount of irregular transitional credit claimed for the period from the claim to the reversal/deposit as per the provisions *ibid*. However, neither the taxpayers paid the interest nor was it demanded by the Department which resulted in non-

⁷⁶ It includes 3 taxpayers of Central jurisdiction and 13 taxpayers of State jurisdiction.

⁷⁷ Circle A, N, WT-1 and Spl-4 Jaipur, Special Hanumangarh, Jhalawar, A and B, Kota, Gangapur City, B and Spl-1, Bhiwadi and Sahjahanpur.

payment of interest amounting to ₹ 0.90 crore. Further, out of these 16 taxpayers, four taxpayers had also utilised/partially utilised the irregular credit of ₹ 8.69 lakh.

The matter was reported to the Department and the State Government (November 2021). The Government stated (December 2021) that notices have been issued in 10 cases of seven circles⁷⁸, ₹ 0.43 lakh recovered in one case⁷⁹, concerned circle officer instructed to submit compliance in one case⁸⁰ and reply would be communicated after due examination in one case⁸¹. Further, in respect of three cases of two circles⁸² it was stated that as per the GST Council meeting 17th Sept 2021, no interest was leviable on the unutilised ITC. During the exit conference, Assistant Commissioner, GST stated that these cases need to be examined in light of the decision of 45th GST Council meeting (held on 17th Sept 2021) in which it was decided⁸³ that interest would be leviable when the ineligible ITC was availed *and utilised*. However, audit found that the relevant amendment in the CGST/SGST Acts have not yet been notified. Further progress was awaited (December 2021).

One illustrative case is given below:-

During scrutiny of records of circle N Jaipur, it was noticed that a taxpayer availed (02 December 2017) transitional credit of ₹ 65.81 lakh through TRAN-1, out of which ₹48.29 lakh was utilized (May 2018) by the taxpayer to meet tax liability. However, examination of assessment order (September 2019) revealed that ITC eligible to be carried forward was ₹ 0.34 lakh. The taxpayer reversed (August 2018) SGST amounting to ₹49.52 lakh and ₹ 16.29 lakh in GSTR-3B for the month of April 2018 and July 2018 respectively. Therefore, interest was leviable on the excess claim amount of ₹ 65.81 lakh, which was subsequently reversed, for the period from December 2017 to August 2018 as per the provisions *ibid* amounting to ₹ 8.59 lakh. However, neither the taxpayer deposited the interest nor the Department initiated action to recover the interest amount which resulted in non-recovery of ₹8.59 lakh.

The matter was reported to the Department and the State Government (November 2021). The Government stated (December 2021) that interest is not leviable on unutilised ITC. However, in the absence of any relevant amendment in the CGST/SGST Acts, interest is leviable on the irregular transitional credit availed as per the extant provisions. Further progress was awaited (December 2021).

78 Circles A and B Kota , Jhalawar, WT- 1 Jaipur, Special Hanumangarh, Special I Bhiwadi and Sahjahanpur.

79 Pertaining to circle Special IV, Jaipur.

80 Circle A, Jaipur.

81 Circle B Bhiwadi.

82 Circle N Jaipur and Gangapur City.

83 Effective retrospectively from July 2017.

Systemic issues

2.9.6.4 System for verification of transitional credits

Central Board of Indirect taxes and Customs (CBIC) issued a detailed guidance note⁸⁴ for Transitional credit verification by its field formations vide circular of March 2018. The circular specifies that “the CGST officers shall have the jurisdiction for verification of Transitional credit of CGST irrespective of whether the tax payer is allotted to the Central Government or the State Government for the purpose of GST. TRAN credit verification process can only be done by the tax authority which had legal jurisdiction under the erstwhile law and also has the requisite past record of the tax payer”.

The Commercial Taxes Department had also issued instructions (April 2018)⁸⁵ regarding verification of TRAN-1 with last return under the existing VAT/CST laws. The State Government also shared the list of taxpayers with the State tax authorities, who had claimed more than ₹ 25 lakh of input tax credit under SGST and where the amount of ITC did not match with the amount shown in the last return filed under RVAT Act, 2003.

Audit requested (May and July 2021) the Department to provide the details of taxpayers selected for verification, total number of taxpayers selected and timelines prescribed for verification. The same has not been provided to Audit (December 2021).

It was noticed during audit of the selected circles that, out of 1325 transitional credit cases selected for audit, the Department had verified 459 cases⁸⁶ i.e. 34.64 per cent of the sample. Out of the 459 transitional credit claims verified by the Department, Audit noticed further irregularities in respect of 86 cases (18.73 per cent), which were not detected by the Department.

The matter was reported to the Department and the State Government (November 2021). During the exit conference, Chief Commissioner (State Tax) admitted the audit contention. Further progress was awaited (December 2021).

2.9.6.5 Allowance of Transitional Credit without necessary details

According to second proviso of Section 140(1) of RGST Act, credit as is attributable to any claim related to Section 3, Section 5(3), Section 6, Section 6A or Section 8(8) of the Central Sales Tax Act, 1956 which is not substantiated in the manner and within the period prescribed in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 shall not be eligible to be credited to the ECL. Therefore, taxpayers were required to mention the amount of transitional credit of ITC claimed as SGST after deduction of the amount of ITC liable to be reversed.

84 D.O.F. No.267/8/2018-CX.8 dated 14 March, 2018

85 No.F.17(134)ACCT/GST/2018/3220, dated 02 April 2018

86 It includes 141 taxpayers of Central jurisdiction and 318 taxpayers of State Jurisdiction.

Rule 117(1) of RGST rules stipulates that every registered person entitled to take credit of input tax under Section 140 shall submit a declaration electronically in form TRAN-1 on the common portal specifying therein, separately, the amount of ITC to which he is entitled under the provisions of the said section.

- (i) During scrutiny of records of 1325 taxpayers of 94 selected circles, it was noticed that details of outstanding declaration forms (C, H & F) in table 5(c) of TRAN-1 such as turnover relating to outstanding declaration forms along with difference tax payable and amount of reversible ITC relatable to the pending forms was not available in case of 644 taxpayers⁸⁷ (48.60 per cent) of 77 Circles. Out of these 644 taxpayers, transitional credits with respect to 114 taxpayers (77 taxpayers pertaining to the State jurisdiction and 37 taxpayers under Central Jurisdiction) had been verified by the Tax authorities. However, the Department failed to detect the lapse.
- (ii) Further audit scrutiny revealed that in respect of nine taxpayers of six circles⁸⁸, while the balance of ITC of VAT (in legacy return) and turnover of outstanding declarations forms was mentioned in TRAN-1, the difference tax leviable was not mentioned.

In the above cases, it was seen that the department did not seek necessary details of the declaration forms from the taxpayers and the GST portal also allowed transitional credit claims with these fields left blank. In the absence of these details, Audit could not verify the correctness of ITC carried forward as transitional credit and the possibility of irregular carry forward of ITC could not be ruled out.

The matter was reported to the Department and the State Government (November 2021). The Government stated (December 2021) that the concerned circle officers have been instructed to submit compliance in 338 cases, notices have been issued in 119 cases, reply would be communicated after due examination in 24 cases, matter brought to the notice of the central tax authorities in 52 cases, rectification order issued in 19 cases and ₹20.90 lakh recovered in six cases.

Further, in 86 cases it was stated that benefit of pending declaration forms was not allowed at the time of VAT assessment for the year 2017-18 and in four cases, out of these 86 cases, it was stated that the due date for submission of declaration forms has been extended. The reply is not acceptable as the transitional credit was required to be claimed after deduction of the difference tax corresponding to the pending declaration forms. However, in all these cases, it could not be ascertained whether the difference tax was deducted from the transitional credit claim. Even if the benefit of pending declaration forms was not allowed in the VAT assessments, which were carried out after the transitional credit had been availed, the possibility of excess transitional credit claims in these cases could not be ruled out.

⁸⁷ It includes 306 taxpayers of Central jurisdiction and 338 taxpayers of State Jurisdiction.

⁸⁸ Circle C Jaipur, E Jaipur, L Jaipur, M Jaipur, A Bhiwadi and B Bhiwadi

Further, in respect of nine cases in which only the difference tax leviable was not mentioned, Government stated (December 2021) that the concerned circle officers have been instructed to submit compliance.

- (iii) A taxpayer⁸⁹, in addition to mentioning the details of turnover of outstanding forms, mentioned the difference tax leviable on pending C forms amounting to ₹ 14.62 lakh in column 4 of table 5(c) of TRAN 1. Audit scrutiny revealed that the taxpayer also mentioned the same amount in column 7⁹⁰ of table 5(c) irregularly as columns 5 and 6 pertaining to turnover and difference tax payable on pending F forms respectively were left blank. The erroneous entry in column 7 offset the difference tax mentioned in column 4, due to which the difference tax payable on pending C forms mentioned in column 4 was not deducted from the transitional credit claim. The GST portal also did not prevent the entry in column 7 in the absence of the corresponding entries in columns 5 and 6. This resulted in excess transitional credit claim of ₹ 14.62 lakh.

The matter was reported to the Department and the State Government (November 2021). The Government stated (December 2021) that the concerned circle officer has been instructed to submit compliance.

During the exit conference Additional Commissioner accepted the facts. Further progress was awaited (December 2021).

2.9.6.6 Non-availability of information/documents related to transitional credit on closing stock

The registered persons were entitled to take, in their ECL, credit of the VAT in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day as per provisions of sub-sections (3), (4) and (6) of Section 140 of the RGST Act. The registered persons were required to file a return in the prescribed form TRAN-1 in which Table 7(c) captures the transition of eligible taxes under these sub-sections.

During scrutiny of TRAN-1 filed by the taxpayers it was noticed that 13 taxpayers of seven circles⁹¹ claimed transitional credit of SGST in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day. However, Audit could not verify whether the taxpayers claimed ITC on these stocks in the returns⁹² filed under the RVAT Act and were eligible to claim transitional credit as per the conditions prescribed in the provisions *ibid* as the relevant supporting information and records i.e. details of closing stock and supporting invoices were not available with the circles.

It is relevant to mention that the transitional credit claims in these cases had not been verified by the Department. The required information/ records could

89 Pertaining to circle E Jaipur.

90 ITC reversal relatable to difference tax payable on pending F forms.

91 Circle C, E and Q Jaipur, Circle A and Special circle 1 Bhilwara, A and C Bikaner.

92 VAT-10

have been requisitioned for verification by the Department and in the absence of these records/information, the veracity of claims in these cases could not be ascertained and the possibility of irregular transitional credit claims could not be ruled out.

The matter was reported to the Department and the State Government (November 2021). The Government stated (December 2021) that notices have been issued in five cases⁹³, concerned circle officers have been instructed to submit compliance in seven cases⁹⁴ and reply would be communicated after due examination in one case⁹⁵. Further progress was awaited (December 2021).

2.9.6.7 Credit of unavailed ITC of Capital goods/Inputs received on or after the appointed day

Section 140(2) of Rajasthan GST Act stipulates that a registered person shall be entitled to take, in his ECL, credit of the unavailed input tax credit in respect of capital goods, not carried forward in a return, furnished under the existing law by him, for the period ending with the day immediately preceding the appointed day in such manner as may be prescribed. Further, Rule 117 (2) of Rajasthan GST Rules prescribes that in the case of a claim under sub-section (2) of section 140, the particulars are required to be specified separately i.e. the amount of tax or duty availed or utilized and yet to be utilized by way of input tax credit in respect of every item of capital goods as on the appointed day. The registered person was required to claim such ITC under Transitional Credit in Column 6(b) of TRAN-1.

Further, Section 140 (5) of Rajasthan GST Act, 2017 provides that a registered person shall be entitled to take, in his ECL, credit of VAT, if any, in respect of inputs received on or after the appointed day but the tax in respect of which has been paid by the supplier under the existing law, subject to the condition that the invoice or any other taxpaying document of the same was recorded in the books of account of such person within a period of thirty days from the appointed day. The registered person was required to file a return in prescribed form TRAN-1 and Table 7(b) of the TRAN-1 provided to capture the transition of eligible taxes under this category.

During scrutiny of TRAN-1 filed by the taxpayers it was noticed that a taxpayer⁹⁶ claimed transitional credit as SGST in respect of unavailed SGST credit on Capital Goods (Table 6(b) of TRAN-1) amounting to ₹52.40 lakh. Further, two taxpayers of two circles⁹⁷ claimed SGST credit amounting to ₹ 29.44 lakh on inputs received on or after the appointed day but the tax in respect of which had been paid by the supplier under the existing law (Table 7(b) of TRAN-1).

93 Pertaining to Circle C Jaipur, Circle A and Special circle 1 Bhilwara.

94 Circle A Bikaner, E and Q Jaipur.

95 Circle C Bikaner.

96 Pertaining to Special Circle-II, Udaipur.

97 Pertaining to Special Circle-II, Udaipur and Circle E, Jaipur.

However, the prescribed information e.g. details of capital goods and closing stock alongwith supporting invoices were not available with the circles as verification of these transitional credit cases was not carried out by the circles.

Therefore, Audit could not verify whether the registered persons were eligible to claim transitional credit under these categories as per conditions prescribed in the provisions *ibid*.

The matter was reported to the Department and the State Government (November 2021). The Government stated (December 2021) that the concerned circle officers have been instructed to submit compliance. Further progress was awaited (December 2021).

2.9.6.8 Non reconciliation of TRAN-1 with Electronic Credit ledger

According to Section 140(1) of Rajasthan GST Act, 2017, a registered person shall be entitled to take, in his ECL, credit of the amount of VAT, if any, carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law in such manner as may be prescribed. The registered person was required to file a return in prescribed form TRAN-1 in which Table 5(c) would capture the transition of eligible taxes under this category.

During the SSCA, it was noticed that a taxpayer⁹⁸ claimed transitional credit of ₹ 16.83 lakh as SGST in respect of excess ITC carried forward from the return filed under Rajasthan VAT Act for the quarter ending 30 June 2017. However, in the ECL of the taxpayer, the corresponding credit entry of ₹ 23.18 lakh was available in the system instead of ₹16.83 lakh. Audit examination revealed that the credit/debit entries in the ECL correspond to the ITC claimed in table 5(c) of TRAN-1 and any revisions in it. However, in this case, the amount declared in TRAN-1 was not reconciled with the balance available in the ECL by the GST portal resulting in excess credit of ₹6.35 lakh in ECL.

The matter was reported to the Department and the State Government (November 2021). The Government stated (December 2021) that notice has been issued to the taxpayer. During exit conference, Addl. Comm. stated that the issue would be examined. Further progress was awaited (December 2021).

2.9.6.9 Lack of Management Information System (MIS) on GST portal for transitional credit

MIS is an important tool of internal control mechanism as it serves to communicate required, relevant and accurate information in a timely and regular manner to the relevant authorities which helps them to evaluate progress/ status and thus forms the basis of an effective internal control system.

98 Pertaining to Circle E Jaipur.

During the SSCA, information such as number of taxpayers who filed TRAN-1, total transitional credit claimed as SGST and number of transitional credit claims scrutinized by the Department etc. was requisitioned by audit in the 94 selected circles. The concerned Jurisdictional Officers of 71 circles, could provide only limited information attributing the reason to lack of relevant MIS on the GST BOWEB portal⁹⁹. The remaining 23 circles provided the required information on the basis of compilation of information at the level of circles. However, in the absence of any supporting documents, the veracity of the information provided by these circles could not be ascertained. It was also seen that the department had not issued directions or a common format for compilation of such basic information.

Absence of the relevant MIS of basic information relating to transitional credit claims reflects the lack of aggregation and reporting of information vital for efficient functioning and effective monitoring.

The matter was reported to the Department and the State Government (November 2021). The Government stated (December 2021) that Rajasthan being a Model-2 state, services can be added or created on the portal by GSTN only. During the exit conference, Secretary (Finance) admitted that this was very basic information which should have been available on the portal.

(Refer to Appendix 2.20 and 2.21)

2.9.7 Conclusion

Audit noticed gaps in the assessment of the VAT orders for 2017-18 and transitional credit verification, which resulted in carry forward of ITC in the GST regime in excess of the ITC available to be carried forward as per assessment/rectification orders and legacy returns in a significant number of cases.

Audit also observed systemic issues such as allowance of transitional credit without necessary details, non-reconciliation of TRAN-1 with Electronic Credit Ledger, etc. In addition, there were deficiencies in the internal control mechanism, including the system for verification of transitional credit claims.

2.9.8 Recommendation

Apart from the requisite action on the irregularities brought out by Audit as highlighted in the preceding paragraphs, there is an urgent need for the State Government to examine all the VAT assessment/rectification orders for the year 2017-18 to determine whether excess transitional credit was carried forward to the GST regime (TRAN-1). Further, the Department may take steps to strengthen internal controls to minimize errors in the verifications carried

99 BOWEB is the back-office portal provided for tax officials by the GSTN.

out by the circles for better compliance with GST laws and to plug revenue leakage. The Department may also facilitate the availability of relevant reports/MIS of basic information pertaining to transitional credit claims and address the systemic deficiencies through relevant validation checks on the GST portal by pursuing the matter with GSTN.

2.10 Excess carry forward of Input tax credit

Besides the SSCA conducted for the sampled cases in the designated circles as mentioned above, audit also noticed a case which is detailed below:

2.10.1 Failure to verify the Input tax credit available under pre-GST regime resulted in taxpayers availing excess transitional credit

According to Section 140(1) of the Rajasthan Goods and Service tax Act, 2017, a registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his electronic credit ledger, credit of the amount of Value Added Tax (VAT), if any, carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law in such manner as may be prescribed.

Audit scrutiny (between June 2020 to November 2020) of the records of four circles¹⁰⁰ revealed that 15 taxpayers had claimed Transitional Credit of State Goods and Service Tax (SGST) amounting to ₹ 2.94 crore in their TRAN-1 against the ITC carried forward from pre-GST regime based on the returns filed by them. Examination of assessment records of these taxpayers revealed that in case of 14 taxpayers, excess ITC under VAT was not available to be carried forward as per VAT/CST assessments (for the year 2017-18), and instead demands amounting to ₹1.38 crore were outstanding against them under the pre-GST regime. In the remaining case, the taxpayer claimed SGST Transitional Credit of ₹1.41 crore in the returns filed under pre-GST regime. However, as per the assessment orders, only ₹0.46 crore was available as excess ITC to be carried forward.

The Jurisdictional Officers (JOs) informed that transitional credits were verified in case of eight taxpayers. However, the JOs failed to detect the irregularities in these cases. In the remaining seven cases, the transitional credits were not verified which led to excess carry forward of ITC amounting to ₹ 2.48 crore.

The omission was reported to the Department and the State Government (September 2021). The Government replied (November 2021) that ITC of ₹ 0.17 crore had been reversed/recovered in four cases¹⁰¹ while tax

¹⁰⁰ Circle WT-Ajmer, Special-I, III and VIII Jaipur.

¹⁰¹ Belonging to Circle WT-Ajmer and Special- III, Jaipur.

assessments of previous years had been rectified in four cases¹⁰² with recovery of ₹ 0.01 crore in one case. Regarding one case¹⁰³, the Government stated that the taxpayer had claimed the ITC for input held in stock to be used in works contract executed under Exemption Certificate. The reply is not acceptable as scrutiny of TRAN-1 filed by the taxpayer revealed that the taxpayer had shown nil amount in Table 7.c pertaining to inputs held in stock. The Government also informed that notices had been issued in remaining cases. Further progress was awaited (December 2021).

102 Belonging to Circle Special-I and III Jaipur.

103 Belonging to Circle WT-Ajmer.

CHAPTER-III

LAND REVENUE

CHAPTER-III: LAND REVENUE

3.1 Tax Administration

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

The Revenue Department (henceforth referred to as Department) functions as the Administrative Department of the Government and it administers all matters relating to assessment and collection of land revenue. The overall control of revenue related judicial matters along with supervision and monitoring over revenue officers vests with the Board of Revenue (BoR). The BoR is assisted by 33 Collectors at the district level, 289 Sub-Divisional Officers (SDOs) at the sub-division level and 339 *Tehsildars* at the *Tehsil* level. The BoR is also the State Level Implementing Authority for computerization of land records in Rajasthan.

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

3.2 Internal Audit Conducted by Department

The Financial Adviser, BoR is the head of the Internal Audit Wing. There were 18 internal audit parties sanctioned in the Department; but only 16 internal audit parties were deployed. The status of internal audit conducted during the period from 2016-17 to 2020-21 is given in Table 3.1 below:

Table 3.1

Year	Units pending	Units due for audit during the year	Total units due for audit during the year	Units audited during the year			Units remaining unaudited	Percentage of units remaining un-audited
				Pertaining to previous year	Pertaining to current year	Total		
1	2	3	4 (2+3)	5	6	7	8 (4-7)	9
2016-17	203	817	1,020	205	567	772	248	24
2017-18	248	815	1,063	248	491	739	324	30
2018-19	324	816	1,140	324	618	942	198	17
2019-20	198	816	1,014	198	631	829	185	18
2020-21	185	822	1,007	185	567	752	255	25

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

The Department had made efforts in 2018-19 and 2019-20 to cover the arrears of the preceding years. However, it would need to make further efforts to complete the pending job in this regard.

Further, it was noticed that compliance of 25,990 paragraphs in the internal audit reports were outstanding at the end of 2020-21. Year-wise break up of outstanding paragraphs is given in Table 3.2 below:

Table 3.2

Year	Up to 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Outstanding paragraphs of the audit conducted during the year	7,640	1,674	2,027	3,116	4,518	7,015	25,990
Amount involved (₹in lakh)	24,890.60	10,096.33	2,129.94	3,800.42	2,947.74	4,128.92	47,993.95

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

Out of 25,990 paragraphs, 7,640 paragraphs (29.40 *per cent*) were outstanding for more than five years for want of compliance/corrective action. The Department stated that the arrear in audit and slow pace of disposal of paragraphs was due to the vacancies in various cadres and lockdown due to Covid 19.

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

3.3 Results of audit

There are 704 auditable units under the Land Revenue Department, out of these 57 units (approximate 8.10 *per cent*) were selected for test check during 2020-21. Under these selected units, there were 7,956 cases of allotment, conversion/regularization and lease of land etc., of which 4,715 cases (approximate 59.26 *per cent*) were selected for audit. During test check, audit observed irregularities relating to conversion/regularization, allotment, lease, other irregularities, etc., involving an amount of ₹ 67.88 crore in 2,354 cases (approximate 49.93 *per cent* of sampled cases).

These cases are illustrative only as these are based on test check of records. Audit pointed out similar omissions in earlier years. However, not only do these irregularities persist but these also remain undetected till next audit is conducted. There is a need for the Government to significantly improve the internal control system including strengthening of internal audit so that recurrence of such cases can be avoided. Irregularities noticed broadly fall under the following categories:

(₹ in crore)			
Sl. No.	Category of irregularities	No. of cases	Amount
1	Non-recovery/short recovery of premium and lease rent from State Government Departments	01	0.14
2	Non-recovery/short recovery of conversion charges from <i>khatedars</i> ¹	167	56.35
3	Non reversion of land to Government	03	0
4	Other irregularities relating to :		
	(i) Revenue	352	6.92
	(ii) Expenditure	1,831	4.47
	Total	2,354	67.88

During the year 2020-21, the Department accepted audit observations worth ₹ 12.29 crore in 189 cases of which 34 cases having ₹ 0.42 crore money value were pointed out in the year 2020-21 and rest 155 cases involving ₹ 11.87 crore pertained to earlier years. The Department recovered ₹ 0.62 crore in 80 cases during the year 2020-21 which were related to earlier years.

Few illustrative cases involving ₹ 15.44 crore in the audited units of the Department are discussed in the succeeding paragraphs. It is pertinent to mention that similar issues have been raised earlier and published in the CAG's Audit Report (Revenue Sector) of previous years wherein the Government accepted the observations and initiated action/recoveries. However, it is seen that the Department took action only in that cases pointed out by audit and failed to strengthen the internal control system, which led to recurrence of same issues in subsequent years.

3.4 Non/Short recovery on conversion charges

Section 90-A and 91 of Rajasthan Land Revenue (RLR) Act, 1956 permits use of agricultural land for non-agricultural purposes with written permission of the State Government and after making such payment as prescribed by the State Government. Further, if any such land is so used without the written permission of the State Government and without making the payments due, such person shall be deemed to be a trespasser and shall be liable to be ejected from such land.

As per Rule 7 of Rajasthan Land Revenue (Conversion of agricultural land for non-agricultural purposes in rural area) Rules 2007, premium for conversion of agricultural land for non-agricultural purpose (commercial, institutional, residential colony, industrial purposes, etc.) shall be charged at the rates² prescribed by the Government from time to time. Further, under Rule 13 *ibid*,

- 1 A land holding by a *Khatedar* tenant (who has entered in the revenue records as a tenant) from land owner of the estate.
- 2 **Commercial purpose:** ₹ 10 per sqm or 10 per cent amount of concerned DLC rate of agricultural land or 10 per cent amount of the purchase rate of that agricultural land as mentioned in registered sale deed, if any, whichever is higher.
Institutional purpose: ₹ 5 per sqm or 10 per cent amount of DLC rate of agricultural land, or 10 per cent amount of the purchase rate of that agricultural land as mentioned in registered sale deed, if any, whichever is higher.
Industrial Purpose: ₹ 5 per sqm or 5 per cent amount of DLC rate of agricultural land or 5 per cent amount of the purchase rate of that agricultural land as mentioned in registered sale deed, if any, whichever is higher.

a person who had used agricultural land for non-agricultural purpose without permission can apply for regularization of the use by depositing four times of the conversion charges as prescribed in Rule 7.

(a) Non-recovery of conversion charges

3.4.1 Section 17 (5) of the Rajasthan Imposition of Ceiling on Agriculture Holding Act, 1973 stipulates that if a person acquires, with the prior approval of the State Government, any land in excess of the ceiling area applicable to him, to be used for any of the prescribed non-agricultural purposes, such person shall have to apply for conversion of the land for the proposed non-agricultural use within one year from the date of such acquisition.

Test check (July 2020) of conversion records of District Collector Jaipur revealed that a firm³ had purchased (February and June 2018) 119.11 *bigha* private agriculture land in Village Asalpur Tehsil Phulera for the establishment of a PVC pipes manufacturing unit. Revenue Department, Government of Rajasthan issued (April 2019) a notification for exemption of the entire 119.11 *bigha* land from the operation of Rajasthan Imposition of Ceiling on Agriculture Holding Act, 1973 with the condition that the Firm shall apply for conversion of the land for industrial purposes under the provision of RLR (Conversion of Agricultural Land for Non-Agricultural Purposes in Rural Area) Rules 2007. Revenue Department did not mention the time limit of one year to apply for conversion of the land for industrial purposes despite having specific provisions in the Ceiling Act, 1973 referred to above.

The Firm applied and got the land use of a part of 119.11 *bigha* land (39.06 *bigha*) changed in June 2019. The Firm would have been bound to get the land use of the entire 119.11 *bigha* land instead of 39.06 *bigha* changed by April 2020, had the revenue department mentioned the time limit of one year for a change of land use for industrial purposes in the ceiling exemption notification (April 2019).

The State Government, while accepting the facts stated (October 2021) that in response to notice issued (March 2021), the Firm replied that cutoff date was not mentioned in the condition No. 2 of the Notification for conversion of the land and condition No. 4 of the Notification allowed three years for utilization of the land after its conversion respectively. The Firm also replied that conversion of the remaining 77.15 *bigha* would be done before 25.04.2022. Further, it stated that District Collector, Jaipur wrote (July 2021) a letter to the Joint Secretary, Revenue Department for taking necessary action for non-conversion of the remaining land by the Firm as per condition No. 2 of the Notification and for seeking clarification regarding the time limit for utilization of land. Subsequently, State Government intimated (December 2021) that District Collector, Jaipur had been directed to issue notice to firm for depositing the objected amount within three months and to send a proposal to the department for cancellation of notification dated 25.04.2019 if the firm failed to deposit amount.

3 M/s Prince Pipes and Fittings Ltd. Mumbai

The reply is not tenable as the three year time period was allowed to the Firm for utilisation of the entire land for setting up a manufacturing unit and not for conversion of the land use. The entire land should have been converted for industrial purposes within one year from issue of the Notification i.e. by April 2020 as per the provision mentioned in the Ceiling Act, 1973. Thus, Revenue Department's failure in mentioning the correct provision of Rajasthan Imposition of Ceiling on Agriculture Holding Act, 1973 in exemption notification resulted in land use of 77.75 bigha land remaining unchanged. Consequently, this resulted in non-recovery of conversion charges of ₹ 89.87 lakh⁴ calculated on the applicable purchase rate of ₹ 45.70 per sqm (which was higher than applicable DLC rate of ₹ 4.28 per sqm).

3.4.2. Test check (July 2020 and January 2021) of records of the Tehsil, Tonk, Todaraisingh and Devali of District Tonk, and Tehsil, Phulera, Chomu, Mojmabad and Dudu of District Jaipur, revealed that in 79 cases, *khatedari* land measuring 18,51,146.40 square meter (sqm) was used for industrial, commercial, residential colony and institutional purposes without permission. Thus, conversion charges including penalty charges amounting to ₹ 14.21 crore were to be recovered as per details given in table 3.3 below:

Table 3.3

Sl. No.	Name of District	Nature of land use	No. of Cases	Area of land being used for non-agriculture purposes (Sqm)	Four times of recoverable conversion charges (₹ in lakh)
1.	Jaipur	Industrial (Shops, hotels, etc.)	21	2,03,921	523.30
		Institutional (Schools)	03	25,058	18.74
		Residential colony	51	15,76,862	869.53
2.	Tonk	Industrial (Factory and brick kilns)	4	45,305.40	9.06
Total			79	18,51,146.40	1,420.63

On being pointed out (July 2020 and January 2021) concerned Tehsildars replied (July 2021) that in five cases applicants have applied for conversion of land and notices have been issued in 48 cases.

State Government while accepting the facts stated (December 2021) that out of 75 objected cases in Jaipur, judgment has been passed in 21 cases under section 90-A, stay had been granted by Hon'ble Court in 03 cases, conversion proceedings are under consideration in 2 cases and legal proceedings under section 90-A are under consideration in 49 cases.

(b) Short Recovery of Conversion Charges

3.4.3 Test check (July 2020) of conversion records of District Collector Jaipur revealed that as per the sale deed of land, a firm⁵ had purchased (August 2016) 4.73-hectare agriculture land in Village Balekhan Tehsil Chomu for

4 77.75 bigha or 1,96,652 sqm x ₹ 45.70 per sqm = ₹ 89,86,996.

5 M/s Borosil Glass Works Ltd., Mumbai.

consideration of ₹ 14.26 crore. The firm applied (November 2016) for conversion of its use for industrial purposes under Rules *ibid*. During an on-site inspection of the land, it was found that the area of land was 2.73 hectares only. Thus, the firm had purchased only 2.73 hectares of land instead of 4.73 hectares for ₹ 14.26 crore. The firm submitted an undertaking to the effect that only 2.73-hectare land was available at the site, and it wanted to convert this area only. It also submitted that revenue record would be corrected by filing suit in Revenue Court and firm would not claim the other two hectares of land from Government in future.

Based on the undertaking by the firm, Sub-Divisional Officer (SDO), Chomu converted (May 2017) the use of 2.6254-hectare⁶ agriculture land for the industrial purpose at conversion charges of ₹ 19.79 lakh⁷. The SDO calculated conversion charges on the basis of purchase rate (which was higher than the applicable DLC rate of ₹ 37.11 per sqm) of 4.73 hectares of land. The SDO should have applied conversion charges of ₹ 34.28 lakh⁸ calculated at a conversion rate of ₹ 261.15 per sqm⁹ on the basis of a purchase rate of 2.73 hectares of land. Hence, applying an incorrect conversion rate for change of land use from agriculture to industrial purposes resulted in a short recovery of conversion charges of ₹ 14.49 lakh¹⁰.

State Government stated (October 2021) that in the instant case, the total area of 4.73 hectares of land had been sold under the sale deed, the deed had been executed considering its value as ₹ 14.26 crore. However, there is no such fact mentioned in the sale deed, from which it could have been known that the said convertible land is of 2.73 hectares area. It was also stated that the conversion had been done on the basis of the land available on the spot and the revenue map, but the execution of the sale deed had not been done on the basis of the land available on the site.

The reply is not acceptable as the firm has accepted in its undertaking that only 2.73-hectare land was available at the site, and the remaining two hectares of land was marked in revenue records by mistake. Hence, the firm had purchased only 2.73 hectares of land instead of 4.73 hectares for ₹ 14.26 crore. The Department should correct its records and collect ₹ 14.49 lakh as conversion charges from the firm.

3.4.4 Test check (June- August 2020) of conversion records of three District Collectors (Dausa, Jaipur and Tonk), revealed that in three cases conversion charges were not recovered at four times of conversion rates as land was being used for institutional and industrial purposes before conversion of their land use. Conversion charges were recovered by applying lower DLC rate in two

6 Land use of 2.6254 hectare land found convertible out of 2.73 hectare land.

7 ₹ 150.73 per sqm X 26254 sqm (area of land) = ₹ 39,57,265 X 50 % (exemption) = ₹ 19,78,633

8 ₹ 261.15 per sqm X 26254 sqm (area of land) = ₹ 68,56,232 X 50 % (exemption) = ₹ 34,28,116

9 5 per cent of ₹ 14,25,88,500 (purchase cost)/2.73 bigha = 26,11,511 per hectare/10,000 = ₹ 261.15 per sqm

10 ₹ 34,28,116 minus ₹ 19,78,633= ₹ 14,49,483.

cases and as per DLC rate instead of higher purchase rate of land as mentioned in sale deed in one case as per details given in Table 3.4 below:

Table 3.4

Sl. No.	Name of District	Nature of land use	No. of Cases	Nature of short recovery	Amount of short recovery (₹ in lakh)
1	Dausa	Institutional (Educational institute)	01	Conversion charges were recovered at DLC rate instead of purchase rate of land	5.43
2	Jaipur	Institutional (Educational institute)	01	Conversion charges were not recovered at four times of conversion rates	3.96
3	Tonk	Industrial (brick kilns)	02	Conversion charges were not recovered at four times of conversion rates	4.03
		Residential projects	02	Conversion charges were recovered at lower DLC rate	4.79
Total			06		18.21

This resulted in short-recovery of conversion charges of ₹ 18.21 lakh. On being pointed out, audited units did not furnish reply.

State Government in its reply (December 2021) stated that in the case of Jaipur district stay had been granted by Hon'ble Rajasthan High Court, Jaipur bench against the recovery on 13 August 2021. However, State Government did not furnish reply in respect of remaining five cases.

CHAPTER-IV
STAMP DUTY AND
REGISTRATION FEE

CHAPTER-IV: STAMP DUTY AND REGISTRATION FEE

4.1 Tax administration

Receipts from stamp duty (SD) and registration fee (RF) in the state are regulated under the registration act, 1908, the Rajasthan Stamps (RS) Act, 1998 and the rules made thereunder. According to section 3 of the RS Act, every instrument shall be chargeable with duty according to the rates mentioned in the schedule to the RS Act. The SD is leviable on execution of instruments and RF is payable on registration of instruments. Surcharge is also chargeable on SD with effect from 9 March 2011.

The Registration and Stamps Department (Department) functions under the administrative control of Finance Department. The Inspector General, Registration and Stamps (IGRS) is the head of the Department. He is assisted by two Additional Inspector Generals in administrative/enforcement matters and by a Financial Adviser in financial matters. Besides, an Additional Inspector General, Jaipur functions as Chief Vigilance Officer. The entire state has been divided into 17 circles which are headed by Deputy Inspector General (DIG) cum *Ex-officio* Collector (Stamps). There are 113 Sub Registrars (SRs) and 426¹ *ex-officio* SRs².

4.2 Internal audit

The Department has an internal audit wing under the charge of the Financial Advisor and has six internal audit Parties. Planning for internal audit of units is done on the basis of relative importance and revenue realisation. The status of internal audit conducted during 2016-17 to 2020-21 is given in the Table 4.1 below:

Table 4.1

Year	Units pending	Units due for audit during the year	Total units due for audit	Units audited during the year			Units remaining unaudited	Percentage of units remaining unaudited
				Pertaining to previous years	Pertaining to current year	Total		
2016-17	1018	291	1309	219	109	328	981	75
2017-18	981	291	1272	261	81	342	930	73
2018-19	930	294	1224	455	137	592	632	52
2019-20	632	294	926	282	88	370	556	60
2020-21	556	294	850	126	40	166	684	80

Source: Information provided by the Department.

The shortfall in coverage of units due for audit ranged between 52 *per cent* and 80 *per cent* during this period. It is evident that while the shortfall in coverage of units has been consistently high, it registered a significant increase from 2018-19 to 2020-21.

1 As per Administrative report 2020-21 of IGRS.

2 *Tehsildars* and *Naib Tehsildars* have been declared as *ex-officio* SRs.

It was noticed that 8,302 paragraphs of internal audit reports were outstanding at the end of 2020-21. Year-wise breakup of outstanding paragraphs of internal audit reports is given in the Table 4.2 below:

Table 4.2

Year	Upto 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Outstanding paragraphs of the audit conducted during the year	5,861	323	421	752	651	294	8,302

Source: Information provided by the Department.

It can be seen that out of 8,302 paragraphs, 5,861 paragraphs were outstanding for more than five years for want of compliance/corrective action.

The Department stated (October 2021) that 5,861 paragraphs of the period upto 2015-16 were outstanding due to non-realisation of recovery under all the instruments of a paragraph and problems in recovery arising out of further sale of property by the executants. The Department also attributed the units remaining unaudited and lack of settlement of paragraphs to COVID-19 pandemic and deployment of staff for elections of *Panchayats* and *Nagar Parishad*.

The Government may ensure that concerted efforts are made to complete the audit of the pending units on priority and to reduce the number of the pending paragraphs.

4.3 Results of audit

There are 558 auditable units³, including 19 administrative units, in the Registration and Stamps Department. Out of these, audit selected 29 units (approximately 5 per cent) including one administrative unit for audit during the year 2020-21. In these units, 2,41,551 instruments were registered, out of which 72,414 instruments (approximately 30 per cent) were test checked. During scrutiny, audit noticed short/ non-realisation of SD and RF of ₹15.38 crore in 946 instruments (1.31 per cent of sampled instruments).

These cases are illustrative only as these are based on test check of records. Though audit pointed out similar omissions in earlier years, these irregularities persist and remain undetected till next audit is conducted. Irregularities noticed broadly fall under the categories in Table 4.3 below:

Table 4.3

SL. No.	Category	(₹ in crore)	
		Number of Cases	Amount
1	Incorrect determination of market value of properties	266	6.12
2	Non/short levy of SD and RF	72	8.70
3	Other irregularities related to:		
	(i) Revenue	515	0.56
	(ii) Expenditure	93	0.00
Total		946	15.38

3 558 auditable units: 539 SRs (Registering authorities) and 19 administrative offices.

The Department accepted under-assessment and other deficiencies in 1,735 cases involving ₹ 28.15 crore of which 777 cases involving ₹ 14.39 crore were pointed out during the year 2020-21 and the rest in the earlier years. The Department recovered ₹ 5.67 crore in 925 cases during the year 2020-21, of which 16 cases involving ₹ 0.11 crore were related to the year 2020-21 and rest to the earlier years.

Few illustrative cases involving ₹ 3.58 crore are discussed in the succeeding paragraphs. It is pertinent to mention here that most of these issues have been raised earlier and published in the CAG's Audit Report of previous years wherein the Government accepted the observations and initiated action/recoveries. However, it is seen that the Department took action only in cases pointed out by audit. Recurrence of issues of similar nature points to weakness in the internal control system of the Department.

4.4 Undervaluation of Immovable Properties

Undervaluation of Immovable properties by Registering Authorities resulted in short levy of Stamp duty, Surcharge and Registration Fee

According to article 21(i) of the schedule to the Rajasthan Stamps Act (RS Act), 1998, stamp duty⁴ (SD) on the instrument of conveyance relating to immovable property shall be levied on market value of the property. Rule 58 of the Rajasthan Stamps Rules, 2004 provides that the market value of the land shall be assessed on the basis of the rates recommended by the District Level Committee (DLC) or the rates approved by State Government, whichever is higher. Surcharge is chargeable on the SD at the rate of 20 *per cent* with effect from 8 March 2016.

The registration fee (RF) is chargeable at the rate of one *per cent* of the valuation with the maximum limit of rupees three lakh w.e.f. 12 February 2018. Maximum limit was removed w.e.f. 27 May 2019.

During test check (between June 2020 and December 2020) of records at the offices of seven Sub-Registrars (SRs)⁵, it was noticed that 15 instruments⁶ pertaining to agricultural/residential/commercial/industrial lands were registered (between February 2018 and October 2019) as sale deed/developer agreement/ certificate of sale/amended lease deed.

Scrutiny of these instruments revealed that the concerned Registering Authorities (RAs) had assessed the market value of properties at ₹ 50.35 crore instead of correct valuation of ₹ 89.42 crore due to reasons such as adoption of incorrect rates with respect to location and nature of properties, considering lower face value instead of higher consideration amount, *etc.* The RAs, thus, levied SD, surcharge and RF of ₹ 2.93 crore⁷ instead of ₹ 4.45 crore⁸ resulting in short levy of SD, surcharge and RF of ₹ 1.52 crore.

4 SD: At the rate of five *per cent* with effect from 8 July 2009.

5 SR: Jaipur-II, Diggi (Tonk), Bhiwadi, Chaksu, Kalwar (Jaipur), Ajmer-I and Jaipur-X.

6 Instruments: Ten Sale deeds, three Developer Agreements, one Certificate of Sale and one Amended Lease Deed.

7 ₹ 2.93 crore: SD of ₹ 2.26 crore, Surcharge of ₹ 0.45 crore and RF of ₹ 0.22 crore.

8 ₹ 4.45 crore: SD of ₹ 3.37 crore, Surcharge of ₹ 0.67 crore and RF of ₹ 0.41 crore.

The matter was reported to the Department and the State Government (July and September 2021). The State Government replied (October 2021) that entire objected amount has been recovered in one instrument, notices for recovery have been issued to the executants in four instruments, cases have been registered with Collector (Stamps) in seven instruments and recovery is pending in remaining three instruments. Further progress was awaited (December 2021).

4.5 Short levy of stamp duty on registration of lease deeds

Incorrect valuation of lease deeds led to short levy of stamp duty, surcharge and registration fee

4.5.1 According to para 05 of the notification dated 24 July 2015 issued by the Finance Department, Government of Rajasthan, if the lease deed is issued on the basis of unregistered or insufficiently stamped instruments executed after 31 May 2013, the SD would be chargeable on the value calculated on the basis of prevalent rates of reserve price of the area prescribed by Local Authority concerned. SD would be charged on the basis of reserve price of nearby area, if rates of reserve price of that area are not prescribed, subject to the condition that the lease holder along with his lease deed shall submit the certificate before the Registering Officer issued by the Urban Local Body concerned stating therein the number and date of execution of intermediary unregistered and unstamped instruments executed in respect of the immovable property.

During the test check (June 2020) of records for the year 2019-20 of SR Jaipur-I, it was noticed that a group housing project (project) was developed on a land⁹ situated in villages *Bhankrota* and *Sirsi* (Jaipur). Further scrutiny of records revealed that a lease deed was issued (23 August 2017) by the Jaipur Development Authority (JDA) for the said project wherein the land was valued at ₹ 1.83 crore. This lease deed was registered with SR Jaipur-II on 28 August 2017 on the basis of an unregistered possession letter given by the landowner to the lease holder and SD, surcharge and RF of ₹ 12.82 lakh¹⁰ was levied on the value of ₹ 1.83 crore. However, the instrument of lease deed was required to be valued at ₹ 17.01 crore¹¹, calculated at the rate of reserve price prescribed by the JDA for *Bhankrota* village which was also applicable for *Sirsi*¹² village, on which SD, surcharge and RF of ₹ 1.06 crore¹³ was chargeable. Therefore, non-application of relevant rule and resultant incorrect valuation of instrument of lease deed led to short levy of SD, Surcharge and RF amounting to ₹ 93.24 lakh¹⁴.

9 Measuring 18410.20 sqmt.

10 ₹ 12.82 lakh: SD of ₹ 9.16 lakh, Surcharge of ₹ 1.83 lakh and RF of ₹ 1.83 lakh.

11 ₹ 17.01 crore: 18410.20 sqmt X ₹ 8400 per sqmt (the reserve price fixed for *Bhankrota*) + 10 per cent (corner).

12 Reserve price for *Sirsi* village was not prescribed by JDA. Therefore, as per the notification *ibid*, the reserve price of nearby area (*Bhankrota* village) was applicable for *Sirsi* village as well.

13 ₹ 1.06 crore: SD of ₹ 85.05 lakh, surcharge of ₹ 17.01 lakh and RF of ₹ 4.00 lakh.

14 ₹ 93.24 lakh: SD of ₹ 75.89 lakh, surcharge ₹ 15.18 lakh and RF of ₹ 2.17 lakh.

The matter was reported to the Department and the State Government (May 2021). The State Government replied (October 2021) that a case has been registered with Collector (Stamps). Further progress was awaited (December 2021).

4.5.2 According to article 33 of the schedule to the RS Act, where the lease purports to be for a term in excess of thirty years¹⁵ or in perpetuity, the stamp duty (SD) as on a conveyance on the market value of the property which is the subject matter of the lease, shall be chargeable.

Further, as per the notification dated 19 April 2018 issued by the Finance Department, Government of Rajasthan, if the lease deed or sale deed is executed by Jaipur Development Authority (JDA) in respect of land allotted or sold by them after 30 September 2018¹⁶ and submitted for registration within two months from the date of its execution, the SD shall be chargeable on the amount of consideration or 50 per cent of the value of the land calculated on the basis of market rates of such land, whichever is higher.

Surcharge is chargeable on the SD at the rate of 20 per cent w.e.f. 8 March 2016. The registration fee (RF) is chargeable at the rate of one per cent of the market value of property w.e.f. 9 March 2015. The maximum limit was fixed as rupees three lakh w.e.f. 12 February 2018.

During test check (between June 2020 and September 2020) of records of the office of three Sub-registrars (SR)¹⁷, it was noticed that eight lease deeds were issued (between October 2018 and November 2019) by JDA for commercial/residential/institutional purposes. Of these, seven lease deeds were issued by JDA after regularization of the land under section 90-A of the Rajasthan Land Revenue Act, 1956 on the basis of unregistered documents (*patta*) issued by the housing societies. The concerned Registering Authorities (RAs) had levied and recovered SD applicable on conveyance on the registered value determined by JDA instead of market value of the land. In the remaining case, the concerned RA had levied and recovered SD on 50 per cent of the market value of the land instead of the consideration amount which was higher.

Therefore, the RAs had assessed the value of these lease deeds at ₹ 6.32 crore instead of ₹ 10.25 crore resulting in short levy of SD, surcharge and RF of ₹ 27.01 lakh¹⁸.

The matter was reported to the Department and the State Government (August 2021). The State Government replied (October 2021) that cases have been registered with Collector (Stamps) in five instruments and recovery is pending in remaining three instruments. Further progress was awaited (December 2021).

15 Amended vide notification dated 8 March 2017.

16 Amended vide notification dated 30 June 2018.

17 SR: Jaipur-II, Amer and Jaipur-X.

18 ₹ 27.01 lakh: SD of ₹ 20.15 lakh, Surcharge of ₹ 4.03 lakh and RF of ₹ 2.83 lakh.

4.6 Transfer of immovable property from 'sponsoring body' to 'private university'

Incorrect valuation of institutional land by the registering authority led to short levy of stamp duty, surcharge and registration fee

According to notification dated 9 March 2015 issued by the Finance Department, Government of Rajasthan, the rates of converted land for institutional purposes or agricultural land being used for institutional purposes shall be equal to twice the rate of agricultural land of that area.

Further, the SD chargeable on the instrument of transfer of immovable property from 'sponsoring body' to 'private university' shall be reduced and charged at the rate of one *per cent* of market value of property. RF is chargeable at the rate of one *per cent* on market value of such property w.e.f. 27 May 2019. Surcharge is also payable on SD at the rate of 20 *per cent* w.e.f. 8 March 2016.

During test check (July 2020) of records of SR Jaipur-II, it was noticed that a deed of consent was executed (10 July 2019) for transfer of institutional land¹⁹ from a sponsoring body to a private university. Scrutiny of the records revealed that while finalizing the registration (2 August 2019) of the deed, the Registering Authority charged SD, surcharge and RF aggregating ₹ 10.75 lakh²⁰ on market value of ₹ 6.72 crore²¹ assessed at DLC rate of agricultural land situated away from the main road. However, the land was being used for institutional purposes and was situated at main road as per the *Mauka* Report (2 August 2019) of SR Jaipur-II. Therefore, the market value of the land was required to be calculated at twice the DLC rate of agricultural land situated at main road amounting to ₹ 18.24 crore²² on which SD, surcharge and RF of ₹ 29.18 lakh²³ was chargeable. Therefore, non-application of relevant provisions and resultant incorrect valuation of land by the registering authorities led to short levy of SD, surcharge and RF amounting to ₹ 18.43 lakh²⁴.

The matter was reported to the Department and the State Government (May 2021). The State Government replied (October 2021) that a case has been registered with Collector (Stamps). Further progress was awaited (December 2021).

19 Measuring 48.48 *bigha* situated in village *Vatika* (*Tehsil* Sanganer) and village *Fathepura Vas Vatika* (*tehsil* Chakshu).

20 ₹ 10.75 lakh: SD of ₹ 3.36 lakh, surcharge of ₹ 0.67 lakh and RF of ₹ 6.72 lakh. Entitlement Certificate under Rajasthan Investment Promotion Scheme, 2014 had been granted (5 July 2019) by Commissioner of Industries for 50 *per cent* exemption in SD for utilization of land for the university.

21 ₹ 6.72 crore: ₹ 13.86 lakh per *bigha* as per DLC rates of agriculture land X 48.48 *bigha*.

22 ₹ 18.24 crore: 48.48 *bigha* X 2 times of ₹ 18.81 lakh per *bigha*.

23 ₹ 29.18 lakh: SD of ₹ 9.12 lakh, surcharge of ₹ 1.82 lakh and RF of ₹ 18.24 lakh.

24 ₹ 18.43 lakh: SD of ₹ 5.76 lakh, surcharge of ₹ 1.15 lakh and RF of ₹ 11.52 lakh.

4.7 Misclassification of the instrument of conveyance

Failure of the registering authority to correctly classify the instrument of conveyance led to short levy of stamp duty and surcharge

According to Article 21(i) of the Schedule to the RS Act, SD on the instrument of conveyance²⁵ relating to immovable property shall be levied on the market value of the property. Rule 58 of the Rajasthan Stamps Rules, 2004 provides that the market value of the land shall be assessed on the basis of the rates recommended by the District Level Committee (DLC) or the rates approved by State Government, whichever is higher. Surcharge is chargeable on the SD at the rate of 20 *per cent* w.e.f. 8 March 2016.

The RF is chargeable at the rate of one *per cent* of the market value of property w.e.f. 27 May 2019.

During test check (between June and July 2020) of records of office of the SR Jaipur-II, it was noticed that a transfer deed of a commercial property²⁶ was registered on 26 June 2019. Scrutiny of the documents revealed that an instrument of Developer Agreement²⁷ was registered between landowners and the developer on 12 August 2005 for development of a commercial project on the land wherein the owner's and developer's share in the developed property was 50 *per cent* each.

Subsequently, the ownership rights and the 50 *per cent* share in the developed property was transferred by the owners to the developer through the transfer deed. During the registration of the transfer deed, the RA categorized the deed as a transferable development right and recovered SD and RF of ₹ 4.54 lakh²⁸ on the market value assessed at ₹ 4.53 crore²⁹. However, as the ownership rights were being transferred through the transfer deed, it was required to be classified as conveyance and SD, Surcharge and RF of ₹ 31.71 lakh³⁰ was leviable on the market value. Therefore, misclassification of the instrument by RA led to short levy of SD and surcharge aggregating to ₹ 27.17 lakh³¹.

The matter was reported to the Department and the State Government (June 2021). The State Government replied (October 2021) that a case is being registered with the Tax Board to review the decision of the Collector (Stamps) to levy SD at the rate of 1.5 *per cent* (of the market value of property) on

25 SD chargeable at the rate of five *per cent* with effect from 8 July 2009.

26 50 *per cent* of land area of plot No. SB-115-A, situated on main Tonk Road, Bapu Nagar, Jaipur. Total area 255.47 (510.94/2) sqmt and constructed area 4300 sqft.

27 SD at the rate 1.5 *per cent* of the market value of the proportionate part of the land under developed property agreed to be given to promoter or developer in consideration w.e.f. 8 March 2018.

28 ₹ 4.54 lakh: SD of ₹ 500 and RF of ₹ 4.53 lakh.

29 ₹ 4.53 crore: 255.47 sqmt X 1,61,181/- per sqmt plus construction cost of 4300 sqft X ₹ 960 /- per sqft (after allowing 20 *per cent* depreciation in construction cost).

30 ₹ 31.71 lakh: SD of ₹ 22.65 lakh, surcharge of ₹ 4.53 lakh and RF of ₹ 4.53 lakh.

31 ₹ 27.17 lakh: SD of ₹ 22.64 lakh and surcharge of ₹ 4.53 lakh.

developer's share in the developer agreement. Further progress was awaited (December 2021).

4.8 Non-utilization of information available with RERA

Failure of Registering Authorities to utilize information available with RERA led to short levy of Stamp Duty and Surcharge

Given the ever-expanding quantum and scope of registration of documents, the State Government notified certain offices as "*public office*"³² authorizing them to levy SD on the documents presented before them for registration. Further, the Inspector General, Registration and Stamps (IGRS) issued directions³³ to the Deputy Inspectors General (Stamps) (DIG) and SRs to conduct effective inspections of the records of public offices to ensure realisation of SD according to provisions of RS Act as the lack of effective control was resulting in loss of revenue to the State Government. Records of the public offices are increasingly being maintained in digital format due to continued thrust of the Central and State Government on digitization. Hence, there is ample opportunity for the SRs/DIGs to view them online through websites.

4.8.1 Instrument of Development Agreement

During audit of SR Jodhpur-III, audit analysed the information³⁴ (February 2021) available on Rajasthan RERA website³⁵ related to properties falling under the jurisdiction of SR, Jodhpur-III. Audit noticed that an instrument of development agreement (DA) was executed (12 November 2018) between a landowner and a developer for a commercial project³⁶ with share of owner and developer as 45 *per cent* and 55 *per cent* respectively. The market value of the property was ₹ 8.50 crore³⁷ on which SD and Surcharge of ₹ 13.00 lakh³⁸ were payable. However, the DA was not registered with SR Jodhpur-III and was instead notarized with SD of ₹ 500 only. The SR had not utilized the information available on the RERA website despite the fact that RERA is a public office³⁹ under the RS Act.

32 "Public office" as notified by State Government vide notification dated 16 December 1997 under the Indian Stamp Act, 1899. The provisions of this notification continue to be in force according to section 91(2) of Rajasthan Stamp Act, 1998.

33 December 2009, August 2010.

34 Real estate project details: RERA registration No. RAJ/P/2019/1033 dated 31 May 2019.

35 <https://rera.rajasthan.gov.in>.

36 On plot number 290 & 298-A & B situated at 4th 'A' road, Sardarpura, Jodhpur comprising an area of 801.66 sqyd or 7214.94 sqft (corners).

37 ₹ 8.50 crore: (7214.94 sqft X ₹ 10,710 per sqft plus 10 *per cent* for corner land).

38 ₹ 13.00 lakh: SD of ₹ 10.84 lakh and surcharge of ₹ 2.16 lakh calculated at 1.5 *per cent* on developer's share and one *per cent* on owner's share as per article 5(e) of the schedule to the RS Act. Surcharge is calculated at 20 *per cent* on SD as applicable from 8 March 2016.

39 As per State Government notification dated 16 December 1997, all the offices of State Government are designated as 'public office'. Rajasthan RERA was established by Government of Rajasthan due to which it falls within the definition of 'public office' as per the notification.

This led to non-imposition of prescribed SD and surcharge of ₹ 12.99 lakh⁴⁰.

The matter was reported to the Department and the State Government (June 2021). The State Government replied (October 2021) that a case has been registered with Collector (Stamps). Further progress was awaited (December 2021).

4.8.2 Instrument of agreement to sale

Similarly, Audit noticed that an instrument of agreement to sale of a residential land⁴¹ for a consideration of ₹ 2.59 crore was executed on 26 July 2017. The possession of the land was also transferred at the time of execution of the agreement. Hence, the instrument was required to be deemed as conveyance according to explanation⁴² (i) under Article 21 of the schedule to the RS Act and registered compulsorily under Section 17 of the Registration Act 1908 with SD, surcharge and RF⁴³ of ₹ 18.16 lakh⁴⁴ chargeable on the consideration of ₹ 2.59 crore⁴⁵. However, the instrument of agreement to sale was not registered with SR Jodhpur-III and was instead notarized⁴⁶ with SD of ₹ 500 only. This led to non-imposition of prescribed SD, surcharge and RF amounting to ₹ 18.15 lakh⁴⁷.

The matter was reported to the Department and the State Government (June 2021). The State Government replied (October 2021) that a case has been registered with Collector (Stamps). Further progress was awaited (December 2021).

In addition to ensuring regular inspections of public offices as prescribed, the Department should instruct the SRs to explore digital records, such as information available on RERA website to identify documents escaping registration.

4.9 Short levy of Stamp Duty on Irrevocable Power of Attorney

Failure of registering authority to take cognizance of recital in the instrument of irrevocable power of attorney resulted in short levy of stamp duty, surcharge and registration fee

According to explanation (i) given under article 21 of the schedule to the RS Act, an agreement to sell an immovable property or an irrevocable power of

40 ₹ 12.99 lakh: SD of ₹ 10.83 lakh and surcharge of ₹ 2.16 lakh.

41 Measuring 5698.52 sqyd or 51286.68 sqft situated at village Kharda Randheer, District Jodhpur.

42 An agreement to sell an immovable property or an irrevocable power of attorney or any other instrument executed in the course of conveyance or lease, in case of transfer of the possession of such property before, at the time of or after the execution of any such instrument, be deemed to be a conveyance and the SD thereon shall be chargeable accordingly.

43 RF is chargeable at the rate of one *per cent* of the market value of property under maximum limit of rupees four lakh *w.e.f.* 8 March 2017.

44 ₹ 18.16 lakh: SD of ₹ 12.97 lakh, surcharge of ₹ 2.59 lakh and RF of ₹ 2.60 lakh.

45 Consideration value: Consideration value of ₹ 2.59 crore is higher than the market value of ₹ 1.28 crore (51286.68 sqft X ₹ 250 per sqft). Hence, consideration value is treated as market value.

46 On 15 May 2018

47 ₹ 18.15 lakh: SD of ₹ 12.96 lakh, surcharge of ₹ 2.59 lakh and RF of ₹ 2.60 lakh.

attorney (PoA) or any other instrument executed in the course of conveyance or lease, in case of transfer of the possession of such property before, at the time of or after the execution of any such instrument, be deemed to be a conveyance and the SD thereon shall be chargeable at the rate of conveyance *i.e. five per cent* on the market value of such property.

Section 20 of the act provides that any instrument has become chargeable in any part of India other than the State of Rajasthan with duty under the Indian Stamp Act, 1899 or under any other law for the time being in force in such part and thereafter becomes chargeable with a higher rate of duty in the state of Rajasthan under this Act, the amount of duty chargeable on such instrument shall be the amount chargeable on it under this Act less the amount of duty, if any, already paid on it in India.

During the test check (February 2021) of records of office of the Sub-Registrar (SR) Jodhpur-I, it was noticed that an instrument was registered (9 September 2019) as lease deed for residential land. Scrutiny of instruments enclosed with the lease deed revealed that an irrevocable power of attorney (PoA) was executed (5 September 2019) which was notarized (6 September 2019) in the State of Tamil Nadu with SD of ₹ 2,100 only. The possession of the land was transferred at the time of execution of the irrevocable PoA and therefore, the instrument was required to be classified as conveyance as per the article *ibid* and registered compulsorily⁴⁸ on which SD, surcharge⁴⁹ and RF of ₹ 10.06 lakh⁵⁰ were leviable on the market value of ₹ 1.44 crore⁵¹ of the land.

However, the Registering Authority failed to take cognizance of the recital in the documents at the time of registration of the lease deed leading to short levy of SD, surcharge and RF of ₹ 10.04 lakh⁵².

The matter was reported to the Department and the State Government (June 2021). The State Government replied (October 2021) that a case has been registered with Collector (Stamps). Further progress was awaited (December 2021).

48 Section 17 of the Registration Act 1908, provides that other non-testamentary instruments which purport or operate to create, declare, assign, limit or extinguish whether in present or future, any right, title or interest whether vested or contingent, of the value of ₹ 100 and above to or in immovable property, are required to be compulsorily registered. RF is chargeable at the rate of one *per cent* of the market value of property w.e.f. 27 May 2019.

49 Surcharge is chargeable on the SD at the rate of 20 *per cent* w.e.f. 8 March 2016.

50 ₹ 10.06 lakh: SD of ₹ 7.18 lakh, surcharge of ₹ 1.44 lakh and RF of ₹ 1.44 lakh.

51 ₹ 1.44 crore: 9000 (4500 X 2) sqft X 1125 per sqft + 5249.97 (2099.97 + 3150) sqft X 810 per sqft.

52 ₹ 10.04 lakh: SD of ₹ 7.16 lakh, surcharge of ₹ 1.44 lakh and RF of ₹ 1.44 lakh.

CHAPTER-V
STATE EXCISE

CHAPTER-V: STATE EXCISE

5.1 Tax administration

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

5.2 Internal audit

The Department has an Internal Audit Wing under the charge of Financial Advisor. This wing has to conduct test check of cases of assessment as per the approved action plan and in accordance with the defined criteria to ensure adherence to the provisions of the Act and Rules as well as Departmental instructions issued from time to time.

The position of last five years of internal audit is given in **Table 5.1** below:

Table 5.1

Year	Units pending	Units added during the year	Total units	Units audited during the year		Units remaining unaudited	Percentage of units remaining unaudited
				Pertaining to previous year	Pertaining to current year		
2016-17	5	41	46	4	40	2	4
2017-18	2	44	46	5	28	13	28
2018-19	13	44	57	13	19	25	44
2019-20	25	44	69	9	18	42	61
2020-21	42	44	86	9	15	62	72

Source: Information provided by State Excise Department.

Thus, it can be seen that the units audited during the year has decreased steadily during the last five years resulting in increase in unaudited units both in absolute and percentage terms. The Department replied that the shortfall in the audit has been due to shortage of manpower and the Covid-19 pandemic situation in the state. Audit is of the view that the Department must take steps to augment manpower so that the number of unaudited units could be brought down.

Year-wise break up of outstanding paragraphs of internal audit reports is given in **Table 5.2** below:

Table 5.2

Year	Up to 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Outstanding paragraphs of the audit conducted during the year	154	87	95	141	196	262	935

Source: Information provided by the State Excise Department.

Thus, 935 paragraphs were outstanding at the end of 2020-21 of which 154 paragraphs were outstanding for more than five years. Lack of action by the Department and large pendency of paragraphs during the last five years erodes the effectiveness of internal audit.

The Government may consider strengthening the functioning of Internal Audit wing by making efforts to complete the audit of pending units and take appropriate measures to reduce outstanding paragraphs for plugging the revenue leakage as well as ensuring compliance with the provisions of the Act/Rules.

5.3 Results of audit

There are 108 auditable units (including 54 implementing units) in the State Excise Department, out of which audit selected 41 units (including 32 implementing units) for audit. The records of these units including 2,623 retail licensees (out of total 3,591 licensees) were analysed along with scrutiny of 6,159 cases. Audit noticed 4,529 cases (approximate 74 per cent of sampled cases) of non/short realization of excise duty, license fee, additional amount, interest/penalty on delayed payment, loss of excise duty on account of excess wastage of spirit/liquor/beer and other irregularities involving ₹ 51.37 crore. These cases are illustrative only, based on audit of the records of these selected units. Audit had pointed out similar omissions in previous years. However, not only did these irregularities persist but some of the issues also remained undetected till the conduct of the subsequent Audit.

Irregularities noticed broadly fall under the following categories given in Table 5.3 below:

Table 5.3

Sl. No.	Category	(₹ in crore)	
		Number of cases	Amount
1	Non/short realization of excise duty and license fees	1,160	33.56
2	Non/short realization of additional amount on IMFL/Beer	1,157	9.78
3	Loss of excise duty on account of excess wastage of spirit/liquor/beer	31	0.67
4	Non-recovery of interest/penalty on delayed payment	232	7.30
5	Other irregularities:		
	(i) Revenue	117	0.06
	(ii) Expenditure	1,832	0.00
Total		4,529	51.37

The Department accepted deficiencies in 4,170 cases involving ₹18.81 crore, of which 3,417 cases involving ₹17.08 crore had been pointed out in audit during 2020-21 and the rest in earlier years. The Department recovered ₹2.70 crore in 764 cases of which 11 cases involving ₹0.97 crore had been pointed out in audit during the year 2020-21 and the rest in earlier years.

Few illustrative cases involving ₹40.67 crore in the audited units of the Department are discussed in the succeeding paragraphs. It is pertinent to mention that most of these issues have been raised earlier and published in the CAG's Audit Report of previous years wherein the Government accepted the

observations and initiated action/recoveries. However, it is seen that the Department took action only in cases which were pointed out by audit and failed to strengthen the internal control system which has led to recurrence of similar issues in subsequent years.

5.4 Short realisation of composite fees

Incorrect calculation of composite fee for shops of peripheral area resulted in short realisation of revenue

According to the Rajasthan Excise and Temperance Policy (Policy) 2016-17, 2017-18, 2018-19 and 2019-20 and Rule 67-I and 67-kkk of the Rajasthan Excise (RE) Rules 1956, settlement of country liquor (CL) shops/groups is done on the basis of Exclusive Privilege Amount (EPA). A notice for invitation of applications for grant of CL licenses is issued by the Excise Commissioner (EC) prescribing the number of proposed country liquor shops/groups in the district with its EPA, composite fees, earnest money and application fees.

According to the policy *ibid*, CL shops of villages located within five kilometers radius from the municipal area are categorised as '*composite shops of peripheral area*'. The villages of such peripheral area are further categorised as category 'A' and 'B' and the composite fee is prescribed accordingly for each respective category. The composite fee for shops of category 'B' for the year 2016-17 to 2018-19 and for the year 2019-20 was fixed at six and eight *per cent* respectively. This was equivalent to annualised billing amount of Rajasthan State Beverage Corporation Limited (RSBCL) during previous year of that particular group/shop or 50 *per cent* of annual license fee prescribed for IMFL/Beer shop of concerned municipal area or ₹50,000 for the years 2016-17, 2017-18 and 2018-19 and ₹75,000 for the year 2019-20, whichever was higher.

During test check (December 2020) of records of two¹ offices of the District Excise Officer (DEO) for the years 2016-17 to 2019-20, it was noticed that three CL shops/groups were categorised as 'B' category shops of peripheral area. Scrutiny of the relevant records disclosed that composite fees prescribed in the notices for invitation of applications by DEOs for such groups/shops was less than the amount stipulated for their respective categories as per the policy. Therefore, incorrect application of the policy provisions led to short realisation of revenue amounting to ₹16.62 lakh.

The matter was reported to the Department and the State Government (May 2021). The Government stated (September 2021) that recovery is under process. Further progress was awaited (December 2021).

¹ DEOs: Tonk (two groups/shops), Udaipur (one group/shop).

5.5 Short realisation of monthly guarantee amount

District Excise Officers failed to collect the prescribed Monthly Guarantee Amount from country liquor licensees which led to loss of revenue

According to the Rajasthan Excise and Temperance Policy (Policy) for 2017-19 and 2019-20, settlement of CL shops/groups was done on the basis of EPA. The licensees of CL retail off shop/group were liable to pay the EPA prescribed for the license period in the form of excise duty on CL. Further, as per the conditions of the license, the licensee was to pay the annual EPA fixed for the prescribed group/shop for the concerned year in 12 equal monthly installments. The monthly installment is to be paid by the last date of that month. If a licensee failed to lift the minimum monthly quota of CL, he was liable to pay the difference of excise duty in cash.

Scrutiny of the records of offices of six DEOs² revealed (between June 2020 and February 2021) that during 2019-20, 410 out of 1,246 licensees, lifted CL worth ₹242.14 crore against the quota of ₹250.44 crore fixed for the concerned months. Similarly, during 2018-19, in case of two DEOs³, 28 out of 351 licensees, lifted CL worth ₹11.19 crore against the quota of ₹12.03 crore fixed for the concerned months.

The concerned DEOs, however, failed to recover the differential amount of the monthly guarantee amount. Therefore, lack of action on part of the DEOs resulted in violation of the policy provisions and led to loss of revenue amounting to ₹9.14 crore.

This issue has been raised regularly in the CAG's Audit Reports of previous years, wherein the Department accepted the observations and initiated action/recoveries in the cases pointed out by audit. Further, the Government had also stated (December 2020) that suitable provision to facilitate the recovery of shortfall of monthly guarantee amount has been introduced in the Integrated Excise Management System (IEMS). However, audit scrutiny revealed that such a provision had not been introduced as of March 2021.

The matter was reported to the Department and the State Government (May 2021). The Government replied (July 2021) that ₹7.93 crore has been recovered. Further progress was awaited (December 2021).

5.6 Non-recovery of additional amount

District Excise Officers failed to recover the prescribed additional amount on short lifted quantity of IMFL and Beer which led to loss of revenue

According to Para 3.20 (ii) and 4.6 (ii) of the Rajasthan State Excise and Temperance Policy (Policy) 2017-19 and para 3.18 (i) and 4.6 of the Policy 2019-20, an additional amount was to be charged quarterly at the rate of ₹20 per bulk litre (BL) on short lifted quantity of Indian Made Foreign Liquor

2 DEOs Ajmer, Jaipur (Rural), Jaipur (Urban), Jodhpur, Tonk and Udaipur.

3 DEOs Jaipur (Rural) and Tonk.

(IMFL) and ₹10 per BL on short lifted quantity of Beer during 2018-19 and 2019-20 from retail licensees who did not increase lifting of IMFL and Beer upto minimum 10 *per cent* during each quarter of current year in comparison to the quantity lifted in the corresponding quarter of the previous year. Shop-wise calculation of such short-lifted quantity was to be done at the end of each quarter.

Further, as per directions issued (June 2017 and July 2019) by the Excise Commissioner (EC), recovery of additional amount, as per prescribed rates on short lifted quantity, was to be ensured at the level of the concerned DEO.

During test check (between June 2020 and February 2021) of the records of six⁴ offices of DEOs, it was noticed that during 2019-20, 1113 licensees did not enhance lifting of IMFL and Beer upto minimum of 10 *per cent* in comparison to the corresponding quarter of the previous year and were thus liable to pay the additional amount of ₹ 9.59 crore. Similarly, during 2018-19, in case of one⁵ DEO, 37 licensees did not enhance lifting of IMFL and Beer upto minimum of 10 *per cent* compared to previous year's corresponding quarters and were thus liable to pay the additional amount of ₹ 0.16 crore. The concerned DEOs, however, failed to recover the prescribed additional amount on the short-lifted quantities. Therefore, failure of the DEOs to enforce policy provisions resulted in loss of revenue amounting to ₹ 9.75 crore.

The matter was reported to the Department and the State Government (May 2021). The Government replied (July 2021) that ₹4.92 crore has been recovered. Further progress was awaited (December 2021).

5.7 Non-recovery of difference amount of Excise Duty

District Excise Officers failed to recover the difference amount of Excise Duty on short lifted quantity from country liquor licensees which led to loss of revenue

According to the Rajasthan Excise and Temperance Policy (Policy) for 2016-17 to 2019-20, settlement of CL shops/groups was done on the basis of EPA. The licensee of CL shop/group was liable to pay the EPA prescribed for the license period in the form of excise duty on the CL. Further, as per the conditions of the license, the licensee was to pay the annual EPA fixed for the prescribed shop/group for the concerned year in 12 equal monthly installments.

Further, para 3.7.6 of the policies *ibid* and condition number 2.3.1 of retail sale licence of CL provided that licensees of CL groups had to fulfil 40 *per cent* of monthly EPA with lifted quantity of 50/60 UP⁶ CL. If the licensee failed to fulfill the prescribed guarantee ratio of 50/60 UP CL in a particular month, he

4 DEOs: Ajmer, Jaipur Urban, Jaipur Rural, Jodhpur, Sikar and Udaipur.

5 DEO, Jaipur (Rural).

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

had to ensure lifting of 50/60 UP CL in other months of concerned quarter in a manner that 40 *per cent* guarantee of total quarterly EPA was fulfilled from excise duty of 50/60 UP CL and remaining 60 *per cent* guarantee from 40 UP CL. In case of short lifting of 50/60 UP CL w.r.t. prescribed 40 *per cent* in a quarter, the licensee was liable to pay the difference of excise duty payable on required quota and actual lifting of 50/60 UP CL in cash.

Scrutiny of records of offices of seven DEOs⁷ (between June 2020 and March 2021) revealed that during 2019-20, 520 licensees lifted 50/60 UP CL worth ₹100.97 crore against the prescribed quota of ₹ 104.94 crore for the concerned quarters and were thus liable to pay the difference amount of ₹ 3.97 crore. Similarly, during 2016-19, in case of the office of DEO Tonk, 132 licensees lifted 50/60 UP CL worth ₹13.30 crore against the prescribed quota of ₹ 14.87 crore for the concerned quarters and were thus liable to pay the difference amount of ₹1.57 crore. The concerned DEOs, however, failed to recover the difference amount. Therefore, lack of action on part of the DEOs to enforce the provisions of the policy led to loss of revenue amounting to ₹ 5.54 crore.

Further, audit noticed that the Integrated Excise Management System lacks a separate module which could tag the details of the short-lifted quantity of 50/60 UP CL against each CL licensee each quarter, so that recovery process could be facilitated and loss of revenue could be prevented.

The matter was reported to the Department and the State Government (May 2021). The Government replied (July 2021) that ₹1.69 crore has been recovered. Further progress was awaited (December 2021).

5.8 Loss of Revenue due to short levy of permit fees

Failure to notify the increase in the rate of permit fees on transportation of Country Liquor in line with the policy provision led to loss of revenue.

According to the section 14 of the Rajasthan Excise Act 1950 (Act), no excisable article shall be imported, exported or transported except under a pass (or permit) issued under section 15 of the Act which provides that passes for the import, export or transport of excisable article may be granted by the Excise Commissioner (EC) or by an Excise Officer duly empowered in this behalf subject to such restrictions as the State Government may impose from time to time.

As per Rule 69 (B) of the Rajasthan Excise Rules 1956 (Rules)⁸, permit fees of ₹ 50 per permit was prescribed for transport of CL within the State of Rajasthan. This rule was in addition to existing provision that every retail licensee of CL should pay ₹50 for every permit irrespective of the quantity involved. Accordingly, permit fees of ₹50 per permit was being charged by the Department upto 2018-19 on the permits issued to manufacturers for transport of CL from manufacturing unit to the depots of Rajasthan State Ganganagar Sugar Mills Limited (RSGSM) and on the permits issued to retail

⁷ DEOs: Ajmer, Alwar, Jaipur (Rural), Jaipur (Urban), Jodhpur, Sikar and Tonk.

⁸ inserted *vide* notification dated 1 April 2012.

licensees for transport of CL from the depots of RSGSM to their retail vend place.

The Excise and Temperance Policy (Policy) 2019-20 increased⁹ the rate of permit fees from ₹50 per permit to ₹ one per bulk litre (BL). However, the government notification (April 2019) amended the Rajasthan Excise Rules, 1956 to effect this increase only for the permits issued to retail licensees for transport of CL from the depots of RSGSM to their retail vend place and did not cover the permit fees leviable for the permits issued to manufacturers for transport of CL from manufacturing units to the depots of RSGSM.

Scrutiny of the records of the production and dispatch of 15 manufacturing units of CL under seven DEOs¹⁰ for the period 2019-20 revealed (between June 2020 and February 2021) that 16.18 crore BL of CL was transported through 22,944 permits from manufacturing units to the depots of RSGSM. In the absence of increase in permit fees for transportation of CL from manufacturing units to the depots of RSGSM, the permit fee was levied at the rate of ₹50 per permit instead of ₹ one per BL. Therefore, failure of the Government to notify the increase in the rate of permit fees in line with the Policy provision led to loss of revenue amounting to ₹ 16.07 crore.

The matter was reported to the Department and the State Government (June 2021). The State Government replied (December 2021) that the intent of the policy was to increase the permit fees only for the category of retail licensees, due to which no loss of revenue has occurred.

The reply of the Government is not acceptable as it was not specifically stated in the policy that the increase in permit fees on CL was applicable on any special category of licensees. However, unlike the policy, the notification *ibid* limited the scope of the enhancement of permit fees only to transportation of CL from the depot to retail vend place. Therefore, the Government failed to amend the rules in line with the policy provision resulting in loss of revenue.

⁹ *vide* para 4.9.3 of the Policy.

¹⁰ DEOs Ajmer, Alwar, Behror (Production units), Jaipur Rural, Jaipur Urban, Jodhpur and Sikar.

Part-B
EXPENDITURE SECTOR

CHAPTER-VI

GENERAL

CHAPTER-VI: GENERAL

6.1 Profile of the Audited Entity

There are 66 Departments, 234 Autonomous Bodies (ABs) and 14 Public Sector Undertakings (PSUs) under General and Social Sector of the Government of Rajasthan, headed by Additional Chief Secretary/Principal Secretaries/Secretaries, which are audited by the Accountant General (Audit-I), Rajasthan, Jaipur. A list of the Departments is given at *Appendix 6.1*.

The comparative position of expenditure incurred by the Government of Rajasthan during 2016-17 to 2020-21 is given in the **Table 6.1** below:

Table 6.1

	(₹ in crore)				
Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue expenditure					
General services	39,203	43,450	54,364	56,186	60,144
Social services	49,371	53,064	65,687	68,313	74,009
Economic services	38,565	49,327	46,722	51,986	44,156
Grants-in-aid and Contribution	_##	_*	_**	_***	_****
Total	1,27,139	1,45,841	1,66,773	1,76,485	1,78,309
Capital and other expenditure					
Capital Outlay	16,980	20,623	19,638	14,718	15,271
Loans and Advances disbursed	12,965	1,334	1,113	2,255	491
Payment of Public Debt	5,015	11,674	16,915	20,033	41,023
Contingency Fund	-	-	-	-	-
Public Accounts disbursement	1,48,885	1,47,088	1,60,570	1,79,741	1,99,229
Total	1,83,845	1,80,719	1,98,236	2,16,747	2,56,014
Grand Total	3,10,984	3,26,560	3,65,009	3,93,232	4,34,323

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

##_ ₹ 6 lakh only, *_ ₹ 11 lakh only, ** ₹ 9 lakh only, *** ₹ 7 lakh only, **** ₹ 7 lakh only.

6.2 Authority for Audit

The authority for Audit by the Comptroller and Auditor General of India (CAG) is derived from Articles 149 and 151 of the Constitution of India and section 13, 14, 15 & 17 of the CAG's Duties, Powers and Conditions of Service (DPC) Act, 1971. Principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2007, as amended in 2020, and the Auditing Standards, 2017 issued by the CAG.

6.3 Audit Planning and conduct of Audit

The Office of the Accountant General (Audit-I), Rajasthan conducts audit of Government Departments/Offices/Autonomous Bodies/PSUs/Institutions under the General and Social Sector, under the directions of the CAG. During 2020-21, financial and compliance audits of the selected units under various General and Social Sector Departments, Autonomous Bodies (except Panchayati Raj Institutions and Urban Local Bodies), PSUs and externally-aided projects of the GoR were conducted by audit teams of the office of Accountant General (Audit-I), Rajasthan, Jaipur.

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

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

During 2020-21, 16,537 mandays (for financial audit and compliance audit) were used for audit of 699 units (out of the 24,258) of General and Social Sector Departments. The audit plan covered those units/entities, which were vulnerable to significant risk, as per the risk assessment.

6.4 Response of the Government/ Departments to Audit observation

6.4.1 The draft paragraphs are forwarded to the Principal Secretaries/Secretaries of the departments concerned, drawing their attention, for their response. It is brought to their personal attention that in view of likely inclusion of such paragraphs in the Audit Reports of the Comptroller and Auditor General of India, which are placed before State Legislature, it would be desirable to include their comments. Accordingly, draft paragraphs proposed for inclusion in this report, were forwarded to the Principal Secretaries/Secretaries concerned.

The concerned departments did not send replies to three out of 14 compliance audit paragraphs included in Chapter VII. The responses of the concerned departments wherever received, have been suitably incorporated in the Report.

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

Failure of the departmental officers to furnish compliance of the audit observations in Inspection Reports (IRs) results in non-settlement of IR paragraphs. As on September 2021, there were 7,864 IRs containing 33,715

paragraphs, issued during the period from 2003-04 to 2020-21 which were pending settlement. Year-wise pendency is given in the Table 6.2 below:

Table 6.2

Year	IRs	Paragraphs
Up to 2013-14	3,516	9,889
2014-15	742	2,262
2015-16	749	3,026
2016-17	649	3,044
2017-18	390	2,382
2018-19	625	4,002
2019-20	797	6,109
2020-21	396	3,001
Total	7,864	33,715

GoR, to ensure early settlement of outstanding paragraphs in IRs, issued (August 1969) instructions to all the departmental officers for sending first reply to IRs within a month and replies to further audit observations within a fortnight. These instructions have been reiterated from time to time. The instructions issued in March 2002 envisaged appointment of nodal officers and Departmental Committee in each Administrative Department for ensuring compliance to all the matters relating to audit.

Detailed analysis of IRs issued to three Departments was carried out to study the pendency of responses to the paragraphs brought out in the IRs. Analysis of the IRs of various units of Law and Legal Affairs Department (236 IRs), Animal Husbandry Department (83 IRs) and Higher Education Department (415 IRs) revealed that 3,003 paragraphs (including sub-para) pertaining to 734 IRs were outstanding as on 30 September 2021. Category-wise details of irregularities commented in IRs is given in *Appendix 6.2*. It was noticed that the first compliances, which had to be submitted to Audit within one month of issue of IRs, was received with an average delay of 50 months (ranging from 1 to 204 months) in respect of 210 IRs¹ pertaining to Law and Legal Affairs Department, Animal Husbandry Department and Higher Education Department.

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

6.5 Coverage of this part of the Report

During the last few years, audit has reported several significant deficiencies in implementation of various programmes/activities as well as the quality of

¹ Total 210 IRs where first compliance was received with delays-Law and Legal Affairs Department: 92 IRs (10 to 204 months), Animal Husbandry Department: 82 IRs (01 to 65 months) and Higher Education Department: 36 IRs (04 to 151 months).

internal controls in selected departments through performance audits, which had impacted the success of programmes and functioning of the departments. Similarly, the deficiencies noticed during compliance audit of the government departments/organizations were also reported.

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

6.6 Follow-up on Audit Reports

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

A total of 75 paragraphs (including eight performance audits) that featured in the Reports of the Comptroller and Auditor General of India on Expenditure Sector (erstwhile General and Social Sector) for the years ended 31 March 2016, 2017, 2018, 2019 and 2020 were placed before the State Legislative Assembly between 30 March 2017 and 14 September 2021. ATNs on 16 paragraphs were received within prescribed time and ATNs on 51 paragraphs were received late with an average delay of 3 to 4 months. ATNs on eight paragraphs (Audit Report 2019-20) were yet to be received (January 2022).

The PAC discussed 39 selected paragraphs pertaining to the Audit Reports for the years from 2015-16 to 2018-19 and its recommendations on these 39 paragraphs were incorporated in 29 PAC Reports (pertaining to 19 departments) up to March 2021.

CHAPTER-VII
COMPLIANCE AUDIT OF
EXPENDITURE SECTOR

CHAPTER-VII: COMPLIANCE AUDIT OF EXPENDITURE SECTOR

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

Agriculture Department

7.1 Loss due to sale of certified seeds as grains

Lack of proper planning and imprudent decision to sell/auction the seeds as grain instead of storing and re-certifying them for distribution in the next season, resulted in a loss of ₹ 10.15 crore.

The Seeds Act, 1966 was promulgated for regulating the quality of certain seeds for sale and for matters connected therewith. Section 7 of *ibid* Act provides that the seeds of a variety can be sold only if it complies with the standards of minimum limit of germination and purity as specified under section 6 (a)¹ of the Act *ibid*. As per the “Indian Minimum Seed Certification Standards”, validity period of certification of a seed lot is nine months from the date of test at the time of initial certification, which can be extended as long as it conforms to the prescribed standards.

Rajasthan State Seeds Corporation Limited (RSSCL) was incorporated (March 1978) with the objective of production of certified seeds, their marketing and providing them to the farmers at reasonable price. As per instructions (October 2017) of the Agriculture Department, Government of Rajasthan, the certified seeds could be distributed for sowing to the farmers for a maximum of two hectare of land at subsidised rates.

RSSCL distributes a seed lot at selling price which is arrived at by adding overheads, administrative charges and profit margin (5 *per cent*) to the purchase price and net of subsidy to the farmers. The farmers get seeds at subsidised rates, while RSSCL gets subsidy from the government. Thus, RSSCL realises sale proceeds as per the selling price of the seeds.

Audit scrutiny (July 2019) of records revealed that for sowing in Rabi 2017 season, 5.32 lakh quintal² seeds of various varieties of Wheat, Mustard, Gram and Barley were available with RSSCL, of which 4.01 lakh quintal³ seeds were distributed (October-November 2017) to the farmers. However, 1.31 lakh

1 It specifies the minimum limit of germination and purity with respect to any seed of any notified kind or variety.

2 Wheat: 3,71,294 quintals; Mustard: 13,610 quintals; Gram: 1,21,679 quintals and Barley: 25,001 quintals.

3 Wheat: 2,52,554 quintals; Mustard: 7,939 quintals; Gram: 1,15,914 quintals and Barley: 24,389 quintals.

quintal⁴ seeds remained undistributed due to failure of monsoon and low upliftment in market as of December 2017. Considering the possible availability of 7.99 lakh quintal⁵ certified seeds for Rabi 2018 and possibility of damage to the undistributed seeds stored in High Density Polyethylene (HDPE) bags in which fumigation was difficult, the Board of Directors of RSSCL approved (December 2017) a proposal for disposal of the seeds through dealers at off-season rates and e-tenders/e-auctions so that working capital can be spared for procurement.

RSSCL, sold the seeds (9,466.6 quintals) to dealers at off-season rates (up to January 2018) and as grain (83,995.26 quintals) through e-tenders/e-auctions (March to September 2018) at prevailing market rates. Audit is of the view that RSSCL should have opted for recertification of undistributed balance seeds as a seed lot distributed to the farmers, fetches higher prices whereas a seed lot disposed off as grain fetches the market rate which is comparatively lower than rate of selling as seeds.

Audit observed that RSSCL, due to disposal of seeds as grain realised lower sale proceeds than the cost of procurement⁶ of seeds and had to suffer a loss of ₹ 10.15 crore (details in *Appendix 7.I*). This was also in deviation from the past practice of RSSCL to get recertification of the undistributed stock of seeds during 2014-17.

Thus, the decision to dispose undistributed seeds in the same year instead of getting re-certification and storing the balance seeds for distribution in the next season as permissible in “Indian Minimum Seed Certification Standards”, was not prudent. Also, the remaining seeds could have been packed in non-HDPE bags in order to facilitate fumigation to avoid infestation. Further, requirement of working capital could have been managed by reducing the procurement quantity of seeds after adjusting the quantity of seeds required to be recertified.

GoR stated (February 2021) that generally the undistributed seeds are carried over by RSSCL, however the selling/auctioning was done after Management’s decision, supported by valid reasons. It also stated that calculation of loss should be done by including only the procurement price and processing overheads. Other charges like staff and office overhead, sales promotion, financial overhead and depreciation/bad debts being fixed cost in nature should not be included. Besides, had the undistributed stock been carried over, a burden of ₹ 0.72 crore and ₹ 0.75 crore would have been borne towards storage and re-certification expenditure and moreover RSSCL got benefit of ₹ 1.24 crore also as interest by depositing the sale value in the bank.

Reply is not acceptable as there is a clear loss taking into account the purchase and selling price. Company being a commercial enterprise is supposed to

4 Wheat: 1,18,740 quintals; Mustard: 5,671 quintals; Gram: 5,765 quintals and Barley: 612 quintals.

5 On the basis of production forecast Wheat: 5,93,650 quintals; Mustard: 17,635 quintals; Gram: 1,01,624 quintals and Barley: 86,913 quintals.

6 Cost of procurement includes procurement price, overheads and other administrative costs.

strive towards ensuring a strong bottom line in its balance sheet. RSSCL works out the selling price of the procured seeds every year by adding overhead, administrative charges and 5 per cent profit margin to the procurement price. Further, even if the aspects of cost of storage, re-certification and benefit of interest are to be accounted for, the net loss would be ₹ 7.44 crore⁷. Even taking into account the fixed costs as suggested by the company the net loss would have been to the tune of ₹ 5.49 crore, as calculated by RSSCL itself.

Thus, the fact remains that the RSSCL did not plan the procurement and distribution of seeds properly for Rabi 2017 and its imprudent decision to sell/auction the undistributed seeds as grain instead of storing and re-certifying for distribution in the next season, resulted in a loss of ₹ 10.15 crore.

Further, in view of the fact that the complete stock of procured seeds is not distributed in the same year, RSSCL should prefer re-certification of entire quantity of undistributed seeds as early as possible to prepare a suitable procurement plan for next season. On conforming to the certification standards, these recertified seeds should be distributed for sowing in the next season and on failure, these should be sold through auction. Also, RSSCL can examine the feasibility of selling the certified seeds to the farmers for more than two-hectare land also, which would obviate the need to store the seeds for future periods and/or sell them as grain.

7.2 Undue benefit to private firm

The Rajasthan State Warehousing Corporation, instead of utilizing the storage capacity available under an existing beneficial contract, entered into a contract with less beneficial revenue sharing arrangement initiated through a *suo-moto* single source procurement system, which resulted in undue benefit of ₹ 1.57 crore to a private firm.

Section 31 (1) (b) of the Rajasthan Transparency in Public Procurement (RTPP) Act, 2012 provides that a procuring entity may choose to procure the subject matter of procurement by the method of single source procurement, if owing to a sudden unforeseen event, there is an extremely urgent need for the subject matter of procurement, and engaging in any other method of procurement would be impractical.

Rajasthan State Warehousing Corporation (RSWC), a public sector undertaking (GoR), provides storage facilities through network of its own warehouses across the State, to various Government agencies⁸ engaged in procurement of food grains, pulses, gram etc. under Public Distribution System/Price Support Scheme. To provide specialized warehousing infrastructure functionalities and better storage facilities to the stakeholders, the 'management and operation services' are outsourced to private firms.

7 ₹ 10.15 crore minus cost of storage (₹ 0.72 crore), cost of re-certification (₹ 0.75 crore) and benefit of interest (₹ 1.24 crore).

8 Food Corporation of India, Rajasthan State Co-operative Marketing Federation (RAJFED) and National Agricultural Cooperative Marketing Federation of India Ltd.

RSWC also acquires warehouses owned by private parties on lease basis as per requirement from time to time.

For the management and operation of RSWC owned 38 warehouses (storage capacity: 4.05 lakh MT), a Memorandum of Understanding (MoU) was executed (March 2010) between RSWC and a warehousing firm⁹ (vendor-A) for five years on revenue (gross storage income) sharing basis in the ratio of 68:32 between RSWC and the vendor respectively. RSWC also acquired four warehouses (storage capacity: 82,670 MT) owned by the vendor-A himself under this MoU. However for these warehouses storage income was to be shared in the ratio of 85:15 between the vendor and RSWC respectively. After a review in 2012, the MoU was further extended to 10 years from the date of execution of MoU by increasing the sharing ratio to 70:30.

Audit scrutiny (October 2019) of the records of RSWC revealed that, there was a dire need of additional warehouses for storage of wheat, gram and mustard to be procured by the various agencies during April-May 2018 as existing storage capacity (own and rented) was about to be exhausted. The Additional Chief Secretary, Agriculture also directed (10 May 2018) that storage facility was to be arranged considering all available options to avoid any inconvenience to the farmers. Therefore, RSWC was required to acquire more private warehouses at various locations.

Meanwhile, vendor-A, in addition to his existing MoU, offered (30 April 2018) warehouses at 33 locations having storage capacity of 3,76,621 MT at the prevailing RSWC's standard rates of rent. The proposal to acquire the warehouses from vendor-A was approved (11 May 2018) by RSWC on standard rate of rent (₹ 5.25 per square feet per month) and 'management and operation services' of acquired warehouses were also outsourced on existing revenue sharing arrangement (RSWC:70 and vendor:30) in the MoU. Similarly, another vendor¹⁰ (vendor-B) *suo-moto* offered (3 May 2018) storage capacity of 1,16,500 MT at 16 locations on rent plus revenue share basis for management and operation services which was approved (26 May 2018) on the standard rates of rent (₹ 5.25 per square feet per month) but revenue in this case was to be shared in the ratio of 58:42 (RSWC:58 and vendor B:42). Audit could not find any specific reason for agreeing to a different revenue sharing ratio, which was less favourable to RSWC.

As a result, at a common location, instead of warehouse of vendor-B, storage of goods in a warehouse provided by vendor-A was beneficial as RSWC was to receive more share (70 *per cent* compare to 58 *per cent*) of the storage income while rent of warehouses was same in case of both the vendors. Audit however, observed that at ten locations RSWC preferred storage of goods in warehouses provided by the vendor-B over commercially beneficial warehouses of vendor-A and storage capacity of 88,823.40 MT remained unutilised with vendor-A. Thus, by leaving the more beneficial warehouses/

9 M/s Shree Shubham Logistics Limited.

10 M/s Star Agri Warehousing and Collateral Management Limited.

storage capacity unutilized, RSWC had to pass on a higher share of ₹ 1.57 crore¹¹ to the vendor-B, till April 2020 as detailed in **Appendix 7.2**.

This resulted in loss of storage income of ₹ 1.57 crore and extension of undue benefit to the same extent to Vendor-B.

GoR stated (August 2021) that the offer of Vendor-B was accepted under section 31 (1) (b) of the RTPP Act 2012, taking into consideration the unprecedented demand and the emergent situations. Further, vendor-A had failed to provide storage facility at many places.

The reply is not acceptable as RSWC was free to prioritise the utilisation of contracted warehouses which were more beneficial to the corporation but it could not optimally use the storage capacity available with the vendors. Any document, regarding denial by vendor-A to provide storage facility at any specific location and initiation of any penal action against vendor-A, in case of its alleged default was neither noticed during Audit nor provided by the GoR. Thus, the fact regarding failure of vendor-A to provide storage facility under the existing MoU could not be verified from records.

Further, RSWC was fully aware of the forthcoming demand of storage for *Rabi* 2018 in March 2018; but instead of initiating tendering process, it went for single source procurement, under a *suo-moto* offer, finalized in May 2018. The RSWC could have easily completed the tendering process for availing storage capacity during the period of March to May 2018 (i.e. more than two months) as is evident from the tenders for next season (*Kharif* 2018) which were finalized within seven days at revenue share ratio of 74:26.

Audit noticed that acquisition of private warehouses and outsourcing of management and operation services of the warehouses is a regular feature in RSWC. Hence, Audit is of the view that the revenue sharing formula must be standardized on the lines of the rent in a transparent manner by way of competitive biddings or other appropriate manner of procurement as prescribed in RTPP Rules, 2013 to avoid making distress arrangements in the emergency.

Cooperative Department

7.3 Shortfalls in procurement of agriculture produce under Minimum Support Price

Department's failure in procuring the targeted quantities of oilseed and pulses under Minimum Support Price scheme deprived the farmers from getting guaranteed price for their produce.

Minimum Support Price (MSP) is an effective instrument of price policy and functions as safety net whenever market prices fall below MSP. Based on the recommendations of the "Commission for Agricultural Costs and Prices"

11 Average revenue (₹ 1,470.18 per MT)*Storage capacity that could be availed of from vendor-A (88,823.4 MT)*Difference of share ratio (12 per cent), where average revenue is total storage income (₹ 29.12 crore)/total availed storage capacity (1,98,068 MT) from vendor-B.

(CACP), Department of Agriculture and Co-operation, Government of India (GoI) declares MSP for 25 commodities¹² before the sowing season. The MSP is announced to ensure farmers are able to sell their produce at guaranteed prices and to save them from the unwarranted fluctuations in price caused by the variation in supply. GoI organizes procurement operations of these commodities through various public agencies and also fixes targets for procurement of the commodities. In Rajasthan, Co-operative Department is the nodal department for procurement of pulses and oil seeds under MSP. The CACP in its price policy for *rabi* and *kharif* crops provides recommendations on MSP of mandated crops by taking into account various factors such as cost of production, overall demand and supply situation, domestic and international prices and etc. The price policy also provides data and a fair comparison of market prices of various crops in the major producing States with their MSPs.

An audit analysis of CACP's data of five oilseeds/pulses revealed that the market prices of three commodities (urad, groundnut and soybean) during 2017-20 and two commodities (gram and mustard) during 2018-20, were below their MSPs, in most of the season days. Audit further noticed that yearly average prices of these commodities registered by the APMCs¹³ in Rajasthan were also below their MSPs during 2017-20.

The Rajasthan State Co-operative Marketing Federation Ltd. (RAJFED) is the State nodal agency (under Rajasthan Co-operative Department) for procurement of pulses/oilseeds in the State. Audit scrutiny (July-November 2019/January 2020) of records of RAJFED and information further collected (October 2021) revealed that during 2017-18 to 2019-20, against the target of procurement of 46.58 lakh metric ton (LMT) of five oilseeds/pulses, RAJFED could procure only 25.75 LMT (55.28 per cent), under MSP. There was significant shortfall in procurement of these commodities as shown in Table 7.1 below:

Table 7.1

S No	Name of crop	Year	Total Production in State in LMT	Target of procurement in LMT	Actual procurement in LMT (per cent of production)	Achievement of targets in per cent	Shortfall in achievement of targets (in per cent)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Gram	2018-19	18.40	5.88	5.80 (31.52)	98.64	1.36
		2019-20	26.58	4.17	1.20 (4.51)	28.78	71.22
2	Urad	2017-18	5.24	1.32	1.31 (25.00)	99.24	0.76
		2018-19	3.76	0.88	0.77 (20.48)	87.50	12.50
		2019-20	1.24	0.74	0.00027 (0.02)	0.04	99.96
3	Groundnut	2017-18	12.59	1.50	1.46 (11.60)	97.33	2.67
		2018-19	13.83	3.79	2.32 (16.78)	61.21	38.79
		2019-20	16.12	3.07	1.93 (11.97)	62.87	37.13
4	Soybean	2017-18	10.70	1.50	0.12 (1.12)	8.00	92.00
		2018-19	11.69	3.69	0.03 (0.26)	0.81	99.19
		2019-20	5.25	3.54	0 (0)	0	100.00
5	Mustard	2018-19	47.79	8.00	4.72 (9.88)	59.00	41.00
		2019-20	42.89	8.50	6.09 (14.20)	71.65	28.35
	Total		216.08	46.58	25.75 (11.92)	55.28	

12 14 *Kharif* crops (Paddy, jowar, bajra, maize, ragi, arhar, moong, urad, cotton, groundnut, sunflower seed, soybean, sesamum, nigerseed); seven *Rabi* crops (wheat, barley, gram, masur {lenthil}, rapeseed/mustard, safflower, toria); four other crops (copra, de-husked coconut, jute, sugarcane).

13 APMC is a statutory market committee constituted by a State Government in respect of trade in certain notified agricultural or horticultural or livestock products, under the Agricultural Produce Market Committee Act issued by that State Government.

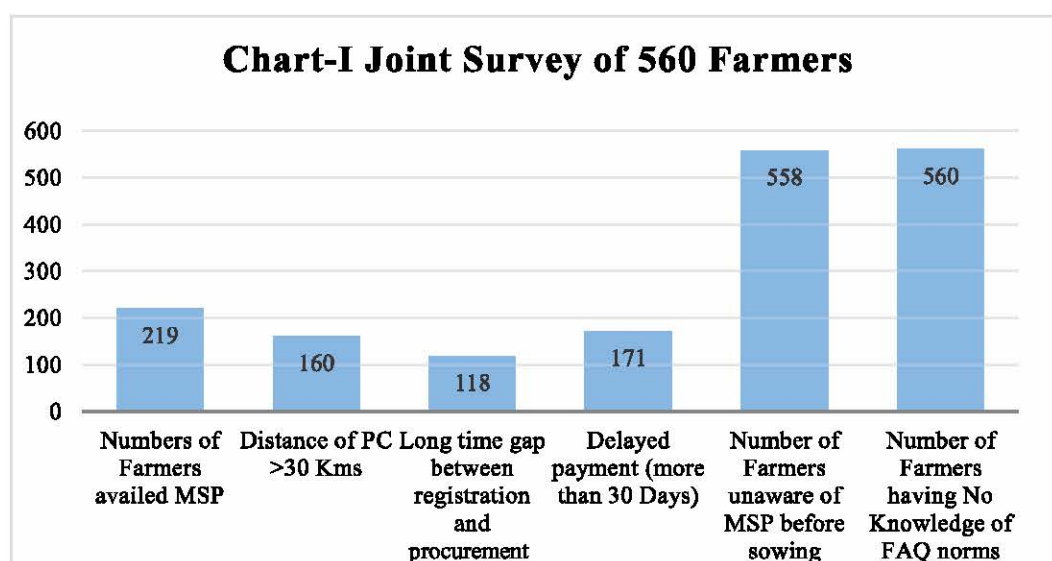
Audit also noticed that in comparison to the total production of these oilseeds/pulses in the State, procurement ranged between zero and 31.52 *per cent* (average of 11.92 *per cent*). Thus, despite availability of adequate quantity of these commodities and market price being below MSP, RAJFED could not procure the targeted quantities of these five oilseeds/pulses.

Lesser procurement under MSP compared to production, leads to a situation where bulk quantities are sold in open market which in turn results in drop in the prices. Vice-versa, when agency procures substantial quantities, prices of commodities also rises in the market.

Audit is of the view that if the farmers had been able to sell at MSP, they could have realized better prices for their produce as compared to the average APMC prices (*Appendix 7.3*).

Audit conducted (July-November 2019) a joint survey of 560 farmers with the officers/officials of Agriculture Department in order to analyse the reason for shortfalls in targets. The survey revealed that only 219 farmers (39 *per cent*) could sell their produce on MSP (*Chart-1*). During the survey, the farmers attributed distant location (more than 30 km) of procurement centers in 160 cases (28.57 *per cent*), long time gap (more than 30 days) between registration and procurement in 118 cases (21.07 *per cent*) and payments with delays of more than 30 days against prescribed period of three days in 171 cases (30.54 *per cent*) for shortfalls in targeted procurement. Farmers were also not aware of MSP prices before sowing (558 cases) and Fair Average Quality¹⁴ (FAQ) norms (560 cases). RAJFED stated (July 2021) that in case of online payment failure due to wrong bank account number, obtaining correct number takes a lot of time.

This indicates lack of sincere efforts on part of the Department in setting up accessible purchase centers, timely procurement/payment of the produces and prior intimation of MSP and FAQ.



14 FAQ norms shall be decided/ approved by the Department of Agriculture and Cooperation for each crop. Farm produce brought to the procurement center is at times rejected as it does not meet the FAQ Norms.

GoR endorsed (November 2021) the reply submitted by RAJFED in which it was stated that non-existence of provisions to procure sub-standard produces from farmers, farmers preference to sell their produce to local traders in case of insignificant difference between MSP and market prices (specifically in soybean) and requirement of certified documents for selling produces under MSP were the main reasons for shortfall in achievement of targets.

The reply is not tenable as for most of the season days the market prices were below the MSP, even in case of soybean. Further, the requirement of certified documents and correctness of bank account cannot be considered a genuine hindrance in procurement under MSP. These procedural requirement can easily be complied through proper education and assistance provided to farmers by the Department.

Thus, due to inadequate assistance and awareness provided to farmers and lack of proper strategy on part of the Department, the farmers of oilseeds/pulses (gram, urad, groundnut, soybean and mustard) could not be provided the safety net in case of market prices being below the MSP, as envisaged in the policy.

It is, therefore, recommended that:-

GoR should ensure setting up sufficient number of accessible procurement centers closer to the farmers and release timely payments for procurements under MSP. GoR should also give wide publicity about MSP and FAQ norms so that farmers are able to fully optimize the benefits of MSP.

Fisheries Department

7.4 Loss of opportunity to earn additional revenue

Department's decision of not providing opportunity to the only bidder left, after the failure of the highest bidder to comply with the prescribed rules, in violation of the General Financial and Accounts Rules led to loss of opportunity to earn an additional ₹ 3.97 crore.

The Rajasthan Fisheries Rules, 1958 prescribe the procedure for issuing license of fishing in the specified waters of the State. Rule 5 (1) (d) of the rules *ibid* stipulates that specified waters of all categories may be, by inviting tenders/open auction in accordance with the procedure prescribed in these rules, leased out for fishing for a period of five years. The lessee will have to pay cumulative increasing amount of lease money each year with an increase of 12 *per cent* of previous year's lease money. As per rule 6 (1) of the rules *ibid* the person whose bid is accepted, is required to pay one fourth of the amount offered at the time of acceptance of his bid and rest of the amount within a period of one month from the date of acceptance of his tender/bid failing which, the entire money deposited with the government including earnest money shall be forfeited and the same bidder shall be debarred from participating in auction/submitting tender for a period of two years.

These rules are silent as how to deal with a situation where highest bidder backs out of the bidding and does not execute the contract. However, it has been categorically prescribed in Delegation of Financial Powers under General Financial and Accounts Rules (GF&ARs) (Part-III) issued by Government of Rajasthan (GoR) at condition no. 2 (iv) in respect of revenue contracts (item 1A) that if the highest bidder backs out while finalising a revenue yielding contract and there is only one bidder left, the contract may be awarded to him provided that his bid is above the reserve price.

The Director, Department of Fisheries, GoR invited (February 2016) tenders to lease out 74 dams including *Bandh Gudha* (District-Bundi) for fishing for a period of five years from 2016-17, with stipulated date of opening bids as 30th March 2016. Against a reserve price of ₹ 0.95 crore for *Bandh Gudha*, two bids of ₹ 1.32 crore and ₹ 1.16 crore were received. The Department accepted the highest bid (H1) and conveyed (31st March 2016) acceptance to the highest bidder but the bidder failed to deposit the one fourth of the bid amount within the prescribed time.

Audit scrutiny (June 2020) of records revealed that the Department, instead of awarding the contract to the only bidder left whose bid was above the reserve price, cancelled (13th April 2016) the tenders in contravention of provisions contained in GF&ARs, as stated above. Earnest money deposited by the highest bidder was forfeited by the department. The Department further, invited fresh tenders in May 2016 and June 2016 but no bid was received. The Department thereafter, invited (August 2016) tenders after reducing the reserve price to ₹ 0.70 crore. Since, six months of the license period had already elapsed and next year (2017-18) instalment of the license fee was also falling due within next few months, Department had to accept (5 October 2016) a bid of ₹ 0.54 crore which was 23 *per cent* lesser than the revised reserve price. The contractor deposited ₹ 3.41 crore¹⁵ as license fee for five years during September 2016 to April 2020.

Audit is of the view that had the Department, after backing out of bidding by the highest bidder, awarded the license in March 2016 to the only bidder left at his offer price (₹ 1.16 crore) instead of cancelling the tender, it could have generated a revenue of ₹ 7.38 crore¹⁶ in the same period. Thus, the Department lost the opportunity to earn an additional amount of ₹ 3.97 crore. Moreover, the department could not debar the highest bidder on failure to deposit the one-fourth of offered amount as the condition was not incorporated in the tender document.

The Department stated (December 2020) that as per the Rajasthan Fisheries Rules, 1958, license of fishing could be issued only to the highest bidder. The Department further added that bidders had offered abnormally higher bids with *mala fide* intention to foil the tendering process. It also stated that had the Department given opportunity to the second highest (the only one left) bidder,

15 2016-17: ₹ 0.54 crore; 2017-18: ₹ 0.60 crore; 2018-19: ₹ 0.68 crore; 2019-20: ₹ 0.74 crore and 2020-21: ₹ 0.85 crore.

16 2016-17: ₹ 1.16 crore; 2017-18: ₹ 1.30 crore; 2018-19: ₹ 1.46 crore; 2019-20: ₹ 1.63 crore and 2020-21: ₹ 1.83 crore.

the bidder too would not have deposited the requisite amount as the contractors had made a pool in order to foil the tendering process so that they can continue illegal fishing in *Bandh*. Therefore, the two bidders had offered very high prices in comparison to reserve price. An example of similar tender in Sirohi (2018-19) was quoted where bidders other than H1 did not deposit the requisite amount despite being offered the bid one after another. In such a situation, finalisation of tender takes time and till license is awarded, illegal fishing cannot be prevented with inadequate staff. Therefore, cancellation of tenders in case of *Bandh Gudha* contract was a right decision. GoR stated (August 2021) that provisions of GF&AR are not applicable in tendering process of the Fisheries Department.

Replies are not acceptable as the Department's contention that the only bidder left, being a part of bidder's pool, would not have deposited the requisite amount, is hypothetical in absence of any supportive evidence. Even, in the Sirohi case, the Department gave offers to five bidders next to H1, who refused to execute the contract and the Department withheld their earnest money, which was not done in the case of *Bandh Gudha*. This indicates that in similar situations, the Department arbitrarily took decision for cancellation of tender in a case whereas it provided opportunity to other bidders next to H1 in another case.

Further, the contention of the Department that retendering was required in order to thwart illegal fishing and to find a genuine bidder is contradictory to its admission in the reply that neither the Department nor the selected genuine bidder could have prevented illegal fishing in the *Bandh*.

Thus, by not offering the license to the only bidder left in violation of the rules and later accepting a lower bid in retendering led to loss of opportunity to earn an additional amount of ₹ 3.97 crore. It is therefore, recommended that a suitable provision may be included in the Rajasthan Fisheries Rules, 1958 to enforce the tendering provisions contained in GF&AR to avoid ambiguity and to maintain transparency in process of leasing of the licenses through auction. Government may also consider measures to ensure rational deployment of the available staff to prevent illegal fishing in the big dams.

Food, Civil Supplies and Consumer Affairs Department

7.5 Loss of cash incentive under Direct Benefit Transfer in Kerosene

Non-conduct of timely assessment of quantities of PDS kerosene to be surrendered and not weeding out the ineligible beneficiaries resulted in failure to earn cash incentive under DBTK.

Government of India (GoI) launched (January 2016) Direct Benefit Transfer in PDS kerosene (DBTK) Scheme with effect from April 2016, with the objective to stop pilferage of subsidy and to reduce the outflow of central subsidy on kerosene to States/Union Territories (UTs) to a realistic level. The DBTK Scheme was applicable for four years from the date of commencement i.e. till financial year 2019-20 only. As per the Scheme, the States/UTs were to

be incentivized with cash incentives of 75 *per cent* of subsidy savings during the first two years, 50 *per cent* in the third year and 25 *per cent* in the fourth year, for implementing the DBTK.

Further, in case the States voluntarily agree to undertake cuts in kerosene allocation, beyond the saving due to DBT, a similar incentive was also to be given to those States/UTs. The calculation would be based on net savings in kerosene consumption at state level from the baseline (90 *per cent* of allocation¹⁷ in 2015-16). GoI allocated quarterly quota of PDS kerosene to the States, before commencement of that quarter. States were required to intimate the quantity of kerosene to be surrendered to GoI before end of the quarter, for cash incentive.

Test-check (August 2020) of records of the Commissioner, Department of Food, Civil Supply and Consumer Affairs, Rajasthan, revealed that the Department did not surrender any quantity of PDS kerosene till February 2018. Instead it approached the oil marketing companies (OMCs) to obtain data regarding the consumers who shifted to LPG, so as to ascertain exact number of consumers eligible for PDS kerosene. Till January 2017, OMCs had provided details of 60.40 lakh consumers out of the total 1.10 crore LPG consumers. Only after instructions (October 2017) from the Government to surrender the balance quantity after distribution of PDS kerosene through PoS, the Department surrendered (February 2018) a quantity of 1,69,696 KL for five quarters covering the period from July 2016 to September 2017 and requested GoI to **grant incentive of ₹ 86.02 crore**. The Department further surrendered a total quantity of 1,68,576 KL¹⁸ in May 2018, July 2018, January-February 2019 and April 2019. The Department also requested to grant the cash incentive for surrendered quantities as admissible.

Audit, however, observed that out of 12 quarters (July 2016 to June 2019), GoI accepted voluntary cuts for only three quarters viz. second (34,992 KL) and fourth (17,000 KL) quarters of 2018-19 and first quarters of 2019-20 (3,000 KL) and accordingly cash incentive of ₹ 77.52 crore¹⁹ was granted. Claims amounting to ₹ 222.81 crore (*Appendix 7.4*) for eight quarters (July 2016 to June 2018) submitted by the department belatedly, were not accepted being considered as **lapsed quota instead of voluntary cuts**.

GoR stated (October 2021) that the OMCs did not share data of the consumers who shifted to LPG. In the absence of which the actual number of beneficiaries for DBTK could not be ascertained and therefore, the quantity of kerosene to be voluntarily surrendered could not be ascertained. It was also stated that voluntary surrender could not be made as dissatisfaction among the

17 During 2015-16, annual quota of PDS kerosene was 4,95,180 KL for Rajasthan.

18 May 2018: 73,292 KL (last two quarters of 2017-18), July 2018: 75,284 KL (first two quarters of 2018-19), February 2019: 17,000 KL (last quarter of 2018-19) and April 2019: 3,000 KL (first quarter of 2019-20).

19 ₹ 34.77 crore granted in December 2018 (for 34,992 KL surrendered in second quarter of 2018-19), ₹ 4.88 crore granted in May 2019 (for 10,000 KL surrendered in fourth quarter of 2018-19) and ₹ 37.88 crore granted in March 2021 (for 7,000 KL surrendered in fourth quarter of 2018-19 and 3,000 KL surrendered in first quarter of 2019-20).

consumers was prevailing in the State due to shortage of kerosene caused by voluntary surrender by GoR.

The reply is not acceptable as the Department did not utilise its own data being captured through its distribution network on *Bhamashah*²⁰ platform while distributing the kerosene to the PDS beneficiaries for estimating the quantities to be uplifted/consumed in relevant quarters. The Department waited for nine quarters to obtain the data from OMCs. Further, the Department started voluntary surrender of kerosene since second quarter of 2018-19 purely on an estimation basis as the complete data of consumers who shifted to LPG has not been provided by the OMCs till date.

Dissatisfaction among consumers due to shortage of kerosene also cannot be accepted as genuine reason for not surrendering the kerosene as the Department, while implementing the scheme was required to ensure full entitlement of kerosene to the eligible/genuine beneficiaries (by weeding out the ineligible beneficiaries).

Thus, failure of the department to timely surrender kerosene by assessing the quantities to be uplifted/consumed through its own beneficiary database and in weeding out the ineligible beneficiaries resulted in loss of cash incentive of ₹ 222.81 crore.

7.6 Imprudent procurement of excess sugar

Delayed/non distribution of subsidised sugar to the eligible beneficiaries and procurement of sugar in excess of the requirement resulted in piling up of huge stock and ultimately rendered the subsidised sugar worth ₹ 2.73 crore being unfit for human consumption.

Sugar is a perishable commodity and is damaged/rendered unfit for human consumption if stored for a long period. Government of Rajasthan (GoR) provides sugar to the beneficiary families on subsidized rates under the Public Distribution System (PDS). The Rajasthan State Food and Civil Supplies Corporation Ltd. (RSFCSC) is the nodal agency in the State to lift the levy sugar from mills or procure from open market and supply to the fair price shops for distribution to Below Poverty Line as well as *Antyodaya Anna Yojana* (AAY) families²¹ under PDS. Since June 2013, amount of subsidy was being reimbursed at the rate of ₹18.50 per kg for actual quantity distributed by Government of India (GoI). From June 2017 onwards, GoI restricted (May 2017) the supply of one kg subsidised sugar per family per month, to the AAY

20 *Bhamashah Yojana* was introduced (August 2014) by GoR to transfer financial and non-financial benefits of Governmental Schemes directly to women recipients' bank accounts in a transparent manner. Ration items were being distributed in Public Distribution System through Point of Sale Machines under *Bhamashah* Scheme from 2016-17 onwards.

21 AAY families identified under the National Food Security Act, 2013 and its relevant Rules.

families only. GoI revised (June 2017) state quota²² to 932.10 metric ton (MT) sugar per month for distribution to 9.321 lakh AAY families (maximum ceiling) identified under National Food Security Act, 2013.

Test check of records of RSFCSC revealed (June 2020) that RSFCSC invited bids through e-tender (15.09.2017) for rate contract of 11,185.20 MT sugar (out of production seasons of 2015-16, 2016-17 and 2017-18) to be distributed for the period April 2017 to March 2018 (9.321 lakh AAY families). RSFCSC at beginning of the year 2017-18, had a balance of 7,340.00 MT undistributed sugar at its district depots. RSFCSC issued (November and December 2017) four orders for supply of 11,185.20 MT sugar, against which actually 10,816.31 MT sugar was supplied.

Audit observed that there were only 6,75,935 AAY families in the State (registered on the Department's portal) at that time. As per revised policy only 8,111.22 MT²³ of sugar was needed for distribution. Therefore, RSFCSC was required to procure only 771.22 MT²⁴ for the year 2017-18. On the other hand due to delayed distribution, against the target (8,111.2 MT), only 2,978.79 MT (36.72 *per cent*) sugar could be distributed to the AAY beneficiaries during 2017-18. RSFCSC continued distributing sugar to the beneficiaries from this old stock in 2018-19 (4,222.60 MT), 2019-20 (3,614.20 MT) and 2020-21 (5,808.504 MT) and still 1,532.216 MT²⁵ subsidised sugar remained undistributed in stock at the end of March 2021.

Further, RSFCSC had to store/handle huge stock of sugar pertaining to production seasons of 2015-16, 2016-17 and 2017-18 for more than two to three years and ultimately, 675.626 MT sugar worth ₹ 2.73 crore²⁶ was rendered unfit for human consumption (March 2021).

On being pointed out (December 2020), the Department, while accepting the facts (June 2021), attributed the reasons for lesser distribution of sugar to relatively higher issue rate of the sugar than before, low ceiling of sugar distribution of only one kg per family per month and lack of interest among the fair price shopkeepers and eligible families etc. Further, allocations up to district level, for distribution from the old stock were made by the department, but sub-allocation orders could not be issued by the district supply officers (DSO), due to which stock of undistributed sugar increased. Further, for the disposal of Spoiled/Yellow/Frozen and expired sugar, a committee has been constituted.

Thus, imprudent decision to procure sugar significantly in excess of requirement resulted in loss of ₹ 2.73 crore. Also, the subsidised sugar was not

22 Earlier, annual quota of sugar for the State was 93,196 MT (7,342 MT per month plus 5,092 MT for festivals).

23 6,75,935 families x one kg per family per month x 12 months.

24 Total requirement (8,111.22 MT) minus available stock (7,340.00 MT).

25 Available stock at the beginning of year 2017-18 (7,340.00 MT) plus Procurement for 2017-18 (10,816.31 MT) minus Distribution for 2017-18 (2,978.79 MT) minus for 2018-19 (4,222.60 MT) minus for 2019-20 (3,614.20 MT) minus 2020-21 (5,808.504 MT) : Balance = 1,532.216 MT.

26 Unfit Sugar (675.626 MT) x Cost of Procurement (₹ 40,440 per MT).

distributed to the eligible beneficiaries during April 2017 to September 2017 despite availability of adequate stock. Audit is of the view that if the sugar been distributed immediately after receipt of the new guidelines (June 2017) from the outstanding stock of previous years and if procurement had been made after considering stock in hand, the wastage of sugar could have been avoided.

The matter was referred (May 2021) to the Government and the Government was reminded in July and September 2021. Their reply was still awaited (January 2022)

Labour Department

7.7 Blockage of funds for Six years

The laxity of Rajasthan Building and Other Construction Workers' Welfare Board in finalising the location and taking possession of the land allotted by Jaipur Development Authority for construction of workers houses resulted in blockage of ₹ 13.74 crore for more than six years and deprived the Building construction workers of the benefits of the group housing scheme.

Rajasthan Building and Other Construction Workers' Welfare Board (the Board), was established (July 2009) to perform the functions assigned under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the Act) for the welfare of building and other construction workers (the beneficiaries²⁷).

The Board, in its meeting, decided (January 2015) to prepare suitable proposals regarding the construction of 1,000 multi-storied houses for beneficiaries under the Affordable Housing Policy of the State Government in consultation with the Urban Development, Housing and Local Bodies Department (UDD). Accordingly, the Board approached (March 2015) Jaipur Development Authority (JDA) to allot a suitable piece of land in Jaipur. JDA sent a list of plots to the Board on 10 April 2015 with the request to finalise and send willingness within 15 days.

Audit scrutiny (November 2020) revealed that the Board took more than 100 days to finalise (July 2015) the proposal for purchase of land from the list of plots offered (April 2015) by JDA. In the meantime, the JDA issued (June 2015) allotment-cum-demand notice of ₹ 13.74 crores for three plots of *Anupam Vihar* Scheme in Jaipur at the rate of ₹ 6,800 per square meter (sqm) with the condition to deposit the amount within 30 days from the issue of the notice. The Board deposited (August 2015) the amount of ₹ 13.74 crores with the JDA with a delay of 28 days.

Audit noticed that the Board did not take proactive action for taking possession of the said plots, even though it had deposited entire amount of

27 Every building worker registered as a beneficiary under the BOCW Act, shall be entitled to the benefits provided by the Board from its Fund under this Act.

demand by JDA. Board's last correspondence with the JDA was in February 2018 and after the matter was pointed out by Audit in November 2020, it raised the issue with the JDA in December 2020, i.e. after a lapse of 33 months.

Thus, the Board failed to coordinate with the JDA and UDD to take possession of the allotted land which resulted in the blockage of ₹ 13.74 crores for more than six years and deprived the beneficiaries of the group housing scheme.

On being pointed out, the GoR, accepting the facts, stated (October 2021) that pursuant to the decision of Hon'ble Supreme Court and the Central Government directions (February 2014), the Board decided to provide houses to construction workers. Accordingly the Board sent a plan to the State Government and after their approval, three plots were allotted by JDA. It also stated that Secretary, Labour Department has written (September 2021) to Principal Secretary, UDD either to hand over possession of allotted land at the rate of ₹ 6800 per sqm or to cancel the allotment of land with the return of the entire amount of ₹ 13.74 crores along with 18 *per cent* interest.

The reply needs to be viewed in light of the fact that Board was not vigilant/prompt to take possession of the land even after depositing the entire amount with JDA, the Board took up the matter with JDA only after being pointed out by the Audit. The Board's laxity resulted in blockage of ₹ 13.74 crores for more than six years and deprived the Building construction workers of the benefits of the group housing scheme.

7.8 Loss of refund of tax deduction at source

Failure to obtain exemption certificate u/s 10 (46) of IT Act, 1961 resulted in loss of refund of TDS deducted by banks on interest income earned on fixed deposits.

Under Section 10 (46) of Income Tax Act (IT Act), 1961, any specified income arising to a Board, constituted by or under a Central or State Act or by Central or a State Government, with the objective of regulating or administering any activity for the benefit of the general public and which is not engaged in any commercial activity, has been exempted from levy of income tax by the Central Government. The entity eligible to claim exemption u/s 10 (46) of IT Act is required to be notified by the Central Government in the official gazette. In this regard, the Ministry of Finance (MoF) prescribed (June 2013) the standardised process to file an application in prescribed format by the entity to the jurisdictional Commissioner of Income Tax (CIT)/Director of Income Tax to avail the said exemption. The Board was also liable to file income tax return mandatorily in compliance of clause (g) of section 139 (4 C) of the IT Act.

Further, as per section 196 of IT Act, no tax is deductible from any sums (interest/dividend/others) payable to such institution established by or under a Central Act which is exempted from income-tax on its income. Government of Rajasthan (GoR) constituted (July 2009) the Rajasthan Building and Other

Construction Workers' Welfare Board (the Board), Jaipur under Building and Other Construction Workers (Regulation of Employment and Conditions of Service Act, 1996 (Central Act No 27 of 1996). The Board receives amount of cess, levied on building & construction activities being carried out, in 'Welfare fund' constituted in accordance with section 24 of the Act and utilises the same for meeting expenses on objects and purposes authorized by the Act. The surplus fund available with the board is deposited with the nationalized banks in term deposits and interest earned there on is also utilised on welfare activities for construction workers.

Audit scrutiny (December 2020) of records of the Board revealed that the Board did not initiate the due procedure for seeking exemption of its specified income from the income tax by getting notified the specified income (including interest) in the official gazette of Central Government. In the absence of such exemption notification, various nationalised banks deducted tax at source (TDS) amounting to ₹ 23.34 crore²⁸ on the interest paid on investments during the year 2012-13 to 2019-20. The Board also did not file income tax returns for the relevant assessment years. Therefore, the tax deducted as TDS, could not be claimed as refund.

The issue was also pointed out (February 2016 and January 2020) during Financial Audit of Annual Accounts of the Board for the years 2014-15 and 2016-17 (last financial audit conducted so far). The Board, however, did not file the application for exemption in the format prescribed to regional office of IT department. The Board, approached (August 2016) the Ministry of Labour and Employment (MoLE) for seeking clarification from the MoF to obtain the exemption certificate and MoLE also directed (November 2016) the Board to take up the matter with regional office of IT department.

Thus, failure to obtain exemption certificate u/s 10 (46) of IT Act, 1961 despite being pointed out repeatedly by Audit resulted in blockage of ₹ 23.34 crore meant for welfare of the construction labourers. The Board has to suffer not only a loss of ₹ 23.34 crore but also be liable for paying income tax in future on its income which is eligible for exemption, if delay in filing of IT returns is not condoned or exemption of specified income of the Board is not notified with retrospective effect.

The Board stated (August 2021) that:

- On being pointed out by Audit, the matter was taken up (January 2020) with the Commissioner of Income-tax (TDS), Jaipur, but the desired exemption certificate has not been received, so far.
- Further, refund of TDS pertained to the period from 2012-13 to 2019-20, has now been time barred, the application for the same will be submitted after obtaining special permission from the Commissioner of Income-tax.

State Government while accepting the facts stated (October 2021) that the Board, is eligible for exemption from levy of income tax u/s 10 (46) of IT Act,

²⁸ TDS deducted during the financial year 2012-13: ₹ 0.17 crore, 2013-14: ₹ 0.15 crore, 2014-15: ₹ 0.60 crore, 2015-16: ₹ 3.10 crore, 2016-17: ₹ 6.79 crore, 2017-18: ₹ 4.97 crore, 2018-19: ₹ 3.57 crore, 2019-20: ₹ 3.98 crore.

but it became difficult to fulfill the condition of notification in central gazette to obtain such exemption.

It was also stated that generally, the amount generated from the cess is not considered income of the Government department/Board, due to which the annual income tax return is not filed. Secondly, for obtaining the exemption certification, preparation and audit of annual accounts is a prerequisite, which being a time consuming process could not be completed before the scheduled date of filing of tax returns. Hence, in practice, it is a complicated process to obtain an income tax exemption certificate for the Board.

The reply is not acceptable as the Board failed to understand that the exemption from income tax was conditional and the board had to follow the necessary procedure as prescribed by the Income Tax Department for seeking exemption of income tax on the specified income. It is also not correct to say that fulfilling the conditions for exemption from income tax were difficult as many such Boards established in other States, have been availing this benefit.

It is, therefore, recommended that the Board, should immediately take necessary steps:-

1. *To submit an application in prescribed format to the jurisdictional Commissioner of Income Tax for seeking exemption, if possible with retrospective date, from income tax on its specified income u/s 10(46) of the IT Act, as some Boards (West Bengal, Haryana, Telangana and Chhattisgarh) have already obtained.*
2. *To submit its all pending income tax returns by seeking condonation for delay in submission of income tax return u/s 119(2) of the IT Act and file return for Financial Year 2020-21 on time.*

Medical and Health Department

7.9 Unfruitful expenditure on construction of eight Trauma Care Centres buildings

Non-commencement of Trauma Care Centres for more than seven years after construction of the buildings not only resulted in unproductive expenditure of ₹ 5.45 crore but also deprived the accident victims from immediate life-saving treatment.

In an accident case, the period of an hour (golden hour) immediately after the traumatic injury is very critical during which prompt medical and surgical treatment can prevent death. Keeping this in view, State Government announced (Budget speech 2010-11) establishment of ten²⁹ Trauma Care Centres (TCCs) to provide immediate life-saving treatment to critically injured

29 Ten Trauma Care Centres: Nathdwara, Ratangarh, Sujangarh, Lakheri, Chomu, Fatehpur, Sikandra, Gogunda, Rawatsar, Bhim.

person within the golden hour. Accordingly, Deputy Secretary, Medical and Health Department, Jaipur issued (June 2010) administrative sanction of ₹ 6.50 crore for construction of TCC buildings (₹ 65 lakh each) and ₹ 86.81 lakh for creation of new posts for these TCCs. In addition, an amount of ₹ 9.70 crore for essential equipment was to be provided from Rajasthan Health System Development (RHSD) Project. Public Works Department (PWD) was the executing agency for construction of TCC buildings.

Audit scrutiny (February-March 2019) of records of Medical Officer (MO), Community Health Centre (CHC), Sikandra and Principal Medical Officer (PMO), Government Hospital, Sujangarh revealed that construction of TCC buildings at Sikandra and Sujangarh commenced in September 2010 and January 2012 respectively and was completed in April 2013 and August 2014 respectively at total cost of ₹ 1.09 crore³⁰. After completion of the work, PWD handed over the buildings to MO, CHC, Sikandra and PMO, Government Hospital, Sujangarh in November 2013 and September 2014 respectively.

Audit observed that these two TCCs could not be commenced for more than seven years despite availability of staff and the buildings. Further, out of the equipment procured (May 2010 to October 2014) for these TCCs, most of the equipment worth ₹ 17.74 lakh were lying unutilised in the store in TCC Sikandra, while equipment worth ₹ 23.22 lakh meant for TCC Sujangarh were being used in sub-district hospital Sujangarh.

A joint physical inspection of the TCCs at Sikandra and Sujangarh conducted (February and March 2021) with Departmental representatives further revealed that in Sikandra construction of two rooms was incomplete while other two rooms were occupied by CHC for operating the CHC office. Similarly, in Sujangarh, TCC building was being utilised as Block Chief Medical Office's store. Audit also found that due to prolonged non-utilisation and lack of maintenance, the buildings were badly worn out and had developed deep cracks (as shown in photographs below).



PMO Sujangarh observed cracks on walls and damage to the plaster in the newly constructed TCC building in November 2015 i.e. few months after

³⁰ ₹ 49.34 lakh at Sikandra and ₹ 60.15 lakh at Sujangarh.

taking possession but defects were not rectified despite the request (November 2015 and March 2017) of Chief Medical and Health Officer, Ratangarh to PWD to repair. Audit also noticed that in response to a *Vidhan Sabha* question PWD intimated (September 2020) that the building had only been partially damaged due to non utilisation, water leakage and non-maintenance of the building for prolonged period. PWD further added that guarantee period of five years had already elapsed in August 2019, but the building could be used after some repairs.

On being pointed out, MO, Sikandra stated (February 2021) that TCC building could not be utilised as it was three kilometres away from national highway and the approach road was very narrow. Staff and equipment like refrigerator and fowler beds allocated for TCC were being utilised in CHC, Sikandra. While PMO, Sujangarh stated (March 2021) that TCC building could not be utilised due to dilapidated condition of the building. It was also stated that equipment and staff allocated to TCC were being utilised in Government sub-district hospital, Sujangarh.

On being pointed out (June 2021), State Government accepted the facts (August 2021) pertaining to TCCs at Sikandara and Sujangarh and stated that repair work of TCC buildings at Sujangarh and Sikandara and installation of utilised equipment at Sikandara was under process. Government added that the TCCs would be made functional at the earliest.

Similarly, construction of building of TCC, Bhim was completed in June 2013 by PWD at a cost of ₹ 0.47 crore and the building was handed over (December 2013) to PMO, CHC Bhim. Audit noticed that no equipment was provided to TCC, Bhim though a provision of ₹ 0.79 crore was made (June 2010) under RHSD Project for supply of equipment. Additional staff for this TCC was also not provided.

Further, joint physical inspection (September 2021) of the TCC at Bhim with Departmental representatives also revealed that three halls, toilets and ramp were made for the TCC building in the premises of CHC Bhim and the building was not being used for the purpose of trauma centre. Also, no equipment was established in the TCC. Thus, TCC Bhim was not made functional for want of equipment and staff.

Construction of TCC building at Gogunda was found incomplete during physical verification, even after a lapse of seven years and incurring expenditure of ₹ 0.65 crore. It was also noticed in Gogunda that the work could not be completed due to requirement of additional funds for shifting of the 11 KV electric line and for change in foundation design.



On being enquired (September 2021) PMO, CHC Bhim stated that TCC was not functional due to non-availability of staff. MO, CHC Gogunda also stated that the work could not be completed for want of additional funds.

Further, scrutiny of information collected (September 2021) from the department revealed that construction of three TCCs at Ratangarh, Lakheri and Rawatsar was completed during October 2012 to April 2013 at an aggregate cost of ₹ 1.63 crore³¹. Equipment amounting to ₹ 1.00 crore³² were also provided to these TCCs but these trauma centres were found non functional due to want of adequate staff. TCC building at Ratangarh was being utilised as Ophthalmology Department of Government General Hospital, Ratangarh. Construction of TCC at Chomu could not be commenced due to non-availability of land. Equipment amounting to ₹ 20.04 lakh meant for TCC Chomu were being utilised in CHC Chomu. Thus, only two TCCs at Nathdwara and Fatehpur were made functional. The concerned MOs stated that TCC was not functional due to non-availability of staff.

Though, the TCC at Fatehpur was stated to be functional, it was observed that 3,523 cases were referred to other hospitals during 2012-21 due to inadequate staff. MO, CHC Fatehpur while citing inability to run TCC with available staff had requested (July 2021) Director Public Health, for deployment of more staff. Further, the TCC was located one km away from National Highway.

The replies of the respective units and the Department needs to be viewed in light of the fact that in respect of non-functional seven³³ TCCs a total of 9,097 critically injured patients were referred to other hospitals during 2014-21 and 155 death cases were reported by four³⁴ TCCs during the same period.

Treatment was provided with the facilities and staff available at the CHCs, while critically injured patients were referred to other hospitals. The

31 ₹ 1.63 crore: (₹ 76.36 lakh at Ratangarh, ₹ 33.47 lakh at Lakheri and ₹ 53.04 lakh at Rawatsar).

32 ₹ 1.00 crore: (₹ 22.38 lakh at Ratangarh, ₹ 38.15 lakh at Lakheri and ₹ 39.23 lakh at Rawatsar).

33 Ratangarh - 1,593; Sujangarh - 1,350; Lakheri - 1,054; Chomu - 1,495; Gogunda - 726; Rawatsar - 1,932 and Bhim - 947.

34 Ratangarh - 31; Sujangarh - 42; Lakheri - 74; and Rawatsar - 08.

Department did not make concerted efforts to make these Trauma Care Centres operational and was also responsible for non-completion of the building at Gogunda and not providing suitable land at Chomu.

Thus, due to absence of proper monitoring, bad planning in selecting location for TCC and laxity in approach of the department the Trauma Care Centres which were announced in State budget 2010-11 to provide immediate life-saving treatment to critically injured person could not be developed despite availability of building, staff and equipment. This has rendered the expenditure of ₹ 5.45 crore³⁵ largely unfruitful.

The matter was referred (November 2021) to the Government and the Government was reminded in January 2022. Their reply was still awaited (January 2022).

7.10 Irregular expenditure on additional works

Irregular expenditure on the execution of additional works in violation of Rajasthan Public Works Financial and Accounts Rules.

Rajasthan Public Works Financial and Accounts Rules (PWF&ARs) delegate³⁶ the power of sanction, execution and payment of additional quantities of items existing in Schedule 'G' or Bills of Quantities (BOQ) of a particular work to the designated authorities in a Department. Accordingly, Chief Engineer (CE)/Additional Chief Engineer (ACE)/Superintending Engineer (SE)/ Executive Engineer (EE) of the Departments engaged in construction works are authorized to sanction additional quantity upto 5 per cent of the original quantity of each item subject to 5 per cent of the tendered amount of work sanctioned by the authority concerned. In case the above limit is exceeded, the power shall be exercised by the next higher authority upto 25 per cent of the original quantity, and also upto 25 per cent of the tendered amount of work sanctioned. The Administrative Department is authorized to sanction additional quantities upto 50 per cent of original quantity of each item subject to 50 per cent of the tendered amount of work sanctioned. Also, rule 73 of Rajasthan Transparency in Public Procurement (RTPP) Rules, 2013 prescribes that in any case the amount of work including additional quantities shall not exceed 50 per cent of the value of original contract. Rule 86 of RTPP, Rules repealed all the rules, regulations, orders or circulars relating to procurement of goods, services or works which were in force on the date of commencement of these rules i.e. 26.01.2013.

Audit scrutiny (December 2020-February 2021) of records of Executive Engineer (EE), Medical and Health (M&H), Division, Jodhpur revealed that

35 Sujangarh : ₹ 60.15 lakh (building) & ₹ 23.22 lakh (unutilised equipment) + Sikandra : ₹ 49.34 lakh (building) & ₹ 17.74 lakh (unutilised equipment) + Bhim : ₹ 47.16 lakh (building) + Gogunda : ₹ 65 lakh (building) + Ratangarh: ₹ 76.36 lakh (building) & ₹ 22.38 lakh (unutilised equipment) + Lakheri; ₹ 33.47 lakh (building) & ₹ 38.15 lakh (unutilised equipment) + Chomu: ₹ 20.04 lakh (unutilised equipment) + Rawatsar: ₹ 53.04 lakh (building) & ₹ 39.23 lakh (unutilised equipment).

36 vide Appendix XIII (item at serial No. 24).

five work³⁷ orders of total value ₹ 13.00 crore (ranging between ₹ 1.10 crore and ₹ 7.03 crore) were approved (July 2013 to May 2016) under National Rural Health Mission (NRHM) by the CE, M&H Department, Jaipur and the works were allotted to various contractors. The Department continued to execute additional works under these contracts, without inviting fresh tenders. The contractors executed works worth ₹ 18.60 crore against the original contract value of ₹ 13.00 crore.

Audit noticed that the additional quantities (valuing ₹ 5.60 crore in total) exceeded the original contracts by 37 to 52 *per cent* in these cases. However, approval of the administrative authority of the department was not obtained and approval was accorded only by the CE. Since the CE was not empowered to sanction additional quantities above 25 *per cent* of the original contract, the payment for additional works valuing ₹ 5.60 crore was irregular, as detailed in Table 7.2 below:

Table 7.2

(₹ in crore)				
S. No.	Name of the work approved by Chief Engineer and Executive Engineer (Date of work order)	Amount of work order	Actual Expenditure incurred	Total additional work (<i>per cent</i>)
	A	B	C	D=(C-B)
1.	Construction of 100 bedded MCH Unit at Bangar District hospital Pali (03.07.2013)	7.03	9.68	2.65 (37.70 <i>per cent</i>)
2.	Construction and Up-gradation of CHC Building at Raas, Pali (28.04.2016)	2.47	3.70	1.23 (49.80 <i>per cent</i>)
3.	Construction of PHC Building at Bhumliya Pali (06.05.2016)	1.19	1.81	0.62 (52.10 <i>per cent</i>)
4.	Construction of PHC Building at Jadan Pali (04.05.2016)	1.21	1.75	0.54 (44.63 <i>per cent</i>)
5.	Construction of PHC Building at Chowkadi Kallan Jodhpur (06.05.2016)	1.10	1.66	0.56 (50.90 <i>per cent</i>)
Total		13.00	18.60	5.60

Further, in two cases (S.No. 3 and 5 of the table above) the additional quantities executed were beyond the limit of 50 *per cent* of the original contracts, for which even administrative authority of the department was not competent as per RTPP Rules, 2013.

On being pointed out (January 2021) the Department stated (January 2021) that an order (December 2010) by the Government, empowered CE to sanction extra and excess items for NRHM works subject to condition that overall completion cost of work did not exceed the Administrative and Financial (A&F) sanction including management cost. Further, during execution, if work exceeded the A&F sanction, 10 *per cent* excess may be sanctioned by

37 Five works: Construction of 100 bedded MCH Unit at Bangar District Hospital, Pali; Construction and Upgradation of CHC Building at Raas, Pali; Construction of PHC Building at Bhumliya, Pali; Construction of PHC Building at Jadan, Pali and Construction of PHC Building at Chowkadi Kallan, Jodhpur.

CE and if it was more than 10 *per cent*, it should be sanctioned by MD-NRHM within the sanctioned PIP ceiling.

Reply of the department is not tenable as para 6.6.3 of operational guidelines for financial management, NHM stipulates that all procurement of goods/articles should be made as per State Government Procurement Rules. Further, RTPP Rules, 2013, promulgated to ensure and promote transparency in the public procurements, overrides all the existing circulars and provisions related to public procurement. Thus, the approvals accorded by CE over and above his sanctioning powers on the behest of an executive circular issued in 2010, which was itself rendered void *ab initio* as soon as the provisions of RTPP Rules came into force, were unauthorized. Thus, responsibility for the irregular approval of additional works beyond sanctioning powers needs to be fixed. Moreover, the Government should withdraw the said order issued in December 2010 immediately.

The matter was referred (June 2021) to the Government and the Government was reminded in January 2022. Their reply was still awaited (January 2022).

Medical Education Department

7.11 Non obtaining of recognition from Rehabilitation Council of India for Paramedical Courses

The Department initiated paramedical courses without obtaining recognition from Rehabilitation Council of India (RCI) which led to discontinuance of courses, adversely impacting the career prospects of enrolled students and resulting in infructuous expenditure of ₹ 1.40 crore incurred on infrastructure and equipment as well as blockage of unutilized funds amounting to ₹ 1.15 crore even after lapse of five years.

To regulate and monitor the training of rehabilitation professionals and personnel and promote research in disability rehabilitation and special education, Government of India (GoI) constituted (September 1992) Rehabilitation Council of India (RCI) vide RCI, Act 1992³⁸. As per the mandate of RCI, **no institution could offer any course in Disability Rehabilitation and Special Education without prior approval of the Council**. The Act also prescribes that every professional and personnel is mandatorily required to obtain a Registration Certificate from RCI to work in the field of Disability Rehabilitation and Special Education in India, after attaining the prescribed qualifications from a RCI approved institution.

With a view to increase the **overall availability of paramedical personnel** and to upgrade their skills, Ministry of Health and Family Welfare (MoH&FW), Government of India (GoI), formulated (September 2010) a

38 The main functions of the said Council are to make recommendations to the Central Government in the matter of recognition of qualifications for rehabilitation stipend, to determine the courses of study and examinations required to obtain such qualifications, to inspect examinations and to conduct the examination of professionals and personnel who have got the steadfastness of rehabilitation stipends Register in the Central Rehabilitation.

Centrally Sponsored Scheme namely, Establishment of the National Institute of Paramedical Sciences (NIPS) and Regional Institute of Paramedical Sciences (RIPS) across the country. Under the Scheme, the State government's medical colleges were to be supported through one time grant to start/increase intake of students in various paramedical streams. Central government and the State Government were to bear the grant in the ratio of 85:15, which was revised to 60:40 from the financial year 2015-16. The grant was to be used for manpower, infrastructure development, building, laboratory, equipment, faculty, library etc.

Scrutiny (November 2020 to April 2021) of records of Principal & Controller (P&C), Sawai Man Singh (SMS) Medical College, Jaipur revealed that a committee constituted by MoH&FW after visiting the SMS hospital Jaipur, recommended (September 2011) setting up six new courses³⁹ (total intake 41) and upgradation of 5 seats each in three existing courses at total cost⁴⁰ of ₹ 12.16 crores, under the scheme. This included a provision of ₹ 1.70 crore for infrastructure (₹ 0.70 crore) and equipment (₹ 1.00 crore) required for the Bachelor of Audiology and Speech Language Pathology (BASLP) and Bachelor of Prosthetic and Orthotic (BPO) courses also.

In this regard, a Memorandum of Understanding (MoU) was signed (May 2012) between MoH&FW, GoI and Government of Rajasthan (GoR) for increasing/starting paramedical seats/courses through one time grant. Accordingly, MoH&FW released (July 2012) an amount of ₹ 5.17 crore to P&C, SMS Medical College, Jaipur as first instalment (50 *per cent* of the central share: ₹ 10.34 crore) with the condition of returning the unutilized funds along with interest, in case of non-creation of stipulated number of paramedical seats. Against second instalment (central share) of ₹ 2.13 crore, an amount of ₹ 1.30 crore was released in January 2017, after adjusting the interest amount of ₹ 0.83 crore earned by the SMS Medical College, Jaipur on first instalment. State government released (December 2014) an amount of ₹ 1.28 crore as first instalment of its share.

Audit observed that from 2013-14, SMS Medical College, Jaipur started two courses (total intake capacity of 15) in the area of “**Disability Rehabilitation and Special Education**” namely Bachelor of Audiology and Speech Language Pathology (BASLP) and Bachelor of Prosthetic and Orthotic (BPO), under the NIPS and RIPS scheme, without prior permission/recognition of the RCI. Administrative approval for opening these courses was obtained only from the Department of Medical Education, GoR.

After completion of one academic year, P&C, SMS Medical College, Jaipur requested (August 2014) RCI for recognition of these courses. RCI inspected (November 2014) the institution and refused (February 2015) the recognition due to lack of classrooms with adequate furniture, experienced faculty and

39 PG (M.Sc.) in Radiotherapy Technology (3 Seats), B.Sc. (Ophthalmic Techniques) (10 Seats), Bachelor of Audiology and Speech Language Pathology (5 Seats), B.Sc. in Medical Lab Technology (10 Seats), Diploma in perfusion Technology (3 Seats) and Bachelor of Prosthetic and Orthotic (10 Seats).

40 ₹ 6.18 crore for infrastructure, ₹ 5.43 crore for equipment and ₹ 0.55 crore for faculty.

supportive staff, space for special laboratory, adequate number of textbooks and journals. Also, community promotional activities and research & development were not found as per the required standards. This led to discontinuation of the BPO course from academic session 2015-16 onwards. Considering the inspection report of RCI, SMS Medical College, Jaipur even did not apply to RCI for recognition of BASLP course and discontinued the course from 2015-16. The deficiencies pointed out by RCI could not be rectified till date by SMS Medical College, Jaipur and both the courses were permanently discontinued.

Thus, sixteen students⁴¹ admitted to BASLP and BPO courses during the academic year 2013-14 and 2014-15 could not complete their courses. The career prospects of these students would also suffer adversely as they wouldn't be able to get registered with RCI and resultantly would not be able to work in field of Disability Rehabilitation and Special Education in India.

Audit observed that construction of the building was completed in September 2019 with the allocated funds of ₹ 6.18 crore and the same was not ready at the time of RCI visit. Since the BPO and BASLP courses could not be recognized, the funds of ₹ 1.40 crore incurred for infrastructure (₹ 0.70 crore) and equipment (₹ 0.70 crore) for these courses rendered unfruitful.

Audit also observed that an amount of ₹ 1.15 crore out of earmarked amount of ₹ 3.26 crore⁴² for equipment (meant for all nine courses), was lying unutilised with the SMS Medical College, Jaipur as of April 2021. The unutilised amount needs to be returned to GoI.

The Nodal Officer, Paramedical Institute, SMS Medical College, Jaipur while accepting the facts stated (March 2021) that the BPO and BASLP courses were not recognised due to non-availability of technical staff. Further, the equipment procured for BASLP course are being utilised by the concerned department of the SMS Medical College. It was also stated that utilisation certificate (UC) had already been sent to GoI and returning of the unutilised funds, was under process.

The Government while accepting the facts stated (October 2021) that SMS Medical College had created facilities as per funds received from GoI under the CSS and was still trying to get these courses recognized from RCI. GoR however, did not provide the status of returning of unspent grant, though called for (November 2021).

The reply is not acceptable as the decision of starting courses without obtaining recognition was against the statutory provisions of the RCI Act.

Further, the subsequent discontinuance of these courses has jeopardized the career prospects of the students enrolled. Further, the courses were started despite non completion of building of Paramedical Institute and installation of equipment as UCs submitted to GoI in May 2015 revealed that construction of

41 4 students were admitted in BPO course and 4 students in BASLP course for the year 2013-14 and 5 students were admitted in BPO course and 3 students in BASLP course for the year 2014-15.

42 Centre's share of equipment = ₹ 3.26 crore (₹ 5.43 crore*60/100).

Paramedical Institute and procurement of the equipment was completed up to 65 per cent and 40 per cent only respectively.

Thus, objective of the scheme to augmenting supply of skilled manpower could not be achieved in the area of disability rehabilitation due to commencement of courses without RCI recognition, rather, employment prospects of students who had enrolled were negatively impacted. This also led to infructuous expenditure of ₹1.40 crore incurred on infrastructure and equipment meant for BPO and BASLP courses and blockage of unutilized funds amounting to ₹ 1.15 crore for more than five years.

Minority Affairs Department and WAQF Board

7.12 Unfruitful expenditure on incomplete girls' hostel

Non-adherence to terms and conditions of sanction and inordinate delay in construction of Girls' Hostel resulted in unfruitful expenditure of ₹ 2.10 crore and deprived of intended facilities to beneficiaries.

The Ministry of Minority Affairs (MMA), Government of India (GoI) provided additional resources to the States, for creation of socio-economic infrastructure and providing basic amenities to address the development deficit of minority concentration areas, under centrally sponsored scheme Multi-sectoral Development Programme (MsDP) during 12th five year plan. The guidelines of MsDP envisages that funds would be released in two instalments of 50 per cent each and the second instalment was to be released after submission of utilization certificate⁴³ (UC) of first instalment along with Quarterly Progress Reports. Department of Minority Affairs (DMA), GoR was responsible to send the QPR to the Ministry of Minority Affairs, GoI along with utilisation certificates and photographs.

Department of Minority Affairs (DMA), Government of Rajasthan (GoR) submitted (March 2015) a proposal under MsDP for construction of 56 bedded Girls' hostel costing⁴⁴ ₹ 4.00 crore at Unani Medical College, Tonk, a college affiliated to Rajasthan Ayurvedic University (RAU). The proposal was based on detailed estimates prepared (March 2015) by Rajasthan State Road Development and Construction Corporation Limited (RSRDCC), the implementing agency. The Empowered Committee of MsDP considered and approved the proposal (August 2015) but reduced the project cost to ₹ 3.38 crore by excluding some components⁴⁵ (₹ 0.62 crore). Accordingly, GoI released (August 2015) first instalment of ₹ 1.69 crore with the instruction to transfer the funds immediately to the implementing agency.

43 UC furnished within a period of one year – 60 per cent UC would be required, UC furnished beyond the period of a year –100 per cent utilization would be required.

44 Civil work : ₹ 2.60 crore, Electrical works : ₹ 32.50 lakh, Sanitary works: ₹ 36.40 lakh, Water harvesting: ₹10 lakh, Expected TP: ₹ 16.94 lakh, Agency charges: ₹ 27.93 lakh, Escalation: ₹ 7.65 lakh and Quality Control and contingency: ₹ 8.90 lakh.

45 water harvesting: ₹10 lakh , escalation: ₹ 7.65 lakh, TP: ₹ 16.94 lakh and agency charges: ₹ 27.93 lakh.

Audit scrutiny (November 2019) of records of the Rajasthan Ayurvedic University, Jodhpur (RAU) revealed that on receipt of central assistance, the Director, DMA issued (October 2015) financial sanction of ₹ 3.38 crore for construction of the hostel through RSDCC, but the funds were not transferred to RSDCC. Later, in a meeting it was decided (May 2016) to transfer the funds to RAU, Jodhpur instead of RSRDCC. Accordingly, the Financial sanction was revised by the Director, DMA (May 2016) to transfer an amount of ₹ 1.69 crore to the PD Account of RAU, Jodhpur for construction of the hostel through RSRDCC. RAU, Jodhpur signed (March 2016) a Memorandum of Understanding (MoU) proposed (November 2015) by the implementing agency. RAU, Jodhpur released the amount of ₹ 1.69 crore to RSRDCC in two instalments (October 2016: ₹ 1.00 crore and December 2019: ₹ 0.69 crore). Thus, there was a delay of more than 12 months in transferring the funds to the implementing agency.

Further, as per the conditions of the MoU, the work was to commence after the approval of drawing/designs prepared by the Architect appointed by the RAU and to be completed within twelve months of such approval. Audit observed that the approval of drawing/designs submitted by architect (January 2016) was provided only in October 2016 to the implementing agency, which also delayed the commencement of work.

Audit also noticed that RSRDCC awarded (March 2017) the civil work to a contractor-A for ₹ 1.75 crore (at G-schedule amount: ₹ 2.01 crore minus 13.3 *per cent* tender premium) with stipulated date of completion as January 2018. Contractor-A, however, executed the work valuing ₹ 0.45 crore only and abandoned the work (September 2017). There was a dispute between contractor and RSRDCC regarding applicability/payment of GST on the work. The contractor could not provide the GST bills as required by RSRDCC, therefore, payment was not made to the contractor. RSRDCC rescinded the work in April 2018.

RSRDCC awarded (September 2018) the remaining work to contractor-B after inviting tenders (June 2018) for ₹ 1.58 crore (at G-schedule amount: ₹ 1.56 crore plus 1.39 *per cent* tender premium) with stipulated date of completion as March 2019. Contractor-B executed work valuing ₹ 0.53 crore only, thereafter the contractor stopped the work and did not resume it despite repeated reminders (October 2018 to January 2020) by RSRDCC, which finally rescinded the work in February 2020.

RSRDCC awarded the remaining work (September 2020) to third contractor-C after inviting fresh tenders (August 2020) for ₹ 0.97 crore (at G-schedule amount: ₹ 1.02 crore minus 5.1 *per cent* tender premium) with stipulated date of completion as March 2021. RSRDCC submitted (November 2020) utilization certificate for ₹ 2.10 crore to GoR. The second instalment of central assistance of ₹ 1.69 crore from GoI was still awaited (July 2021).

Audit observed that RSRDCC took 12 months (September 2017 to September 2018) to take decision on rescinding the work of contractor-A and to award the remaining work to contractor-B. Similarly, abandoned works of contractor-B was awarded to contractor-C after 21 months (October 2018 to

September 2020). Thus, RDSGCC could complete only 62 *per cent* of the work, even after lapse of more than five years.

Joint physical verification of Girls' Hostel building, Tonk (March 2021) along with department representatives also confirmed the fact that the construction was incomplete as shown below:



GoR stated (August 2021) that the delay was due to abandonment of work by contractors, serving of notices to contractors, inviting fresh tenders, issuing work orders to different firms and lockdown due to Covid-19. It also stated that the work would be completed by October 2021.

The reply is not tenable as there were inordinate delays at every stage viz. transferring of funds by Director, DMA to the implementing agency (13 months) despite condition in sanction under MsDP to release immediately, in signing MoU (4 months) and providing approved drawing & design to implementing agency by RAU, Jodhpur (9 months) and poor monitoring and execution by the implementing agency.

Thus, due to delay at the GoR level in initiating the process for construction work, poor monitoring and execution on part of the implementing agency and lack of coordination between DMA, RAU, Jodhpur, Architect and RSRGCC the hostel building is still incomplete even after lapse of more than five years which rendered the expenditure of ₹ 2.10 crore incurred on the building unfruitful. The objective of providing safe and convenient accommodation for girl students was also not achieved.

7.13 Non-recovery of loans from the Self Help Groups

The Department failed to adhere to the Micro Finance Scheme Guidelines while disbursing loan to Self Help Groups which resulted in non-recovery of loans and penalty of ₹ 3.28 crore and defeated the very purpose of microfinancing.

National Minorities Development and Finance Corporation (NMDFC) provides loans and advances through State Channelizing Agencies (SCAs) to individuals belonging to minority communities for economically and financially viable schemes and projects to promote self-employment and other ventures for the

benefit of Minority communities. One of the schemes is micro-finance scheme under which, loan is provided to members of weaker sections amongst the minorities organized into Self Help Groups (SHGs) for starting or augmenting income generating activities. Such activities can be undertaken individually or in a group i.e. SHG.

Since April 2013, loan up to ₹ 50,000 at a rate of interest of six *per cent* per annum is provided to a member of the SHG, prior to this loan amount was up to ₹ 25,000 and rate of interest was five *per cent* per annum. The repayment period, after a moratorium period of three months, was three years for the beneficiaries/SHGs. For eligibility of micro credit, household's annual income was to be within the limit of ₹ 81,000 and ₹ 1,03,000 in rural and urban areas respectively. The emphasis, under this scheme is given to providing smaller loans repeatedly, so that the beneficiary can avail the same and rise above the poverty line.

Rajasthan Minority Finance & Development Cooperative Corporation Limited (RMFDCC), the State Channelizing Agency in Rajasthan, on directions of GoR, issued (January 2011) new guidelines and procedure for sanctioning loans to beneficiaries. As per these guidelines, a beneficiary was required to submit post-dated cheques (twenty cheques or instalment-wise) of sanctioned amount; self-guarantee; affidavit for no dues; domicile certificate; minority certificate and income certificate along with loan application for loan upto ₹ 0.50 lakh. In addition to these documents, a guarantee letter of a government employee or income tax payer with PAN-card or a representative of Panchayati Raj/Urban Corporation for loans from ₹ 0.50 lakh to ₹ one lakh and a Hypothecation Deed and mortgage documents of immovable property in case of a loan of ₹ one lakh to ₹ five lakh was also required to be submitted.

The Project Officer (PO) and the District Minority Welfare Officer (DMWO) in each district was responsible for examining the applications, carrying out physical verification, site verification and field visits in connection with loan process. Administrative and Financial sanction of loan amount would be issued after examination of the applications by the designated authorities⁴⁶. The DMWO and PO, were also responsible for loan disbursement and keeping record of all relevant documents and to review the repayment of loans on weekly basis. They were required to present the cheques in banks and to take legal action under Negotiable Instruments Act in cases of default.

Scrutiny (September 2020) of records of office of DMWO, Jaipur revealed that during 2012-15, RMFDCC disbursed loans of ₹ 1.27 crore to 42 SHGs comprising 487 minority beneficiaries against which only ₹ 0.17 crore (13.18 *per cent*) was recovered from 28 SHGs as of March 2020, while, remaining 14 SHGs did not repay even a single instalment against the loan amount of ₹ 0.51 crore disbursed to them. As of March 2020, an amount of ₹ 3.28 crore including principal (₹ 1.10 crore), interest (₹ 0.42 crore) and penalty (₹ 1.76 crore) was outstanding against the SHGs, which department failed to recover (detailed in *Appendix 7.5*).

46 Project Officer (PO), District Minority Welfare Officer (DMWO) and District Collector for loan upto ₹ 1.00 lakh; PO, DMWO and General Manager (GM) for loan upto ₹ 2.50 lakh; PO, DMWO, GM and Managing Director (MD) for loan upto ₹ 3.50 lakh and PO, DMWO, GM, MD and Board of Directors/Administrator for loan upto ₹ 5.00 lakh.

Audit noticed that the department did not collect the prescribed documents such as affidavit for no dues, hypothecation deed, guarantee letter of a government employee or income tax payer with PAN-card and mortgage document of immovable property etc. in all the cases and thereby did not verify the completeness and genuineness of applications. In 19 cases, advance cheques were also not obtained from the applicants. Further, physical verification, site verification and field visits as envisaged in the guidelines, were not conducted by the department. The departmental officials recommended applications for grant of loans despite incomplete documentation which was in clear contravention of the laid down policy for disbursement of loans.

Further, the department had advance cheques of only 17 SHGs (for outstanding amount plus interest upto May 2019), which were shown (June 2019) as presented to the bank. However, cheques of two⁴⁷ of these SHGs were found attached in the files of concerned SHGs. Thus, these cheques had not been presented to the banks at all. Moreover, all the presented cheques were subsequently dishonoured. The records also revealed that regular instalments in respect of these 17 SHGs were deposited only during the period ranging from November 2014 to November 2016 (detailed in *Appendix 7.6*). Guarantee letters for recovery of loans, from the sponsoring NGOs, though collected were never invoked for recovery of the loans. Thus, the department failed to monitor regular receipt of the deposits and presented the advance cheques after a delay of at least two and a half years and upto four years and eight months.

GoR while accepting the facts stated (August 2021) that the legal proceedings for recovery under section 138 of Negotiable Instrument Act were initiated in 17 cases, after dishonouring of advance cheques in June 2019 and efforts were being made for recovery. It was also stated that there were SHGs which had not enclosed cheques with loan applications, and which were not found at the addresses provided in application when contacted by the DMWOs. Whereabouts of these SHGs were also not known to their neighbours. It was also stated that letters were also issued to the then DMWO and PO for explanation on observation pointed out by Audit.

The reply itself indicates that due diligence was not followed by the DMWOs and POs while sanctioning the loan under microfinance scheme. They also failed to review recoveries on timely basis and to take prompt legal action in cases of default. In order to avoid repetition of such egregious irregularities in future, the department may consider initiating proceedings against the officials concerned to fix the responsibility for non-performance of their prescribed duties.

Thus, failure to obtain necessary documents before giving Letters of Credit to SHGs and to monitor the repayment of loans by SHGs coupled with lack of prompt action after dishonour of cheques submitted by multiple SHGs proves the laxity of department in sanction and repayment of loans. This not only resulted in non-recovery of loans and penalty of ₹ 3.28 crore but also defeated the very purpose of the scheme, i.e. rising of beneficiary above the poverty line by availing of smaller loans repeatedly.

47 SHG Gajala (loan sanctioned in June 2015) and SHG Bilkis (loan sanctioned in July 2015).

Department of Personnel

7.14 Blockage of funds for more than three years

Slackness in providing encroachment free land and transfer of advances to the executive agency in contravention of Rule 8 of GF&AR not only resulted in blockage of ₹ 7.50 crore for more than three years but the very purpose of the budget announcement was also not achieved.

Rule 351 of Public Works Financial and Accounts Rules (PWF&AR) prescribes that no work should be commenced on land which has not been duly made over by the responsible civil officers. Further, Rule 8 of General Financial and Account Rules (GF&AR) provides that funds shall be withdrawn from Government Account if required for immediate payment.

The Rajasthan Staff Selection Board⁴⁸ (RSSB), Jaipur was established under Department of Personnel (DoP) Government of Rajasthan (GoR), in January 2014 for recommending candidates for direct recruitment in respect of posts carrying grade pay equal to and less than ₹ 3,600. Since November 2014, the Board was operating in a rented building owned by State Institute of Agriculture Management (SIAM⁴⁹), Jaipur.

Plans to construct a new office building for RSSB was announced in the state budget for the year 2016-17. The work was assigned to Rajasthan State Road Development & Construction Corporation Ltd. (RSRDCC). RSRDCC in consultation with RSSB, prepared (December 2016) an estimate of ₹ 24.66 crore for construction covering plinth area of 7,600 square meters (sqm). However, the Chief Minister, during a presentation made by DoP (June 2017) directed the cost of the project to be reduced and completed at the earliest. RSRDCC accordingly, revised (August 2017) the estimate to ₹ 15.94 crore by reducing plinth area to 4,223 sqm for the proposed office building. Administrative and technical sanction (A&TS) of ₹ 15 crore for the work was issued (August 2017) by DoP and funds of ₹ 7.50 crore were transferred to RSRDCC in two installments of ₹ one crore (March 2017) and ₹ 6.50 crore (October 2017).

Jaipur Development Authority (JDA) allotted (February 2017), a piece of land measuring 2,684.19 sqm free of cost in Jhalana Institutional Area, Jaipur for the proposed building. Since the said land was required for another commercial project, JDA informed (November- December 2017) RSSB that an alternate site for proposed office building would be allotted. However, the decision of cancellation of allotment of the said land was taken in August 2019 and allotment of 2,684 sqm land at other site was done in January 2020, by JDA.

48 Formerly known as Rajasthan Subordinate & Ministerial Services Selection Board (RSMSSB).

49 An autonomous body set up by GoR for specialized training programme in the field of Agriculture and its allied sector under Agriculture department.

Audit scrutiny (July 2020) of records and information provided by RSSB (November 2020) revealed that RSSB took possession of the new site in November 2020. Further, RSRDCC submitted (January 2020) a revised estimate of ₹ 21.73 crore (for plinth area 5511 sqm) of the work, which was pending with DoP for approval as of July 2021 despite repeated request of RSSB (February 2020, July 2020, December 2020, January 2021 and June 2021).

Audit observed that though RSSB agreed with JDA in November 2017 for the alternate site, the Board could not get an allotment of the site till January 2020. RSSB also did not ascertain its requirement precisely as plinth area for construction increased to 5,511 sqm along with other works, in January 2020 from 4,223 sqm as sanctioned in August 2017. This increased the cost of project to ₹ 21.73 crore (36.72 *per cent*) from sanctioned project cost of ₹ 15.94 crore and is likely to further escalate by seven *per cent* every year, as per revised forecast estimates (December 2019). Further, tender process for new site has not been initiated (July 2021) as Administrative, Financial and Technical sanction of the revised estimate is pending for approval of DoP for 18 months. Reasons for non-approval of the revised sanction sought from the Department of Personnel are awaited (October 2021). Audit also observed that ₹ one crore was transferred to RSRDCC even before approval of A&TS of the work (March 2017).

Thus, due to slackness in initiation by RSSB and lack of coordination between various government agencies (RSSB, DoP and JDA), construction of RSSB office building, could not be commenced even after five years of budget announcement despite availability of funds of ₹ 7.50 crore lying with RSRDCC since March 2017 (₹ one crore) and October 2017 (₹ 6.50 crore). RSSB with a sizeable staff, had to continue its operations from the rented building (rent: ₹ 14.20 lakh per month) and had to suffer shortage of space. SIAM raised (January 2020) a demand of ₹ 8.66 crore to RSSB for outstanding rent for the period November 2014 to November 2019. However, no rent was paid by RSSB as it disputed the matter of determination of monthly rent by SIAM.

A rent liability of ₹ 3.83 crore⁵⁰ (May 2019 to July 2021) could have been avoided if the department had ensured early allotment of a site free from all encumbrances and completed the construction of building in 15 to 18 months (allowable time period for ₹ 15 crore work as per PWD manual) in a time bound manner.

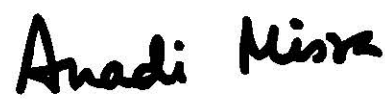
State Government endorsed (September 2021) the reply submitted by RSSB in which it was stated that advances of ₹ 7.50 crore were transferred in interest free PD account of RSRDCC which is a undertaking of State Government and

50 Public Works Department stipulates maximum period of 18 months for completion of a building having costing more than ₹ 10 crore. In this case, DoP has Approved Administrative, Technical and Financial Sanction of work in October 2017 and construction of the building could have been completed by April 2019 after allowing 18 months' time from November 2017. Total amount of rent due for 27 month (from May 2019 to July 2021) at the rate of monthly rent ₹14,20,000 works out to be ₹ 3.83 crore (₹14,20,000 x 27).

the amount could not be recovered because construction of the office building is still under process. The reply is not tenable as the advance was given in contravention of provision of GF&AR.

Thus, non-construction of building has resulted in blockage of funds of ₹ 7.50 crore for more than three years and eight months. Also, the very purpose of budget announcement was not fulfilled and liability of ₹ 3.83 crore has been created on account of rent to be paid by RSSB from May 2019 to July 2021.

JAIPUR,
The 22 March, 2022


(ANADI MISRA)
Accountant General
(Audit-I), Rajasthan

Countersigned

NEW DELHI,
The 23 March, 2022


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix 2.1

(Refer Paragraph 2.7.4)

Category wise audit universe and sample selection

Sl. No.	Category	Audit Universe	Sample Selection
1	Export of Services - With payment of tax (EXWP)	146	5
2	Export of goods/services-without payment of Tax i.e. ITC accumulated (EXWOP)	4,437	566
3	Deemed Export (Recipient) (EXPRDE)	4	3
4	Deemed Export (Supplier) (EXPSDE)	60	6
5	Excess balance in Electronic Cash ledger (EXBCL)	3,541	182
6	ITC accumulated due to inverted tax structure (INVITC)	3,872	839
7	Tax paid on intra-State supply which is subsequently held to be inter-State supply and vice versa (INTRVC)	8	3
8	On account of supplies made to SEZ units/SEZ Developers (with payment of tax) (SEZWP)	451	18
9	On account of supplies made to SEZ unit/SEZ developer (without payment of tax) (SEZWOP)	248	23
10	On account of assessment/provisional assessment/appeal/any other order (ASSORD)	5	5
11	Excess payment of tax (XSPAY)	113	14
12	Any other (ANYOTH)	346	39
	Total	13,231	1,703

Appendix-2.2

(Refer paragraph 2.7.6.1)

Delay in acknowledgement of applications (All type of refunds) (pre-automation)

Sl. No.	Name of Auditee Unit (Division)	Name of the Commissionerate	Total No. of pre-automation refund cases processed	No. of refund cases examined by the Audit	No. of refund cases in which delay in acknowledgement noticed	Period of delay (in days)
1	Circle C Jaipur	Zone III Jaipur	1,103	81	0	0
2	Circle L Jaipur	Zone III Jaipur	722	24	2	27
3	Circle K Jaipur	Zone I Jaipur	77	8	1	24
4	Circle B Ajmer	Zone Ajmer	245	11	0	0
5	Circle A Ajmer	Zone Ajmer	185	8	0	0
6	Special Circle -1 st Ajmer	Zone Ajmer	28	8	0	0
7	Special Circle -2 nd Ajmer	Zone Ajmer	6	0	0	0
8	Circle A Bhiwadi	Zone Alwar	311	35	0	0
9	Circle B Bhiwadi	Zone Alwar	192	14	0	0
10	Special Circle -1 st Bhiwadi	Zone Alwar	80	3	1	6
11	Special Circle -2 nd Bhiwadi	Zone Alwar	41	5	1	17
12	Circle-A, Jaipur	Zone-II Jaipur	498	47	24	3 to 167
13	Circle-I Jaipur	Zone-III Jaipur	437	25	3	44 to 272
14	Circle-Q Jaipur	Zone-II Jaipur	210	32	0	0
15	Circle Special-III Jaipur	Zone-I Jaipur	34	9	0	0
16	Circle- Special-V Jaipur	Zone-I Jaipur	24	6	0	0
17	Circle- A Sikar	Zone-I Jaipur	41	1	0	0
18	Circle-B Sikar	Zone-I Jaipur	75	8	0	0
19	Circle-Dausa	Zone-II Jaipur	31	2	0	0
20	Circle -P Jaipur	Zone -I Jaipur	305	17	0	0
21	Circle -H Jaipur	Zone -II Jaipur	366	9	0	0
22	Circle -G Jaipur	Zone -I Jaipur	90	8	0	0
23	Circle -O Jaipur	Zone -I Jaipur	233	7	0	0
24	Circle -B Jaipur	Zone -III Jaipur	111	3	0	0
25	Circle -D Jaipur	Zone -II Jaipur	120	6	0	0
26	Circle -Spl Rajasthan	Zone -II Jaipur	11	1	0	0
27	Circle -F Jaipur	Zone -I Jaipur	156	4	0	0
28	Circle -WT-1 Jaipur	Zone -I Jaipur	9	2	0	0
29	Circle -Spl-1 Jaipur	Zone -III Jaipur	7	2	0	0
30	Circle -Kishangarh	Zone -Ajmer	123	5	0	0
31	Circle -Tonk	Zone -III Jaipur	28	2	0	0
32	Circle - E Jaipur	Zone I Jaipur	370	40	0	0
33	Circle - J Jaipur	Zone II Jaipur	394	27	13	2 to 62
34	Circle -N Jaipur	Zone III Jaipur	203	15	0	0
35	Circle -M Jaipur	Zone I Jaipur	210	16	0	0
Total			7,076	491	45	2 to 272

Appendix 2.3

(Refer paragraph 2.7.6.1)

Delay in acknowledgement of applications for all type of refunds (post-automation)

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation refund cases processed	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which delay in acknowledgement noticed	Range of delay (in days)
1	Circle C Jaipur	Zone III Jaipur	370	64	12	5 to 46
2	Circle L Jaipur	Zone III Jaipur	245	25	5	1 to 56
3	Circle K Jaipur	Zone I Jaipur	134	14	7	6 to 167
4	Circle B Ajmer	Zone Ajmer	118	16	5	6 to 53
5	Circle A Ajmer	Zone Ajmer	88	5	0	0
6	Special Circle -1 st Ajmer	Zone Ajmer	13	6	1	3
7	Special Circle -2 nd Ajmer	Zone Ajmer	2	1	0	0
8	Circle A Bhilwara	Zone Bhilwara	360	83	17	1 to 35
9	Circle B Bhilwara	Zone Bhilwara	446	97	24	1 to 39
10	Circle A Alwar	Zone Alwar	75	2	0	0
11	Circle B Alwar	Zone Alwar	96	25	4	2 to 22
12	Circle Banswara	Zone Udaipur	Information not provided	3	1	4
13	Circle Barmer	Zone Jodhpur	60	11	1	7
14	Circle A Beawar	Zone Ajmer	34	5	0	0
15	Circle B Beawar	Zone Ajmer	49	3	1	17
16	Circle A Bharatpur	Zone Bharatpur	46	7	3	16 to 161
17	Circle B Bharatpur	Zone Bharatpur	28	2	0	0
18	Circle W T Bharatpur	Zone Bharatpur	Information not provided	2	1	38
19	Circle-A, Jaipur	Zone-II, Jaipur	84	30	7	3 to 57
20	Circle-I, Jaipur	Zone-III Jaipur	158	21	10	2 to 75
21	Circle-Q, Jaipur	Zone-II, Jaipur	110	21	5	1 to 6
22	Circle-Special-III, Jaipur	Zone-I, Jaipur	26	7	3	4 to 206
23	Circle-Special-V, Jaipur	Zone-I, Jaipur	11	3	2	38 to 40
24	Circle-A, Sikar	Zone-I, Jaipur	24	2	1	9
25	Circle-B, Sikar	Zone-I, Jaipur	26	8	0	0
26	Circle-Dausa	Zone-II, Jaipur	10	1	0	0
27	Circle-Jhalawar	Zone- Kota	7	1	0	0
28	Circle-Jhunjhunu	Zone- Bikaner	7	2	1	16
29	Circle-Karauli	Zone-Bharatpur	2	1	0	0
30	Circle- Makrana	Zone- Ajmer	31	5	3	2 to 55
31	Circle- Merta City	Zone- Ajmer	75	29	8	2 to 16
32	Circle- Nagaur	Zone- Ajmer	33	13	1	1
33	Circle-Rajsamand	Zone- Bhilwara	30	1	0	0
34	Circle- Shahjahanpur	Zone- Alwar	60	7	1	12
35	Circle- Sumerpur	Zone-Pali	45	3	1	3
36	Circle- WCT-II, Jaipur	Zone-II, Jaipur	9	2	0	0
37	Circle- WCT-III, Jaipur	Zone-III Jaipur	15	2	1	44
38	Circle, Balotara	Zone Jodhpur	346	91	43	1 to 91
39	Circle-A, Bikaner	Zone- Bikaner	2	2	0	0
40	Circle-B, Bikaner	Zone Bikaner	17	1	1	24
41	Circle-C, Bikaner	Zone Bikaner	60	13	7	10 to 126
42	Circle-D, Bikaner	Zone- Bikaner	16	2	0	0
43	Circle-WCT, Bikaner	Zone- Bikaner	7	2	0	0
44	Circle-B, Kota	Zone Kota	Information not provided	11	7	2 to 53
45	Circle- C, Kota	Zone- Kota	Information not provided	1	0	0
46	Circle- Spl. I, Kota	Zone- Kota	1	1	0	0
47	Circle-Spl. II Kota	Zone Kota	10	4	1	46
48	Circle- WCT, Kota	Zone- Kota	12	3	0	0

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation refund cases processed	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which delay in acknowledgement noticed	Range of delay (in days)
49	Circle- Pali	Zone pali	101	50	21	1 to 130
50	Circle- Sirohi	Zone pali	54	16	9	1 to 15
51	Circle- A Udaipur	Zone Udaipur	61	9	8	1 to 65
52	Circle- B Udaipur	Zone Udaipur	7	3	1	1
53	Circle- C Udaipur	Zone Udaipur	Information not provided	4	2	2 to 5
54	Circle -P Jaipur	Zone -I Jaipur	121	21	7	11 to 97
55	Circle -H Jaipur	Zone -II Jaipur	88	9	4	12 to 33
56	Circle -G Jaipur	Zone -I Jaipur	35	4	0	0
57	Circle -O Jaipur	Zone -I Jaipur	44	11	3	7 to 180
58	Circle -B Jaipur	Zone -III Jaipur	44	8	3	41 to 53
59	Circle -D Jaipur	Zone -II Jaipur	54	1	0	0
60	Circle -F Jaipur	Zone -I Jaipur	35	3	1	12
61	Circle -WT-1 Jaipur	Zone -I Jaipur	5	3	0	0
62	Circle -SPL-1 Jaipur	Zone -III Jaipur	2	1	0	0
63	Circle -Kishangarh	Zone Ajmer	87	11	2	7 to 30
64	Circle -Tonk	Zone -III Jaipur	16	3	1	30
65	Circle -A Jodhpur	Zone - Jodhpur	71	10	2	1 to 2
66	Circle -B Jodhpur	Zone - Jodhpur	219	53	36	1 to 122
67	Circle -C Jodhpur	Zone - Jodhpur	298	79	13	3 to 44
68	Circle -D Jodhpur	Zone - Jodhpur	76	16	9	3 to 15
69	Circle -E Jodhpur	Zone - Jodhpur	55	11	5	1 to 73
70	Circle -F Jodhpur	Zone - Jodhpur	88	15	5	2 to 83
71	Circle -SPL 1 Jodhpur	Zone - Jodhpur	3	1	0	0
72	Circle -SPL 3 Jodhpur	Zone -Jodhpur	10	3	2	3 to 5
73	Circle -C Bhilwara	Zone Bhilwara	270	37	4	1 to 4
74	Circle -SPL 1 Bhilwara	Zone Bhilwara	2	1	0	0
75	Circle -WT Bhilwara	Zone Bhilwara	1	1	0	0
76	Circle -Bundi	Zone -Kota	19	1	1	95
77	Circle -Chittorgarh	Zone -Bhilwara	35	10	3	8 to 23
78	Circle -Churu	Zone -Bikaner	11	1	0	0
79	Circle -Dungarpur	Zone -Udaipur	11	2	0	0
80	Circle -B, Hanumangarh	Zone Ganganagar	7	3	3	5 to 6
81	Circle -SPL 11 Jaipur	Zone -III Jaipur	4	1	1	12
82	Circle -Jaisalmer	Zone -Jodhpur	14	2	0	0
83	Circle -Jalore	Zone -Pali	40	6	0	0
84	Circle -E Jaipur	Zone -I Jaipur	155	35	7	1 to 33
85	Circle -J Jaipur	Zone -II Jaipur	251	30	8	2 to 50
86	Circle -N Jaipur	Zone -III Jaipur	94	15	9	1 to 58
87	Circle -M Jaipur	Zone -I Jaipur	62	10	1	2
88	Circle -A Bhiwadi	Zone-Alwar	106	30	1	1
89	Circle-B Bhiwadi	Zone-Alwar	62	12	6	4 to 195
90	Circle SPI-I Bhiwadi	Zone-Alwar	13	5	5	5 to 45
91	Circle SPI-II Bhiwadi	Zone-Alwar	24	3	2	8 to 24
92	Circle WT Bhiwadi	Zone-Alwar	2	1	0	0
Total			6,155	1,212	370	1 to 206

Appendix 2.4

(Refer paragraph 2.7.6.2)

Applications not disposed within time (Interest due-paid/not paid) (pre-automation)

S. No.	Name of Division	Name of the Commissionerate	Total No. of pre-automation refund applications processed	No. of refund applications examined by the Audit as per sample	No. of refund cases in which audit objections noticed	Period of delay (in days)	Interest due paid	Interest due not paid	Reasons for delay
1	Circle C Jaipur	Zone III Jaipur	1,103	81	10	6 to 86	0	27,267	Not Available
2	Circle L Jaipur	Zone III Jaipur	722	24	3	3 to 92	0	5,533	Not Available
3	Circle K Jaipur	Zone I Jaipur	77	8	3	16 to 141	0	7,540	Not Available
4	Circle B Ajmer	Zone Ajmer	245	11	0	0	0	0	-
5	Circle A Ajmer	Zone Ajmer	185	8	0	0	0	0	-
6	Special Circle -1 st Ajmer	Zone Ajmer	28	8	0	0	0	0	-
7	Special Circle -2 nd Ajmer	Zone Ajmer	6	0	0	0	0	0	-
8	Circle A Bhiwadi	Zone Alwar	311	35	2	2 to 5	0	776	Not Available
9	Circle B Bhiwadi	Zone Alwar	192	14	7	165 to 316	0	1,34,320	Not Available
10	Special Circle -1 st Bhiwadi	Zone Alwar	80	3	0	0	0	0	-
11	Special Circle -2 nd Bhiwadi	Zone Alwar	41	5	3	5 to 118	0	8,373	Not Available
12	Circle-A, Jaipur	Zone-II, Jaipur	498	47	17	7 to 521	0	56,025	Not Available
13	Circle-I, Jaipur	Zone-III, Jaipur	437	25	0	0	0	0	-
14	Circle-Q, Jaipur	Zone-II, Jaipur	210	32	8	33 to 276	0	48,364	Not Available
15	Circle Special-III, Jaipur	Zone-I, Jaipur	34	9	6	5	0	971	Not Available
16	Circle-Special-V, Jaipur	Zone-I, Jaipur	24	6	0	0	0	0	-
17	Circle- A, Sikar	Zone-I, Jaipur	41	1	0	0	0	0	-
18	Circle-B, Sikar	Zone-I, Jaipur	75	8	0	0	0	0	-
19	Circle-Dausa	Zone-II, Jaipur	31	2	1	223	0	828	Not Available
20	Circle-P Jaipur	Zone-I Jaipur	305	17	7	3 to 80	0	17,660	Not Available

21	Circle-H Jaipur	Zone-II Jaipur	366	9	1	38	0	768	Not Available
22	Circle-G Jaipur	Zone-I Jaipur	90	8	0	0	0	0	-
23	Circle-O Jaipur	Zone-I Jaipur	233	7	1	6	0	87	Not Available
24	Circle-B Jaipur	Zone-III Jaipur	111	3	1	271	0	19,399	Not Available
25	Circle-D Jaipur	Zone-II Jaipur	120	6	2	11 to 298	0	8,467	Not Available
26	Circle-Spl Rajasthan	Zone-II Jaipur	11	1	0	0	0	0	-
27	Circle-F Jaipur	Zone-I Jaipur	156	4	1	115	0	2,227	Not Available
28	Circle-WT-1 Jaipur	Zone-I Jaipur	9	2	0	0	0	0	-
29	Circle-Spl-1 Jaipur	Zone-III Jaipur	7	2	0	0	0	0	-
30	Circle-Kishangarh	Zone-Ajmer	123	5	0	0	0	0	-
31	Circle-Tonk	Zone-III Jaipur	28	2	0	0	0	0	-
32	Circle- E Jaipur	Zone I Jaipur	370	40	8	11 to 206	0	60,647	Not Available
33	Circle- J Jaipur	Zone II Jaipur	394	27	19	02 to 321	0	85,067	Not Available
34	Circle-N Jaipur	Zone III Jaipur	203	15	7	34 to 522	0	32,925	Not Available
35	Circle-M Jaipur	Zone-I Jaipur	210	16	1	51	0	2,274	Not Available
Total			7,076	491	108			5,19,518	

Appendix 2.5

(Refer paragraph 2.7.6.2)

Applications not disposed within time (Interest due-paid/not paid) (post-automation)

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation refund applications processed	No. of refund applications examined by Audit from the sample	No. of refund cases in which audit objections noticed	Period of delay (in days)	Interest due paid	Interest due not paid	Reasons for delay
1	Circle C Jaipur	Zone III Jaipur	370	64	6	9 to 92	0	16,283	Not available
2	Circle L Jaipur	Zone III Jaipur	245	25	4	6 to 121	0	4,229	Not available
3	Circle K Jaipur	Zone I Jaipur	134	14	0	0	0	0	-
4	Circle B Ajmer	Zone Ajmer	118	16	0	0	0	0	-
5	Circle A Ajmer	Zone Ajmer	88	5	2	75 to 78	0	951	Not available
6	Special Circle -1 st Ajmer	Zone Ajmer	13	6	0	0	0	0	-
7	Special Circle -2 nd Ajmer	Zone Ajmer	2	1	0	0	0	0	-
8	Circle A Bhilwara	Zone Bhilwara	360	83	0	0	0	0	-
9	Circle B Bhilwara	Zone Bhilwara	446	97	2	42 to 45	0	8,458	Not available
10	Circle A Alwar	Zone Alwar	75	2	1	41	0	38	Not available
11	Circle B Alwar	Zone Alwar	96	25	0	0	0	0	-
12	Circle Banswara	Zone Udaipur	Information not provided	3	0	0	0	0	-
13	Circle Barmer	Zone Jodhpur	60	11	0	0	0	0	-
14	Circle A Beawar	Zone Ajmer	34	5	0	0	0	0	-
15	Circle B Beawar	Zone Ajmer	49	3	0	0	0	0	-
16	Circle A Bharatpur	Zone Bharatpur	46	7	2	109 to 150	0	2,852	Not available
17	Circle B Bharatpur	Zone Bharatpur	28	2	1	45	0	22	Not available
18	Circle W T Bharatpur	Zone Bharatpur	Information not provided	2	0	0	0	0	-
19	Circle-A, Jaipur	Zone-II, Jaipur	84	30	4	2 to 40	0	3,575	Not Available
20	Circle-I, Jaipur	Zone-III, Jaipur	158	21	2	58 to 125	0	11,637	Not Available
21	Circle-Q, Jaipur	Zone-II, Jaipur	110	21	1	75	0	67	Not Available
22	Circle-Special-III, Jaipur	Zone-I, Jaipur	26	7	1	161	0	50,538	Not Available

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation refund applications processed	No. of refund applications examined by Audit from the sample	No. of refund cases in which audit objections noticed	Period of delay (in days)	Interest due paid	Interest due not paid	Reasons for delay
23	Circle-Special-V, Jaipur	Zone-I, Jaipur	11	3	0	0	0	0	-
24	Circle-A, Sikar	Zone-I, Jaipur	24	2	1	164	0	2,292	Not Available
25	Circle-B, Sikar	Zone-I, Jaipur	26	8	3	110 to 139	0	1,602	Not Available
26	Circle-Dausa	Zone-II, Jaipur	10	1	0	0	0	0	-
27	Circle-Jhalawar	Zone-Kota	7	1	1	44	0	1,157	Not Available
28	Circle-Jhunjhunu	Zone-Bikaner	7	2	1	3	0	157	Not Available
29	Circle-Karauli	Zone-Bharatpur	2	1	1	20	0	17	Not Available
30	Circle-Makrana	Zone-Ajmer	31	5	1	10	0	1,308	Not Available
31	Circle- Merta City	Zone-Ajmer	75	29	0	0	0	0	-
32	Circle- Nagaur	Zone-Ajmer	33	13	0	0	0	0	-
33	Circle-Rajsamand	Zone-Bhilwara	30	1	0	0	0	0	-
34	Circle-Shahjahanpur	Zone-Alwar	60	7	3	2 to 17	0	3,990	Not Available
35	Circle-Sumerpur	Zone-Pali	45	3	2	16 to 20	0	4,297	Not Available
36	Circle- WCT-II, Jaipur	Zone-II, Jaipur	9	2	0	0	0	0	-
37	Circle- WCT-III, Jaipur	Zone-III, Jaipur	15	2	2	73 to 191	0	29,731	Not Available
38	Circle-Balotara	Zone Jodhpur	346	91	12	01 to 46	0	13,870	Not Available
39	Circle-A, Bikaner	Zone-Bikaner	2	2	0	0	0	0	-
40	Circle-B, Bikaner	Zone-Bikaner	17	1	0	0	0	0	-
41	Circle-C Bikaner	Zone Bikaner	60	13	4	44 to 114	0	1,76,757	Not Available
42	Circle-D Bikaner	Zone Bikaner	16	2	1	34	0	24	Not Available
43	Circle-WCT, Bikaner	Zone-Bikaner	7	2	0	0	0	0	-
44	Circle- B Kota	Zone Kota	Information not provided	11	4	7 to 10	0	9,663	Not Available
45	Circle- C Kota	Zone Kota	Information not provided	1	1	10	0	74	Not Available
46	Circle- Spl. I, Kota	Zone-Kota	1	1	0	0	0	0	-
47	Circle- Spl. II Kota	Zone Kota	10	4	4	9 to 45	0	99,602	Not Available

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation refund applications processed	No. of refund applications examined by Audit from the sample	No. of refund cases in which audit objections noticed	Period of delay (in days)	Interest due paid	Interest due not paid	Reasons for delay
48	Circle- WCT, Kota	Zone- Kota	12	3	0	0	0	0	-
49	Circle- Pali	Zone pali	101	50	17	9 to 195	0	88,558	Not Available
50	Circle- Sirohi	Zone- Pali	54	16	0	0	0	0	-
51	Circle- A Udaipur	Zone Udaipur	61	9	1	20	0	3,557	Not Available
52	Circle-B Udaipur	Zone- Udaipur	7	3	0	0	0	0	-
53	Circle- C Udaipur	Zone Udaipur	Information not provided	4	1	46	0	899	Not Available
54	Circle -P Jaipur	Zone -I Jaipur	121	21	7	30 to 135	0	19,546	Not Available
55	Circle -H Jaipur	Zone -II Jaipur	88	9	1	52	0	213	Not Available
56	Circle -G Jaipur	Zone -I Jaipur	35	4	0	0	0	0	-
57	Circle -O Jaipur	Zone -I Jaipur	44	11	3	22 to 135	0	45,721	Not Available
58	Circle -B Jaipur	Zone -III Jaipur	44	8	1	8	0	2,393	Not Available
59	Circle -D Jaipur	Zone -II Jaipur	54	1	0	0	0	0	-
60	Circle -F Jaipur	Zone -I Jaipur	35	3	0	0	0	0	-
61	Circle -WT-1 Jaipur	Zone -I Jaipur	5	3	0	0	0	0	-
62	Circle -SPL-1 Jaipur	Zone -III Jaipur	2	1	0	0	0	0	-
63	Circle - Kishangarh	Zone- Ajmer	87	11	0	0	0	0	-
64	Circle -Tonk	Zone -III Jaipur	16	3	1	71	0	1,663	Not Available
65	Circle -A Jodhpur	Zone - Jodhpur	71	10	0	0	0	0	-
66	Circle -B Jodhpur	ZONE- Jodhpur	219	53	15	01 to 77	0	80,785	Not Available
67	Circle -C Jodhpur	Zone - Jodhpur	298	79	0	0	0	0	-
68	Circle -D Jodhpur	ZONE- Jodhpur	76	16	2	9 to 66	0	105	Not Available
69	Circle -E Jodhpur	Zone- Jodhpur	55	11	1	3	0	532	Not Available
70	Circle -F Jodhpur	Zone- Jodhpur	88	15	4	12 to 37	0	98,344	Not Available
71	Circle -SPL 1 Jodhpur	Zone- Jodhpur	3	1	0	0	0	0	-
72	Circle -SPL 3 Jodhpur	Zone- Jodhpur	10	3	0	0	0	0	-
73	Circle -C Bhilwara	Zone- Bhilwara	270	37	0	0	0	0	-

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation refund applications processed	No. of refund applications examined by Audit from the sample	No. of refund cases in which audit objections noticed	Period of delay (in days)	Interest due paid	Interest due not paid	Reasons for delay
74	Circle -SPL 1 Bhilwara	Zone-Bhilwara	2	1	1	16	0	7,675	Not available
75	Circle -WT Bhilwara	Zone-Bhilwara	1	1	1	11	0	89	Not available
76	Circle -Bundi	Zone-Kota	19	1	1	58	0	23,881	Not available
77	Circle - Chittorgarh	Zone-Bhilwara	35	10	4	31 to 63	0	18,176	Not available
78	Circle -Churu	Zone-Bikaner	11	1	0	0	0	0	-
79	Circle - Dungarpur	Zone-Udaipur	11	2	0	0	0	0	-
80	Circle -B, Hanumangarh	Zone-Sri Ganganagar	7	3	0	0	0	0	-
81	Circle -SPL 11 Jaipur	Zone-III Jaipur	4	1	0	0	0	0	-
82	Circle - Jaisalmer	Zone-Jodhpur	14	2	1	66	0	330	Not available
83	Circle -Jalore	Zone-Pali	40	6	2	55 to 83	0	7,098	Not available
84	Circle -J Jaipur	Zone-II Jaipur	251	30	1	5	0	540	Not available
85	Circle-A Bhiwadi	Zone-Alwar	106	30	3	2 to 23	0	2,210	Not available
86	Circle-B Bhiwadi	Zone-Alwar	62	12	3	150 to 179	0	1,21,001	Not available
87	Circle SPL-I Bhiwadi	Zone-Alwar	13	5	1	30	0	1,96,632	Not available
88	Circle -E Jaipur	Zone -I Jaipur	155	35	0	0	0	0	-
89	Circle -N Jaipur	Zone-III Jaipur	94	15	0	0	0	0	-
90	Circle -M Jaipur	Zone -I Jaipur	62	10	0	0	0	0	-
91	Circle SPI-II Bhiwadi	Zone-Alwar	24	3	0	0	0	0	-
92	Circle WT Bhiwadi	Zone-Alwar	2	1	0	0	0	0	-
Total			6,155	1,212	139			11,63,139	

Appendix 2.6

(Refer paragraph 2.7.6.3)

Provisional refund on account of zero rated supply not sanctioned within time (pre-automation)

S. No.	Name of Division	Name of the Commissionerate	Total No. of zero rated refund applications processed	No. of refund applications examined by Audit from the sample	No. of refund cases in which audit objections noticed	Period of delay (in days)
1	Circle C	Zone III Jaipur	587	59	4	3 to 17
2	Circle L Jaipur	Zone III Jaipur	335	16	0	0
3	Circle K Jaipur	Zone I Jaipur	64	4	0	0
4	Circle B Ajmer	Zone Ajmer	79	4	0	0
5	Circle A Ajmer	Zone Ajmer	31	5	0	0
6	Special Circle -1 st Ajmer	Zone Ajmer	27	8	0	0
7	Special Circle -2 nd Ajmer	Zone Ajmer	Information not provided	1	0	0
8	Circle A Bhiwadi	Zone Alwar	81	14	0	0
9	Circle B Bhiwadi	Zone Alwar	36	9	0	0
10	Special Circle 1 st Bhiwadi	Zone Alwar	4	0	0	0
11	Special Circle 2 nd Bhiwadi	Zone Alwar	15	2	0	0
12	Circle A Jaipur	Zone II Jaipur	336	28	0	0
13	Circle I Jaipur	Zone III Jaipur	313	16	0	0
14	Circle Q Jaipur	Zone II Jaipur	146	21	3	4 to 11
15	Circle Special-III Jaipur	Zone I Jaipur	0	0	0	0
16	Circle Special-V Jaipur	Zone I Jaipur	0	0	0	0
17	Circle A Sikar	Zone I Jaipur	8	0	0	0
18	Circle B Sikar	Zone I Jaipur	1	0	0	0
19	Circle Dausa	Zone II Jaipur	12	0	0	0
20	Circle P Jaipur	Zone I Jaipur	94	6	0	0
21	Circle H Jaipur	Zone II Jaipur	283	7	0	0
22	Circle G Jaipur	Zone I Jaipur	33	2	0	0
23	Circle O Jaipur	Zone I Jaipur	141	1	0	0
24	Circle B Jaipur	Zone III Jaipur	79	2	1	324
25	Circle D Jaipur	Zone II Jaipur	70	3	1	24
26	Circle Spl Rajasthan	Zone II Jaipur	0	0	0	0
27	Circle F Jaipur	Zone I Jaipur	56	1	0	0
28	Circle WT-1 Jaipur	Zone I Jaipur	0	0	0	0
29	Circle Spl-1 Jaipur	Zone III Jaipur	1	0	0	0
30	Circle Kishangarh	Zone Ajmer	96	3	0	0
31	Circle Tonk	Zone III Jaipur	1	0	0	0
32	Circle N Jaipur	Zone III Jaipur	143	14	6	2 to 26
33	Circle E Jaipur	Zone I Jaipur	75	10	0	0
34	Circle J Jaipur	Zone II Jaipur	330	26	0	0
35	Circle M Jaipur	Zone I Jaipur	83	6	0	0
Total			3,560	268	15	2 to 324

Appendix 2.7

(Refer paragraph 2.7.6.3)

Provisional refund on account of zero rated supply not sanctioned within time (post-automation)

Sr. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation zero rated refund applications processed	No. of zero rated refund cases examined by the Audit from sample	No. of refund cases in which audit objections noticed	Period of delay (in days)
1	Circle C Jaipur	Zone III Jaipur	104	36	9	7 to 62
2	Circle L Jaipur	Zone III Jaipur	73	12	0	0
3	Circle K Jaipur	Zone I Jaipur	27	3	0	0
4	Circle B Ajmer	Zone Ajmer	56	10	0	0
5	Circle A Ajmer	Zone Ajmer	5	0	0	0
6	Special Circle -1 st Ajmer	Zone Ajmer	12	6	0	0
7	Special Circle -2 nd Ajmer	Zone Ajmer	2	1	0	0
8	Circle A Bhilwara	Zone Bhilwara	65	21	0	0
9	Circle B Bhilwara	Zone Bhilwara	77	29	0	0
10	Circle A Alwar	Zone Alwar	23	0	0	0
11	Circle B Alwar	Zone Alwar	4	0	0	0
12	Circle A Beawar	Zone Ajmer	4	3	0	0
13	Circle B Beawar	Zone Ajmer	1	1	0	0
14	Circle A Bharatpur	Zone Bharatpur	0	0	0	0
15	Circle B Bharatpur	Zone Bharatpur	0	0	0	0
16	Circle W T Bharatpur	Zone Bharatpur	0	0	0	0
17	Circle Banswara	Zone Udaipur	Information not provided	1	0	0
18	Circle Barmer	Zone Jodhpur	16	5	0	0
19	Circle-A, Jaipur	Zone-II, Jaipur	29	16	0	0
20	Circle-I, Jaipur	Zone-III, Jaipur	89	16	7	2 to 178
21	Circle-Q, Jaipur	Zone-II, Jaipur	36	13	3	4 to 17
22	Circle-Special-III, Jaipur	Zone-I, Jaipur	3	0	0	0
23	Circle-Special-V, Jaipur	Zone I Jaipur	0	0	0	0
24	Circle-A, Sikar	Zone I Jaipur	0	0	0	0
25	Circle-B, Sikar	Zone I Jaipur	0	0	0	0
26	Circle-Dausa	Zone II Jaipur	0	0	0	0
27	Circle-Jhalawar	Zone Kota	0	0	0	0
28	Circle-Jhunjhunu	Zone Bikaner	0	0	0	0
29	Circle-Karauli	Zone Bharatpur	0	0	0	0
30	Circle- Makrana	Zone Ajmer	10	0	0	0
31	Circle- Merta City	Zone Ajmer	3	2	0	0
32	Circle- Nagaur	Zone Ajmer	0	0	0	0
33	Circle-Rajsamand	Zone Bhilwara	1	0	0	0
34	Circle- Shahjahanpur	Zone Alwar	39	6	3	1 to 4
35	Circle- Sumerpur	Zone Pali	4	1	0	0
36	Circle- WCT-II, Jaipur	Zone II Jaipur	0	0	0	0
37	Circle- WCT-III, Jaipur	Zone III Jaipur	1	1	0	0
38	Circle Balotara	Zone Jodhpur	2	2	1	54
39	Circle-A, Bikaner	Zone- Bikaner	0	0	0	0
40	Circle-B, Bikaner	Zone- Bikaner	0	0	0	0
41	Circle-C, Bikaner	Zone- Bikaner	16	3	0	0
42	Circle-D, Bikaner	Zone- Bikaner	0	0	0	0
43	Circle-WCT, Bikaner	Zone- Bikaner	0	0	0	0
44	Circle-B, Kota	Zone- Kota	Information not provided	3	0	0

Sr. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation zero rated refund applications processed	No. of zero rated refund cases examined by the Audit from sample	No. of refund cases in which audit objections noticed	Period of delay (in days)
45	Circle-C, Kota	Zone- Kota	0	0	0	0
46	Circle-Spl. I, Kota	Zone- Kota	1	1	0	0
47	Circle-Spl. II, Kota	Zone- Kota	2	1	0	0
48	Circle-WCT, Kota	Zone- Kota	0	0	0	0
49	Circle-Pali	Zone- Pali	0	0	0	0
50	Circle-Sirohi	Zone- Pali	2	1	0	0
51	Circle-A Udaipur	Zone Udaipur	46	9	2	1 to 14
52	Circle-B Udaipur	Zone-Udaipur	6	2	0	0
53	Circle-C Udaipur	Zon- Udaipur	0	0	0	0
54	Circle-P Jaipur	Zone-I Jaipur	12	1	0	0
55	Circle-H Jaipur	Zone-II Jaipur	58	8	0	0
56	Circle-G Jaipur	Zone-I Jaipur	13	1	0	0
57	Circle-O Jaipur	Zone-I Jaipur	14	2	0	0
58	Circle-B Jaipur	Zone-III Jaipur	18	2	0	0
59	Circle-D Jaipur	Zone-II Jaipur	29	1	0	0
60	Circle-F Jaipur	Zone-I Jaipur	4	2	0	0
61	Circle-WT-1 Jaipur	Zone-I Jaipur	0	0	0	0
62	Circle-Spl-1 Jaipur	Zone-III Jaipur	0	0	0	0
63	Circle-Kishangarh	Zone-Ajmer	61	9	2	37 to 44
64	Circle-Tonk	Zone-III Jaipur	1	1	0	0
65	Circle-A Jodhpur	Zone-Jodhpur	33	5	3	2 to 26
66	Circle-B Jodhpur	Zone-Jodhpur	10	0	0	0
67	Circle-C Jodhpur	Zone-Jodhpur	62	26	5	2 to 14
68	Circle-D Jodhpur	Zone-Jodhpur	28	4	0	0
69	Circle-E Jodhpur	Zone-Jodhpur	10	2	0	0
70	Circle-F Jodhpur	Zone-Jodhpur	58	13	5	68 to 77
71	Circle-Spl 1 Jodhpur	Zone-Jodhpur	0	0	0	0
72	Circle-Spl 3 Jodhpur	Zone-Jodhpur	0	0	0	0
73	Circle-C Bhilwara	Zone-Bhilwara	27	1	0	0
74	Circle-Spl 1 Bhilwara	Zone-Bhilwara	2	1	1	57
75	Circle-WT Bhilwara	Zone Bhilwara	0	0	0	0
76	Circle-Bundi	Zone Kota	1	0	0	0
77	Circle-Chittorgarh	Zone Bhilwara	1	1	0	0
78	Circle-Churu	Zone Bikaner	0	0	0	0
79	Circle-Dungarpur	Zone Udaipur	3	0	0	0
80	Circle-B, Hanumangarh	Zone Ganganagar	3	3	0	0
81	Circle-Spl 11 Jaipur	Zone III Jaipur	0	0	0	0
82	Circle-Jaisalmer	Zone Jodhpur	3	1	1	42
83	Circle-Jalore	Zone Pali	7	1	0	0
84	Circle -E Jaipur	Zone I Jaipur	23	2	0	0
85	Circle -J Jaipur	Zone II Jaipur	84	16	0	0
86	Circle -N Jaipur	Zone III Jaipur	41	10	0	0
87	Circle -M Jaipur	Zone I Jaipur	23	5	0	0
88	CIRCLE-A Bhiwadi	Zone Alwar	31	10	0	0
89	Circle-B Bhiwadi	Zone Alwar	24	5	0	0
90	Circle SPI-I Bhiwadi	Zone Alwar	0	0	0	0
91	Circle SPI-II Bhiwadi	Zone Alwar	10	1	0	0
92	Circle WT Bhiwadi	Zone Alwar	0	0	0	0
Total			1,453	339	42	1 to 178

Appendix 2.8

(Refer paragraph 2.7.6.4)

Irregular allowance of refund of inverted duty structure (pre-automation)

S. No.	Name of Division	Name of the Commissionerate	Total No. of pre-automation refund cases on account of inverted duty structure processed	No. of refund cases examined by Audit from the sample	No. of refund cases in which audit objections noticed	Irregular refund granted (in ₹)		
						IGST	CGST	SGST
1	Circle C Jaipur	Zone III Jaipur	144	8	0	0	0	0
2	Circle L Jaipur	Zone III Jaipur	21	2	0	0	0	0
3	Circle K Jaipur	Zone I Jaipur	12	1	0	0	0	0
4	Circle B Ajmer	Zone Ajmer	73	4	0	0	0	0
5	Circle A Ajmer	Zone Ajmer	47	2	0	0	0	0
6	Special Circle 1 st Ajmer	Zone Ajmer	0	0	0	0	0	0
7	Special Circle -2 nd Ajmer	Zone Ajmer	0	0	0	0	0	0
8	Circle A Bhiwadi	Zone Alwar	132	15	1	12,70,727	0	0
9	Circle B Bhiwadi	Zone Alwar	46	4	0	0	0	0
10	Special Circle - 1 st Bhiwadi	Zone Alwar	24	3	0	0	0	0
11	Special Circle 2 nd Bhiwadi	Zone Alwar	11	2	0	0	0	0
12	Circle A Jaipur	Zone-II Jaipur	51	11	0	0	0	0
13	Circle I Jaipur	Zone-III Jaipur	4	3	0	0	0	0
14	Circle Q Jaipur	Zone-II Jaipur	21	8	0	0	0	0
15	Circle Special-III Jaipur	Zone-I Jaipur	33	9	0	0	0	0
16	Circle Special-V Jaipur	Zone-I Jaipur	19	6	0	0	0	0
17	Circle- A, Sikar	Zone-I Jaipur	0	0	0	0	0	0
18	Circle-B, Sikar	Zone-I Jaipur	48	6	0	0	0	0
19	Circle-Dausa	Zone-II Jaipur	1	0	0	0	0	0
20	Circle-P Jaipur	Zone-I Jaipur	164	7	1	0	0	15,840
21	Circle-H Jaipur	Zone-II Jaipur	0	0	0	0	0	0
22	Circle-G Jaipur	Zone-I Jaipur	35	4	2	1,34,887	0	0
23	Circle-O Jaipur	Zone-I Jaipur	14	1	0	0	0	0
24	Circle-B Jaipur	Zone-III Jaipur	3	1	0	0	0	0
25	Circle-D Jaipur	Zone-II Jaipur	0	0	0	0	0	0
26	Circle-Spl Rajasthan	Zone-II Jaipur	0	0	0	0	0	0
27	Circle-F Jaipur	Zone-I Jaipur	8	0	0	0	0	0
28	Circle-Wt-1 Jaipur	Zone-I Jaipur	1	1	0	0	0	0
29	Circle-Spl-1 Jaipur	Zone-III Jaipur	4	1	0	0	0	0
30	Circle-Kishangarh	Zone-Ajmer	7	0	0	0	0	0
31	Circle-Tonk	Zone-III Jaipur	0	0	0	0	0	0
32	Circle- E Jaipur	Zone I Jaipur	259	26		0	0	0
33	Circle- J Jaipur	Zone II Jaipur	8	0	0	0	0	0
34	Circle-N Jaipur	Zone III Jaipur	9	0	0	0	0	0
35	Circle-M Jaipur	Zone I Jaipur	9	4	0	0	0	0
Total			1,208	129	4	14,05,614	0	15,840
						14,21,454		

Appendix 2.9

(Refer paragraph 2.7.6.4)

Irregular allowance of refund of inverted duty structure (post-automation)

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation inverted duty structure refund applications processed	No. of inverted duty structure refund applications examined by Audit from sample	No. of refund applications in which audit objections noticed	Irregular refund granted (in ₹)		
						IGST	CGST	SGST
1	Circle C Jaipur	Zone III Jaipur	93	18	3	0	2,44,769	2,44,770
2	Circle L Jaipur	Zone III Jaipur	11	6	2	2,55,487	19,626	19,626
3	Circle K Jaipur	Zone I Jaipur	51	8	3	0	0	6,07,68,870
4	Circle B Ajmer	Zone Ajmer	28	6	1	9,63,856	0	0
5	Circle A Ajmer	Zone Ajmer	2	2	0	0	0	0
6	Special Circle 1 st Ajmer	Zone Ajmer	0	0	0	0	0	0
7	Special Circle 2 nd Ajmer	Zone Ajmer	0	0	0	0	0	0
8	Circle A Bhilwara	Zone Bhilwara	254	58	0	0	0	0
9	Circle B Bhilwara	Zone Bhilwara	349	67	2	0	1,50,125	1,50,126
10	Circle A Alwar	Zone Alwar	8	1	0	0	0	0
11	Circle B Alwar	Zone Alwar	57	23	0	0	0	0
12	Circle Banswara	Zone Udaipur	Information not provided	1	0	0	0	0
13	Circle Barmer	Zone Jodhpur	17	5	0	0	0	0
14	Circle A Beawar	Zone Ajmer	12	2	0	0	0	0
15	Circle B Beawar	Zone Ajmer	20	1	0	0	0	0
16	Circle A Bharatpur	Zone Bharatpur	Information not provided	5	0	0	0	0
17	Circle B Bharatpur	Zone Bharatpur	11	1	0	0	0	0
18	Circle W T Bharatpur	Zone Bharatpur	Information not provided	1	0	0	0	0
19	Circle-A, Jaipur	Zone-II, Jaipur	8	4	0	0	0	0
20	Circle-I, Jaipur	Zone-III, Jaipur	7	3	0	0	0	0
21	Circle-Q, Jaipur	Zone-II, Jaipur	20	6	0	0	0	0
22	Circle-Special III Jaipur	Zone-I, Jaipur	12	6	0	0	0	0
23	Circle-Special V Jaipur	Zone-I, Jaipur	4	3	0	0	0	0
24	Circle-A, Sikar	Zone-I, Jaipur	1	1	0	0	0	0
25	Circle-B, Sikar	Zone-I, Jaipur	13	5	0	0	0	0
26	Circle-Dausa	Zone-II, Jaipur	2	0	0	0	0	0
27	Circle-Jhalawar	Zone- Kota	0	0	0	0	0	0
28	Circle-Jhunjhunu	Zone- Bikaner	0	0	0	0	0	0
29	Circle-Karauli	Zone- Bharatpur	0	0	0	0	0	0
30	Circle- Makrana	Zone- Ajmer	17	5	0	0	0	0
31	Circle- Merta City	Zone- Ajmer	61	27	0	0	0	0
32	Circle- Nagaur	Zone- Ajmer	29	12	1	0	9,009	9,009
33	Circle-Rajsamand	Zone Bhilwara	2	1	0	0	0	0
34	Circle- Shahjahanpur	Zone Alwar	3	0	0	0	0	0
35	Circle- Sumerpur	Zone Pali	25	2	0	0	0	0
36	Circle- WCT-II Jaipur	Zone II Jaipur	0	0	0	0	0	0
37	Circle- WCT-III Jaipur	Zone III Jaipur	0	0	0	0	0	0
38	Circle, Balotara	Zone Jodhpur	318	88	0	0	0	0
39	Circle-A, Bikaner	Zone Bikaner	Information not provided	2	0	0	0	0
40	Circle-B, Bikaner	Zone Bikaner	0	0	0	0	0	0
41	Circle- C Bikaner	Zone Bikaner	21	8	1	0	71,050	71,050
42	Circle-D, Bikaner	Zone Bikaner	0	0	0	0	0	0
43	Circle-WCT, Bikaner	Zone Bikaner	0	0	0	0	0	0
44	Circle- B, Kota	Zone Kota	Information not provided	5	0	0	0	0
45	Circle- C, Kota	Zone Kota	0	0	0	0	0	0
46	Circle- Spl. I, Kota	Zone Kota	0	0	0	0	0	0

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation inverted duty structure refund applications processed	No. of inverted duty structure refund applications examined by Audit from sample	No. of refund applications in which audit objections noticed	Irregular refund granted (in ₹)		
						IGST	CGST	SGST
47	Circle- Spl. II, Kota	Zone Kota	7	3	0	0	0	0
48	Circle- WCT, Kota	Zone Kota	0	0	0	0	0	0
49	Circle- Pali	Zone Pali	98	45	0	0	0	0
50	Circle- Sirohi	Zone Pali	36	14	0	0	0	0
51	Circle-A Udaipur	Zone Udaipur	9	0	0	0	0	0
52	Circle-B Udaipur	Zone Udaipur	1	0	0	0	0	0
53	Circle-C Udaipur	Zone Udaipur	Information not provided	4	0	0	0	0
54	Circle-P Jaipur	Zone I Jaipur	61	12	0	0	0	0
55	Circle-H Jaipur	Zone II Jaipur	4	0	0	0	0	0
56	Circle-G Jaipur	Zone I Jaipur	9	3	1	12,35,585	0	0
57	Circle-O Jaipur	Zone I Jaipur	3	2	0	0	0	0
58	Circle-B Jaipur	Zone III Jaipur	8	5	0	0	0	0
59	Circle-D Jaipur	Zone II Jaipur	2	0	0	0	0	0
60	Circle-F Jaipur	Zone I Jaipur	4	0	0	0	0	0
61	Circle-WT-1 Jaipur	Zone I Jaipur	0	0	0	0	0	0
62	Circle-Spl-1 Jaipur	Zone III Jaipur	0	0	0	0	0	0
63	Circle-Kishangarh	Zone Ajmer	1	0	0	0	0	0
64	Circle-Tonk	Zone III Jaipur	0	0	0	0	0	0
65	Circle-A Jodhpur	Zone Jodhpur	11	4	1	19,929	0	0
66	Circle-B Jodhpur	Zone Jodhpur	193	50	1	0	13,169	13,168
67	Circle-C Jodhpur	Zone Jodhpur	209	51	1	0	0	31,056
68	Circle-D Jodhpur	Zone Jodhpur	30	8	0	0	0	0
69	Circle-E Jodhpur	Zone Jodhpur	27	8	2	0	0	50,17,951
70	Circle-F Jodhpur	Zone Jodhpur	8	1	0	0	0	0
71	Circle-Spl 1 Jodhpur	Zone Jodhpur	2	1	0	0	0	0
72	Circle-Spl 3 Jodhpur	Zone Jodhpur	7	3	1	0	97,633	97,632
73	Circle-C Bhilwara	Zone Bhilwara	222	35	0	0	0	0
74	Circle-Spl 1 Bhilwara	Zone Bhilwara	0	0	0	0	0	0
75	Circle-WT Bhilwara	Zone Bhilwara	0	0	0	0	0	0
76	Circle-Bundi	Zone-Kota	0	0	0	0	0	0
77	Circle-Chittorgarh	Zone-Bhilwara	17	1	0	0	0	0
78	Circle-Churu	Zone-Bikaner	0	0	0	0	0	0
79	Circle-Dungarpur	Zone-Udaipur	3	1	0	0	0	0
80	Circle-B Hanumangarh	Zone Sri Ganganagar	0	0	0	0	0	0
81	Circle-Spl 11 Jaipur	Zone-III Jaipur	3	0	0	0	0	0
82	Circle-Jaisalmer	Zone-Jodhpur	0	0	0	0	0	0
83	Circle-Jalore	Zone-Pali	0	0	0	0	0	0
84	Circle -E Jaipur	Zone -I Jaipur	86	29	0	0	0	0
85	Circle -J Jaipur	Zone -II Jaipur	21	9	0	0	0	0
86	Circle -N Jaipur	Zone III Jaipur	9	3	0	0	0	0
87	Circle -M Jaipur	Zone -I Jaipur	11	2	0	0	0	0
88	CIRCLE-A Bhiwadi	Zone-Alwar	46	15	0	0	0	0
89	Circle-B Bhiwadi	Zone-Alwar	16	7	0	0	0	0
90	Circle SPI-I Bhiwadi	Zone-Alwar	7	5	0	0	0	0
91	Circle SPI-II Bhiwadi	Zone-Alwar	10	2	0	0	0	0
92	Circle WT Bhiwadi	Zone-Alwar	0	0	0	0	0	0
Total			2,637	706	20	24,74,857	6,05,381	6,64,23,258
						6,95,03,496		

Appendix 2.10

(Refer paragraph 2.7.6.5)

Refund amount included ITC availed on capital goods (pre-automation)

S. No.	Name of Division	Name of the Commissionerate	Total No. of pre-automation zero rated refund applications processed	No. of zero rated refund applications examined by the Audit	No. of refund cases in which audit objections noticed	Excess amount refunded (in ₹)		
						IGST	CGST	SGST
1	Circle C Jaipur	Zone III Jaipur	587	59	0	0	0	0
2	Circle L Jaipur	Zone III Jaipur	335	16	1	4,35,597	1,94,927	1,94,927
3	Circle K Jaipur	Zone I Jaipur	64	4	0	0	0	0
4	Circle B Ajmer	Zone Ajmer	79	4	0	0	0	0
5	Circle A Ajmer	Zone Ajmer	31	5	0	0	0	0
6	Special Circle - 1 st Ajmer	Zone Ajmer	27	8	0	0	0	0
7	Special Circle - 2 nd Ajmer	Zone Ajmer	Information not provided	1	0	0	0	0
8	Circle A Bhiwadi	Zone Alwar	81	14	0	0	0	0
9	Circle B Bhiwadi	Zone Alwar	36	9	0	0	0	0
10	Special Circle 1 st Bhiwadi	Zone Alwar	4	0	0	0	0	0
11	Special Circle 2 nd Bhiwadi	Zone Alwar	15	2	0	0	0	0
12	Circle-A Jaipur	Zone-II Jaipur	336	28	0	0	0	0
13	Circle-I, Jaipur	Zone-III Jaipur	313	16	0	0	0	0
14	Circle-Q Jaipur	Zone-II Jaipur	146	21	0	0	0	0
15	Circle Special-III Jaipur	Zone-I Jaipur	0	0	0	0	0	0
16	Circle- Special-V Jaipur	Zone-I Jaipur	0	0	0	0	0	0
17	Circle- A Sikar	Zone-I Jaipur	8	0	0	0	0	0
18	Circle-B Sikar	Zone-I Jaipur	1	0	0	0	0	0
19	Circle-Dausa	Zone-II Jaipur	12	0	0	0	0	0
20	Circle-P Jaipur	Zone-I Jaipur	94	6	0	0	0	0
21	Circle-H Jaipur	Zone-II Jaipur	283	7	0	0	0	0
22	Circle-G Jaipur	Zone-I Jaipur	33	2	0	0	0	0
23	Circle-O Jaipur	Zone-I Jaipur	141	1	0	0	0	0
24	Circle-B Jaipur	Zone-III Jaipur	79	2	0	0	0	0
25	Circle-D Jaipur	Zone-II Jaipur	70	3	0	0	0	0
26	Circle-Spl Rajasthan	Zone-II Jaipur	0	0	0	0	0	0
27	Circle-F Jaipur	Zone-I Jaipur	56	1	0	0	0	0
28	Circle-WT-1 Jaipur	Zone-I Jaipur	0	0	0	0	0	0
29	Circle-Spl-1 Jaipur	Zone-III Jaipur	1	0	0	0	0	0
30	Circle Kishangarh	Zone-Ajmer	96	3	0	0	0	0
31	Circle Tonk	Zone-III Jaipur	1	0	0	0	0	0
32	Circle- E Jaipur	Zone I Jaipur	75	10	1	14,639	0	0
33	Circle- J Jaipur	Zone II Jaipur	330	26	2	0	0	2,64,962
34	Circle N Jaipur	Zone III Jaipur	143	14	0	0	0	0
35	Circle M Jaipur	Zone I Jaipur	83	6	0	0	0	0
Total			3,560	268	4	4,50,236	1,94,927	4,59,889
						11,05,052		

Appendix 2.11

(Refer paragraph 2.7.6.5)

Refund amount included ITC availed on capital goods (post-automation)

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation zero rated refund cases processed	No. of zero rated refund cases examined by Audit from the sample	No. of refund cases in which audit objections noticed	Excess amount refunded (in ₹)		
						IGST	CGST	SGST
1	Circle C Jaipur	Zone III Jaipur	104	36	3	5,78,480	12,890	12,890
2	Circle L Jaipur	Zone III Jaipur	73	12	0	0	0	0
3	Circle K Jaipur	Zone I Jaipur	27	3	0	0	0	0
4	Circle B Ajmer	Zone Ajmer	56	10	0	0	0	0
5	Circle A Ajmer	Zone Ajmer	5	0	0	0	0	0
6	Special Circle 1 st Ajmer	Zone Ajmer	12	6	1	0	1,74,962	1,74,962
7	Special Circle 2 nd Ajmer	Zone Ajmer	2	1	0	0	0	0
8	Circle A Bhilwara	Zone Bhilwara	65	21	2	0	1,90,711	1,90,711
9	Circle B Bhilwara	Zone Bhilwara	77	29	2	0	75,538	75,537
10	Circle A Alwar	Zone Alwar	23	0	0	0	0	0
11	Circle B Alwar	Zone Alwar	4	0	0	0	0	0
12	Circle A Beawar	Zone Ajmer	4	3	0	0	0	0
13	Circle B Beawar	Zone Ajmer	1	1	0	0	0	0
14	Circle A Bharatpur	Zone Bharatpur	0	0	0	0	0	0
15	Circle B Bharatpur	Zone Bharatpur	0	0	0	0	0	0
16	Circle W T Bharatpur	Zone Bharatpur	0	0	0	0	0	0
17	Circle Banswara	Zone Udaipur	Information not provided	1	0	0	0	0
18	Circle Barmer	Zone Jodhpur	16	5	0	0	0	0
19	Circle-A, Jaipur	Zone-II, Jaipur	29	16	0	0	0	0
20	Circle-I, Jaipur	Zone-III, Jaipur	89	16	0	0	0	0
21	Circle-Q, Jaipur	Zone-II, Jaipur	36	13	1	0	2,25,107	2,25,107
22	Circle-Special-III Jaipur	Zone-I, Jaipur	3	0	0	0	0	0
23	Circle-Special-V Jaipur	Zone-I, Jaipur	0	0	0	0	0	0
24	Circle-A, Sikar	Zone-I, Jaipur	0	0	0	0	0	0
25	Circle-B, Sikar	Zone-I, Jaipur	0	0	0	0	0	0
26	Circle-Dausa	Zone-II, Jaipur	0	0	0	0	0	0
27	Circle-Jhalawar	Zone- Kota	0	0	0	0	0	0
28	Circle-Jhunjhunu	Zone- Bikaner	0	0	0	0	0	0
29	Circle-Karauli	Zone- Bharatpur	0	0	0	0	0	0
30	Circle- Makrana	Zone- Ajmer	10	0	0	0	0	0
31	Circle- Merta City	Zone- Ajmer	3	2	0	0	0	0
32	Circle- Nagaur	Zone- Ajmer	0	0	0	0	0	0
33	Circle-Rajsamand	Zone- Bhilwara	1	0	0	0	0	0
34	Circle- Shahjahanpur	Zone- Alwar	39	6	0	0	0	0
35	Circle- Sumerpur	Zone-Pali	4	1	0	0	0	0
36	Circle- WCT-II, Jaipur	Zone-II, Jaipur	0	0	0	0	0	0
37	Circle- WCT-III, Jaipur	Zone-III, Jaipur	1	1	0	0	0	0
38	Circle, Balotara	Zone- Jodhpur	2	2	0	0	0	0
39	Circle-A, Bikaner	Zone- Bikaner	0	0	0	0	0	0
40	Circle-B, Bikaner	Zone- Bikaner	0	0	0	0	0	0
41	Circle-C, Bikaner	Zone- Bikaner	16	3	0	0	0	0
42	Circle-D, Bikaner	Zone- Bikaner	0	0	0	0	0	0
43	Circle-WCT, Bikaner	Zone- Bikaner	0	0	0	0	0	0
44	Circle- B, Kota	Zone- Kota	Information not provided	3	0	0	0	0
45	Circle- C, Kota	Zone- Kota	0	0	0	0	0	0
46	Circle- Spl. I, Kota	Zone- Kota	1	1	0	0	0	0
47	Circle- Spl. II, Kota	Zone- Kota	2	1	0	0	0	0
48	Circle- WCT, Kota	Zone- Kota	0	0	0	0	0	0
49	Circle- Pali	Zone- Pali	0	0	0	0	0	0
50	Circle- Sirohi	Zone- Pali	2	1	0	0	0	0

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation zero rated refund cases processed	No. of zero rated refund cases examined by Audit from the sample	No. of refund cases in which audit objections noticed	Excess amount refunded (in ₹)		
						IGST	CGST	SGST
51	Circle-A Udaipur	Zone- Udaipur	46	9	0	0	0	0
52	Circle-B Udaipur	Zone-Udaipur	6	2	0	0	0	0
53	Circle-C Udaipur	Zon- Udaipur	0	0	0	0	0	0
54	Circle-P Jaipur	Zone-I Jaipur	12	1	0	0	0	0
55	Circle-H Jaipur	Zone-II Jaipur	58	8	1	2,69,103	0	0
56	Circle-G Jaipur	Zone-I Jaipur	13	1	0	0	0	0
57	Circle-O Jaipur	Zone-I Jaipur	14	2	0	0	0	0
58	Circle-B Jaipur	Zone-III Jaipur	18	2	0	0	0	0
59	Circle-D Jaipur	Zone-II Jaipur	29	1	0	0	0	0
60	Circle-F Jaipur	Zone-I Jaipur	4	2	0	0	0	0
61	Circle-WT-1 Jaipur	Zone-I Jaipur	0	0	0	0	0	0
62	Circle-Spl-1 Jaipur	Zone-III Jaipur	0	0	0	0	0	0
63	Circle-Kishangarh	Zone-Ajmer	61	9	0	0	0	0
64	Circle-Tonk	Zone-III Jaipur	1	1	0	0	0	0
65	Circle-A Jodhpur	Zone-Jodhpur	33	5	0	0	0	0
66	Circle-B Jodhpur	Zone-Jodhpur	10	0	0	0	0	0
67	Circle-C Jodhpur	Zone-Jodhpur	62	26	0	0	0	0
68	Circle-D Jodhpur	Zone-Jodhpur	28	4	1	62,460	16,069	16,069
69	Circle-E Jodhpur	Zone-Jodhpur	10	2	0	0	0	0
70	Circle-F Jodhpur	Zone-Jodhpur	58	13	0	0	0	0
71	Circle-Spl 1 Jodhpur	Zone-Jodhpur	0	0	0	0	0	0
72	Circle-Spl 3 Jodhpur	Zone-Jodhpur	0	0	0	0	0	0
73	Circle-C Bhilwara	Zone-Bhilwara	27	1	0	0	0	0
74	Circle-Spl 1 Bhilwara	Zone-Bhilwara	2	1	0	0	0	0
75	Circle-Wt Bhilwara	Zone-Bhilwara	0	0	0	0	0	0
76	Circle-Bundi	Zone-Kota	1	0	0	0	0	0
77	Circle-Chittorgarh	Zone-Bhilwara	1	1	0	0	0	0
78	Circle-Churu	Zone-Bikaner	0	0	0	0	0	0
79	Circle-Dungarpur	Zone-Udaipur	3	0	0	0	0	0
80	Circle-B, Hanumangarh	Zone-Sri Ganganagar	3	3	0	0	0	0
81	Circle-Spl 11 Jaipur	Zone-III Jaipur	0	0	0	0	0	0
82	Circle-Jaisalmer	Zone-Jodhpur	3	1	0	0	0	0
83	Circle-Jalore	Zone-Pali	7	1	0	0	0	0
84	Circle -E Jaipur	Zone -I Jaipur	23	2	0	0	0	0
85	Circle -J Jaipur	Zone -II Jaipur	84	16	1	0	0	1,92,242
86	Circle -N Jaipur	Zone -III Jaipur	41	10	0	0	0	0
87	Circle -M Jaipur	Zone -I Jaipur	23	5	0	0	0	0
88	Circle -A Bhiwadi	Zone-Alwar	31	10	0	0	0	0
89	Circle-B Bhiwadi	Zone-Alwar	24	5	0	0	0	0
90	Circle SPI-I Bhiwadi	Zone-Alwar	0	0	0	0	0	0
91	Circle SPI-II Bhiwadi	Zone-Alwar	10	1	0	0	0	0
92	Circle WT Bhiwadi	Zone-Alwar	0	0	0	0	0	0
Total			1,453	339	12	9,10,043	6,95,277	8,87,518
						24,92,838		

Appendix 2.12

(Refer paragraph 2.7.6.6)

Irregular grant of provisional refund

S. No.	Name of Division	Name of the Commissionerate	Total No. of pre-automation other than zero rated refund applications processed	Total No. of other than zero rated refund applications examined by the Audit	No. of refund cases in which audit objections noticed	Excess amount refunded (in ₹)		
						IGST	CGST	SGST
1	Circle C Jaipur	Zone III Jaipur	104	22	2	13,017	5,11,117	5,41,847
2	Circle L Jaipur	Zone III Jaipur	387	8	1	29,299	86,302	86,302
3	Circle K Jaipur	Zone I Jaipur	13	4	0	0	0	0
4	Circle B Ajmer	Zone Ajmer	159	7	0	0	0	0
5	Circle A Ajmer	Zone Ajmer	154	3	0	0	0	0
6	Special Circle -1 st Ajmer	Zone Ajmer	1	0	0	0	0	0
7	Special Circle -2 nd Ajmer	Zone Ajmer	6	0	0	0	0	0
8	Circle A Bhiwadi	Zone Alwar	132	21	0	0	0	0
9	Circle B Bhiwadi	Zone Alwar	156	5	0	0	0	0
10	Special Circle -1 st Bhiwadi	Zone Alwar	36	3	0	0	0	0
11	Special Circle -2 nd Bhiwadi	Zone Alwar	26	3	1	15,32,206	30,432	30,432
12	Circle-A, Jaipur	Zone-II Jaipur	336	28	6	16,03,191	30,487	25,647
13	Circle-I, Jaipur	Zone-III Jaipur	313	16	0	0	0	0
14	Circle-Q, Jaipur	Zone-II Jaipur	146	21	0	0	0	0
15	Circle Special-III, Jaipur	Zone-I Jaipur	34	9	9	1,60,79,412	21,97,971	19,93,782
16	Circle- Special-V, Jaipur	Zone-I Jaipur	0	0	0	0	0	0
17	Circle- A, Sikar	Zone-I Jaipur	33	1	0	0	0	0
18	Circle-B, Sikar	Zone-I Jaipur	74	8	0	0	0	0
19	Circle-Dausa	Zone-II Jaipur	19	0	0	0	0	0
20	Circle-P Jaipur	Zone-I Jaipur	211	11	2	1,78,346	3,95,923	3,95,923
21	Circle-H Jaipur	Zone-II Jaipur	83	2	0	0	0	0
22	Circle-G Jaipur	Zone-I Jaipur	33	6	0	0	0	0
23	Circle-O Jaipur	Zone-I Jaipur	92	6	1	0	2,17,542	2,17,542
24	Circle-B Jaipur	Zone-III Jaipur	32	1	0	0	0	0
25	Circle-D Jaipur	Zone-II Jaipur	50	3	0	0	0	0
26	Circle-Spl Rajasthan	Zone-II Jaipur	11	1	0	0	0	0
27	Circle-F Jaipur	Zone-I Jaipur	100	3	0	0	0	0
28	Circle-WT-1 Jaipur	Zone-I Jaipur	9	2	0	0	0	0
29	Circle-Spl-1 Jaipur	Zone-III Jaipur	7	2	0	0	0	0
30	Circle-Kishangarh	Zone-Ajmer	27	2	0	0	0	0
31	Circle-Tonk	Zone-III Jaipur	27	2	0	0	0	0
32	Circle- E Jaipur	Zone I Jaipur	295	30	0	0	0	0
33	Circle- J Jaipur	Zone II Jaipur	64	1	0	0	0	0
34	Circle- N Jaipur	Zone III Jaipur	60	1	0	0	0	0
35	Circle-M Jaipur	Zone I Jaipur	127	10	0	0	0	0
Total			3,357	242	22	1,94,35,471	34,69,774	32,91,475
						2,61,96,720		

Appendix 2.13

(Refer paragraph 2.7.7.1)

Irregularities of portal to calculate correct refundable amount of CGST and SGST (pre-automation)

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Pre automation refund cases processed	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which calculation of incorrect CGST and SGST	Irregular calculated excess refund (in ₹)		
						CGST	SGST	TOTAL
1	Circle-C Jaipur	Zone-III Jaipur	1,103	81	2	3,10,722	3,10,722	6,21,444
2	Circle-L Jaipur	Zone-III Jaipur	722	24	6	17,89,524	17,89,523	35,79,047
3	Circle-K Jaipur	Zone-I Jaipur	77	8	2	60,152	60,152	1,20,304
4	Circle-A, Bhiwadi	Zone Alwar	311	35	16	44,69,088	85,80,783	1,30,49,871
5	Circle-B, Bhiwadi	Zone Alwar	192	14	7	56,29,844	56,29,844	1,12,59,688
6	Circle- Spl I, Bhiwadi	Zone Alwar	80	3	1	13,50,321	13,50,321	27,00,642
7	Circle- Spl II, Bhiwadi	Zone Alwar	41	5	3	2,33,275	2,33,275	4,66,550
8	Circle-Q, Jaipur	Zone-II Jaipur	210	32	5	30,86,064	18,81,069	49,67,133
9	Circle-B, Sikar	Zone-I Jaipur	75	8	5	17,42,457	17,42,457	34,84,914
10	Circle-G Jaipur	Zone-I Jaipur	90	8	1	2,52,954	2,52,954	5,05,908
11	Circle-O Jaipur	Zone-I Jaipur	233	7	1	20,712	20,713	41,425
12	Circle-D Jaipur	Zone-II Jaipur	120	6	1	12,647	12,648	25,295
13	Circle-Spl-1 Jaipur	Zone-III Jaipur	7	2	1	47,49,081	0	47,49,081
Total			3,261	233	51	2,37,06,841	2,18,64,461	4,55,71,302

Appendix 2.14

(Refer paragraph 2.7.7.1)

Irregularities of portal to calculate correct refundable amount of CGST and SGST (post-automation)

Sl. No.	Name of the Circle	Name of Division/Zone	Total No. of Post automation refund cases processed	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which calculation of incorrect CGST and SGST	Irregular calculated excess refund (in ₹)		
						CGST	SGST	TOTAL
1	Circle C Jaipur	Zone III Jaipur	370	64	4	11,13,271	11,13,271	22,26,542
2	Circle L Jaipur	Zone III Jaipur	245	25	3	5,35,431	5,35,430	10,70,861
3	Circle K Jaipur	Zone I Jaipur	134	14	6	32,556	4,89,64,715	4,89,97,271
4	Circle B Ajmer	Zone Ajmer	118	16	8	18,80,972	18,80,972	37,61,944
5	Circle A Ajmer	Zone Ajmer	88	5	1	1,40,509	1,33,177	2,73,686
6	Special Circle - 1 st Ajmer	Zone Ajmer	13	6	2	2,83,162	1,27,922	4,11,084
7	Circle A Bhilwara	Zone Bhilwara	360	83	8	31,36,840	41,70,990	73,07,830
8	Circle B Bhilwara	Zone Bhilwara	446	97	4	8,859	3,12,928	3,21,787
9	Circle B Alwar	Zone Alwar	96	25	2	39,676	39,677	79,353
10	Circle Barmer	Zone Jodhpur	60	11	3	2,61,524	1,71,926	4,33,450
11	Circle A Beawar	Zone Ajmer	34	5	1	3,42,816	0	3,42,816
12	Circle-B, Sikar	Zone-I, Jaipur	26	8	5	7,14,998	7,15,001	14,29,999
13	Circle- Makrana	Zone- Ajmer	31	5	3	4,06,298	4,06,298	8,12,596
14	Circle- Merta City	Zone- Ajmer	75	29	8	3,62,567	14,84,209	18,46,776
15	Circle- Nagaur	Zone- Ajmer	33	13	5	6,11,208	10,45,028	16,56,236
16	Circle- Shahjahanpur	Zone- Alwar	60	7	4	6,66,903	6,66,904	13,33,807
17	Circle-C, Bikaner	Zone- Bikaner	60	13	5	21,17,286	27,31,748	48,49,034
18	Circle-B, Kota	Zone-Kota	Information not provided	11	6	3,20,433	3,20,437	6,40,870
19	Circle- Pali	Zone- Pali	101	50	3	6,58,226	9,68,459	16,26,685
20	Circle- Sirohi	Zone- Pali	54	16	2	2,43,530	53,191	2,96,721
21	Circle- A, Udaipur	Zone- Udaipur	61	9	3	1,92,005	1,92,007	3,84,012
22	Circle- B, Udaipur	Zone- Udaipur	7	3	1	1,45,726	1,45,726	2,91,452
23	Circle- C, Udaipur	Zone- Udaipur	Information not provided	4	1	23,009	23,011	46,020
24	Circle-B Jaipur	Zone-III Jaipur	44	8	3	2,55,973	2,55,974	5,11,947
25	Circle- Kishangarh	Zone-Ajmer	87	11	2	35,135	35,135	70,270
26	Circle-A Jodhpur	Zone-Jodhpur	71	10	2	0	2,86,906	2,86,906
27	Circle-B Jodhpur	Zone-Jodhpur	219	53	6	11,82,892	5,98,959	17,81,851

28	Circle-C Jodhpur	Zone-Jodhpur	298	79	16	30,48,114	38,18,774	68,66,888
29	Circle-D Jodhpur	Zone-Jodhpur	76	16	3	80,790	1,51,821	2,32,611
30	Circle-E Jodhpur	Zone-Jodhpur	55	11	1	3,670	4,670	8,340
31	Circle-F Jodhpur	Zone-Jodhpur	88	15	5	6,84,390	6,84,387	13,68,777
32	Circle-C Bhilwara	Zone-Bhilwara	270	37	2	5,924	2,24,979	2,30,903
33	Circle- Chittorgarh	Zone-Bhilwara	35	10	5	8,48,025	7,16,495	15,64,520
34	Circle-B, Hanumangarh	Zone- Sri Ganganagar	7	3	3	12,78,502	24,22,005	37,00,507
35	Circle-A Bhiwadi	Zone-Alwar	106	30	16	64,64,107	58,24,461	1,22,88,568
36	Circle-B Bhiwadi	Zone-Alwar	62	12	5	27,61,054	27,61,054	55,22,108
Total			3,890	814	157	3,08,86,381	8,39,88,647	11,48,75,028

Appendix 2.15

(Refer paragraph 2.7.7.2)

Non Compliance of Circular resulted into non verification of eligible ITC

S. No.	Name of the Circle	Name of Division/Zone	Total No. of Post-automation refund cases processed	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which eligible ITC not verified	Amount involved in non-verification of eligible ITC (in ₹)
1	Circle C Jaipur	Zone III Jaipur	370	64	13	2,46,79,417
2	Circle K Jaipur	Zone I Jaipur	134	14	4	6,22,45,390
3	Circle A Ajmer	Zone Ajmer	88	5	2	9,21,267
4	Circle B Ajmer	Zone Ajmer	118	16	9	1,60,01,490
5	Special Circle -1 st Ajmer	Zone Ajmer	13	6	2	32,37,019
6	Circle A Bhilwara	Zone Bhilwara	360	83	29	4,52,08,987
7	Circle A Alwar	Zone Alwar	75	2	1	1,76,563
8	Circle B Alwar	Zone Alwar	96	25	10	2,44,29,524
9	Circle Barmer	Zone Jodhpur	60	11	7	80,47,655
10	Circle A Beawar	Zone Ajmer	34	5	2	13,03,935
11	Circle A Bharatpur	Zone Bharatpur	46	7	5	30,03,017
12	Circle-Q, Jaipur	Zone-II, Jaipur	110	21	7	69,54,483
13	Circle Special-III, Jaipur	Zone-I, Jaipur	26	7	5	93,88,713
14	Circle Special-V, Jaipur	Zone-I, Jaipur	26	3	3	47,22,151
15	Circle-B, Sikar	Zone-I, Jaipur	26	8	5	70,88,930
16	Circle- Merta City	Zone- Ajmer	75	29	20	2,84,90,336
17	Circle- Nagaur	Zone- Ajmer	33	13	6	50,78,790
18	Circle- Rajsamand	Zone- Bhilwara	30	1	1	9,00,348
19	Circle- Shahjahanpur	Zone- Alwar	60	7	1	1,51,312
20	Circle-, Balotra	Zone- Jodhpur	346	91	18	75,79,638
21	Circle-, C Bikaner	Zone- Bikaner	60	13	4	65,26,238
22	Circle-, B Kota	Zone- Kota	Information not provided	11	6	1,07,94,939
23	Circle- Pali	Zone- Pali	101	50	19	1,76,77,863
24	Circle- Sirohi	Zone- Pali	54	16	9	1,32,60,570
25	Circle- A, Udaipur	Zone- Udaipur	61	9	1	1,82,61,398
26	Circle- B, Udaipur	Zone- Udaipur	7	3	1	14,80,994
27	Circle- C, Udaipur	Zone- Udaipur	Information not provided	4	2	28,88,108
28	Circle-H Jaipur	Zone-II Jaipur	88	9	5	73,48,258
29	Circle-G Jaipur	Zone-I Jaipur	35	4	4	1,27,03,966
30	Circle-O Jaipur	Zone-I Jaipur	44	11	3	23,45,518
31	Circle-B Jaipur	Zone-III Jaipur	44	8	4	1,10,71,676
32	Circle-Kishangarh	Zone-Ajmer	87	11	5	71,22,786
33	Circle-B Jodhpur	Zone-Jodhpur	219	53	6	74,66,421
34	Circle-C Jodhpur	Zone-Jodhpur	298	79	25	6,35,15,251
35	Circle-E Jodhpur	Zone-Jodhpur	55	11	2	42,70,920
36	Circle-C Bhilwara	Zone-Bhilwara	270	37	18	2,10,99,213
37	Circle-B, Hanumangarh	Zone-Sri Ganganagar	7	3	3	48,40,000
38	Circle-Jaisalmer	Zone-Jodhpur	14	2	1	7,06,672
39	Circle-J Jaipur	Zone-II Jaipur	251	30	10	94,41,562
40	Circle-N Jaipur	Zone-III Jaipur	94	15	2	3,55,853
41	Circle-M Jaipur	Zone-I Jaipur	62	10	3	1,21,98,154
42	Circle-A Bhiwadi	Zone- Alwar	106	30	5	1,85,61,075
43	Circle-B Bhiwadi	Zone- Alwar	62	12	7	5,27,68,613
44	Circle SPL-II Bhiwadi	Zone-Alwar	41	3	1	20,09,731
Total			4,186	852	296	56,83,24,744

Appendix 2.16

(Refer paragraph 2.7.7.2)

Refund cases in which HSN/SAC code not included in Annexure-B with online refund application (Online)

Sl. No.	Name of the Circle	Name of Zone	Total No. of Post-automation refund cases processed	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which eligible ITC not verified	Amount involved in non-verification of eligible ITC (in ₹)
1	Circle-F Jaipur	Zone-I Jaipur	35	3	1	6,03,971
2	Circle-C Jodhpur	Zone-Jodhpur	298	79	2	25,09,828
3	Circle-D Jodhpur	Zone-Jodhpur	76	16	3	20,72,364
Total			409	98	6	51,86,163

Appendix 2.17

(Refer paragraph 2.7.7.3)

Refund cases in which undertaking of BRC realisation were not uploaded with refund application on GSTN Portal (post-automation)

Sl. No.	Name of the Circle	Name of Zone	Total No. of Post-automation zero rated refund cases processed	No. of zero rated refund cases examined by Audit from the sample	No. of refund cases in which audit objections noticed	Refund amount sanctioned (in ₹)
1	Circle-L Jaipur	Zone-III Jaipur	73	10	2	19,01,673
2	Circle-K Jaipur	Zone-I Jaipur	27	3	0	0
3	Circle-A Beawar	Zone Ajmer	4	3	0	0
4	Circle-B Beawar	Zone Ajmer	1	1	1	32,03,699
5	Circle-Barmer	Zone Jodhpur	16	5	2	38,52,531
6	Circle-Banswara	Zone Udaipur	Information not provided	1	1	8,35,108
7	Circle-A-Bhilwara	Zone Bhilwara	65	21	6	1,97,28,444
8	Circle-B--Bhilwara	Zone Bhilwara	77	29	9	2,25,53,827
9	Circle-Kishangarh	Zone-Ajmer	61	9	3	26,30,183
10	Circle-C Jodhpur	Zone-Jodhpur	62	26	7	2,30,86,157
11	Circle-B, Hanumangarh	Zone-Sri Ganganagar	3	3	3	48,40,000
Total			389	111	34	8,26,31,622

Appendix 2.18

(Refer paragraph 2.7.7.4)

Irregular allowances of refund in time barred cases (post-automation)

S. No.	Name of Division/Zone	Name of the Circle	Total No. of Post-automation refund cases processed	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which deficiency noticed	Excess refund (in ₹)			Total Amount of excess refund (In ₹)
						IGST	CGST	SGST	
1	Circle-K Jaipur	Zone-I Jaipur	134	14	1	8,40,720	0	0	8,40,720
2	Circle-A Bharatpur	Zone Bharatpur	46	7	2	0	0	10,14,514	10,14,514
3	Banswara	Zone - Udaipur	Information not provided	3	1	1,10,653	0	0	1,10,653
4	Barmer	Zone - Jodhpur	60	11	1	4,20,365	0	0	4,20,365
5	Circle- Merta City	Zone- Ajmer	75	29	2	0	2,19,359	4,07,985	6,27,344
6	Circle- Nagaur	Zone- Ajmer	33	13	2	2,37,589	4,115	1,23,355	3,65,059
7	Circle Balotara	Zone-Jodhpur	346	91	4	0	5,79,619	5,79,615	11,59,234
8	Circle-C Bikaner	Zone-Bikaner	60	13	2	0	0	12,28,923	12,28,923
9	Circle-B Kota	Zone-Kota	Information not provided	11	1	7,26,115	0	0	7,26,115
10	Circle- Pali	Zone- Pali	101	50	1	0	52,711	52,710	1,05,421
11	Circle-A Jodhpur	Zone-Jodhpur	71	10	1	0	1,41,337	1,41,337	2,82,674
12	Circle-B Jodhpur	Zone-Jodhpur	219	53	4	0	4,64,389	13,18,899	17,83,288
13	Circle-C Jodhpur	Zone-Jodhpur	298	79	5	0	9,75,548	78,84,551	88,60,099
14	Circle-D Jodhpur	Zone-Jodhpur	76	16	1	0	91,843	1,04,939	1,96,782
15	Circle-Spl 1 Jodhpur	Zone-Jodhpur	3	1	1	0	3,51,212	3,51,211	7,02,423
16	Circle-C Bhilwara	Zone-Bhilwara	270	37	1	0	1,84,028	1,84,028	3,68,056
17	Circle-Chittorgarh	Zone-Bhilwara	35	10	2	26,793	4,31,652	1,76,046	6,34,491
18	Circle-Dungarpur	Zone-Udaipur	11	2	1	58,06,781	0	0	58,06,781
19	Circle-N Jaipur	Zone III Jaipur	94	15	1	1520,430	0	0	15,20,430
Total			1,932	465	34	96,89,446	34,95,813	1,35,68,113	2,67,53,372

Appendix - 2.19

(Refer paragraph 2.7.7.6)

Irregular refund of GST on solar energy supply

(Amount in ₹)

Working	Turnover of inverted rated supply	Tax payable on such supply	Adjusted Total turnover	Rate of Tax	"Net ITC"	Maximum refund	Limited upto as per table	Refund Sanctioned as per formula	Limited upto as per table	Remarks
By Department	4,52,92,802	22,64,640	4,81,74,161	5%	62,31,548	35,94,191	I-29,01,394 Total- 29,01,394	29,01,394	29,01,394	Considered consolidated supply of goods and services
By Audit	3,17,04,961	15,85,248	6,17,62,002	5%	62,31,548	16,13,660	Not applicable	16,13,660	16,13,660	Working at 70% goods supply at 5% and for services at 30 % value at 18%
			Excess refund						12,87,734	
		Goods	4,32,33,401							
		Services	1,85,28,601							
Total			6,17,62,002							

Appendix 2.20

(Refer paragraph 2.9.6.9)

Limited Information provided by the Circles

Sl. No.	Name of Circles
1	Circle-F, Jaipur
2	Circle-I, Jaipur
3	Circle WT III, Jaipur
4	Circle-G, Jaipur
5	Circle- Spl - III, Jaipur
6	Circle - Banswara
7	Circle-A, Udaipur
8	Circle- B, Udaipur
9	Circle-C, Udaipur
10	Circle- Spl 2, Udaipur
11	Circle-B, Bhilwara
12	CTO Circle - Churu
13	CTO Circle- Spl 1, Jaipur III
14	CTO Circle- Spl 2, Jaipur - II
15	Circle- Spl - Rajasthan, Jaipur
16	Circle-Q Jaipur
17	Circle-B Jaipur
18	Circle-O Jaipur
19	Circle-A Jodhpur
20	Circle-F Jodhpur
21	Circle-Special-1 Jodhpur
22	Circle-Special-3 Jodhpur
23	Circle-A Bikaner
24	Circle-B Bikaner
25	Circle-C Bikaner
26	Circle-D Bikaner
27	Circle-Spl Bikaner
28	Circle-WT Bikaner
29	Circle-D Jaipur
30	Circle-H Jaipur
31	Circle-A, Jaipur
32	Circle-K, Jaipur
33	Circle-J, Jaipur
34	Circle-C, Jaipur
35	Circle-A, Sriganganagar
36	Circle-B, Sriganganagar
37	Circle-Special, Sriganganagar
38	Circle-A, Hanumangarh
39	Circle-B, Hanumangarh
40	Circle-Special, Hanumangarh
41	Circle- Jhalawar
42	Circle-A, Kota
43	Circle-B, Kota
44	Circle-C, Kota
45	Circle Special-I, Kota

Sl. No.	Name of Circles
46	Circle- WCT, Kota
47	Circle- Bundi
48	Circle- Sumerpur
49	Circle- Gangapur City
50	Circle- Special- VII, Jaipur
51	Circle- Special- X, Jaipur
52	Circle- Special- XI, Jaipur
53	Circle-E, Jaipur
54	Circle-M, Jaipur
55	Circle-P, Jaipur
56	Circle-L, Jaipur
57	Circle-A, Bhiwadi
58	Circle-B, Bhiwadi
59	Circle-Spl-1, Bhiwadi
60	Circle-Spl-II, Bhiwadi
61	Circle-W.T, Bhiwadi
62	Circle-A, Alwar
63	Circle-B, Alwar
64	Circle-Spl- Alwar
65	Circle-W.T, Alwar
66	Circle-A, Beawar
67	Circle-B, Beawar
68	Circle-Kishangarh
69	Circle-Shahjhanpur
70	Circle-Spl-IV Jaipur
71	Circle-W.T.II Jaipur

Appendix 2.21

(Refer paragraph 2.9.6.9)

Required information provided by the circles

Sr. No.	Name of Circle
1	Circle- Spl 1, Udaipur
2	Circle- WT, Udaipur
3	CTO Circle - Rajsamand
4	Circle-A, Bhilwara
5	Circle-C, Bhilwara
6	Circle- Spl 1, Bhilwara
7	CTO Circle- Spl-II Bhilwara
8	CTO Circle- WT, Bhilwara
9	Circle- Jhunjhunu
10	Circle-N Jaipur
11	Circle-WT-1 Jaipur
12	Circle-D Jodhpur
13	Circle-C Jodhpur
14	Circle-B Jodhpur
15	Circle-WT Jodhpur
16	Circle-E Jodhpur
17	Circle-Special-II Jodhpur
18	Circle- Nagaur
19	Circle-Merta City
20	Circle Special-II, Kota
21	Circle Special-III, Kota
22	Circle- Special- VIII, Jaipur
23	Circle- Special- IX, Jaipur

Appendix 6.1

(Refer paragraph 6.1)

List of Departments

S.No.	Name of Department	S.No.	Name of Department	S.No.	Name of Department
1	Agriculture	23	Higher Education	45	Revenue Intelligence
2	Agriculture Marketing	24	Home including Home Guard	46	Rural Development
3	Animal Husbandry	25	Horticulture	47	Sainik Kalyan
4	Archaeology & Museum	26	Information & PR including Information Commission	48	Sanskrit Education
5	Art & Culture	27	Inspection	49	Secondary Education
6	Ayurveda	28	Irrigation (Indira Gandhi Nahar Pariyojana - IGNP)	50	Settlement
7	Bhasha & Pustakalya	29	Jail	51	SIPF
8	Collector (Misc.)	30	Labour	52	Skill Employment & Entrepreneurships
9	Command Area Development	31	Land Revenue	53	Social Justice & Empowerment
10	Cooperative	32	Law & Legal	54	Soil and Water conservation
11	Devasthan	33	LFAD	55	Stamps Duty & Registration Fee
12	Disaster Management Relief & Civil Defence	34	Medical & Health	56	State Excise
13	Election	35	Medical Education	57	Statistics & Economics
14	Elementary Education	36	Minority Affairs	58	Technical Education
15	Employees State Insurance	37	Panchayati Raj Institution	59	Tourism
16	Evaluation	38	Patwar Training Centres	60	Treasuries & Accounts
17	Finance	39	Pension (Banks)	61	Tribal Area Development
18	Fisheries	40	Personnel	62	VAT/GST
19	Food, Civil Supplies and Consumer Affairs	41	Printing & Stationery	63	Water Resources Department
20	GAD including Governor, Vidhan Sabha Sectt.	42	Rajasthan Institute of Public Administration	64	Ways & Means
21	Gopalan	43	Rajasthan Public Service Commission (RPSC)	65	Women & Child Development
22	Ground Water Department	44	Rajasthan Staff Selection Board (RSSB)	66	Youth & Sports Affairs

Appendix 6.2

(Refer paragraph 6.4)

Statement showing response of the Government/ Departments

S. No	Nature of Irregularity	Law and Legal Affairs Department		Higher Education Department		Animal Husbandry Department	
		No. of Paragraphs	Amount (₹ in lakh)	No. of Paragraphs	Amount (₹ in lakh)	No. of Paragraphs	Amount (₹ in lakh)
1.	Fraud/Misappropriation/ embezzlement/losses/ theft of stores and cash	1	0	41	2,159.70	7	47.04
2.	Recoveries pointed out by audit	27	36.86	126	8,685.89	15	220.60
3.	Violation of contractual obligation, undue favour to contractor	0	0	165	4,446.32	7	1,852.86
4	Avoidable/Excess Expenditure	9	957.92	96	10,744.03	7	897.88
5	Wasteful/infructuous expenditure	2	5.41	48	4,042.27	8	78.80
6	Regulatory issues	240	2,647.78	1,453	1,57,384.67	42	4,407.88
7	Idle investments/idle establishment/blockade of funds/diversion of funds	8	220.25	214	30,009.35	27	13,899.67
8	Idle/delay in commissioning of equipment.	0	0	1	2.96	0	0
9	Non-achievement of objectives	0	0	18	759.51	6	0
10	Miscellaneous	323	959.70	52	1,009.96	60	2,81,747.90
	Total	610*	4,827.92	2,214	2,19,244.66	179	3,03,152.63

* Including sub Para

Appendix 7.1

(Refer paragraph 7.1)

Statement of loss due to selling certified seeds as grain instead of selling as seeds in Rabi 2018-19

Sl No.	Name of Unit	Variety of seed	Quantity disposed through sale to dealers (qtls)	Rate of disposal (₹/qtl)	Cost of procurement (₹/qtl)	Loss per quintal (₹)	Total loss (₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(6)-(5)	(8)=(7)*(4)
(A) Wheat varieties sold to dealers (up to 10 years old)							
1	Suratgarh	HD-2967	3,440	1,750	2,900.86	1,150.86	39,58,958
		HD-3086	155.4	1,750	2,900.86	1,150.86	1,78,844
		WH-1105	2,120	1,750	2,900.86	1,150.86	24,39,823
		HD-2967	750	1,750	2,900.86	1,150.86	8,63,145
2	Udaipur	Raj-4079	77.6	1,800	2,900.86	1,100.86	85,427
3	Sumerpur	HD-3086	140	1,750	2,900.86	1,150.86	1,61,120
		Raj-4120	108	1,800	2,900.86	1,100.86	1,18,893
4	Hanumangarh Town	WH-1105	510.4	1,750	2,900.86	1,150.86	5,87,399
5	Bharatpur	HD-3086	20	1,750	2,900.86	1,150.86	23,017
6	Laxmangarh (Sikar)	HD-2967	1,256	1,750	2,900.86	1,150.86	14,45,480
7	Baran	HI-1544	320	1,750	2,900.86	1,150.86	3,68,275
8	Mandore	Raj-4238	5.6	1,800	2,900.86	1,100.86	6,165
Total			8,903				1,02,36,547
(B) Wheat varieties sold to dealers (more than 10 years old)							
1	Baran	Raj-4037	400	1,800	2,672.72	872.72	3,49,088
2	Chittorgarh	Raj-4037	6	1,800	2,672.72	872.72	5,236
3	Dhindhol	Raj-4037	157.6	1,800	2,672.72	872.72	1,37,541
Total			563.6				4,91,865
Sub-Total (A) + (B)			9,466.6				1,07,28,412
(C) Wheat varieties e-auctioned (up to 10 years old)							
1	Alwar	HD-2967	1,063.60	1,645	2,900.86	1,255.86	13,35,733
		HD-3086	1,261.20	1,629	2,900.86	1,271.86	16,04,070
		Raj-4079	133.89	1,675	2,900.86	1,225.86	1,64,130
		Raj-4238	1,041.20	1,705	2,900.86	1,195.86	12,45,129
2	Banswara	Raj-4079	21.20	1,936	2,900.86	964.86	20,455
		Raj-4120	90.00	1,931	2,900.86	969.86	87,287
3	Baran	Raj-4079	5,302.00	1,961	2,900.86	939.86	49,83,138
		Raj-4120	1,294.40	1,941	2,900.86	959.86	12,42,443
		Raj-4238	2,494.00	1,982	2,900.86	918.86	22,91,637
4	Bharatpur	HD-2967	3,220.80	1,939	2,900.86	961.86	30,97,959
		HD-3086	452.00	1,654	2,900.86	1,246.86	5,63,581
		HD-3086	432.00	1,939	2,900.86	961.86	4,15,524
		Raj-4079	968.80	1,709	2,900.86	1,191.86	11,54,674
		Raj-4238	3,660.00	1,690	2,900.86	1,210.86	44,31,748
5	Bhilwara	Raj-4079	1,329.20	2,020	2,900.86	880.86	11,70,839
		Raj-4120	94.00	2,000	2,900.86	900.86	84,681
6	Chitorgarh	Raj-4238	1,116.40	1,999	2,900.86	901.86	10,06,837
7	Dhindhol	Raj-4120	144.00	1,937	2,900.86	963.86	1,38,796

Sl No.	Name of Unit	Variety of seed	Quantity disposed through sale to dealers (qtls)	Rate of disposal (₹/qtl)	Cost of procurement (₹/qtl)	Loss per quintal (₹)	Total loss (₹)
8	Duni	HD-2967	333.60	1,617	2,900.86	1,283.86	4,28,296
		HD-3086	44.00	1,609	2,900.86	1,291.86	56,842
		Raj-4238	1,432.40	1,951	2,900.86	949.86	13,60,579
		DPW-621	40.00	1,670	2,900.86	1,230.86	49,234
9	Hanumangarh	HD-2967	426.80	1,651	2,900.86	1,249.86	5,33,440
		HD-3086	2,011.60	1,955	2,900.86	945.86	19,02,692
		WH-1105	4,476.40	1,942	2,900.86	958.86	42,92,241
10	Hindon City	Raj-4079	168.00	1,660	2,900.86	1,240.86	2,08,464
		Raj-4120	62.00	1,651	2,900.86	1,249.86	77,491
		Raj-4238	33.60	1,639	2,900.86	1,261.86	42,398
11	Jhalawar	HI-1544	1,180.40	1,986	2,900.86	914.86	10,79,901
		Raj-4079	1,398.40	1,961	2,900.86	939.86	13,14,300
		Raj-4120	40.80	1,931	2,900.86	969.86	39,570
		Raj-4238	147.60	1,971	2,900.86	929.86	1,37,247
		Raj-4238	44.00	1,931	2,900.86	969.86	42,674
12	Kota	HI-1544	1,579.60	1,998	2,900.86	902.86	14,26,158
		Raj-4120	15.20	1,554	2,900.86	1,346.86	20,472
		Raj-4238	5,422.00	1,986	2,900.86	914.86	49,60,371
13	Nagaur	HD-2967	1,464.00	1,981	2,900.86	919.86	13,46,675
		HD-3086	1,003.20	1,965	2,900.86	935.86	9,38,855
		Raj-4079	151.60	1,955	2,900.86	945.86	1,43,392
		Raj-4238	176.00	1,967	2,900.86	933.86	1,64,359
14	Sriganganagar	Raj-4238	140.80	1,691	2,900.86	1,209.86	1,70,348
15	Srikanpur	Raj-4238	208.80	1,950	2,900.86	950.86	1,98,540
		WH-1105	2,315.60	1,936	2,900.86	964.86	22,34,230
16	Sumerpur	Raj-4120	101.60	1,955	2,900.86	945.86	96,099
17	Tabiji	Raj-4079	92.90	1,651	2,900.86	1,249.86	1,16,112
		Raj-4079	61.50	1,951	2,900.86	949.86	58,416
		Raj-4120	175.20	1,721	2,900.86	1,179.86	2,06,711
		Raj-4120	44.40	1,960	2,900.86	940.86	41,774
		Raj-4238	88.40	1,957	2,900.86	943.86	83,437
	Total		48,999.09				4,88,09,981
(D) Wheat varieties e-auctioned (more than 10 years old)							
1	Alwar	Raj-4037	580.00	1,719	2,672.72	953.72	5,53,158
		Raj-4083	54.80	1,670	2,672.72	1,002.72	54,949
		WH-1106	348.00	1,659	2,672.72	1,013.72	3,52,775
2	Baran	Raj-4037	5,043.60	1,958	2,672.72	714.72	36,04,762
		Raj-4083	623.20	1,971	2,672.72	701.72	4,37,312
3	Bharatpur	Raj-4037	2,874.00	1,967	2,672.72	705.72	20,28,239
4	Bhilwara	Raj-4037	1,322.80	1,960	2,672.72	712.72	9,42,786
5	Chitorgarh	Lok-1	24.00	1,952	2,672.72	720.72	17,297
		Raj-4037	2,861.20	2,035	2,672.72	637.72	18,24,644
		Raj-4037	4,291.80	2,031	2,672.72	641.72	27,54,134
		Raj-4083	319.40	2,000	2,672.72	672.72	2,14,867
6	Dhindol	Raj-4037	98.00	1,937	2,672.72	735.72	72,101
7	Duni	Raj-4038	835.20	1,669	2,672.72	1,003.72	8,38,307
8	Hanumangarh	Raj-4037	379.60	1,737	2,672.72	935.72	3,55,199
9	Hindauncity	HI-1545	645.60	1,687	2,672.72	985.72	6,36,381
10	Jhalawar	Raj-4037	592.80	1,982	2,672.72	690.72	4,09,459

Sl No.	Name of Unit	Variety of seed	Quantity disposed through sale to dealers (qtls)	Rate of disposal (₹/qtl)	Cost of procurement (₹/qtl)	Loss per quintal (₹)	Total loss (₹)
11	Kota	Raj-4037	101.60	1,699	2,672.72	973.72	98,930
		Raj-4083	1,149.20	1,956	2,672.72	716.72	8,23,655
12	Nagaur	Raj-1482	143.00	1,937	2,672.72	735.72	1,05,208
		Raj-4083	178.80	1,961	2,672.72	711.72	1,27,256
13	Sriganganagar	Raj-4037	140.00	1,704	2,672.72	968.72	1,35,621
14	Sumerpur	Raj-4083	748.00	1,944	2,672.72	728.72	5,45,083
		Raj-2967	1,352.80	1,961	2,672.72	711.72	9,62,815
15	Suratgarh	Raj-4038	1,490.00	1,753	2,672.72	919.72	13,70,383
16	Tabiji	Raj-4037	552.00	1,955	2,672.72	717.72	3,96,181
	Total		26,749.40				1,96,61,500
(E) Mustard varieties e-auctioned (up to 15 years old)							
1	Alwar	Giriraj	15.61	3,529	5,419.42	1,890.42	29,509
	Alwar	Pusa M-30	50.00	3,559	5,419.42	1,860.42	93,021
2	Bharatpur	Giriraj	22.75	3,521	5,419.42	1,898.42	43,189
	Bharatpur	NRCDR-3	165.40	3,561	5,419.42	1,858.42	3,07,383
	Bharatpur	RGN-299	4.98	3,511	5,419.42	1,908.42	9,504
3	Duni	Giriraj	6.76	3,441	5,419.42	1,978.42	13,374
	Duni	NRCDR-3	120.96	3,611	5,419.42	1,808.42	2,18,746
	Duni	Pusa M-30	236.58	3,631	5,419.42	1,788.42	4,23,104
	Duni	RGN-230	31.80	3,601	5,419.42	1,818.42	57,826
4	Hindoncity	Giriraj	132.41	3,619	5,419.42	1,800.42	2,38,394
	Hindoncity	Pusa-M-30	135.75	3,619	5,419.42	1,800.42	2,44,407
	Hindoncity	RGN-299	4.41	3,419	5,419.42	2,000.42	8,822
	Hindoncity	RH-0750	212.85	3,571	5,419.42	1,848.42	3,93,436
5	Jhalawar	Giriraj	12.15	3,471	5,419.42	1,948.42	23,673
	Jhalawar	RGN-230	39.96	3,410	5,419.42	2,009.42	80,296
6	Kota	Pusa M-30	82.20	3,622	5,419.42	1,797.42	1,47,748
	Kota	RGN-299	8.79	3,551	5,419.42	1,868.42	16,423
	Kota	RH-0750	125.46	3,641	5,419.42	1,778.42	2,23,121
7	Nagaur	RGN-230	62.55	3,402	5,419.42	2,017.42	1,26,190
8	Tabiji	Giriraj	46.97	3,576	5,419.42	1,843.42	86,585
	Tabiji	Giriraj	126.90	3,608	5,419.42	1,811.42	2,29,869
	Tabiji	Pusa M-29	8.76	3,541	5,419.42	1,878.42	16,455
	Tabiji	Pusa M-30	99.72	3,561	5,419.42	1,858.42	1,85,322
	Tabiji	Pusa-M-30	83.16	3,588	5,419.42	1,831.42	1,52,301
	Tabiji	RGN-230	18.15	3,531	5,419.42	1,888.42	34,275
	Tabiji	RH-0750	97.35	3,608	5,419.42	1,811.42	1,76,342
	Total		1,952.38				35,79,315
(F) Mustard varieties e-auctioned (more than 15 years old)							
1	Alwar	Rohini	38.1	3,571	5,955	2,384	90,830
2	Bharatpur	Rohini	332.52	3,611	5,955	2,344	7,79,427
3	Duni	P.Bold	27.12	3,601	5,955	2,354	63,840
		Rohini	90.3	3,605	5,955	2,350	2,12,205
4	Hindoncity	Rohini	75.03	3,619	5,955	2,336	1,75,270
5	Jhalawar	Laxmi	108.48	3,601	5,955	2,354	2,55,362
6	Kota	Laxmi	7.02	3,509	5,955	2,446	17,171
7	Tabiji	Laxmi	8.79	3,379	5,955	2,576	22,643
		Laxmi	47.49	3,601	5,955	2,354	1,11,791
		P.Bold	33.18	3,604	5,955	2,351	78,006
	Total		768.03				18,06,546

Sl No.	Name of Unit	Variety of seed	Quantity disposed through sale to dealers (qtls)	Rate of disposal (₹/qtl)	Cost of procurement (₹/qtl)	Loss per quintal (₹)	Total loss (₹)
(G) Gram varieties e-auctioned (up to 15 years old)							
1	Alwar	GNG-1582	424.50	3,594	6,881.26	3,287	13,95,442
2	Baran	GNG-1582	119.10	3,568	6,881.26	3,313	3,94,609
3	Bharatpur	GNG-1582	763.50	3,609	6,881.26	3,272	24,98,371
4	Duni	GNG-1581	56.70	4,218	6,881.26	2,663	1,51,007
5	Hindoncity	GNG-1582	834.90	3,641	6,881.26	3,240	27,05,293
6	Laxmangarh	CSJ-516	159.90	3,537	6,881.26	3,344	5,34,747
		GNG-1582	190.50	3,552	6,881.26	3,329	6,34,224
7	Sriganganagar	GNG-1581	648.90	3,547	6,881.26	3,334	21,63,601
8	Suratgarh	GNG-1581	386.46	3,501	6,881.26	3,380	13,06,335
9	Tabiji	GNG-1582	0.60	2,503	6,881.26	4,378	2,627
		RGC-975	369.30	3,593	6,881.26	3,288	12,14,354
		RGC-975	300.00	3,537	6,881.26	3,344	10,03,278
		GNG-1582	476.10	3,568	6,881.26	3,313	15,77,443
		GNG-1581	304.20	4,278	6,881.26	2,603	7,91,912
	Total		5,034.66				1,63,73,244
(H) Barley varieties e-auctioned (up to 10 years old)							
1	Laxmangarh	RD-2624	16.2	1,148	2,661.64	1,514	24,521
2	Sriganganagar	BH-902	12.3	1,149	2,661.64	1,513	18,605
		RD-2715	49.8	1,434	2,661.64	1,228	61,136
	Total		78.30				1,04,263
(I) Barley varieties e-auctioned (more than 10 years old)							
1	Alwar	RD-2035	9	1,149	2,354.2	1,205	10,847
2	Laxmangarh	RD-2035	118.8	1,151	2,354.2	1,203	1,42,940
3	Sriganganagar	RD-2035	63.3	1,147	2,354.2	1,207	76,416
		RD-2036	63.3	1,511	2,354.2	843	53,375
4	Udaipur	RD-2035	159	1,199	2,354.2	1,155	1,83,677
	Total		413.40				4,67,254
Sub-Total (C) to (I)			83,995.26				9,08,02,103
Grand Total			93,461.86				10,15,30,514

Appendix 7.2

(Refer paragraph 7.2)

Statement of location-wise capacities which could be availed of from vendor-A instead of vendor-B

							(in MT)
Location	Vendor A Offer-I	Vendor A Offer-II	Total capacity offered by Vendor A	Availment from Vendor A	Space remaining with Vendor A after availment	Availment from Vendor B	Capacity that could be availed of from more beneficial option of Vendor A
Jodhpur	2,544		2,544	0	2,544	17,720	2,544
Bikaner	30,316		30,316	0	30,316	54,000	30,316
Sriganganagar	12,930.4		12,930.4	0	12,930.4	19,350	12,930.4
Alwar	2,000	5,000	7,000	0	7,000	9,800	7,000
Kota	6,800		6,800	0	6,800	37,200	6,800
Bhawanimandi		9,000	9,000	0	9,000	2,000	2,000
Baran		15,000	15,000	0	15,000	17,739	15,000
Newai		15,000	15,000	0	15,000	9,133	9,133
Chomu		15,000	15,000	0	15,000	500	500
Sangaria		5,520	5,520	0	5,520	2,600	2,600
Total	54,590.4	64,520	1,19,110.4	0	1,19,110.4	1,70,042	88,823.4

Appendix 7.3

(Refer paragraph 7.3)

Statement showing details of crop-wise production, target for production and actual procurement under MSP in the State

Name of crop	Year	Total Production in State in LMT	Target of procurement in LMT (per cent of production)	Actual procurement in LMT (per cent of production)	Shortfall in procurement in LMT	MSP	Average price of APMC*	Excess of MSP over APMC average price	Higher price that could have been realized by farmers (₹ in crore)
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)	(8)	(9)=(7)-(8)	(10)=(9)*(6)/10
Gram	2018-19	18.40	5.88 (31.96)	5.80 (31.52)	0.08	4,620	3,253	1,367	10.94
	2019-20	26.58	4.17 (15.68)	1.20 (4.51)	2.97	4,875	3,942	933	277.10
Urad	2017-18	5.24	1.32 (25.19)	1.31 (25.00)	0.01	5,400	3,786	1,614	1.61
	2018-19	3.76	0.88 (23.40)	0.77 (20.48)	0.11	5,600	3,331	2,269	24.96
	2019-20	1.24	0.74 (59.68)	0.00027 (0.02)	0.74	5,700	3,997	1,703	125.98
Groundnut	2017-18	12.59	1.50 (11.91)	1.46 (11.60)	0.04	4,450	3,469	981	3.92
	2018-19	13.83	3.79 (27.40)	2.32 (16.78)	1.47	4,890	3,740	1,150	169.05
	2019-20	16.12	3.07 (19.04)	1.93 (11.97)	1.14	5,090	4,203	887	101.12
Soybean	2017-18	10.70	1.50 (14.02)	0.12 (1.12)	1.38	3,050	2,874	176	24.29
	2018-19	11.69	3.69 (31.57)	0.03 (0.26)	3.66	3,399	3,145	254	92.96
	2019-20	5.25	3.54 (67.43)	0 (0)	3.54	3,710	3,634	76	26.90
Mustard	2018-19	47.79	8.00 (16.74)	4.72 (9.88)	3.28	4,200	3,220	980	321.24
	2019-20	42.89	8.50 (19.82)	6.09 (14.20)	2.41	4,425	3,705	720	173.52

*Average price at which crop sold in Agriculture Produce Market Committee in State

Appendix 7.4

(Refer paragraph 7.5)

Statement of quarter-wise loss of cash incentives due to delayed voluntary surrender of kerosene

S.N.	Date of surrendering kerosene by GoR	Year	Relevant Quarter	Actual allocation by GoI (in KL)	Actual quantity uplifted by GoR (in KL)	Quantity voluntary surrendered by GoR		Status of claims submitted by GoR	Delay in surrendering the quota	Rate of subsidy on kerosene (₹ per litre)	Loss of cash incentive (₹ in crore)
						Quantity (in KL)	Amount claimed by GoR (₹ in crore)				(Multiplication Factor*Qty in litre* rate of subsidy)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	27.02.2018	2016-17	Q2	1,11,732	107,405	4,008	86.02	Not Accepted	17 months	11.60	86.02
			Q3	71,028	68,844	42,569			14 months	11.21	
			Q4	71,028	64,528	46,895			11 months	13.29	
		2017-18	Q1	64,992	51,644	13,348	Nil	Not Accepted	8 months	10.18	10.19
			Q2	64,992	2,116	62,876	Nil	Not Accepted	5 months	7.19	33.90
		Total			3,83,772	2,94,537	1,69,696				
2	30.05.2018	2017-18	Q3	64,992	0	64,992	Nil	Not Accepted	5 months	10.89	53.08
			Q4	64,992	56,692	8,300			2 months	13.19	8.21
		Total			1,29,984	56,692	73,292				
3	13.07.2018	2018-19	Q1	64,992	24,700	40,292	Nil	Not Accepted	1 month	15.59	31.41
			Q2	64,992	21,804	34,992		Accepted	In Time	16.27	
			Q3	30,000	18,744	0		NA	NA	NA	
		Total			1,59,984	65,248	75,284				
4	08.01.2019 & 12.02.2019	2018-19	Q4	30,000		17,000	Nil	Accepted	In Time	8.72	
		Total			30,000	0	17,000				
5	02.04.2019	2019-20	Q1	13,000		3,000	Nil	Accepted	In Time	10.24	
		Total			13,000	0	3,000				
G. Total											222.81

Note 1. Multiplication factor was 0.75 for 2016-17 and 2017-18, 0.50 for 2018-19 and 0.25 for 2019-20 for calculating the cash incentive for quantity of voluntary cuts at the unit rate of subsidy to the relevant quarter.

2. A total incentive of ₹ 77.52 crore was granted by GoI for the quantities accepted in second and fourth quarter of 2018-19 and first quarter of 2019-20.

Appendix 7.5

(Refer paragraph 7.13)

List of Outstanding Loan amount under Micro Finance Scheme

(Amount in ₹)

S. No.	Year	Name of SHG	Sanctioned amount	Disbursed Amount	Recovered amount	Outstanding Principal & Interest	Penalty	Total amount
1	2012-13	Chandani	3,42,000	2,70,000	98,330	2,66,232	1,75,901	4,42,133
2	2012-13	Honey Boney	3,42,000	2,70,000	80,242	2,80,433	4,47,804	7,28,237
3	2012-13	Nilofer Shekh	3,42,000	2,70,000	71,386	2,92,113	4,77,593	7,69,706
4	2012-13	Khushi	3,42,000	2,70,000	89,098	2,68,455	4,46,753	7,15,208
5	2012-13	Nasreen	3,42,000	2,70,000	1,24,522	2,19,506	4,45,082	6,64,588
6	2012-13	Sajeeya	3,42,000	2,70,000	62,480	3,11,931	2,84,148	5,96,079
7	2012-13	Saniya	3,42,000	2,70,000	1,06,546	2,53,439	6,15,096	8,68,535
8	2012-13	Pakeeja	3,42,000	2,70,000	44,068	3,38,367	2,84,503	6,22,870
9	2012-13	Palak	3,42,000	2,70,000	63,880	3,10,106	2,84,148	5,94,254
10	2012-13	Anjum	3,42,000	2,70,000	52,924	3,25,668	2,84,238	6,09,906
11	2012-13	Aaraju	3,42,000	2,70,000	54,624	3,23,505	2,83,449	6,06,954
12	2012-13	Sanjari	3,42,000	2,70,000	89,098	2,64,741	6,69,953	9,34,694
Total (A)			41,04,000	32,40,000	9,37,198	34,54,496	46,98,668	81,53,164
1	2013-14	Taira/ Sajiya	2,85,000	2,85,000	66,240	3,04,886	5,31,841	8,36,727
2	2013-14	Reshma	2,85,000	2,85,000	44,580	3,32,890	5,65,425	8,98,315
3	2013-14	Shguphta	2,85,000	2,85,000	41,040	3,37,783	5,65,595	9,03,378
4	2013-14	Madeena	2,85,000	2,85,000	69,120	3,03,229	4,15,261	7,18,490
5	2013-14	Ronak	2,85,000	2,85,000	42,480	3,35,603	5,48,623	8,84,226
6	2013-14	Alkuma	2,85,000	2,85,000	7,920	3,79,032	6,35,442	10,14,474
7	2013-14	Madar	2,85,000	2,85,000	43,025	3,34,106	5,65,409	8,99,515
8	2013-14	Sadiya	2,85,000	2,85,000	0	3,84,843	2,14,704	5,99,547
9	2013-14	Fiza	2,85,000	2,85,000	0	3,84,843	2,14,704	5,99,547
10	2013-14	Yasmin	2,61,250	2,61,250	18,660	3,32,783	6,35,395	9,68,178
11	2013-14	Jameela	2,61,250	2,61,250	17,105	3,34,896	6,35,395	9,70,291

S. No.	Year	Name of SHG	Sanctioned amount	Disbursed Amount	Recovered amount	Outstanding Principal & Interest	Penalty	Total amount
12	2013-14	Salma	2,61,250	2,61,250	27,300	3,22,879	5,65,594	8,88,473
13	2013-14	Vaseela	2,61,250	2,61,250	18,660	3,31,940	6,35,354	9,67,294
14	2013-14	Madar mairee	2,61,250	2,61,250	2,13,840	1,36,992	2,48,295	3,85,287
15	2013-14	Jatan	2,61,250	2,61,250	18,660	3,31,933	6,53,447	9,85,380
16	2013-14	Nageena	2,85,000	2,85,000	34,560	3,45,742	5,65,499	9,11,241
17	2013-14	Joint Society	2,85,000	2,85,000	43,200	3,35,378	5,65,467	9,00,845
18	2013-14	Safad	2,85,000	2,85,000	31,680	3,50,954	5,65,726	9,16,680
Total (B)			49,87,500	49,87,500	7,38,070	59,20,712	93,27,176	1,52,47,888
1	2014-15	Gajala	5,40,000	3,78,000	0	4,90,088	3,22,245	8,12,333
2	2014-15	Gajala	5,40,000	3,78,000	0	4,94,170	3,22,439	8,16,609
3	2014-15	Falak	4,05,000	2,83,500	0	3,66,918	2,41,684	6,08,602
4	2014-15	Bilkis	3,60,000	3,60,000	0	4,67,193	3,06,905	7,74,098
5	2014-15	Gulista	5,40,000	3,78,000	0	4,90,088	3,22,245	8,12,333
6	2014-15	Farhana	2,70,000	2,70,000	0	3,49,731	2,30,148	5,79,879
7	2014-15	Jeenat	5,40,000	3,78,000	0	4,90,088	3,22,245	8,12,333
8	2014-15	Fiza	5,40,000	4,95,000	0	6,37,280	4,60,055	10,97,335
9	2014-15	Kulsum	5,40,000	4,95,000	0	6,37,280	4,60,055	10,97,335
10	2014-15	Nafeesa	4,50,000	3,15,000	0	4,08,020	2,68,516	6,76,536
11	2014-15	Rubee	5,40,000	3,78,000	0	4,82,817	1,76,691	6,59,508
12	2014-15	Fecroza	5,40,000	3,78,000	0	4,84,708	1,83,117	6,67,825
Total (C)			58,05,000	44,86,500	0	57,98,381	36,16,345	94,14,726
Grand Total (A+B+C)			1,48,96,500	1,27,14,000	16,75,268	1,51,73,589	1,76,42,189	3,28,15,778

Appendix 7.6

(Refer paragraph 7.13)

List of SHGs whose advance cheques were presented for Total Outstanding dues upto May 2019

(Amount in ₹)

S. No.	Year	Name of SHG	Disbursed loan amount	Total repayment deposited	Month of last instalment amount deposited	Amount of Advance Cheque presented for outstanding dues as of May 2019	Date of presenting Advance Cheque	Delay in presenting Advance Cheque
1.	2012-13	Chandani	2,70,000	98,330	11/2016	4,17,505.00	20.06.2019	2 years 7 months
2.	2012-13	Sajeeya	2,70,000	62,480	12/2015	5,69,243.00	12.06.2019	3 years 6 months
3.	2012-13	Pakeeja	2,70,000	44,068	12/2015	5,94,754.00	20.06.2019	3 years 6 months
4.	2012-13	Palak	2,70,000	63,880	12/2015	5,22,664.00	20.06.2019	3 years 6 months
5.	2012-13	Anjum	2,70,000	52,924	12/2015	5,32,187.00	20.06.2019	3 years 6 months
6.	2012-13	Aaraju	2,70,000	54,624	12/2015	5,33,832.00	20.06.2019	3 years 6 months
7.	2013-14	Madeena	2,85,000	69,120	11/2014	6,99,672.00	31.07.2019	4 years 8 months
8.	2014-15	Gajala	3,78,000	0	1 st instalment repayment date 10/2015	7,73,027.00	20.03.2019	3 years 4 months
9.	2014-15	Gajala	3,78,000	0	-do-	7,71,103.00	Cheque not presented	
10.	2014-15	Falak	2,83,500	0	-do-	5,79,156.00	20.06.2019	3 years 7 months
11.	2014-15	Bilkis	3,60,000	0	-do-	7,36,643.00	Cheque not presented	
12.	2014-15	Gulista	3,78,000	0	-do-	7,73,027	20.06.2019	3 years 7 months
13.	2014-15	Farhana	2,70,000	0	-do-	5,51,822.00	20.06.2019	3 years 7 months
14.	2014-15	Jeenat	3,78,000	0	-do-	7,73,027.00	20.06.2019	3 years 7 months
15.	2014-15	Fiza	4,95,000	0	12/2015	10,44,257.00	20.06.2019	3 years 6 months
16.	2014-15	Kulsum	4,95,000	0	-do-	10,44,257.00	20.06.2019	3 years 6 months
17.	2014-15	Nafeesa	3,15,000	0	10/2015	6,43,800.00	20.06.2019	3 years 7 months

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