

## CHAPTER-I: GENERAL

### 1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Haryana during the year 2009-10, the State's share of net proceeds of divisible Union taxes and duties assigned to States and grants-in-aid received from the Government of India (GOI) during the year and the corresponding figures for the preceding four years are mentioned below:-

( ` in crore)						
Sr. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
1.	<b>Revenue raised by the State Government</b>					
	• Tax revenue	9,078.65	10,927.76	11,617.82	11,655.28	13,219.50
	• Non-tax revenue	2,458.56	4,590.76	5,097.08	3,238.45	2,741.40
	<b>Total</b>	<b>11,537.21</b>	<b>15,518.52</b>	<b>16,714.90</b>	<b>14,893.73</b>	<b>15,960.90</b>
2.	<b>Receipts from the GOI</b>					
	• Share of net proceeds of divisible Union taxes and duties <sup>1</sup>	1,200.97	1295.64	1,634.36	1,724.62	1,774.47
	• Grants-in-aid	1,115.13	1,138.27	1,401.48	1,833.96	3,257.29 <sup>2</sup>
	<b>Total</b>	<b>2,316.10</b>	<b>2,433.91</b>	<b>3,035.84</b>	<b>3,558.58</b>	<b>5,031.76</b>
3.	<b>Total revenue receipts of the State Government (1 and 2)</b>	<b>13,853.31</b>	<b>17,952.43</b>	<b>19,750.74</b>	<b>18,452.31</b>	<b>20,992.66</b>
4.	<b>Percentage of 1 to 3</b>	<b>83</b>	<b>86</b>	<b>85</b>	<b>81</b>	<b>76</b>

The above table indicates that during the year 2009-10, the revenue raised by the State Government ( ` 15,960.90 crore) was 76 per cent of the total revenue receipts against 81 per cent in the preceding year. The balance 24 per cent of receipts during the year 2009-10 was from the GOI.

The increase of ` 1,423.33 crore (78 per cent) in grants-in-aid in 2009-10 over the previous year was mainly on account of increase in non-plan grants of ` 1,093.96 crore (77 per cent), State plan grants of ` 189.05 crore (13 per cent) and Centrally sponsored schemes of ` 140.32 crore (10 per cent).

<sup>1</sup> For details please see Statement No. 11 - Detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Haryana for the year 2009-10. Figures under the head 0021 - Taxes on income other than corporation tax - share of net proceeds assigned to States booked in the Finance Accounts under A - Tax revenue have been excluded from revenue raised by the State and included in the State's share of divisible Union taxes in this statement.

<sup>2</sup> This amount includes ` 1.69 crore as adjustment of previous years.

1.1.2 The following table presents the details of tax revenue raised during the period 2005-06 to 2009-10:

( ` in crore)

Sr. No.	Head of revenue	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage of increase (+)/ decrease (-) in 2009-10 over 2008-09
1.	Taxes on sales, trade etc./value added tax (VAT)	5,604.45	6,853.24	7,720.98	8,154.73	9,032.37	(+) 11
2.	State excise	1,106.86	1,217.10	1,378.81	1,418.53	2,059.02	(+) 45
3.	Stamps and registration fees						
	Stamps – judicial	20.18	985.62	91.37	1,030.90	945.91	(-) 8
	Stamps – non-judicial	1,301.27	778.46	1,651.94	267.27	341.86	(+) 28
	Registration fees	18.28	0.90	19.97	28.22	5.79	(-) 79
4.	Taxes on goods and passengers	757.60	738.41	379.39	370.29	391.45	(+) 6
5.	Taxes on vehicles	172.13	223.66	233.79	239.30	277.07	(+) 16
6.	Taxes and duties on electricity	61.53	98.28	107.45	106.31	119.58	(+) 12
7.	Land revenue	13.12	12.99	9.38	8.58	9.43	(+) 10
8.	Other taxes and duties on commodities and services	23.23	19.10	24.74	31.15	37.02	(+) 19
	<b>Total</b>	<b>9,078.65</b>	<b>10,927.76</b>	<b>11,617.82</b>	<b>11,655.28</b>	<b>13,219.50</b>	<b>(+) 13</b>

The following reasons for variations were reported by the concerned departments:

- **State Excise:** The increase in revenue receipts (45 per cent) was mainly due to increase in consumption of country liquor, Indian made foreign liquor (IMFL) and beer and as well as increase in the license fee of the country liquor and IMFL.
- **Taxes on vehicles:** The increase in revenue receipts (16 per cent) was mainly due to better checking by the enforcement staff and compounding of vehicles violating the provisions of the Motor Vehicles Act.
- **Other taxes and duties on commodities and services:** The increase in revenue receipts (19 per cent) was mainly due to more collection from entertainment tax.

The other departments did not inform (August 2010) the reasons for variations, despite being requested (April 2010).

1.1.3 The following table presents the details of non-tax revenue raised during the period 2005-06 to 2009-10:

(` in crore)

Sr. No.	Head of revenue	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage of increase (+)/ decrease (-) in 2009-10 over 2008-09
1.	Urban development	714.09	2,562.34	2,805.24	884.50	133.70	(-) 85
2.	Interest receipts	442.48	648.63	757.20	776.28	667.88	(-) 14
3.	Road transport	548.44	571.18	622.56	645.04	699.57	(+) 8
4.	Non-ferrous mining and metallurgical industries	152.60	136.83	215.74	195.97	247.49	(+) 26
5.	Other administrative services	84.35	61.94	105.54	120.95	96.81	(-) 20
6.	Miscellaneous general services	183.38	130.22	91.25	89.39	95.93 <sup>3</sup>	(+) 7
7.	Major and medium irrigation	64.13	87.19	72.27	74.01	218.56	(+) 195
8.	Education, sports, art and culture	92.06	111.62	117.70	156.10	285.10	(+) 83
9.	Police	7.49	22.79	41.44	55.22	35.11	(-) 36
10.	Forestry and wildlife	32.84	38.62	33.79	40.74	56.13	(+) 38
11.	Medical and public health	30.50	31.59	64.91	30.94	30.23	(-) 2
12.	Other non-tax receipts	106.20	187.81	169.44	169.31	174.89	(+) 3
<b>Total</b>		<b>2,458.56</b>	<b>4,590.76</b>	<b>5,097.08</b>	<b>3,238.45</b>	<b>2,741.40</b>	<b>(-) 15</b>

The following reasons for variations were reported by the concerned departments:

- **Urban development:** The decrease in revenue receipts (85 *per cent*) was due to recession in the real estate and accordingly less receipt received from the colonisers, less receipt of fresh applications and many colonisers had taken refund.
- **Non-ferrous mining and metallurgical industries:** The increase in revenue receipts (26 *per cent*) was due to grant of mines for operation for a period of six months as per relaxation granted (May 2009) by the Hon'ble

<sup>3</sup> Includes Debt relief of ` 96.67 crore given by GOI on repayment of consolidated loan.

Punjab and Haryana High Court to operate mines without environmental clearance.

- **Major and medium irrigation:** The increase in revenue receipts (195 *per cent*) was mainly due to major amount received from Town and Country Planning, Haryana on account of share cost for the construction of Renuka Dam.
- **Police:** The decrease in revenue receipts (36 *per cent*) was mainly due to less receipts from Railways and other Governments on account of deployment of police force.
- **Forestry and Wildlife:** The increase in revenue receipts (38 *per cent*) was mainly due to supply of crates to other departments and more receipts from user agencies.

The other departments did not inform (August 2010) the reasons for variations, despite being requested (April 2010).

## **1.2 Response of the departments/Government towards Audit**

### **1.2.1 Failure of senior officials to enforce accountability and protect the interest of the State Government**

A brief introduction about the various stages of action on the audit observations/recommendations is mentioned below:

The Principal Accountant General (Audit) Haryana (PAG) conducts periodical inspection of the Government departments to test check the transactions and verify the maintenance of the important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the inspection reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the PAG within six weeks from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the departments and the Government. Some of these are reported through Report of the Comptroller and Auditor General of India (Audit Report) to the State Legislature every year. The departments are requested to submit their replies to the Public Accounts Committee (PAC) which examines them in their meetings and give their reports to the State Legislature.

IRs issued upto December 2009 disclosed that 5,122 paragraphs involving ` 1,507.03 crore relating to 2,460 IRs remained outstanding at the end of

June 2010 as mentioned below along with the corresponding figures for the preceding two years.

	June 2008	June 2009	June 2010
Number of outstanding IRs	3,642	2,868	2,460
Number of outstanding audit observations	6,329	6,553	5,122
Amount involved ( ` in crore)	6,451.39	8,663.68	1,507.03

The department-wise details of the IRs and audit observations outstanding as on 30 June 2010 and the amount involved are mentioned below:

Sr. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved ( ` in crore)
1.	Excise and Taxation	Sales tax/VAT	239	1,288	497.36
		State excise	107	148	56.23
		Taxes on goods and passengers	135	239	15.41
		Entertainment duty and show tax	24	24	1.40
2.	Revenue	Stamps and registration fees	932	1,978	52.10
		Land revenue	113	172	0.47
3.	Transport	Taxes on vehicles	268	363	7.25
4.	Power	Taxes and duties on electricity	6	6	85.95
5.	Agriculture (Sugarcane)	Purchase tax on sugarcane	33	35	27.90
6.	Urban Development (Town and Country Planning)	Services and service fees for urban development schemes	3	11	623.34
7.	Home (Police)	Receipts of cost of police deployed to other Governments/ Railways etc.	53	57	27.70
8.	Mines and Geology	Non-ferrous mining and metallurgical industries	119	184	18.18
9.	Forest and Environment	Forestry and wild life	15	109	10.27
10.	Other Departments	Miscellaneous receipts	413	508	83.47
<b>Total</b>			<b>2,460</b>	<b>5,122</b>	<b>1,507.03</b>

Even the first replies required to be received from the heads of offices within six weeks from the date of issue of the IRs were not received for 159 IRs issued upto December 2009. This pendency of the IRs due to non-receipt of the replies is indicative of the fact that the heads of offices and heads of the

departments failed to initiate action to rectify the defects, omissions and irregularities pointed out by the PAG in the IRs.

**It is recommended that the Government may take suitable steps to install an effective procedure for prompt and appropriate response to audit observations. The Government may take action against officers/officials who fail to send replies to the IRs/paragraphs as per the prescribed time schedules and also fail to take action to recover loss/outstanding demand in a time bound manner.**

### **1.2.2 Departmental audit committee meetings**

The Government set up audit committees in September 1985 to monitor and expedite the progress of the settlement of IRs and paragraphs in the IRs. The Audit Committees may be formed for each Administrative Department and included Administrative Secretary (Chairman), Deputy Accountant General (Convenor) and Heads of Department (Member). The meetings of these committees may be arranged once in three months to review the progress of the settlement of audit paras and to monitor the pace of work in this behalf. The Chief Secretary has also impressed (August 1998) upon the Administrative Secretaries to ensure holding of departmental Audit Committee meetings on quarterly basis and inform the Finance Department of the outcome of such meetings.

We observed that the Administrative Secretary had not ensured holding of quarterly departmental audit committee meetings during the year 2009-10. The details of the audit committee meetings held during the year 2009-10 and the paragraphs settled are mentioned below:

<b>Head of revenue</b>	<b>Number of meetings held</b>	<b>Number of paragraphs settled (out of total paragraphs)</b>	<b>Amount ( ` in crore) (out of total amount)</b>
Taxes on sales, trade etc./VAT	3	235 (1,288)	23.72 (497.36)
State excise	5	84 (148)	19.73 (56.23)
Taxes on vehicles	4	147 (363)	3.18 (7.25)
<b>Total</b>	<b>12</b>	<b>466 (1,799)</b>	<b>46.63 (560.84)</b>

Out of 971 drawing and disbursing officers (DDOs) dealing with 19 major heads of tax and non-tax receipts, the meetings of audit committee were convened in respect of 12 DDOs dealing with three tax heads under Administrative Departments of Excise and Taxation and Transport during the year 2009-10. Thus, these departmental Audit Committees are not functioning effectively due to non-taking any initiative by most of the Government departments, and to which the disposal/settlement of the pending audit paragraphs/objections through these meetings is very slow.

The Government may consider ensuring the periodical meetings of the audit committees to be convened by all the Administrative Secretaries for effective progress of settlement of paragraphs and IRs. The monitoring at the apex level may be done by prescribing periodical return.

### 1.2.3. Non-production of records to Audit for scrutiny

The programme of local audit of VAT receipts in the offices of Deputy Excise and Taxation Commissioner (DETC) is drawn up sufficiently in advance and intimations are issued, usually one month before the commencement of audit, to the department to enable them to keep the relevant records ready for audit scrutiny.

During 2009-10, 25 VAT assessment cases pertaining to three DETCs were not made available to audit. Thus, VAT assessment cases involving revenue of ` 16.26 crore could not be checked in audit. Break-up of these cases are given below:-

Name of DETC	Year in which it was to be audited	Number of assessment cases not audited	Number of cases in which revenue involved could be ascertained	Revenue involved ( ` in crore)
Faridabad (East)	2009-10	18	18	4.71
Gurgaon (East)	2009-10	5	5	11.08
Gurgaon (West)	2009-10	2	2	0.47
	<b>Total</b>	<b>25</b>	<b>25</b>	<b>16.26</b>

### 1.2.4 Response of the departments to the draft audit paragraphs

The Finance Department had issued directions to all the departments on 5 January 1982 to send their response to the draft audit paragraphs proposed for inclusion in the Audit Report within six weeks. The draft paragraphs are forwarded by the PAG to the Secretaries of the departments concerned through demi-official letters drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the departments is invariably indicated at the end of each paragraph included in the Audit Report.

Forty one draft paragraphs (clubbed in 19 paragraphs) and two reviews included in the Audit Report (Revenue Receipts) for the year ended 31 March 2010 were forwarded to the Secretaries of the departments concerned during January to July 2010 through demi-official letters. However, reply was received only in one case.

### 1.2.5 Follow up on Audit Reports-summarised position

According to the instructions issued by the Finance Department in October 1995 and reiterated in July 2001, the administrative departments were to initiate suo moto positive and concrete action on all paragraphs and reviews

featuring in the Audit Report (Revenue Receipts) regardless of whether the cases were taken up for examination by the PAC or not. They were also to furnish detailed notes, duly vetted by Audit indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the Audit Reports to the Legislature.

The position of paragraphs which have appeared in the Audit Reports and those pending discussion as on 30 June 2010 is mentioned in **Annexure I**. One hundred twenty one paragraphs pertaining to the period 2004-05 to 2008-09 were pending for discussion by the PAC. The Administrative Departments had failed to submit action taken notes (ATNs) in respect of 72 (out of 121) paragraphs within three months from the date of presentation<sup>4</sup> of the Audit Reports to the Legislature.

Further, the response of the Administrative Departments towards the recommendations of the PAC was not encouraging as 573 recommendations pertaining to the period 1977-78 to 2003-04 were still pending for want of final action by the concerned departments (**Annexure II**).

### 1.2.6 Compliance with the earlier Audit Reports

During the years between 2004-05 and 2008-09, the departments/Government accepted audit observations involving revenue of ` 959.07 crore out of which an amount of ` 326.26 crore was recovered till 31 March 2010 as mentioned below:

(` in crore)

Year of Audit Report	Total money value	Accepted money value	Recovery made
2004-05	367.24	362.94	2.53
2005-06	200.60	98.17	6.22
2006-07	407.54	392.67	315.23
2007-08	122.75	29.65	1.60
2008-09	82.74	75.64	0.68
<b>Total</b>	<b>1,180.87</b>	<b>959.07</b>	<b>326.26</b>

The recovery in respect of the accepted cases was 34 *per cent*.

**The Government may advise the concerned departments to take necessary steps for speedy recovery.**

### 1.3 Analysis of the mechanism for dealing with the issues raised by Audit

In order to analyse the system of addressing the issues highlighted in the IRs/Audit Reports by the departments/Government, the action taken on the paragraphs and reviews included in the Audit Reports of the last 10 years in respect of Excise and Taxation Department (Sales Tax/VAT receipts) is evaluated and included in this Audit Report.

<sup>4</sup> 2004-05: December 2005; 2005-06: March 2007; 2006-07: March 2008; 2007-08: February 2009, and 2008-09: 16 March 2010.



The succeeding paragraphs 1.3.1 to 1.3.2.2 discuss the performance of the Excise and Taxation Department (Sales Tax/VAT) to deal with the cases detected in the course of local audit conducted during the last 10 years and also the cases included in the Audit Reports for the years 1999-2000 to 2008-09.

### 1.3.1 Position of Inspection Reports

The IRs incorporating irregularities detected during inspections of the transactions of tax and non-tax receipts (including verification of maintenance of records and accounting procedure) of the various offices of the Excise and Taxation Department are issued to the heads of the offices inspected/next higher authorities for taking prompt corrective action. The heads of offices/department/Government are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly. They were also required to report compliance through initial reply to the PAG within six weeks from the date of issue of the IRs. Serious financial irregularities are also reported to the head of the department {Excise and Taxation Commissioner (ETC)} and Government through demi-official letter for examination and taking prompt action and offering comments thereon, if any, within six weeks from the date of issue of the advance para. In case of non-receipt of reply within six weeks, we have issued reminders after 50 days from the date of issue of the IRs and thereafter every month. We have also issued half-yearly position of the outstanding audit observations through demi-official letter to the Administrative Department and ETC.

The summarised position of IRs issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2010 are tabulated below.

(` in crore)

Year	Opening balance			Addition during the year			Clearance during the year			Closing balance during the year		
	IRs	Para - graphs	Money value	IRs	Para - graphs	Money value	IRs	Para - graphs (Percentage to opening balances)	Money value	IRs	Para - graphs	Money value
Upto 2000-01	224	1,833	97.94	34	529	77.60	5	613 (33)	30.95	253	1,749	144.59
2001-02	253	1,749	144.59	28	349	31.64	Nil	303 (17)	6.73	281	1,795	169.50
2002-03	281	1,795	169.50	32	340	116.70	4	339 (19)	23.09	309	1,796	263.11
2003-04	309	1,796	263.11	27	342	276.37	4	345 (19)	56.43	332	1,793	483.05
2004-05	332	1,793	483.05	30	401	97.29	19	442 (25)	42.66	343	1,752	537.68
2005-06	343	1,752	537.68	31	395	205.12	27	345 (20)	30.34	347	1,802	712.46
2006-07	347	1,802	712.46	26	379	66.23	5	312 (17)	41.63	368	1,869	737.06
2007-08	368	1,869	737.06	28	354	64.67	51	608 (33)	117.52	345	1,615	684.21
2008-09	345	1,615	684.21	40	439	134.72	42	531 (33)	129.22	343	1,523	689.71
2009-10	343	1,523	689.71	27	344	84.89	141	659 (43)	304.01	229	1,208	470.59

The year-wise details of closing balance of IRs, paragraphs and amount involved is given in **Annexure-III**. Out of 1,208 audit observations involving

revenue of ` 470.59 crore in 229 IRs, 284 audit observations involving revenue of ` 46.15 crore (10 *per cent*) in 116 IRs were more than five years old.

We observed that despite issuing periodical reminders and convening of periodical meetings of the audit committee, there were large pendency of IRs/audit observations which are indicative of failure on the part of the heads of the offices/ETC and Administrative Department to initiate action to rectify the defects, omissions and irregularities pointed by the PAG in the IRs.

**To ensure that action to recover the revenue dues does not become time barred, the Government may take suitable steps to ensure that:**

- **an effective procedure exists for prompt and appropriate response to the audit observations;**
- **action is taken against officials/officers failing to take effective steps to get the audit observations settled at the earliest after getting Government revenue recovered or other action as per law; and**
- **action is taken to recover loss/outstanding demands in a time bound manner.**

### **1.3.2 Assurances given by the department/Government on the issues highlighted in the Audit Report**

#### **1.3.2.1 Recovery of accepted cases**

The position of paragraphs included in the Audit Reports of the last 10 years, those accepted by the department and the amount recovered are mentioned below.

(` in crore)

Year of Audit Report	Number of paragraphs included	Money value of the paragraph	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year	Cumulative position of recovery of accepted cases
1999-2000	10	19.28	7	2.76	0.02	Not available
2000-01	6	5.43	6	5.04	0.02	Not available
2001-02	9	3.28	8	2.23	0.23	1.94
2002-03	15	19.38	14	18.58	0.57	18.01
2003-04	10	10.23	10	8.32	-	8.32
2004-05	7	1.92	7	1.64	-	0.96
2005-06	8	5.74	7	1.14	-	1.12
2006-07	7	6.54	7	6.54	0.17	4.52
2007-08	8	2.17	7	1.00	0.32	0.32
2008-09	11	5.48	11	5.11	0.05	0.07
<b>Total</b>	<b>91</b>	<b>79.45</b>	<b>84</b>	<b>52.36</b>	<b>1.38</b>	<b>35.26</b>

The recovery in respect of the accepted cases for the last ten years was only 67 *per cent*.

**The Government may advise the concerned departments to take necessary steps for speedy recovery.**

### 1.3.2.2 Action taken on the recommendations accepted by the department/Government

The draft performance reviews conducted by the PAG are forwarded to the concerned departments/Government for their information with a request to furnish their replies. These reviews are also discussed in an exit conference and the department's/Government's views are included while finalising the reviews for the Audit Reports.

The issues highlighted in the reviews on the Excise and Taxation Department relating to Taxes on sales, trade etc./VAT featured in the Audit Reports including recommendations. The head of the department/Government had not intimated their acceptance or any action taken on the 24 recommendations (**Annexure-IV**) included in the seven Audit Reports for the years 2002-03 to 2008-09 for the assessments, levy and collection of sales tax/VAT as well as to avoid evasion of tax.

We observed that the Excise and Taxation Department/Government had sent their reply to the PAC relating to reviews included in the Audit Reports for the years 2002-03 to 2007-08 but they had not given any reply either regarding acceptance of these recommendations or any other comments thereon against the para on conclusion and recommendations of the Audit Reports for the years 2002-03 and 2003-04. They had not furnished replies to the PAC for the Audit Reports for the years 2004-05 to 2007-08. This indicates that the Excise and Taxation Department did not take any steps for the acceptance/implementation of the recommendations nor intimate their comments thereon.

**The Government may advise the Excise and Taxation Department to take suitable steps to ensure the compliance of the recommendations or give their comments, if any.**

## 1.4 Audit planning

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

During the year 2009-10, out of 971 auditable units, 578 units were planned and audited during the year 2009-10 which constitutes 60 *per cent* of the total auditable units. The details of auditable units and units selected are shown in the **Annexure-V**.

Besides the compliance audit completed as mentioned above, two performance reviews namely 'Levy and collection of stamp duty and registration fee' and 'Receipts from guarantee fee' were also taken up to examine the efficacy of the tax administration of these receipts.

## **1.5 Results of Audit**

### **1.5.1 Position of local audit conducted during the year**

Test check of the records of 578 units of sales tax/VAT, stamp duty and registration fee, state excise, motor vehicles, forest and other departmental offices conducted during the year 2009-10 revealed underassessments/short levy/loss of revenue in 6,331 cases aggregating ` 596.47 crore. During the course of the year, the concerned departments accepted underassessments and other deficiencies of ` 191.53 crore involved in 2,236 cases of which 2,155 cases involving revenue of ` 189.53 crore were pointed out in audit during 2009-10 and the rest in the earlier years. The departments collected ` 3.44 crore in 261 cases during 2009-10.

### **1.5.2 This Report**

This Report contains 19 paragraphs and two performance reviews on 'Levy and collection of stamp duty and registration fee' and 'Receipts from guarantee fee' relating to short/non-levy of tax, duty and interest, penalty etc., involving financial effect of ` 346.97 crore. The departments/Government have accepted audit observations involving ` 72.76 crore out of which ` 3.42 crore has been recovered. The replies in the remaining cases have not been received (August 2010). These are discussed in succeeding chapter II to VI.