

CHAPTER I: GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Maharashtra during the year 2012-13, the State's share of divisible Union taxes, grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

(₹ in crore)

Sl. no.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
I.	Revenue raised by the State Government					
	Tax revenue	52,029.94	59,106.33	75,027.09	87,608.46	1,03,448.58
	Non-tax revenue ¹	9,750.77 (9,789.94)	8,263.97 (8,352.61)	8,213.10 (8,225.04)	8,150.10 (8,167.70)	9,977.74 (9,984.40)
	Total	61,780.71 (61,819.88)	67,370.30 (67,458.94)	83,240.19 (83,252.13)	95,758.56 (95,776.16)	1,13,426.32 (1,13,432.98)
II.	Receipts from the Government of India					
	State's share of divisible Union Taxes	8,018.41	8,248.12	11,419.79	13,343.34	15,191.92
	Grants-in-aid	11,432.39	11,203.23	11,195.89	12,166.64	14,322.33
	Total	19,450.80	19,451.35	22,615.68	25,509.98	29,514.25
III.	Total revenue receipts of the State Government	81,231.51 (81,270.68)	86,821.65 (86,910.29)	1,05,855.87 (1,05,867.81)	1,21,268.54 (1,21,286.14)	1,42,940.57 (1,42,947.23)
IV.	Percentage of I to III	76	78	79	79	79

Source : Finance Accounts

The above table indicates that during the year 2012-13, the revenue raised by the State Government was 79 per cent of the total net revenue receipts (₹ 1,42,940.57 crore). The balance 21 per cent of receipts during 2012-13 were received from the Government of India.

¹ Figures in brackets indicate gross receipts, the details of which are available in Statement No. 11 - Detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Maharashtra for the year 2012-13. The figures above those in brackets are lower because of netting of expenditure on prize winning tickets from Lottery receipts.

1.1.2 The following table presents the details of tax revenue raised during the period 2008-09 to 2012-13:

(₹ in crore)

Sl. no	Head of revenue	2008-09	2009-10	2010-11	2011-12	2012-13	Percentage of increase (+)/ decrease (-) in 2012-13 over 2011-12
1.	Sales tax/VAT						
	• State sales tax, VAT etc.	27,805.30	30,170.70	38,934.47	46,796.91	55,855.27	(+)19.36
	• Central sales tax	2,875.23	2,505.32	3,548.25	3,799.45	4,224.45	(+)11.19
2.	State excise	4,433.76	5,056.63	5,961.85	8,605.47	9,297.11	(+)8.04
3.	Stamp Duty and Registration fees	8,287.63	10,773.65	13,515.99	14,407.49	17,548.25	(+)21.80
4.	Taxes and Duties on Electricity	2,394.86	3,289.32	4,730.26	4,831.09	5,895.68	(+)22.04
5.	Taxes on Vehicles	2,220.22	2,682.30	3,532.90	4,137.42	5,027.42	(+)21.51
6.	Taxes on Goods and Passengers	891.95	976.60	599.88	574.25	690.74	(+)20.29
7.	Other taxes on Income and expenditure- Taxes on Professions, Trades, Callings and Employments	1,561.17	1,612.35	1,686.20	1,829.94	1,961.10	(+)7.17
8.	Other Taxes and Duties on Commodities and Services	1,013.58	1,325.39	1,422.31	1,662.63	1,874.34	(+)12.73
9.	Land Revenue	546.22	714.04	1,094.98	963.81	1,074.02	(+)11.43
10.	Service Tax	0.02	0.03	0.00	0.00	0.14	
11.	Union Excise duties	-	-	-	-	0.06	
	Total	52,029.94	59,106.33	75,027.09	87,608.46	1,03,448.58	

Source : Finance Accounts

The reason for significant variation in the receipts in 2012-13 from that of 2011-12 in respect of principal heads of revenue as furnished by Sales Tax Department is as under :

Sales Tax, VAT, etc. and Central Sales Tax: The increase was on account of effective implementation of various e-services and administrative follow-up by the Sales Tax Department.

The following Departments did not inform (January 2014) the reasons for variation, despite being requested (July 2013). However, the reasons for significant variations analysed by us from the Finance Accounts are as follows (figures in brackets indicate percentage of increase/decrease from the previous year's collections):

State Excise: The increase was mainly due to increase in collections of State excise duty on the sale of malt liquor (67 per cent), foreign liquors and spirits (23 per cent), medicinal and toilet preparations containing alcohol, opium etc., (95 per cent) and receipts under fines and confiscations (100 per cent).

Stamp duty and Registration fees: The increase was mainly due to increase in court fees realised in stamps (36 per cent) and sale of stamps (46 per cent) under the sub head “Stamps–Judicial” and “Stamps-Non-Judicial”, respectively.

Taxes and Duties on Electricity: The increase was mainly due to increase in receipts (23 per cent) under taxes on consumption and sale of electricity.

Taxes on vehicles: The increase was mainly due to increase in receipts under State Motor Vehicles Taxation Acts (27 per cent).

Other taxes and duties on commodities and services: The increase was mainly due to increase in receipts under entertainment tax (15 per cent), receipts under luxury tax (16 per cent) and receipts from Cesses under Other Acts (22 per cent).

Land Revenue: The increase was mainly due to increase in receipts from sale of Government Estates (119 per cent).

1.1.3 The following table presents the details of the non-tax revenue raised during the period from 2008-09 to 2012-13:

(₹ in crore)

Sl. no.	Head of revenue	2008-09	2009-10	2010-11	2011-12	2012-13	Percentage of increase (+)/ decrease(-) in 2012-13 over 2011-12
1	2	3	4	5	6	7	8
1	Interest Receipts	1,016.67	1,342.00	1,421.70	1,358.94	2,464.41	(+)81.35
2	Dairy Development	471.01	487.30	341.64	265.81	290.70	(+)9.36
3	Other non-tax receipts	1,200.60	1,681.01	1,296.23	1,430.56	2,554.64	(+)78.58
4	Forestry and Wild life	259.76	226.48	238.87	269.78	258.81	(-)4.07
5	Non-ferrous mining and Metallurgical Industries	1,215.67	1,466.73	1,841.19	2,045.47	2,037.76	(-)0.38
6	Miscellaneous General Services ²	3,913.08	979.89	622.28	556.29	311.52	(-)44.00
7	Power	413.28	456.61	485.42	725.01	451.41	(-)37.74
8	Major and Medium Irrigation	631.77	812.58	729.54	583.05	531.89	(-)8.77
9	Medical and Public Health	131.22	234.30	173.04	274.98	337.95	(+)22.90

² Includes net lottery receipts after adjustment of prize money paid.

1	2	3	4	5	6	7	8
10	Co-operation	87.78	97.28	77.88	66.65	73.16	(+)9.77
11	Public Works	154.77	162.31	166.38	167.64	191.29	(+)14.11
12	Police	137.27	163.45	191.99	234.73	231.68	(-)1.30
13	Other Administrative Services	117.89	154.03	626.94	171.19	242.52	(+)41.67
Total		9,750.77	8,263.97	8,213.10	8,150.10	9,977.74	

Source : Finance Accounts

The reasons for variations in the receipts for 2012-13 from that of 2011-12, in respect of principal heads of revenue though called for (July 2013) from concerned departments were not furnished (January 2014). However, some of the significant variations in the receipts during 2012-13 over those of the previous year as analysed by us from the Finance Accounts were as follows:

Interest Receipts: The increase was mainly due to increase in the interest receipts from Cultivators (66 per cent).

Medical and Public Health: The increase was mainly due to increase in the receipts under urban health services (22 per cent), rural health services (262 per cent), medical education, training and research (24 per cent) and public health (23 per cent).

Other Administrative Services: The increase was mainly due to increase in receipts under the detailed head "Other receipts" of the sub head "60 – Other Services" (172 per cent).

Power: The decrease was mainly due to decrease in receipts under the head "Hydel Generation" (38 per cent) and "other receipts" under sub-head General (38 per cent).

Miscellaneous General Services: The decrease was mainly due to decrease in receipts under the head "guarantee fees" (36 per cent).

1.2 Response of the Departments/Government to audit observations

The offices of the Principal Accountant General (Audit)-I, Mumbai and the Accountant General (Audit)-II, Nagpur (AsG) arrange to conduct periodical inspections of the various offices of the Government Departments to test check transactions of the tax and non-tax receipts and verify the maintenance of important accounting and other records as per the prescribed rules and procedures. After inspections by field parties inspection reports (IRs) are issued to the heads of offices, with copies of the same to the next higher authorities. The Government of Maharashtra, Finance Department's circular dated 10 July 1967 provides for response by the executive to the IRs issued by the offices of the AsG, within one month, after ensuring action in compliance to the observations made during audit inspections. Serious irregularities are also brought to the notice of the heads of departments by the offices of the AsG. Half yearly reports are sent to the secretaries of the concerned

departments in respect of the pending IRs to facilitate the monitoring of audit observations.

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

Scrutiny of the inspection reports issued upto 31 December 2012 revealed that 10,510 observations relating to 4,760 IRs involving ₹ 2,827.78 crore, remained outstanding at the end of June 2013 as mentioned below, along with the corresponding figures for the preceding two years.

	30 June 2011	30 June 2012	30 June 2013
Number of outstanding IRs	4,682	4,921	4,760
Number of outstanding audit observations	10,293	10,860	10,510
Amount involved (₹ in crore)	1,722.20	2,667.74	2,827.78

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2013 and the amounts involved are mentioned below:

Sl. no.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved (₹ in crore)
1	Home	State Excise	204	352	365.89
2		Taxes on vehicles	283	1,025	61.74
3	Revenue and Forest	Land Revenue	871	1,633	542.79
4		Entertainments Duty	325	621	13.90
5		Forestry and Wild Life	135	219	66.61
6		Education Cess and Employment Guarantee Cess	109	167	29.06
7		Stamps and registration fees	1,092	2,406	484.32
8	Finance	Taxes on Sales, trades etc.	1,410	3,639	211.15
9		Taxes on profession etc.	110	145	1.98
10	Industry, Energy and Labour	Electricity duty	74	131	1,043.10
11	Urban Development	Residential Premises Tax	77	92	2.23
12		Repair Cess	14	17	2.64
13	Home, Irrigation, Public Works, Revenue and Forest Department	Other non tax receipts	56	63	2.37
Total			4,760	10,510	2,827.78

In respect of the above observations, even the first replies required to be received from the heads of offices within one month from the date of issue of

the IRs were not received in respect of 1,716 observations relating to 505 IRs, issued up to December 2012 involving revenue of ₹ 804.51 crore. High 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 had failed to initiate action to rectify the defects, omissions and irregularities pointed out by the AsG in the IRs.

It is recommended that the Government take suitable steps to evolve a mechanism for prompt and appropriate response to audit observations. The Government may also consider fixing responsibility for failure to reply to the IRs/paragraphs as per the prescribed time schedule as well as for not taking appropriate and time bound action to recover losses/outstanding demands.

1.2.2 Departmental Audit Committee Meetings

The Government had set up Audit Committees (during various periods) to monitor and expedite the progress of the settlement of IRs and paragraphs in the IRs. The details of the audit committee meetings (ACM) held during the year 2012-13 and the paragraph settled are mentioned below:

(₹ in crore)

Administrative Department	Head of revenue	Number of meetings held	Number of paras discussed	Number of paras settled	Amount
Relief and Rehabilitation	Stamps and Registration Fees	1	198	90	3.07
Finance	Taxes on sales, trade etc.	3	447	296	8.94
Total		4	645	386	12.01

As can be seen from the above, as against 645 paras discussed, only 386 paras (60 per cent) were settled in the meetings, indicating that the Departments were not adequately prepared with full and final compliance in respect of the audit observations made in the local audit reports. Further, no meetings were held by the Administrative Departments, namely, Revenue and Forest, Home, Urban Development and Industry, Energy and Labour Departments. As 10,510 audit observations were outstanding at the end of June 2013, it indicates that the machinery created for this purpose was not put to use effectively.

The Government may take proactive action to send replies in advance so that more number of paras could be settled in the ACM. Special efforts may also be made to comply with the old outstanding paras.

1.2.3 Non-production of records to Audit for scrutiny

The programme of local audits in respect of units of Sales Tax/VAT receipts is drawn up in advance and intimations are issued to the Department, usually much before the commencement of audit, to enable them to keep the relevant records ready for audit scrutiny.

During the audits, tax records of 1,159 dealers, whose assessments/returns were finalised/accepted by the Sales Tax Department, for the audit periods 2002-03 and 2004-05 to 2012-13, were not made available to audit during those years. Out of this, in respect of 584 cases, tax liability involved was ₹ 103.70 crore and in the remaining 575 cases the tax effect was not available in the departmental records.

Year-wise break up of such cases are given below:

(₹ in crore)					
Name of the Act	Year in which it was to be audited	Number of assessment cases not audited	Number of cases in which revenue involved could not be ascertained	Number of cases in which revenue involved could be ascertained	Revenue involved
Bombay Sales Tax Act and allied Acts	2002-03	12	7	5	0.05
	2004-05	2	1	1	0.95
	2005-06	1	1	0	0.00
	2006-07	11	2	9	2.86
	2007-08	33	2	31	1.96
	2008-09	80	23	57	2.20
	2009-10	152	63	89	4.50
	2010-11	128	39	89	11.64
	2011-12	218	134	84	10.80
	2012-13	415	227	188	24.96
Total (i)		1,052	499	553	59.92
Maharashtra Value Added Tax Act	2010-11	28	14	14	0.24
	2011-12	32	27	5	0.04
	2012-13	47	35	12	43.50
Total (ii)		107	76	31	43.78
Grand Total (i) + (ii)		1,159	575	584	103.70

The Government/Department may ensure that the tax records are made available to audit during the audit period itself so that any under assessment/short recovery of tax involved in these cases could be pointed out by audit for timely action

1.2.4 Response of the Departments to draft audit paragraphs

The Finance Department had issued directions to all the Departments in July 1967 to send their responses to the draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks. The draft paragraphs were forwarded by Audit to the secretaries of the concerned Departments through demi-official letters, drawing their attention to the audit findings and requesting them to send their response within the prescribed time. The fact of non-receipt of replies from the Government was invariably indicated at the end of each paragraph included in the Audit Report.

We forwarded 89 draft paragraphs including three performance audits and three thematic audits proposed for inclusion in the Report of the Comptroller and Auditor General of India (Revenue Sector) for the year ended 31 March 2013 to the concerned Principal Secretaries to Governments between April 2013 and November 2013. We received replies with endorsement of Government in respect of 10 draft paragraphs. Replies for the balance draft paragraphs are awaited (January 2014). All these 89 draft paragraphs (clubbed into 45 paragraphs) have been included in this report.

1.2.5 Follow-up on Audit Reports - summarised position

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

A review of the outstanding explanatory memoranda on paragraphs included in the Reports of the Comptroller and Auditor General of India (Revenue Receipts) which were still to be discussed by the Public Accounts Committee (PAC), disclosed that as on 30 September 2013, the Departments had not submitted remedial explanatory memoranda on 99 paragraphs for the years from 1997-98 to 2011-12 (excluding 1999-2000)³ as detailed below:

Sl. No.	Name of the Department	1997-98 to 2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Total
1	Home	--	--	1	2	4	1	8
2	Revenue and Forests	15	4	3	4	4	10	40
3	Urban Development	4	--	--	2	--	4	10
4	Finance	--	1	--	1	--	7	9
5	Water Resources	--	--	1	--	--	--	1
6	Industries, Energy and Labour	2	--	--	--	--	2	4
7	Relief and Rehabilitation	1	--	--	6	7	12	26
8	Co-operation and Textiles	1	--	--	--	--	--	1
Total		23	5	5	15	15	36	99

With a view to ensure accountability of the executive in respect of all the issues dealt with in the Audit Reports, the PAC lays down in each case, the period within which action taken notes (ATNs) on its recommendations should be sent.

The PAC discussed 264 selected paragraphs pertaining to the Audit Reports for the years from 1986-87 to 2007-08 and its recommendations received up to the Audit Report 2005-06 on 121 paragraphs were incorporated in their Reports as mentioned below:

³ 1999-2000 – Explanatory memoranda were received and the Audit Report discussed.

Report Number and year of PAC	Year of Audit Report	No. of recommendations	No. of ATNs awaited
27 th Report of 1994-95	1986-87, 1987-88, 1988-89	6	3
9 th Report of 1995-96	1989-90, 1990-91, 1991-92	9	9
12 th Report of 1995-96	1990-91	2	2
12 th , 13 th , 14 th and 18 th Report of 1996-97	1989-90, 1990-91, 1993-94	42	17
21 st Report of 1996-97	1992-93, 1993-94	4	2
21 st Report of 1997-98	1992-93	2	2
5 th Report of 2000-01	1994-95, 1995-96	11	2
12 th Report of 2002-03	1996-97, 1999-00	4	1
5 th Report of 2006-07	1997-98	4	4
6 th Report of 2007-08	1998-99	6	5
5 th , 6 th and 7 th Report of 2010-11	2003-04, 2004-05, 2005-06	31	30
Total		121	77

However, ATNs have not been received in respect of 77 recommendations of the PAC from the Departments concerned as mentioned in the following table:

Sl. No.	Name of the Department	Year of Audit Report					Total
		1986-87 to 2001-02	2002-03	2003-04	2004-05	2005-06	
1	Home	13	--	--	1	3	17
2	Revenue and Forests	17	--	--	1	2	20
3	Urban Development	--	--	--	1	--	1
4	Finance	11	--	7	4	2	24
5	Medical Education and Drugs	--	--	2	--	--	2
6	Industries, Energy and Labour	2	--	--	1	1	4
7	Relief and Rehabilitation	3	1	3	--	1	8
8	Co-operation and Textiles	--	--	1	--	--	1
Total		46	1	13	8	9	77

1.2.6 Compliance to the earlier Audit Reports

In respect of the Audit Reports for the periods from 2001-02 to 2011-12, the Government/Departments accepted audit observations involving ₹ 3,704.69 crore, out of which an amount of ₹ 1,140.92 crore had been recovered till 31 March 2013 as mentioned below:

(₹ in crore)

Year of Audit Report	Total money value	Accepted/recoverable money value	Recovery made
2001-02 to 2007-08	7,300.60	2,574.31	948.51
2008-09	3,246.16	857.72	183.22
2009-10	59.67	19.37	5.48
2010-11	399.64	84.81	1.04
2011-12	233.59	168.48	2.67
Total	11,239.66	3,704.69	1,140.92

Despite the matter being taken up with the concerned secretaries a number of times, the position relating to recovery of dues as pointed out by audit, remains highly unsatisfactory.

The Government may institute a mechanism to monitor the position of recoveries pointed out in the audit reports and take effective steps to recover the amounts early.

1.3 Analysis of the mechanism for dealing with the issues raised by Audit in the Revenue and Forest Department

In order 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 and Performance Audit included in the Audit Reports of the last 10 years in respect of one Department is evaluated and included in each Audit Report.

The succeeding paragraphs 1.3.1 to 1.3.3 discuss the performance of the Revenue and Forest Department (Tax Administration of Land revenue) to deal with the cases detected in the course of local audit conducted during the period from 2004-05 to 2012-2013.

1.3.1 Position of Inspection Reports

The summarised position of Inspection Reports issued during the last nine years, paragraphs included in these reports and their status as on 31 March 2013 are tabulated below:

(₹ in crore)

Year	Opening balance			Additions			Clearance			Closing balance		
	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value
2004-05	1,419	2,124	782.03	211	584	49.24	169	520	23.58	1,461	2,188	807.69
2005-06	1,461	2,188	807.69	249	640	101.53	310	674	78.73	1,400	2,154	830.49
2006-07	1,400	2,154	830.49	154	436	109.40	87	337	42.67	1,467	2,253	897.21
2007-08	1,467	2,253	897.21	221	435	19.72	101	471	19.06	1,587	2,217	897.87
2008-09	1,587	2,217	897.87	249	578	188.87	156	636	22.51	1,680	2,159	1,064.24
2009-10	1,680	2,159	1,064.24	108	260	54.70	94	367	10.67	1,694	2,052	1,108.26
2010-11	1,694	2,052	1,108.26	134	436	36.99	128	482	25.12	1,700	2,006	1,120.13
2011-12	1,700	2,006	1,120.13	98	295	155.07	100	427	246.47	1,698	1,874	1,028.73
2012-13	1,698	1,874	1,028.73	72	248	42.55	88	364	29.53	1,682	1,758	1,041.74

The Department may make effective use of the machinery created for settling outstanding audit observations.

During the period between 2009-10 and 2012-13, three Audit Committee Meetings were conducted by the Department in which 624 paragraphs were discussed and 180 paragraphs were cleared.

1.3.2 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 paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered	Cumulative position of recovery of accepted cases
2002-03	4	278.85	4	21.75	2.28	2.28
2003-04	4	1.62	4	1.62	0.21	2.49
2004-05	3	202.44	3	202.44	0.00	2.49
2005-06	2	41.46	2	41.46	0.00	2.49
2006-07	2	0.91	2	0.91	0.50	2.99
2007-08	4	365.68	3	9.51	7.12	10.11
2008-09	2	140.50	1	1.57	0.00	10.11
2009-10	1	2.80	0	0.00	0.00	10.11
2010-11	1	1.57	1	1.57	0.00	10.11
2011-12	9	89.09	5	50.83	0.00	10.11
Total	32	1,124.92	25	331.66	10.11	

As seen from the above table, out of 32 paragraphs involving ₹ 1,124.92 crore, 25 paras involving ₹ 331.66 crore, were accepted by the Department, whereas the amount recovered in respect of these paragraphs was only ₹ 10.11 crore.

Government may consider issuing instructions to the Department to recover the amount involved in accepted cases on priority basis.

1.3.3 Action taken on the recommendations accepted by the Department/Government

The following paragraph discuss the issues highlighted in the Performance Audits on the Land Revenue department featured in the last 10 Audit Reports including the recommendations and action taken by the department on the recommendations accepted by it as well as the Government. The status of recommendations made by us while conducting the performance audit on “Recovery of dues treated as arrears of land revenue” are as under:

Year of Audit Report	Number of recommendations	Status of recommendations
2007-08	<ol style="list-style-type: none">1.Prescribing periodic reconciliation of RRC cases received at Collectorate, referred and recorded at tahsil offices.2.Prescribing a mechanism to ensure full recovery of dues in a time bound manner & returning of such RRC cases to the Department where part recovery was made & full recovery is not possible.3.Introducing a system of sharing of information with other departments.	All the recommendations were accepted by the Government and a GR was issued by the Government of Maharashtra, Revenue and Forest Department vide letter No Kra.LeP-2011/PraKra 59(Bhag-2) T-2 dated 27.3.2012, ii) Kra.Lep-1012/PraKra 64 Punarbhandhani/49/T-2, dt 25.10.2012 containing <i>inter alia</i> exhaustive instructions for immediate action on RRC cases, reviewing of pending cases, in monthly meetings and sharing of information between the departments.

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* include critical issues in Government revenues and tax administration i.e. budget speech, white paper on state finances, reports of the Finance Commission (State and Central), recommendations of the taxation reforms committee; statistical analysis of the revenue earnings during the past five years, features of the tax administration, audit coverage and its impact during past five years, etc.

During the year 2012-13, out of the audit universe comprising of 2,569 auditable units, 924 units were planned for audit and 838 units were actually audited which is 33 *per cent* of the total auditable units.

Besides the compliance audit mentioned above, one Information Technology Audit and two Performance Audits were also taken up to examine the efficacy of the tax administration and compliance issues.

1.5 Results of audit

1.5.1 Position of local audit conducted during the year

Test check of the records of 838 units of Sales Tax, Stamp Duty and Registration Fees, Land Revenue, Motor Vehicles Tax, State Excise, Forest Receipts and other tax and non-tax receipts conducted during 2012-13 revealed under assessments/short levy/loss of revenue amounting to ₹ 1,339.45 crore in 8,732 cases. During the course of the year, the Departments accepted under assessments, short levy, etc., of ₹ 147.37 crore in 3,396 cases of which 657 cases involving ₹ 8.74 crore were pointed out in 2012-13 and rest in earlier years. Of these, the Departments recovered ₹ 140.15 crore in 3,402 cases during 2012-13.

1.5.2 This Report

This Report contains 45 paragraphs including two Performance Audits on “Maharashtra Vikrikar Automation System (MAHAVIKAS)” and “Levy and collection of Electricity Duty, Tax on Sale of Electricity and Inspection fees” involving ₹ 824.85 crore. The Departments/Government have accepted audit observations involving ₹ 114.50 crore, of which ₹ 2.75 crore have been recovered. The replies in the remaining cases have not been received (January 2014). These are discussed in succeeding Chapters II to VII.