

CHAPTER I

GENERAL

CHAPTER I GENERAL

1.1 Trend of revenue receipts

1.1.1 The revenue receipts of the State for the year 2016-17 comprised of:

- Tax and non-tax revenue raised by the Government of Andhra Pradesh
- State's share of net proceeds of divisible Union taxes
- Duties assigned to the State
- Grants-in-Aid received from the Government of India

The details along with the corresponding figures for the preceding four years have been depicted in **Table 1.1**.

Table 1.1
Trend of revenue receipts

(₹ in crore)

Sl. No.	Particulars	2012-13*	2013-14*	1 April 2014 to 1 June 2014*	2 June 2014 to 31 March 2015	2015-16	2016-17 ¹
1.	Revenue raised by the State Government						
	• Tax revenue	59,875.05	64,123.53	12,761.15	29,856.87	39,907	44,181
	• Non-tax revenue	15,999.14	15,472.86	2,794.62	8,181.35	4,920	5,193
	Total	75,874.19	79,596.39	15,555.77	38,038.22	44,827	49,374
2.	Receipts from the Government of India						
	• Share of Net Proceeds of Divisible Union Taxes and Duties	20,270.77	22,131.89	3,852.96	11,446.29	21,894	26,264
	• Grants-in-Aid	7,685.32	8,990.55	5,568.32	16,210.89	21,927	23,346
	Total	27,956.09	31,122.44	9,421.28	27,657.18	43,821	49,610
3.	Total revenue receipts of the State Government (1 and 2)	1,03,830.28	1,10,718.83	24,977.05	65,695.40	88,648	98,984
4.	Percentage of 1 to 3	73	72	62	58	51	50

Source: Finance Accounts for the year 2016-17 of Government of Andhra Pradesh.

* Data pertains to composite State of Andhra Pradesh for 23 districts. The figures in the last three columns relate to the successor State of Andhra Pradesh with 13 districts.

¹ For details please see Statement No.14- Detailed accounts of revenue by Minor Heads in the Finance Accounts of Government of Andhra Pradesh for the year 2016-17. Figures under the Minor Head 901-share of net proceeds assigned to the States under the Major Heads '0020-Corporation Tax, 0021-Taxes on Income other than Corporation Tax, 0028-Other Taxes on Income and Expenditure, 0032-Taxes on Wealth, 0037-Customs, 0038-Union Excise Duties, 0044-Service Tax and 0045-Other Taxes and Duties on Commodities and Services booked in the Finance Accounts under A-Tax Revenue have been excluded from the revenue raised by the State and exhibited as State's share of divisible Union taxes.

In the year 2016-17 revenue raised by the State Government (₹ 49,374 crore) was 50 per cent of total revenue receipts. The balance (₹ 49,610 crore) 50 per cent of the receipts was from the Government of India.

1.1.2 The details of the Tax Revenue raised during the period 2012-13 to 2016-17 are given in **Table 1.2**.

Table 1.2
Details of tax revenue raised

Sl. No.	Head of Revenue	2012-13*		2013-14*		BE for the period from 1 April 2014 to 31 March 2015	Actuals* for 1 April 2014 to 1 June 2014	Actuals for 2 June 2014 to 31 March 2015	2015-16		2016-17		Percentage of increase (+)/ decrease (-) in 2016-17 over 2015-16
		BE	Actuals	BE	Actuals				BE	Actuals	BE	Actuals	
1.	Taxes on Sales, Trade etc.	45,000	40,715	52,500	48,737	28,749	8,852	21,672	32,840	29,104	37,435	32,484	(+) 11.61
2.	State Excise	10,820	9,129	7,500	6,250	4,027	710	3,642	4,680	4,386	5,756	4,645	(+) 5.90
3.	Stamp Duty and Registration Fee	4,968	5,115	6,414	4,393	2,460	689	2,561	3,500	3,527	5,180	3,476	(-) 1.45
4.	Taxes on Vehicles	3,640	3,356	4,351	3,335	1,384	2,264	1,423	1,977	2,082	2,412	2,467	(+) 18.49
5.	Others	1,593	1,560	1,676	1,409	17,616	246	559	1,426	808	1,535	1,109	(+) 37.25
	Total	66,021	59,875	72,441	64,124	54,236	12,761	29,857	44,423	39,907	52,318	44,181	(+) 10.71

Source: Budget Estimates, Finance Accounts for the year 2016-17 of Government of Andhra Pradesh.

* Data pertains to composite State of Andhra Pradesh for 23 districts.

There has been increase of 10.71 per cent of tax revenue during the year 2016-17 over the previous year. The revenue under the heads – VAT, State Excise, Taxes on Vehicles had increased. There was a marginal decline under revenue head – Stamp Duty and Registration Fees.

Department of Registration and Stamps intimated that variation between budget estimates and actuals was due to overall shortfall in the number of documents registered, exemptions in Stamp Duty & Registration Fees in the notified villages and negative growth trends in net revenue during 2016-17.

Other Departments had not furnished the reasons for variation in budget estimates and actuals though called for (May and September 2017).

1.1.3 The details of the non-tax revenue raised during the period 2016-17 are indicated in **Table 1.3**.

Table 1.3
Details of non-tax revenue raised

Sl. No.	Head of revenue	2012-13*		2013-14*		BE for the period from 1 April 2014 to 31 March 2015	Actuals* for 1 April 2014 to 1 June 2014	Actuals for 2 June 2014 to 31 March 2015	2015-16		2016-17		Percentage of increase(+) or decrease (-) in 2016-17 over 2015-16
		BE	Actuals	BE	Actuals				BE	Actuals	BE	Actuals	
		1.	Interest Receipts	8,632	9,626				8,656	8,646	4,813	198	
2.	Mines and Minerals	2,734	2,771	3,083	2,731	1,226	408	811	1,359	1,523	1,705	1,628	(+) 6.89
3.	Education, Sports, Art and Culture	274	1,196	1,219	1,676	90	342	1,087	1,136	856	1,031	577	(-) 32.59
4.	Others	2,213	2,406	2,436	2,420	2,882	1,847	1,686	2,692	2,408	2,605	2,875	(+) 19.39
	Total	13,853	15,999	15,394	15,473	9,011	2,795	8,181	5,341	4,920	5,495	5,193	(+) 5.55

Source: Budget Estimates, Finance Accounts for the year 2016-17 of Government of Andhra Pradesh.

* Data pertains to composite State of Andhra Pradesh for 23 districts.

There had been increase of non-tax revenue by 5.55 *per cent* during the year 2016-17 over the previous year.

The revenue under the head Mines and Minerals had increased by 6.89 *per cent*. Revenue under the heads - Interest Receipts, Education, Sports, etc., had declined over the previous year.

Departments did not furnish the reasons for variation in budget estimates and actuals though called for (May and September 2017).

1.2 Analysis of Arrears of Revenue

The arrears of revenue as on 31 March 2017 on some principal heads of revenue amounted to ₹ 11,371.28 crore as detailed in the **Table 1.4**.

Table 1.4
Arrears of Revenue

Sl. No.	Head of revenue	Total amount outstanding as on 31 March 2017	Amount outstanding for more than five years as on 31 March 2017	Replies of Department
A – Tax Revenue				
0040 - Taxes on Sales, Trade, etc.				
1.	Taxes / VAT on Sales, Trade etc.	3,293.10	1,524.06	Department did not furnish the reasons for pendency in arrears outstanding for more than five years.
0039 – State Excise				
2.	State Excise	166.10	162.78	Department did not furnish the reasons for pendency in arrears outstanding for more than five years.

(₹ in crore)

Sl. No.	Head of revenue	Total amount outstanding as on 31 March 2017	Amount outstanding for more than five years as on 31 March 2017	Replies of Department	
0030 – Stamp Duty and Registration Fees					
3.	Stamp Duty and Registration Fees	49.02	49.02	Department did not furnish the reasons for pendency in arrears outstanding for more than five years.	
0041-Taxes on Vehicles					
4.	Taxes on vehicles	1997.11	---	Transport Commissioner stated (November 2017) that an amount of ₹ 1,996.09 crore was due from A.P. State Road Transport Corporation and the Corporation did not pay taxes from 2012-13.	
0029-Land Revenue					
5.	Land Revenue	361.31	357.19	Chief Commissioner of Land Administration stated (November 2017) that due to drought and unseasonal conditions pending amount could not be realised.	
0043-Taxes and Duties on Electricity					
6.	Taxes and Duties on Electricity	3,775.93	3,620.02	Department stated reasons of arrears as under:	
				• Recovery due from A.P. Gas Power Corporation Ltd. (covered by AP RR Act).	138.31
				• Amount due from Rural Electric Supply Co-operative Societies	2.70
				• Amount due from licencees and generating companies (covered by AP RR Act).	570.88
				• Amount due from APGENCO (Government had been addressed for waiver of the duty).	3,028.04
• Duties due from A.P. Southern / Eastern / Central Power Distribution Corporations.	36.00				
0853-Mines & Minerals					
7.	Mines & Minerals	1728.71	329.06	Director (M&G) stated (October 2017) that amounts were due on account of filing of revision petitions before the Government, Stay Orders of Hon'ble High Court, and under referral to APRR Act. It was intimated that stringent efforts were being made to collect the arrears.	
Total		11,371.28	6,042.13		

Source: Information furnished by the Departments concerned.

It would be seen from the above that 53.13 *per cent* of the total outstanding amount was due for more than five years. Out of total arrear amount of ₹ 11,371.28 crore, an amount of ₹ 1,038.25 crore (9.13 *per cent*) was blocked up in disputes and was under referral to A.P. Revenue Recovery Act. Government may take necessary measures to recover arrears amounting to ₹ 10,333.03 crore constituting more than 90 *per cent* of revenue due for recovery.

1.3 Arrears in Assessments

As per the provisions of the AP VAT Act, annual assessments are not mandatory for the VAT dealers. Assessments under the CST Act are to be

completed within four years. The information furnished by Commercial Taxes Department is indicated in the **Table 1.5**.

Table 1.5
Arrears in Assessments

Name of tax	Opening balance ²	New cases due for assessment during 2016-17	Total assessments due	Cases disposed off during 2016-17	Balances at the end of the March, 2017	(No. of cases)
						Percentage of column 5 to 4
CST	51,278	27,294	78,572	41,360	37,212	52.64
VAT	2,377	4,219	6,596	3,722	2,874	56.43
Luxury Tax	1,458	829	2,287	1,660	627	72.58
Total	55,113	32,342	87,455	46,742	40,713	53.44

Source: Information furnished by the Commercial Taxes Department.

It would be seen from above that more than 45 *per cent* of assessments due for clearance needs to be disposed off to avoid blockage of revenue since fresh cases get added up every year. The speedy disposal mechanism needs to be evolved by the department.

Further, there was no reliability on the information furnished by the department, as the closing balances of previous year do not match with the opening balances of current year.

1.4 Evasion of tax detected by the Department

The details of cases of evasion of tax detected by the Departments, cases finalised, the demands of additional tax raised and cases pending finalisation as on 31 March 2017 are given in **Table 1.6**.

Table 1.6
Evasion of tax

Sl. No.	Name of Tax/Duty	Cases pending as on 31 March 2016	Cases detected during 2016-17	Total	No. of cases in which assessments/investigations completed and additional demand including penalty etc., raised (₹ in crore)		No. of cases pending finalisation as on 31 March 2017
					No. of Cases	Amount of demand	
1.	VAT	9,056 ²	8,437	17,493	6,957	736.02	10,536
2.	Stamp Duty and Registration Fee	250	534	784	784	0.34	0
3.	Seigniorage Fee and Royalty	5,874	981	6,855	6,278	2,259.53	577
	Total	15,180	9,952	25,132	14,028	2,995.89	11,104

Source: Information furnished by Departments of Commercial Taxes, Registration & Stamps and Mines and Geology.

² The opening balances furnished by the department do not tally with their closing balance for the year ended 31 March 2016. The matter had been taken up with the department.

It would be seen from above that only 40 per cent of assessments/ investigations were completed by the Commercial Taxes Department (VAT). In view of the number of cases that get accumulated every year, there is a need for early finalisation.

There was no reliability on the figures furnished by Commercial Taxes department, as the closing balance of previous year varies with the opening balance of current year.

Department of Transport furnished the information as 'NIL', while other Departments (Prohibition and Excise, Land Revenue and Energy) did not furnish the information though called for (May and September 2017).

1.5 Pendency of Refund Cases

The claims outstanding at the beginning of the year as on 1 April 2016, claims received during the period till 31 March 2017, refunds made during the period and the cases pending as on 31 March 2017, as reported by the Departments are given in Table 1.7.

Table 1.7
Details of pendency of refund cases

(₹ in crore)

Sl. No.	Particulars	State Excise		Registration & Stamps		Commercial Tax ³		Transport	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year as on 1 April 2016	3	0.54	67	0.13	386	91.39	0	0
2.	Claims received during the year	0	0	559	2.37	257	111.32	20	0.44
3.	Refunds made during the year	3	0.54	557	2.35	215	113.90	20	0.44
4.	Cases pending as on 31 March 2017	0	0	69	0.15	428	88.81	0	0

Source: Information furnished by the Departments concerned.

It would be seen from the above that though the pendency had decreased in terms of amount, number of cases increased in respect of Commercial Taxes Department. Hence, suitable steps need to be taken for speedy disposal.

Department of Mines and Geology furnished the information as 'NIL' and other Departments (Land Revenue, Energy) did not furnish the information though called for (May and September 2017).

1.6 Response of the Government / Departments towards Audit

The Principal Accountant General (Audit), Andhra Pradesh conducts periodical inspection of the Government Departments to test check the

³ Number of cases and amount as furnished by the department to the end of 31 March 2016 do not tally with the claims outstanding as on 1 April 2016. The matter has been taken up with the Department.

transactions and verify the maintenance of 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. The IRs are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices / Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the Department and to the Government.

Inspection Reports issued upto December 2016 disclosed that 17,274 paragraphs involving ₹ 3,079.14 crore relating to 4,942 IRs remained outstanding at the end of June 2017 as shown below along with the corresponding figures for the preceding two years in **Table 1.8**.

Table 1.8
Details of pending Inspection Reports

	June 2015	June 2016	June 2017
Number of IRs pending settlement	4,197	4,436	4,942
Number of Paragraphs outstanding	11,681	14,336	17,274
Amount of revenue involved (₹ in crore)	1,288.81	2,303.83	3,079.14

Source: Records of Office of Principal Accountant General (Audit), A.P.

1.6.1 The Department-wise details of the IRs and audit paragraphs outstanding as on 30 June 2017 and the amounts involved are mentioned in the **Table 1.9**.

Table 1.9
Department-wise details of IRs

Sl. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding Paragraphs	(₹ in crore)
					Money value involved
1.	Revenue	Value Added Tax and Central Sales Tax	1,667	6,278	1,524.49
		State Excise Duty	238	633	47.73
		Land Revenue	950	3,064	229.85
		Stamp Duty and Registration Fee	1,538	4,879	251.75
2.	Transport, Roads and Buildings	Taxes on Vehicles	233	1,159	131.97
3.	Industries and Commerce	Mines and Minerals	274	1,187	187.53
4.	Energy	Taxes and duties on Electricity	42	74	705.82
Total			4,942	17,274	3,079.14

Source: Records of Office of Principal Accountant General (Audit), A.P.

Audit did not receive even the first replies in respect of 142 IRs issued during 2016-17 from the heads of offices within one month from the date of issue of the IRs. Pendency of IRs due to non-receipt of the replies was indicative of lack of action for rectification of defects, omissions and irregularities pointed out in the IRs.

The Government may consider having an effective system for prompt and appropriate response to audit observations.

1.6.2 Departmental Audit Committee Meetings

The Government has set up Audit Committees to monitor and expedite the progress of the settlement of the IRs and paragraphs in the IRs. During the year 2016-17, two Audit Committee Meetings were held by the Registration & Stamps Department. The Committee settled 227 paragraphs involving Money value of ₹ 99 lakh.

1.6.3 Non-production of records to Audit for scrutiny

The programme of local audit of Tax Revenue / Non-tax Revenue offices is drawn up sufficiently in advance. Intimations are issued, usually one month before the commencement of audit, to the Departments to enable them to keep the relevant records ready for audit scrutiny.

Nature of records not made available to Audit during the year 2016-17, in 82 offices, is given in **Table 1.10**.

Table 1.10
Details of non-production of records

Name of the Office/ Department		Number of offices which did not produce documents for Audit	Nature of documents not produced
Revenue	Commercial Taxes	52	Reconciliation register, cheque register, annual Accounts of dealers, Demand, Collection and Balance(DCB) etc.
	Prohibition and Excise	10	Retail liquor shop files.
	Registration and Stamps	12	Challan remittance registers, stock and sales registers, transfer duty ledgers, contingent registers etc.
	Land Revenue	6	Month wise receipt registers, <i>Mandal Chitta, Jamabandi</i> files, Mutation registers DCB etc.
Transport, Roads and Buildings	Transport	2	Cash book, stock registers, construction equipment files.
Total		82	

Source: Records of Office of Principal Accountant General (Audit), A.P.

1.6.4 Response of the Departments to the draft audit paragraphs

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

Audit forwarded 49 draft paragraphs including one Performance Audit (PA) and two detailed Compliance Audits to the Principal Secretaries / Secretaries of the respective Departments (between July and October 2017). The Principal Secretaries / Secretaries of the Departments furnished replies to 32 draft paragraphs which include one performance Audit and two detailed compliance Audits. Replies for nine draft paragraphs were received from Head of the Department. Replies for the remaining eight draft paragraphs are awaited from the Government (January 2018).

1.6.5 Follow-up on the Audit Reports-summarised position

The Report of the Comptroller and Auditor General of India is laid in the Legislative Assembly. The internal working system of the Public Accounts Committee laid down that the departments shall submit the explanatory notes on audit paragraphs within three months of tabling the Report. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports are delayed inordinately.

Reports of the Comptroller and Auditor General of India on Revenue Sector of the Government of Andhra Pradesh contained 153 paragraphs (including five Performance Audits) for the years from 2011-12 to 2015-16. These Audit Reports were placed before the State Legislative Assembly between June 2013 and March 2017. Of these, 78 paragraphs pertain exclusively to Andhra Pradesh and 75 paragraphs were common to both Andhra Pradesh and Telangana. Explanatory notes in respect of these 153 paragraphs from eight Departments⁴ have not been received.

1.7 Analysis of the mechanism for dealing with the issues raised by Audit

The system of addressing the issues highlighted in the Inspection Reports / Audit Reports by the Departments / Government in respect of one Department was evaluated. The evaluation was on action taken on the paragraphs and PAs included in the Audit Reports of the last five years and were included in this Audit Report.

The performance of Registration and Stamps Department under revenue head 0030-Stamps and Registration Fees and cases detected in local audit during

⁴ Commercial Taxes, Endowment, Energy, Industries and Commerce, Prohibition and Excise, Land Revenue, Registration and Stamps and Transport, Roads & Buildings.

the last six years have been discussed. Further, the cases included in the Audit Reports for the years 2011-12 to 2016-17 have also been discussed in the succeeding paragraphs 1.7.1 to 1.7.2. These cases relate to the 13 Districts of the successor State of Andhra Pradesh.

1.7.1 Position of Inspection Reports

The summarised position of the inspection reports relating to the Registration and Stamps Department, issued during the last six years in the 13 Districts of the successor state of Andhra Pradesh, paragraphs included in these reports and their status as on 31 March 2017 are detailed in **Table 1.11**.

Table 1.11
Position of Inspection Reports (IRs)

(₹ in crore)

Sl. No.	Year	Opening balance			Additions during the year			Clearance during the year			Closing balance		
		IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value
1	2011-12	1228	2803	331.04	220	716	10.14	21	111	2.80	1427	3408	338.38
2	2012-13	1427	3408	338.38	23	232	0.01	143	578	33.89	1307	3062	304.50
3	2013-14	1307	3062	304.50	19	167	5.64	7	23	1.03	1319	3206	309.11
4	2014-15	1319	3206	309.11	99	693	34.09	1	38	0.14	1417	3861	343.06
5	2015-16	1417	3861	343.06	137	868	12.11	190	677	117.04	1364	4052	238.13
6	2016-17	1364	4052	238.13	208	1035	17.07	16	164	0.71	1556	4923	254.49

Source: Records of Office of Principal Accountant General (Audit), A.P.

The above position indicates that the overall performance of the Department in clearance of Inspection Reports and Paragraphs was not encouraging. There was increase of IRs and Paragraphs by 328 and 2,120 respectively⁵. However, money value had decreased by ₹ 76.55 crore over the period of six years.

1.7.2 Action taken on the recommendations by the Department/ Government

The Performance Audits conducted by the AG are forwarded to the Department concerned and to Government with a request to furnish their replies and to take follow-up action. These Performance Audits are also discussed in an exit conference and the Department's / Government's views are included while finalising the Performance Audits for the Audit Reports.

⁵ Closing balance for the year 2016-17 (-) opening balance for the year 2011-12.

The Performance Audits relating to Registration and Stamps Department featured in the last five years' Reports, details of recommendations and their status are given in **Table 1.12**.

Table 1.12
Status of Audit recommendations

Year of Report	Name of the Performance Audit	Status
2012-13	Functioning of Registration and Stamps department including Information Technology (IT) audit of CARD	
Details of recommendations: <ol style="list-style-type: none"> 1. Ensure inspection of public offices under Section 73 immediately so as to detect the leakage of revenue; 2. evolve a mechanism with departments (Transport, Income Tax, Revenue, etc.) to ensure proper collection of stamp duty; 3. strengthen internal audit and make it more effective; 4. incorporate business rule changes into the application in a timely manner; 5. get into the role of data owner with ability to utilise on the information resources; and 6. co-ordinate with NIC regarding source code rights, database and application support provisions, documentation (SRS/URS/SDD etc.) and knowledge transfer. 		Explanatory Notes from Government is awaited.
2015-16	Revision and implementation of Market Value Guidelines	
Details of recommendations: <ol style="list-style-type: none"> 1. Ensure that the MV revision committees obtain required data from Revenue and other departments; 2. derive a formal mechanism with specific procedures to be adopted for revision of market values for valuation of properties considering various developmental factors with proper documentation; 3. make a provision in CARD for generation of reports that are to be considered while revising the market values like statements of documents registered with higher values and to alert the registering officers and to facilitate trend analysis during revision; 4. analyse the reasons for variation between the approved market values and the price realised in open market and initiate steps to minimise the gaps; 5. make modifications in CARD to enter details like complete description of boundaries with door numbers/survey numbers for more accurate calculation of market values and also to reduce the scope for manual entries; 6. ensure greater scrutiny of documents where manual entries were made to prevent wrong entries. 		Explanatory Notes from Government is awaited.

The matter regarding furnishing of Explanatory Notes from the Government is being pursued by the Audit. Departments in their replies had stated (September 2017) that the action taken on recommendations was submitted to the Government. However, the Government has not submitted the Explanatory Notes to Audit.

1.8 Audit Planning

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

During the year 2016-17, there were 1,437 auditable units of which 377 units had been planned and 369 were audited which constituted 26 *per cent* of the total auditable units.

1.9 Results of Audit

1.9.1 Position of local audit conducted during the year

Test-check of the records of 369 units of Commercial Taxes, Prohibition and Excise, Transport, Land Revenue, Registration and Stamps and other departmental offices conducted during the year 2016-17 showed under-assessment / short levy / loss of revenue aggregating ₹ 607.51 crore in 1,541 cases. During the course of the year, the Departments accepted under-assessment and other deficiencies of ₹ 103.12 crore in 589 cases, of which 316 cases involving ₹ 20.08 crore were pointed out in earlier years. An amount of ₹ 1.68 crore was realised in 215 cases during the year 2016-17. Of this, recovery of ₹ 0.94 crore in 173 cases relate to previous years.

1.9.2 Coverage of this Report

This Report contains 36 paragraphs selected from the audit findings detected during the local audits carried out in 2016-17 and in earlier years, which could not be included in previous reports.

The financial effect of the paragraphs of this report is ₹ 235.61 crore. The Departments / Government have accepted audit observations involving ₹ 81.80 crore out of which ₹ 0.28 crore had been recovered. The replies in the paragraphs involving ₹ 65.65 crore have not been received (January 2018). These are discussed in succeeding chapters II to VII.