

CHAPTER I

GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by Government of Maharashtra during the year 2017-18, the State's share of divisible Union taxes and duties assigned to the State, and the Grants-in-aid received from Government of India (GoI) during the year and the corresponding figures for the preceding four years are mentioned in **Table 1.1.1**.

Table 1.1.1

(₹ in crore)						
Sr. No.	-	2013-14	2014-15	2015-16	2016-17	2017-18
1	Revenue raised by the State Government					
	Tax revenue ¹	1,08,597.96	1,15,063.32	1,26,608.10	1,36,616.32	1,67,931.86
	Non-tax revenue ²	11,351.97	12,580.89	13,423.01	12,709.34	16,679.57 ³
	Total	1,19,949.93	1,27,644.21	1,40,031.11	1,49,325.66	1,84,611.43
2	Receipts from the Government of India					
	Share of net proceeds of divisible Union Taxes and duties	16,630.43	17,630.03	28,105.95	33,714.90	37,219.20
	Grants-in-aid	13,241.44	20,140.64	16,898.61	21,652.58	21,822.92
	Total	29,871.87	37,770.67	45,004.56	55,367.48	59,042.13
3	Total revenue receipts of the State Government (1 and 2)	1,49,821.80	1,65,414.88	1,85,035.67	2,04,693.14	2,43,653.56
4	Percentage of 1 to 3	80	77	76	73	76

Source: Finance Accounts

The above table indicates that during the year 2017-18, the revenue raised by the State Government (₹ 1,84,611.43 crore) was 76 per cent of the total

¹ For details – refer statement no. 14 – Detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Maharashtra for the year 2017-18. Figures under the head 0020-Corporation Tax, 0021-Taxes on income other than corporation tax, 0022-Taxes on agricultural income, 0032-Taxes on wealth, 0037-Customs, 0038-Union Excise Duties, 0044-Service Tax–share of net proceeds assigned to State booked in the Finance Accounts under Sector A- “Tax revenue” have been excluded from the revenue raised by the State and included in the Share of net proceeds of divisible Union Taxes and duties in this statement.

² The figures are at variance from the Report for the year ended 31 March 2017 as these include gross lottery receipts prior to adjustment of prize money paid therefrom.

³ There was misclassification of grants-in-aid amounting to ₹ 437.77 crore from the Government of India as receipts under “Non Tax Revenue” for which a note of error has been kept by the Finance Department in the Finance Accounts. Hence, the actual receipts under “Non-Tax Revenue” is ₹ 16,241.80 crore and that under “Grants in aid” is ₹ 22,260.69 crore

revenue receipts against 73 per cent in the preceding year. The balance 24 per cent of the receipts during 2017-18 came from the Government of India.

1.1.2 The details of the tax revenue raised during the period 2013-14 to 2017-18 are given in **Table 1.1.2**.

Table 1.1.2

(₹ in crore)								
Sr. No.	Head of revenue		2013-14	2014-15	2015-16	2016-17	2017-18	Percentage of increase (+)/ decrease (-) in 2017-18 over 2016-17
1	2		3	4	5	6	7	8
1	Taxes on sales, trade etc. (Including Central Sales Tax)	BE ⁴	62,422.50	69,089.60	74,616.77	81,437.69	92,838.97	
		RE ⁴	63,922.50	69,089.60	74,616.77	81,437.69	55,410.58	
		Actual	62,530.04	67,466.29	69,660.82	81,174.17	54,893.51	
2	Goods and Services Tax	BE					0.00	
		RE					50,976.66	
		Actual					50,063.36	
	Sub-Total					81,174.17	1,04,956.87	29.29
3	Entertainments Duty	BE	557.52	578.32	658.14	730.52	964.97	
		RE	557.53	578.32	658.14	825.99	0.00	
		Actual	735.63	801.67	879.60	960.83	290.43	-69.77
4	Betting tax	BE	51.33	53.76	61.20	67.93	30.51	
		RE	51.33	53.76	61.20	28.78	0.00	
		Actual	22.06	33.34	35.56	31.40	6.49	-79.33
5	Luxury Tax	BE	304.06	315.12	358.61	398.05	531.93	
		RE	304.08	315.12	358.61	501.72	185.83	
		Actual	466.87	448.96	517.21	563.88	257.66	-54.31
6	Sugarcane Purchase Tax	BE	0.00	0.00	0.00	0.00	1.14	
		RE	0.00	0.00	0.00	1.08	0.00	
		Actual	0.00	0.14	0.00	0.86	0.06	-93.02
7	Forest Development	BE	52.81	55.50	63.16	70.11	55.14	
		RE	52.86	55.50	63.16	52.02	56.14	
		Actual	32.67	49.41	46.55	47.81	19.99	-58.19
8	Taxes on Entry of goods into local areas	BE	998.00	1,097.80	1,145.53	1,269.95	330.14	
		RE	1,225.00	1,093.53	1,144.25	1,267.59	1,579.29	
		Actual	1,240.66	581.50	1,573.73	1,867.98	978.43	-47.62
A	Total of Taxes on Sales, Trade, etc. and taxes subsumed in GST (Sr. No. 1 to 8)	BE	64,386.22	71,190.10	76,903.41	83,974.25	94,752.80	
		RE	66,113.30	71,185.83	76,902.13	84,114.87	1,08,208.50	
		Actual	65,027.93	69,381.31	72,713.47	84,646.93	1,06,509.93	25.83
9	State Excise	BE	10,535.00	11,500.00	13,500.00	15,343.86	14,340.01	
		RE	10,535.00	11,500.00	13,699.90	13,600.00	12,500.00	
		Actual	10,101.12	11,397.08	12,469.56	12,287.91	13,449.65	9.45

⁴ BE – Budget Estimates, RE – Revised Estimates.

1	2	3	4	5	6	7	8	
10	Stamps and Registration fees	BE	17,403.08	19,426.00	21,000.00	23,547.66	21,000.00	
		RE	18,850.00	19,420.73	21,500.00	20,000.00	23,100.00	
		Actual	18,675.98	19,959.29	21,766.99	21,011.83	26,441.82	25.84
11	Taxes and Duties on Electricity	BE	5,830.00	6,501.00	7,150.00	7,912.58	8,228.48	
		RE	6,107.76	6,873.60	7,650.00	7,912.58	8,500.00	
		Actual	6,083.90	4,350.45	8,506.37	6,669.56	7,344.86	10.13
12	Taxes on Vehicles	BE	4,750.00	5,250.00	5,693.67	6,750.00	7,200.00	
		RE	4,900.00	5,244.17	5,693.67	6,750.00	7,350.00	
		Actual	5,095.92	5,404.97	6,017.19	6,741.21	8,665.38	28.54
13	Land Revenue	BE	1,760.39	1,867.29	3,200.15	3,200.15	3,200.15	
		RE	1,227.77	1,873.29	1,900.19	1,500.55	3,200.01	
		Actual	1,088.85	1,272.38	1,748.31	1,799.39	2,309.86	28.37
14	Others ⁵	BE	2,620.66	2,906.04	3,187.49	3,493.03	4,715.13	
		RE	2,640.59	2,910.31	3,188.77	3,352.41	2,120.33	
		Actual	2,524.26	3,297.84	3,386.21	3,459.49	3,210.36	-7.20
B	Total of Taxes not subsumed in GST (Sr. No. 9 to 14)	BE	42,899.13	47,450.33	53,731.31	60,247.28	58,683.77	
		RE	44,261.12	47,822.10	53,632.53	53,115.54	56,770.34	
		Actual	43,570.03	45,682.01	53,894.63	51,969.39	61,421.93	18.19
Total (A+B)	BE	1,07,285.35	1,18,640.43	1,30,634.72	1,44,221.53	1,53,436.57		
	RE	1,10,374.42	1,19,007.93	1,30,534.66	1,37,230.41	1,64,978.84		
	Actual	1,08,597.96	1,15,063.32	1,26,608.10	1,36,616.32	1,67,931.86	22.92	

Analysis of growth in revenue is given as follows-

- The collection under “Taxes on Sales, Trade, etc.”, GST and other taxes subsumed in GST was ₹ 1,06,509.93 crore during 2017-18 as compared to ₹ 84,646.93 crore during 2016-17. There was decrease in receipts under other tax heads (from Sr. No. 3 to 8) which were subsumed in GST with effect from 1 July 2017. The overall growth in revenue of these taxes during 2017-18 was 25.83 per cent as compared to the previous year.
- There was increase of 28.54 per cent in receipts under the head “Taxes on Vehicles” in 2017-18 as compared to 2016-17. Audit found that there was increase⁶ in the number of vehicles registered as well as increase in rates of motor vehicle tax in 2017-18 as compared to the previous year 2016-17.
- The increase of 28 per cent under the head “Land Revenue” was stated to be due to a special drive under taken by the Department for recovery of revenues which were pending for collection.

The variation(s) in collection of revenue in respect of other heads of revenue though called for (July 2018) was not intimated by concerned departments.

⁵ Includes receipts under the heads “Other taxes on Income and Expenditure” and other Cess Acts, etc.

⁶ During 2017-18 number of vehicles registered had increased to 27,05,897 from 23,95,577 in 2016-17. There was also increase in rates of Taxes on Vehicles in 2017-18 by two per cent.

1.1.3 The details of the non-tax revenue raised during the period 2013-14 to 2017-18 are given in **Table 1.1.3**.

Table 1.1.3

(₹ in crore)								
Sr. No.	Head of revenue		2013-14	2014-15	2015-16	2016-17	2017-18	Percentage of increase (+)/ decrease(-) in 2017-18 over 2016-17
1	2		3	4	5	6	7	8
1	Interest Receipts	BE	1,338.80	2,973.70	2,973.70	1,122.37	1,178.49	
		RE	3,142.60	2,973.70	2,973.70	2,981.31	3,936.43	
		Actual	3,933.81	3,351.46	3,079.45	3,259.07	4,162.53	27.72
2	Non-ferrous mining and Metallurgical Industries	BE	2,632.82	2,767.00	3,000.00	3,400.00	3,740.00	
		RE	2,517.00	2,767.00	3,095.72	3,250.00	3,200.00	
		Actual	2,141.17	2,335.85	3,064.05	3,104.79	3,556.42	14.55
3	Miscellaneous General Services ⁷	BE	393.19	413.97	2,434.42	2,430.15	2,758.44	
		RE	328.37	413.97	634.42	1,428.37	1,159.31	
		Actual	227.85	449.88	477.48	252.99	1,444.75	471.07
4	Power	BE	780.00	850.00	828.00	910.80	750.39	
		RE	1,209.00	850.00	828.00	1,729.24	1,900.00	
		Actual	617.50	523.77	619.98	760.04	79.56	-89.53
5	Major and Medium Irrigation	BE	1,117.97	798.53	938.90	1,132.79	489.89	
		RE	740.46	798.53	938.90	260.24	356.91	
		Actual	496.91	657.93	624.68	309.06	215.39	-30.31
6	Others ⁸	BE	5,730.88	5,705.82	10,489.85	11,001.13	11,239.11	
		RE	4,820.13	5,716.50	6,228.04	6,970.82	11,118.27	
		Actual	3,934.73	5,262.00	5,557.47	5,023.39	7,220.92	43.75
Total		BE	11,993.66	13,509.02	20,664.87	19,997.24	20,156.32	
		RE	12,757.56	13,519.70	14,698.78	16,619.98	21,670.92	
		Actual	11,351.97	12,580.89	13,423.01	12,709.34	16,679.57	31.24

Source: Finance Accounts

It would be seen from the above table that,

The actual receipts during the period 2013-14 to 2017-18 have always been less than the revised budget estimates of the respective years. Analysis of collection of revenue is as follows.

“Interest Receipts”

The increase in Interest Receipts of ₹ 903.46 crore, from ₹ 3,259.07 crore in 2016-17 to ₹ 4,162.53 crore in 2017-18, was mainly due to more interest realised on investment in respect of the following:

⁷ Figures are at variance from the Report for the year ended 31 March 2017 as these include gross lottery receipts prior to adjustment of prize money paid therefrom.

⁸ Includes receipts under the heads Other Administrative Services, Dairy Development, Forestry and Wild life, Medical and Public Health, Co-operation, Public Works, Police and other non-tax receipts like Dividends and Elections.

- Interest realised on investment of cash balance, which increased by ₹ 519.02 crore from ₹ 2,214.19 crore in 2016-17 to ₹ 2,733.21 crore in 2017-18.
- Interest on other loans, which increased by ₹ 316.67 crore from ₹ 42.46 crore in 2016-17 to ₹ 359.13 crore in 2017-18.

“Miscellaneous General Services”

- The receipts under the head “Miscellaneous General Services” increased by 471 per cent from ₹ 252.99 crore in 2016-17 to ₹ 1,444.75 crore in 2017-18. However, audit noticed that amount(s) aggregating ₹ 410.08 crore were incorrectly shown as the receipts of GoM instead of reduction in expenditure (₹ 269.98 crore), Grants-in-aid received from Government of India (₹ 121.60 crore) and Chief Minister’s Relief Fund (₹ 18.50 crore). Hence, the actual revenue of the state under this head amounted to ₹ 1,034.67 crore. Thus, the actual percentage increase under the head was 309 per cent. This was due to the increase in credit of unclaimed deposits into the Consolidated Fund of GoM.

“Major Irrigation” and “Medium Irrigation”

- The decrease of 30 per cent in receipts under the heads “Major Irrigation” and “Medium Irrigation” was mainly due to handing over of the receipts (sale of water for domestic, irrigation and other purposes) on account of these charges to the Irrigation Development Corporations as per GR dated 17 November 2016.

“Power”

- The sharp decrease of 90 per cent in receipts under the head “Power” was mainly due to less receipts from the Maharashtra State Electricity Distribution Company Ltd. and Maharashtra State Power Generation Company Ltd. on account of lease rent, water charges, etc. The reasons for less realisation of the receipts were not received from the department.

“Others”

- Increase in receipts under the head “Dividends” from ₹ 66.81 crore in 2016-17 to ₹ 502.40 crore was mainly on account of misclassification of grants-in-aid amounting to ₹ 437.77 crore from the Government of India as receipts under the head. A note of error to that extent has been kept by the Finance Department in the Finance Accounts.
- Increase in receipts under the head “Elections” from ₹ 213.05 crore in 2016-17 to ₹ 633.02 crore in 2017-18 was mainly on account of increase in the reimbursement of election expenses from Government of India, which rose from ₹ 191.28 crore in 2016-17 to ₹ 628.81 crore in 2017-18.

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2018 under major heads of revenue amounted to ₹ 1,10,104.38 crore of which ₹ 29,316.33 crore was outstanding for more than five years, as detailed in **Table 1.2**.

Table 1.2

(₹ in crore)			
Head of revenue	Total amount outstanding as on 31 March 2018	Amount outstanding for more than five years as on 31 March 2018	Remarks
Taxes on Sales, Trade, etc.	1,08,980.67	28,517.75	Out of total outstanding amount of ₹ 1,08,980.67 crore, recovery of ₹ 2,001.39 crore was covered by Revenue Recovery Certificates, recovery of ₹ 67,430.61 crore was stayed by Supreme Court/High Court/Other Judicial Authorities and Government, recovery of ₹ 4,545.79 crore was outstanding due to dealers being insolvent. The stages at which the remaining amount was outstanding was not intimated.
Taxes and Duties on Electricity	608.63	608.63	All arrears are pending for more than five years. The Department did not furnish the stages at which the recovery is pending.
State Excise Duty	6.02	1.96	Of the outstanding amount of ₹ 6.02 crore, the recovery of ₹ 29.92 lakh was stayed by the appellate authorities. The stage(s) at which the recovery of the remaining was pending amount, was not intimated by the Department.
Stamps and Registration Fees	337.20	134.73	Revenue Recovery certificates have been issued in all cases.
Taxes on vehicles	171.86	53.26	The concerned department did not furnish the stages at which the recovery is pending.
Total	1,10,104.38	29,316.33	

Source: Information furnished by the Departments

It would be seen from the above table that the arrears aggregating ₹ 29,316.33 crore have been outstanding for more than five years. Since with the passage of time the chances of recovery of the amount become remote it would be in the interest of the revenue if the concerned departments are advised to take appropriate steps to reduce the pendency of arrears in a time bound manner, especially those cases which are pending for more than five years.

1.3 Arrears in assessments

The details of cases pending at the beginning of the year 2017-18, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalization at the end of the year as furnished by the State Tax Department in respect of various Acts such as, Maharashtra Value Added Tax, Bombay Sales Tax, Motor Spirit Tax, Luxury Tax, Tax on Works Contracts, etc., was as shown below in **Table 1.3**.

Table 1.3 – Arrears in assessments as on 31 March 2018

Name of Act	Opening balance	New cases due for assessment during 2017-18	Total cases due for assessment	Cases disposed of during 2017-18	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
1	2	3	4	5	6	7
Maharashtra Value Added Tax	83,135	3,58,506	4,41,641	2,48,151	1,93,490	56
Bombay Sales Tax	1,118	25	1,143	148	995	13
Motor Spirit Tax	31	0	31	17	14	55
Purchase Tax on sugarcane	161	36	197	103	94	52
Entry Tax	0	79	79	79	0	100
Lease Tax	225	0	225	0	225	0
Luxury tax	899	712	1,611	456	1,155	28
Tax on works contracts	3,601	39	3,640	356	3,284	10
Total	89,170	3,59,357	4,48,567	2,49,310	1,99,257	55.58

Source: Information furnished by the Department

It can be seen that the pendency of cases to be assessed rose by 123 *per cent* from 89,170 cases as on 1 April 2017 to 1,99,257 cases as on 31 March 2018. The cases numbering 5,767 pertaining to the Bombay Sales Tax Act and other Allied Acts have remained unassessed as on 31 March 2018.

1.4 Evasion of tax detected by the Department

The details of cases of evasion of tax detected under major heads of revenue, cases finalised and additional demands raised as reported by the concerned Departments are given in **Table 1.4**.

Table 1.4

(₹ in crore)						
Head of revenue	Number of cases					Additional demand raised with penalty, etc.
	Pending as on 31 March 2017	Detected during 2017-18	Total	Investigation completed	Pending for finalisation as on 31 March 2018	
Taxes on Sales, Trade, etc.	2,193	2,816	5,009	3,287	1,722	3,801.17
State Excise	3	1	4	4	---	2.73
Stamps and Registration fees	7,464	11,287	18,751	10,352	8,399	311.45
Taxes on Vehicles	67	10	77	12	65	0.19
Total	9,727	14,114	23,841	13,655	10,186	4,115.54

Source: Information furnished by the Departments

As seen from the above table the Departments completed investigation in 13,655 cases (57 per cent of total cases) and raised additional demand with penalty etc. of ₹ 4,115.54 crore.

1.5 Response of the Government/Departments towards audit

The Principal Accountant General (Audit)-I, Mumbai (PAG) and the Accountant General (Audit)-II, Nagpur (AG) conduct periodical inspections 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 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/AG within one month from the date of issue of the IRs. The offices of the PAG/AG report serious financial irregularities to the heads of the Department and the Government. 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.

Scrutiny of IRs issued up to December 2017 disclosed that 10,294 audit observations involving ₹ 3,406.94 crore relating to 4,357 IRs remained outstanding at the end of June 2018. Details of the same along with the corresponding figures for the preceding two years are mentioned in **Table 1.5**.

Table 1.5

Particulars	June 2016	June 2017	June 2018
Number of IRs pending for settlement	5,385	4,423	4,357
Number of outstanding audit observations	12,650	10,888	10,294
Amount of revenue involved (₹ in crore)	3,967.76	3,164.96	3,406.94

1.5.1 The department-wise details of the IRs issued up to 31 December 2017 and audit observations outstanding as on 30 June 2018 and the amounts involved are mentioned in **Table 1.5.1**.

Table 1.5.1

(₹ in crore)					
Sr. No.	Name of the Department	Nature of receipts	Number of out-standing IRs	Number of outstanding audit observations	Money value involved
1	2	3	4	5	6
1	Home	State Excise	78	138	4.79
2		Taxes on vehicles	325	1,006	111.53
3		Police Receipts (Non-Tax)	3	3	2.37
4	Revenue and Forest	Land Revenue	584	1,087	896.60
5		Entertainments Duty	318	588	25.25
6		Stamps and registration fees	1,277	2,854	825.47
7		Forest Receipts (Non-Tax)	7	13	18.95
8	Finance	Taxes on Sales, Trade etc.	1,315	3,956	301.50
9		Taxes on Profession, etc.	107	147	2.53
10	Industries, Energy and Labour	Taxes and duties on Electricity	48	82	4.04
11	Urban Development	Education Cess and Employment Guarantee Cess	138	210	1,189.69
12		Maharashtra Tax on Buildings (with larger Residential Premises)	98	134	7.59
13	Housing	Repair Cess	22	32	16.63
14	Water Resources	User Charges (Non-Tax)	34	38	0.00
15	Public Works	Non-Tax Receipts	4	6	0.00
Total			4,357	10,294	3,406.94

The first replies in respect of each IR though required to be received from the concerned Head(s) of Office(s) within one month from the date of issue of the IRs, were not received for 200 IRs issued up to 31 December 2017. The pendency of the IRs due to non-receipt of the replies is indicative of the fact that the Head(s) of Office(s) and the departments did not initiate action to rectify the defects, omissions and irregularities pointed out by the PAG/AG in the IRs.

The Government may consider issuing instructions to the concerned Head(s) of the Office(s) for furnishing first replies to the IRs issued by the PAG/AG within the stipulated period of one month and take appropriate steps for settlement of the audit observations raised in these IRs.

1.5.2 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 (ACMs) held during the year 2017-18 and the paragraphs settled are mentioned in **Table 1.5.2**.

Table 1.5.2

(₹ in crore)						
Sr. No.	Department	Nature of receipts	Number of meetings held	Number of paras discussed	Number of paras settled	Amount
1	2	3	4	5	6	7
1	Home	Taxes on Vehicles	1	183	31	0.74
2	Revenue and Forests	Stamps and Registration Fees	2	554	411	80.34
3		Land Revenue	2	313	259	113.21
4	Finance	Taxes on Sales, Trade, etc.	3	551	446	44.38
5		Taxes on Professions	1	56	35	0.25
Total			9	1,657	1,182	238.92

Thus, it would be seen from the above that 1,182 paragraphs involving ₹ 238.92 crore were got settled in the Departmental meetings. The Government may advise the concerned departments to increase the frequency of conducting these meetings so that more paragraphs can be discussed in the meetings and taken to their logical ends by way of settlement.

1.5.3 Response of the Departments to draft audit paragraphs

The draft audit paragraph(s) proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the PAG/ AG to the Principal Secretaries/Secretaries of the concerned Departments, drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of reply from the concerned departments/Government is indicated at the end of each paragraph included in the Audit Report.

Fifty three draft paragraphs (clubbed into 19 paragraphs) were sent to the Principal Secretaries/Secretaries of the respective departments between May 2018 and March 2019. The Principal Secretaries/ Secretaries of the departments did not send replies to these draft paragraphs and therefore, these were included without the response of the Government.

1.5.4 Follow-up on Audit Reports - summarised position

Position of explanatory memoranda: According to the instructions issued by the Finance Department, all the departments are required to furnish explanatory memoranda, duly vetted by Audit, to the Maharashtra Legislative Secretariat, in respect of paragraphs included in the Audit Reports, within three months of their being laid on the table of the House. However, explanatory memoranda in respect of 61 Audit Report paragraphs included in Audit Reports from 2010-11 onwards have not been received till date as shown below in Table 1.5.4(A).

Table 1.5.4(A)

Department	Audit Report Paragraphs					Total
	2010-11 to 2012-13	2013-14	2014-15	2015-16	2016-17	
Revenue and Forest	7	1	---	12	16	36
Urban Development	---	1	1	---	---	2
Finance	---	---	---	---	10	10
Home	1	1	---	2	7	11
Industry, Energy and Labour	1	---	---	---	---	1
Co-operation	---	---	---	1	---	1
Total	9	3	1	15	33	61

Position of Action Taken Notes (ATNs): With a view to ensuring accountability of the executive in respect of all the issues dealt within the Audit Reports, the PAC lays down in each case, the period within which ATNs on its recommendations should be sent. However, ATNs for 300 recommendations included in 14 Reports of the Public Accounts Committee from the year 2007-08 onwards have not been received from the concerned Departments as given in Table 1.5.4(B).

Table 1.5.4(B)

Sr. No.	PAC Report No.	Audit Reports discussed	No. of recommendations for which ATNs are awaited
1	2	3	4
1	6 th Report of 2007-08	1998-99	31
2	12 th Report of 2008-09	2000-01, 2002-03	22
3	5 th Report of 2010-11	2003-04	30
4	6 th Report of 2010-11	2004-05	28
5	7 th Report of 2010-11	2005-06	34
6	15 th Report of 2012-13	2006-07	17
7	16 th Report of 2012-13	2007-08	15
8	2 nd Report of 2015-16	2008-09	1

1	2	3	4
9	9 th Report of 2015-16	2010-11	8
10	15 th Report of 2015-16	2013-14	20
11	16 th Report of 2015-16	2010-11	14
12	26 th Report of 2015-16	Standalone Report on "Government Land given on lease"	19
13	33 rd Report of 2017-18	2011-12	17
14	37 th Report of 2017-18	2012-13	44
Total			300

The Department-wise and Audit Report-wise breakup of the 300 awaited ATNs are given in **Table 1.5.4 (C)**.

Table 1.5.4 (C)

Name of the Department	Year of Audit Report (ATNs not received)						Total ATNs not received
	Up to 2009-10	2010-11	2011-12	2012-13	SA GLL	2013-14	
1	2	3	4	5	6	7	8
Revenue and Forests	51	22	13	24	18	15	143
Finance	35	---	---	---	---	5	40
Home	24	---	4	20	---	---	48
Water Resources	16	---	---	---	---	---	16
Industries, Energy and Labour	12	---	---	---	---	---	12
Urban Development	8	---	---	---	1	---	9
Co-operation, Marketing and Textiles	10	---	---	---	---	---	10
Public Health	8	---	---	---	---	---	8
Public Works	4	---	---	---	---	---	4
Medical Education and Drugs	6	---	---	---	---	---	6
Housing	4	---	---	---	---	---	4
Total	178	22	17	44	19	20	300

1.6 Analysis of the mechanism for dealing with the issues raised by Audit in the Revenue and Forests 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 and Performance Audits 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 1.6.1 to 1.6.2 discuss the performance of the Revenue and Forests Department under revenue head- “Stamps and Registration Fees” in respect of cases detected in the course of local audit during the years from 2008-09 to 2017-18 as well as those included in the Audit Reports during the last 10 years, i.e. 2007-08 to 2016-17.

1.6.1 Position of Inspection Reports

The summarised position of Inspection Reports issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2018 are shown in **Table 1.6.1**.

Table 1.6.1

(₹ in crore)												
Year	Opening Balance			Additions during the year			Clearance during the year			Closing balance during the year		
	IRs	Para	Money value	IRs	Para	Money value	IRs	Para	Money value	IRs	Para	Money value
2008-09	1,271	1,506	283.47	202	479	94.01	111	401	20.54	1,362	1,584	356.94
2009-10	1,362	1,584	356.94	226	558	35.41	60	272	7.01	1,528	1,870	385.34
2010-11	1,528	1,870	385.34	219	534	13.82	82	271	16.87	1,665	2,133	382.29
2011-12	1,665	2,133	382.29	165	481	145.96	69	413	103.20	1,761	2,201	425.05
2012-13	1,761	2,201	425.05	181	507	194.31	197	798	34.63	1,745	1,910	584.73
2013-14	1,745	1,910	584.73	190	372	91.19	169	519	117.17	1,766	1,763	558.75
2014-15	1,766	1,763	558.75	216	716	139.44	83	296	9.18	1,899	2,183	689.01
2015-16	1,899	2,183	689.01	200	583	6,479.96	39	185	5.96	2,060	2,581	7,163.01
2016-17	2,060	2,581	7,163.01	221	545	117.18	178	705	6,386.05	2,103	2,421	894.14
2017-18	2,103	2,421	894.14	164	442	94.84	211	712	91.80	2,056	2,151	897.18

The Government had set up Audit Committees (during various periods) to monitor and expedite the progress of clearance of IRs and paragraphs in the IRs. The outstanding paras are also pursued through periodic references to the concerned offices and also through field parties which visit these offices for audit in the subsequent years. Regular meetings apart from Audit Committee Meetings are also held with heads of the offices for discussion of those issues wherein the departmental views do not concur with the audit observations.

The number of IRs, paragraphs and the amount pending settlement during the last 10 years has shown an increasing trend, with an amount of ₹ 897.18 crore pending settlement in 2,151 paragraphs contained in 2,056 IRs.

The Department may continue its efforts in making use of its machinery created for settlement of the outstanding audit observations so that the outstanding IRs, paragraphs and the amounts are considerably reduced.

1.6.2 Position of recovery of accepted cases in Audit Reports

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 in **Table 1.6.2**.

Table 1.6.2

(₹ 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 up to 31/03/2017
1	2	3	4	5	6
2007-08	4	145.10	4	145.10	0.11
2008-09	6	3.39	6	3.39	0.12
2009-10	6	4.97	6	4.97	0.02
2010-11	7	5.18	7	5.18	0.41
2011-12	12	14.58	12	14.58	1.46
2012-13	8	5.13	8	5.13	1.83
2013-14	8	6.66	8	6.66	0.54
2014-15	9	27.68	9	27.68	6.80
2015-16	8	44.57	8	44.57	0.00
2016-17	7	16.20	7	16.20	0.00
Total	75	273.46	75	273.46	11.29

The above table indicates that the recovery was only four *per cent* of the total accepted cases during the last ten years. The Government may instruct the concerned Department to make more efforts for recovery of the amounts at least in those cases which have been accepted by the Department. These may be considered to be recovered as arrears of land revenue.

1.7 Audit Planning

The auditee unit 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, 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.

Out of 2,116 auditable units, 559 units were planned for audit during 2017-18 and against which 557 units were audited during the year. In addition to this, one Performance Audit was conducted during the year to ascertain the efficiency and efficacy of the tax administration in realisation of the revenues.

1.8 Results of audit

Position of local audit conducted during the year

Test check of the records of 557 units of Maharashtra Value Added Tax, State Excise, Taxes on Vehicles, Stamps and Registration Fees, Land Revenue and other tax and non-tax receipts conducted during the year 2017-18 revealed under assessments/short levy/loss of revenue aggregating to ₹ 496.01 crore in 2,363 observations. During the course of the year, the concerned Departments accepted under assessment and other deficiencies of ₹ 53.73 crore involved in 1,525 observations which were pointed out in audit during 2017-18 and earlier years. The departments recovered ₹ 50.73 crore in 1,476 observations during 2017-18, pertaining to audit findings of 2017-18 and of previous years. In addition to this, four departments also intimated recovery of ₹ 4.28 crore by way of explanatory memoranda in respect of nine paragraphs of Audit Reports 2011-12 and 2012-13.

Coverage of this Report

This Report contains 19 paragraphs. The total financial impact of the paragraphs is ₹ 221.33 crore. The departments have accepted observations in 13 paragraphs involving ₹ 23.17 crore. The departments have recovered ₹ 5.44 crore up to August 2019 which was in addition to the recoveries made through local audit Inspection Reports during the year 2017-18.

Thus, the total recoveries made at the instance of audit during the year aggregated ₹ 60.41 crore. These are discussed in Chapters II to VI.