

CHAPTER – IV (*Revenue Sector*)

GENERAL

REVENUE SECTOR

CHAPTER IV

GENERAL

4.1 Trend of revenue receipts

4.1.1 The tax and non-tax revenue raised by Government of Maharashtra during the year 2018-19, 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 4.1.1**.

Table 4.1.1

(₹ in crore)

Sl. No.		2014-15	2015-16	2016-17	2017-18	2018-19
1	Revenue raised by the State Government					
	Tax revenue ¹	1,15,063.32	1,26,608.10	1,36,616.32	1,67,931.86	1,87,436.38
	Non-tax revenue	12,580.89	13,423.01	12,709.34	16,241.80 ²	15,843.57
	Total	1,27,644.21	1,40,031.11	1,49,325.66	1,84,173.66²	2,03,279.95
2	Receipts from Government of India					
	Central tax transfers	17,630.03	28,105.95	33,714.90	37,219.20	42,054.20
	Grants-in-aid	20,140.64	16,898.61	21,652.58	22,260.70 ²	33,662.12
	Total	37,770.67	45,004.56	55,367.48	59,479.90	75,716.32
3	Total revenue receipts of State Government (1 and 2)	1,65,414.88	1,85,035.67	2,04,693.14	2,43,653.56	2,78,996.27
4	Percentage of 1 to 3	77	76	73	76	73

Source: Finance Accounts

The above table indicates that during the year 2018-19, the revenue raised by the State Government (₹ 2,03,279.95 crore) was 73 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 2018-19. 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 central tax transfers in this statement

² The figures are at variance from the report for the year ended 31 March 2018 on account of adjustment of 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 for the year 2017-18

revenue receipts as against 76 per cent in the preceding year. The balance 27 per cent of the receipts during 2018-19 came from the GoI.

4.1.2 The details of the tax revenue raised during the period 2014-15 to 2018-19 are given in **Table 4.1.2**.

Table 4.1.2

(₹ in crore)

Sl. No.	Head of revenue		2014-15	2015-16	2016-17	2017-18	2018-19	Percentage of increase (+)/ decrease (-) in 2018-19 over 2017-18
1	2		3	4	5	6	7	8
1	Taxes on sales, trade etc. (including central sales tax)	BE ³	69,089.60	74,616.77	81,437.69	92,838.97	35,301.37	
		RE ³	69,089.60	74,616.77	81,437.69	55,410.58	35,301.37	
		Actual	67,466.29	69,660.82	81,174.17	54,893.51	35,724.61	-34.92
2	Goods and services tax	BE				0.00	90,140.25	
		RE				50,976.66	90,140.25	
		Actual				50,063.36	82,352.32	64.50
	Sub-Total			81,174.17	1,04,956.87	1,18,076.93	12.50	
3	Entertainments duty	BE	578.32	658.14	730.52	964.97	0.00	
		RE	578.32	658.14	825.99	0.00	0.00	
		Actual	801.67	879.60	960.83	290.43	66.97	
4	Betting tax	BE	53.76	61.20	67.93	30.51	0.00	
		RE	53.76	61.20	28.78	0.00	0.00	
		Actual	33.34	35.56	31.40	6.49	0.62	
5	Luxury tax	BE	315.12	358.61	398.05	531.93	0.00	
		RE	315.12	358.61	501.72	185.83	0.00	
		Actual	448.96	517.21	563.88	257.66	98.72	
6	Sugarcane purchase tax	BE	0.00	0.00	0.00	1.14	0.00	
		RE	0.00	0.00	1.08	0.00	0.00	
		Actual	0.14	0.00	0.86	0.06	0.37	
7	Forest development	BE	55.50	63.16	70.11	55.14	0.00	
		RE	55.50	63.16	52.02	56.14	0.00	
		Actual	49.41	46.55	47.81	19.99	0.22	
8	Taxes on entry of goods into local areas	BE	1,097.80	1,145.53	1,269.95	330.14	471.44	
		RE	1,093.53	1,144.25	1,267.59	1,579.29	337.55	
		Actual	581.50	1,573.73	1,867.98	978.43	9.86	
A	Total of Taxes on sales, trade, etc. and taxes subsumed in GST (Sr. No. 1 to 8)	BE	71,190.10	76,903.41	83,974.25	94,752.80	1,25,913.06	
		RE	71,185.83	76,902.13	84,114.87	1,08,208.50	1,25,779.17	
		Actual	69,381.31	72,713.47	84,646.93	1,06,509.93	1,18,253.69	11.03
9	State excise	BE	11,500.00	13,500.00	15,343.86	14,340.01	15,343.08	
		RE	11,500.00	13,699.90	13,600.00	12,500.00	15,343.08	
		Actual	11,397.08	12,469.56	12,287.91	13,449.65	15,320.90	13.91

³ BE – Budget Estimates, RE – Revised Estimates

Table 4.1.2 (cont.)

1	2	3	4	5	6	7	8	
10	Stamps and registration fees	BE	19,426.00	21,000.00	23,547.66	21,000.00	24,000.00	
		RE	19,420.73	21,500.00	20,000.00	23,100.00	25,000.00	
		Actual	19,959.29	21,766.99	21,011.83	26,441.82	28,545.05	7.95
11	Taxes and duties on electricity	BE	6,501.00	7,150.00	7,912.58	8,228.48	8,700.00	
		RE	6,873.60	7,650.00	7,912.58	8,500.00	8,700.00	
		Actual	4,350.45	8,506.37	6,669.56	7,344.86	10,085.12	37.31
12	Taxes on vehicles	BE	5,250.00	5,693.67	6,750.00	7,200.00	7,500.00	
		RE	5,244.17	5,693.67	6,750.00	7,350.00	7,999.10	
		Actual	5,404.97	6,017.19	6,741.21	8,665.38	8,613.19	-0.60
13	Land revenue	BE	1,867.29	3,200.15	3,200.15	3,200.15	3,200.00	
		RE	1,873.29	1,900.19	1,500.55	3,200.01	1,500.00	
		Actual	1,272.38	1,748.31	1,799.39	2,309.86	2,088.04	-9.60
14	Others ⁴	BE	2,906.04	3,187.49	3,493.03	4,715.13	3,383.70	
		RE	2,910.31	3,188.77	3,352.41	2,120.33	4,609.93	
		Actual	3,297.84	3,386.21	3,459.49	3,210.36	4,530.39	41.12
B	Total of taxes not subsumed in GST (Sr. No. 9 to 14)	BE	47,450.33	53,731.31	60,247.28	58,683.77	62,126.78	
		RE	47,822.10	53,632.53	53,115.54	56,770.34	63,152.11	
		Actual	45,682.01	53,894.63	51,969.39	61,421.93	69,182.69	12.64
Total (A+B)	BE	1,18,640.43	1,30,634.72	1,44,221.53	1,53,436.57	1,88,039.84		
	RE	1,19,007.93	1,30,534.66	1,37,230.41	1,64,978.84	1,88,931.28		
	Actual	1,15,063.32	1,26,608.10	1,36,616.32	1,67,931.86	1,87,436.38	11.61	

Source: Finance Accounts

Analysis of growth in revenue is given as follows-

- The collection under “Taxes on sales, trade, etc.”, “Goods and services tax” (GST) and other taxes subsumed in GST was ₹ 1,18,253.69 crore during 2018-19 as compared to ₹ 1,06,509.93 crore during 2017-18. The overall growth in revenue of these taxes during 2018-19 was 11.03 per cent as compared to the previous year.
- The increase of 64.50 per cent in receipts under GST was on account of increased tax collections, transfer from integrated Goods and services tax, increased fees and interest collections.
- There was increase of 37.31 per cent in receipts under the head “Taxes and duties on electricity” due to increased tax collection on consumption and sales of electricity.

The variation(s) in collection of revenue in respect of other heads of revenue though called for (July 2019) was not intimated by departments concerned.

⁴ Includes receipts under the heads “Other taxes on Income and Expenditure” and other Cess Acts, etc.

4.1.3 The details of the non-tax revenue raised during the period 2014-15 to 2018-19 are given in **Table 4.1.3**.

Table 4.1.3

(₹ in crore)

Sl. No.	Head of revenue	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage of increase (+)/ decrease(-) in 2018-19 over 2017-18	
1	2	3	4	5	6	7	8	
1	Interest receipts	BE	2,973.70	2,973.70	1,122.37	1,178.49	3,850.99	
		RE	2,973.70	2,973.70	2,981.31	3,936.43	2,901.00	
		Actual	3,351.46	3,079.45	3,259.07	4,162.53	4,191.28	0.69
2	Non-ferrous mining and metallurgical industries	BE	2,767.00	3,000.00	3,400.00	3,740.00	3,400.00	
		RE	2,767.00	3,095.72	3,250.00	3,200.00	3,400.00	
		Actual	2,335.85	3,064.05	3,104.79	3,556.42	4,056.71	14.07
3	Miscellaneous general services	BE	413.97	2,434.42	2,430.15	2,758.44	2,876.68	
		RE	413.97	634.42	1,428.37	1,159.31	599.10	
		Actual	449.88	477.48	252.99	1,444.75	480.65	-66.73
4	Power	BE	850.00	828.00	910.80	750.39	731.00	
		RE	850.00	828.00	1,729.24	1,900.00	730.99	
		Actual	523.77	619.98	760.04	79.56	38.57	-51.52
5	Major and medium irrigation	BE	798.53	938.90	1,132.79	489.89	522.00	
		RE	798.53	938.90	260.24	356.91	460.80	
		Actual	657.93	624.68	309.06	215.39	284.47	32.07
6	Others ⁵	BE	5,705.82	10,489.85	11,001.13	11,239.11	11,404.27	
		RE	5,716.50	6,228.04	6,970.82	11,118.27	8,958.37	
		Actual	5,262.00	5,557.37	5,023.39	6,783.15 ⁶	6,791.89	0.13
Total	BE	13,509.02	20,664.87	19,997.24	20,156.32	22,784.94		
	RE	13,519.70	14,698.78	16,619.98	21,670.92	17,050.26		
	Actual	12,580.89	13,423.01	12,709.34	16,241.80	15,843.57	-2.45	

Source: Finance Accounts

It would be seen from the above table that the actual receipts during the period 2014-15 to 2018-19 have always been less than the revised budget estimates of the respective years.

Analysis of collection of revenue is as follows-

- The increase of 32.07 per cent in receipts under the heads “Major irrigation” and “Medium irrigation” was mainly due to increased receipts from Konkan Irrigation Development Corporation and Maharashtra Krishna Valley Development Corporation.

⁵ 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

⁶ Please see footnote no. 2

- The receipts under the head “Miscellaneous general services” decreased by 66.73 per cent on account of less receipts in respect of unclaimed deposits, sale of main lottery tickets and miscellaneous other receipts.
- The decrease of 51.52 per cent in receipts under the head “Power” was mainly due to less receipt from the Maharashtra State Electricity Distribution Company Ltd. and Maharashtra State Power Generation Company Ltd. on account of lease rent, water charges, etc.

4.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2019 under major heads of revenue amounted to ₹ 1,25,551.12 crore of which ₹ 35,424.22 crore was outstanding for more than five years, as detailed in **Table 4.2**.

Table 4.2

(₹ in crore)

Head of revenue	Total amount outstanding as on 31 March 2019	Amount outstanding for more than five years as on 31 March 2019	Remarks
Taxes on Sales, Trade, etc.	1,24,306.00	34,641.82	Out of total outstanding amount of ₹ 1,24,306.00 crore, recovery of ₹ 2,091.59 crore was covered by revenue recovery certificates, recovery of ₹ 75,534.49 crore was stayed by Supreme Court/High Court/other judicial authorities and Government, recovery of ₹ 7,549.36 crore was outstanding due to dealers being insolvent. The stage(s) at which the remaining amount was outstanding was not intimated.
Taxes and Duties on Electricity	588.95	588.95	All arrears are pending for more than five years. These are cases of captive power and sugar factories pending in the Supreme Court.
State Excise Duty	16.73	2.49	Of the outstanding amount of ₹ 16.73 crore, the recovery of ₹ 11.48 crore was stayed by the appellate authorities. The stage(s) at which the recovery of the remaining amount was pending, was not intimated by department.
Stamps and Registration Fees	423.16	134.73	Revenue recovery certificates have been issued in all cases.
Taxes on vehicles	216.28	56.23	Demand notices have been issued.
Total	1,25,551.12	35,424.22	
<i>Source: Information furnished by the departments</i>			

It would be seen from the above table that the arrears aggregating ₹ 35,424.22 crore have been outstanding for more than five years. Since with the passage of time the chances of recovery of the amount becomes remote, it would be in the interest of the revenue if the departments concerned 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.

4.3 Arrears in assessments

The details of cases pending at the beginning of the year 2018-19, 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 Department of Goods and Services Tax 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 4.3**.

Table 4.3 – Arrears in assessments as on 31 March 2019

Name of Act	Opening balance	New cases due for assessment during 2018-19	Total cases due for assessment	Cases disposed of during 2018-19	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	1,93,490	97,674	2,91,164	1,91,121	1,00,043	65.64
Bombay sales tax	995	20	1,015	911	104	89.75
Motor spirit tax	14	0	14	0	14	0.00
Purchase tax on sugarcane	94	75	169	69	100	40.83
Entry tax	0	32	32	26	6	81.25
Lease tax	225	0	225	225	0	100.00
Luxury tax	1,155	1,024	2,179	1,096	1,083	50.30
Taxes on works contracts	3,284	5	3,289	2,364	925	71.88
Total	1,99,257	98,830	2,98,087	1,95,812	1,02,275	65.69

Source: Information furnished by the departments

It can be seen that the pendency of cases to be assessed decreased by 48.67 per cent from 1,99,257 cases as on 01 April 2018 to 1,02,275 cases as on 31 March 2019. The cases numbering 2,232 pertaining to the Bombay Sales Tax Act and other Allied Acts have remained unassessed as on 31 March 2019.

4.4 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 departments concerned are given in **Table 4.4**.

Table 4.4

(₹ in crore)

Head of revenue	Number of cases					Additional demand raised with penalty, etc.
	Pending as on 31 March 2018	Detected during 2018-19	Total	Investigation completed	Pending for finalisation as on 31 March 2019	
Taxes on sales, trade, etc.	1,722	1,348	3,070	1,929	1,141	24.66
State excise	15 ⁷	11	26	1	25	145.58
Stamps and registration fees	8,293 ⁷	10,222	18,515	9,448	9,067	372.24
Taxes on vehicles	5 ⁷	289	294	290	4	0.18
Total	10,035	11,870	21,905	11,668	10,237	542.66
<i>Source: Information furnished by the departments</i>						

As seen from the above table the departments completed investigation in 11,668 cases (53 per cent of total cases) and raised additional demand with penalty etc. of ₹ 542.66 crore.

4.5 Response of the Government/departments to 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 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. Yearly reports are sent to the secretaries of the departments concerned in respect of the pending IRs to facilitate the monitoring of audit observations.

Scrutiny of IRs issued up to December 2018 disclosed that 9,557 audit observations involving ₹ 3,616.22 crore relating to 4,214 IRs remained outstanding at the end of June 2019. Details of the same along with the corresponding figures for the preceding two years are mentioned in **Table 4.5**.

⁷ Information is a variance from the closing balance of the previous year. The reasons for the same has been called for. Same are awaited

Table 4.5

Particulars	June 2017	June 2018	June 2019
Number of IRs pending for settlement	4,423	4,357	4,214
Number of outstanding audit observations	10,888	10,294	9,557
Amount of revenue involved (₹ in crore)	3,164.96	3,406.94	3,616.22

4.5.1 The department-wise details of the IRs issued up to 31 December 2018 and audit observations outstanding as on 30 June 2019 and the amounts involved are mentioned in **Table 4.5.1**.

Table 4.5.1

(₹ in crore)

Sl. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved
1	2	3	4	5	6
1	Home	State excise	78	149	12.50
2		Taxes on vehicles	286	901	76.86
3	Revenue and Forest	Land revenue	709	1,376	1,116.79
4		Entertainments duty	286	525	22.50
5		Stamps and registration fees	1,240	2,670	887.57
6		Forest receipts (Non-Tax)	7	13	0.00
7	Finance	Taxes on sales, trade <i>etc.</i>	1,190	3,336	125.74
8		Taxes on profession, <i>etc.</i>	87	105	2.21
9	Industries, Energy and Labour	Taxes and duties on electricity	36	69	129.84
10	Urban Development	Education cess and employment guarantee cess	144	209	1,223.50
11		Maharashtra tax on buildings (with larger residential premises)	93	130	7.57
12	Housing	Repair cess	21	31	11.14
13	Water Resources	User charges (Non-Tax)	34	38	0.00
14	Public Works	Non-tax receipts	3	5	0.00
Total			4,214	9,557	3,616.22

The first replies in respect of each IR though required to be received from the Head(s) of Office(s) concerned within one month from the date of issue of the IRs, were not received for 267 IRs issued up to 31 December 2018. 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 Head(s) of Office(s) concerned 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.

4.5.2 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 2018-19 and the paragraphs settled are mentioned in **Table 4.5.2**.

Table 4.5.2

(₹ in crore)

Sl. 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	303	53	0.89
2	Revenue and Forests	Entertainments duty	1	230	184	2.27
3	Finance	Taxes on sales, trades, etc.	4	479	342	60.48
Total			6	1,012	579	63.64

Thus, it would be seen from the above that 579 paragraphs involving ₹ 63.64 crore were got settled in the Departmental Audit Committee Meetings. The Government may advise the departments concerned to increase the frequency of conducting these meetings so that more paragraphs can be discussed in the meetings and taken to their logical end.

4.5.3 Response of 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 departments concerned, 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 departments/Government concerned is indicated at the end of each paragraph included in the audit report.

Fifty one draft paragraphs (clubbed into 14 paragraphs), one follow- up audit and one performance audit were sent to the respective departments/Government between May 2019 and April 2020. The departments/Government did not send replies to these draft paragraphs and therefore, these were included without their response.

4.5.4 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 46 paragraphs included in audit reports from 1996-97 onwards have not been received till 31 December 2019 as shown below in **Table 4.5.4 (A)**.

Table 4.5.4 (A)

Department	Audit Report Paragraphs					Total
	1996-97 to 2012-13	2013-14	2014-15	2015-16	2016-17	
Revenue and Forest	8	1	---	9	10	28
Home	2	1	---	2	7	12
Urban Development	2	1	1	---	---	4
Industry, Energy and Labour	2	---	---	---	---	2
Total	14	3	1	11	17	46

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 399 recommendations included in 26 reports of the PAC from the year 1994-95 onwards have not been received from the departments concerned till 31 December 2019 as given in **Table 4.5.4 (B)**.

Table 4.5.4 (B)

Sl. No.	PAC Report Number	Audit Reports discussed	Number of recommendations for which ATNs are awaited
1	2	3	4
1	27 th Report of 1994-95	1986-87	3
2	9 th Report of 1996-97	1989-90, 1990-91, 1991-92	9
3	12 th Report of 1996-97	1990-91	2
4	13 th Report of 1996-97	1989-90, 1990-91	7
5	14 th Report of 1996-97	1989-90	1
6	21 st Report of 1997-98	1992-93	1
7	5 th Report of 2000-01	1995-96	2
8	12 th Report of 2002-03	1996-97	1
9	5 th Report of 2006-07	1997-98	12
10	6 th Report of 2007-08	1998-99	20
11	12 th Report of 2008-09	2000-01, 2002-03	22
12	5 th Report of 2010-11	2003-04	23
13	6 th Report of 2010-11	2004-05	24
14	7 th Report of 2010-11	2005-06	34
15	15 th Report of 2012-13	2006-07	15
16	16 th Report of 2012-13	2007-08	15
17	2 nd Report of 2015-16	2008-09	1
18	9 th Report of 2015-16	2010-11	5
19	15 th Report of 2015-16	2013-14	12
20	16 th Report of 2015-16	2010-11	14
21	26 th Report of 2015-16	Stand alone report on "Government land given on lease"	19
22	33 rd Report of 2017-18	2011-12	17
23	37 th Report of 2017-18	2012-13	36

Sl. No.	PAC Report Number	Audit Reports discussed	Number of recommendations for which ATNs are awaited
1	2	3	4
24	53 rd Report of 2017-18	2014-15	46
25	54 th Report of 2017-18	2014-15	37
26	56 th Report of 2017-18	2015-16	21
Total			399

The department-wise and audit report-wise breakup of the 399 awaited ATNs is given in **Table 4.5.4 (C)**.

Table 4.5.4 (C)

Name of Department	Year of Audit Report (ATNs not received)						Total ATNs not received
	Up to 2011-12	2012-13	GLL ⁸	2013-14	2014-15	2015-16	
1	2	3	4	5	6	7	8
Revenue and Forests	76	18	18	7	83	13	215
Home	37	18	---	---	---	2	57
Finance	48	---	---	5	---	---	53
Water Resources	16	---	---	---	---	---	16
Industries, Energy and Labour	13	---	---	---	---	---	13
Co-operation, Marketing and Textiles	8	---	---	---	---	5	13
Urban Development	8	---	1	---	---	1	10
Public Health	8	---	---	---	---	---	8
Medical Education and Drugs	6	---	---	---	---	---	6
Public Works	4	---	---	---	---	---	4
Housing	4	---	---	---	---	---	4
Total	228	36	19	12	83	21	399

4.6 Analysis of the mechanism for dealing with the issues raised by Audit in the Home 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 4.6.1 to 4.6.2** discuss the performance of the Home department under revenue head- “Taxes on vehicles” in respect of cases detected in the course of local audit during the years from 2009-10 to 2018-19 as well as those included in the audit reports during the last 10 years, *i.e.* 2008-09 to 2017-18.

4.6.1 Position of inspection reports

The summarised position of inspection reports (IRs) issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2019 is shown in **Table 4.6.1**.

⁸ Stand alone report on “Government land given on lease”

Table 4.6.1

(₹ 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
2009-10	188	595	21.84	50	324	4.93	36	184	3.80	202	735	22.97
2010-11	202	735	22.97	47	312	12.16	22	84	2.05	227	963	33.08
2011-12	227	963	33.08	52	345	42.34	5	96	2.90	274	1,212	72.52
2012-13	274	1,212	72.52	49	352	45.08	24	324	26.44	299	1,240	91.16
2013-14	299	1,240	91.16	44	310	45.16	19	121	9.94	324	1,429	126.38
2014-15	324	1,429	126.38	49	339	59.25	6	152	37.91	367	1,616	147.72
2015-16	367	1,616	147.72	26	160	4.13	20	239	25.97	373	1,537	125.88
2016-17	373	1,537	125.88	54	360	12.76	77	678	24.12	350	1,219	114.52
2017-18	350	1,219	114.52	32	215	3.07	56	336	14.09	326	1,098	103.50
2018-19	326	1,098	103.50	28	189	2.98	39	203	14.40	315	1,084	92.08

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 offices concerned and also through field parties which visit these offices for audit in the subsequent years. Regular meetings apart from ACMs 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 amounts pending settlement during the last 10 years has shown an increasing trend with an amount of ₹ 92.08 crore pending settlement in 1,084 paragraphs contained in 315 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.

4.6.2 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 is mentioned in Table 4.6.2.

Table 4.6.2

(₹ 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 31/03/2019
2008-09	2	1.47	2	1.38	0.39
2009-10	1	4.50	1	3.96	0.40
2010-11	3	3.57	2	1.54	0.72
2011-12	4	0.92	3	0.92	0.63
2012-13	5	2.72	4	2.55	0.92
2013-14	1	0.10	1	0.10	0.10
2014-15	2	8.85	1	0.99	0.24
2015-16	2	7.62	1	0.17	0.00
2016-17	3	1.04	3	1.04	0.20
2017-18	2	81.96	1	0.96	0.33
Total	25	112.75	19	13.61	3.93

The above table indicates that the recovery was only 29 per cent of the total accepted cases during the last ten years. The Government may instruct the department concerned to make more efforts for recovery of the amounts at least in those cases which have been accepted by the department.

4.7 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 2,128 auditable units, 578 units were planned for audit during 2018-19 and against which 493 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.

4.8 Results of Audit

Position of local audit conducted during the year

Test check of the records of 493 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 2018-19 revealed under assessments/short levy/loss of revenue aggregating to ₹ 409.04 crore in 2,092 observations. During the course of the year, the departments concerned accepted under assessment and other deficiencies of ₹ 56.93 crore involved in 1,082 observations which were pointed out in audit during 2018-19 and earlier years. The departments recovered ₹ 56.65 crore in 1,096 observations during 2018-19, pertaining to audit findings of 2018-19 and of previous years. In addition to this, departments also intimated recovery of ₹ 12.77 crore by way of explanatory memoranda in respect of 23 paragraphs of earlier audit reports.