Chapter 1

General

CHAPTER-I: GENERAL

1.1 Trend of revenue receipts

1.1.1 A snapshot of tax and non-tax revenue raised by the Government of Haryana, State's share of net proceeds of divisible Union taxes and duties assigned to States and Grants-in-aid received from Government of India (GoI) during the year 2023-24 and the corresponding figures for the preceding four years are depicted in **Table 1.1**.

Table 1.1: Trend of revenue receipts

(₹ in crore)

Sr. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24[1]
1.	**Revenue raised by the State Government**					
	Tax revenue	42,824.95	41,913.80	53,377.16	62,960.80	72,511.12
	Non-tax revenue	7,399.74	6,961.49	7,394.13	8,742.63	8,103.00
	Total	**50,224.69**	**48,875.29**	**60,771.29**	**71,703.43**	**80,614.12**
2.	**Receipts from Government of India**					
	Share of net proceeds of divisible Union taxes and duties	7,111.53	6,437.59	9,722.16	10,378.00	12,345.35[2]
	Grants-in-aid	10,521.91	12,248.13	7,598.24	7,113.26	8,355.37[3]
	Total	**17,633.44**	**18,685.72**	**17,320.40**	**17,491.26**	**20,700.72**
3.	**Total revenue receipts of the State Government (1 and 2)**	**67,858.13**	**67,561.01**	**78,091.69**	**89,194.69**	**1,01,314.84**
4.	**Percentage of 1 to 3**	**74.01**	**72.34**	**77.82**	**80.39**	**79.57**

Source: Finance Accounts of the respective years.

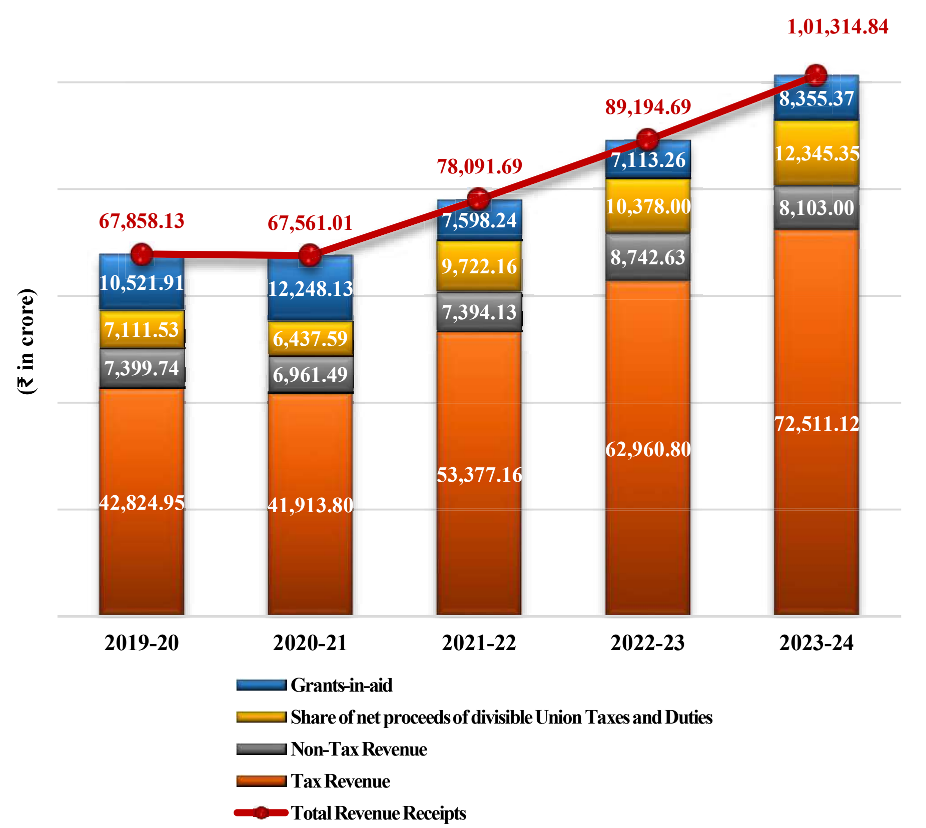
[1] Finance Accounts of the State Government.

2 This includes amount of ₹ 3,746.67 crore received from Government of India as share of Central Goods and Services Tax.

3 This includes amount of ₹ 3,613.48 crore as other transfer/Grants to States from GoI including compensation for loss of revenue arising out of implementation of GST (₹ 3,504.88 crore).

The trend of revenue receipts during the period 2019-20 to 2023-24 is depicted in **Chart 1.1**.

Chart 1.1: Total of Revenue Receipts



Source: Finance Accounts of the respective years.

The revenue receipts of the State increased by 49.30 *per cent* during the period 2019-20 to 2023-24. State's own tax revenue increased by 69.32 *per cent*, the grants-in-aid from GoI decreased by 20.59 *per cent* and the share of net proceeds of divisible Union taxes and duties increased by 73.60 *per cent* during the same period. During the year 2023-24, the revenue raised by the State Government (₹ 80,614.12 crore) was 79.57 *per cent* of the total revenue receipts. The balance 20.43 *per cent* of the receipts during the year 2023-24 was from the GoI as State's share of net proceeds of divisible Union taxes and duties and of grants-in-aid.

The percentage of revenue receipts of the State Government from its own resources to total revenue receipts was ranging between 72.34 *per cent* and 80.39 *per cent* during 2019-20 to 2023-24.

1.1.2 The details of tax revenue raised during the period 2019-20 to 2023-24 are given in **Table 1.2**.

Table 1.2: Details of Tax Revenue raised

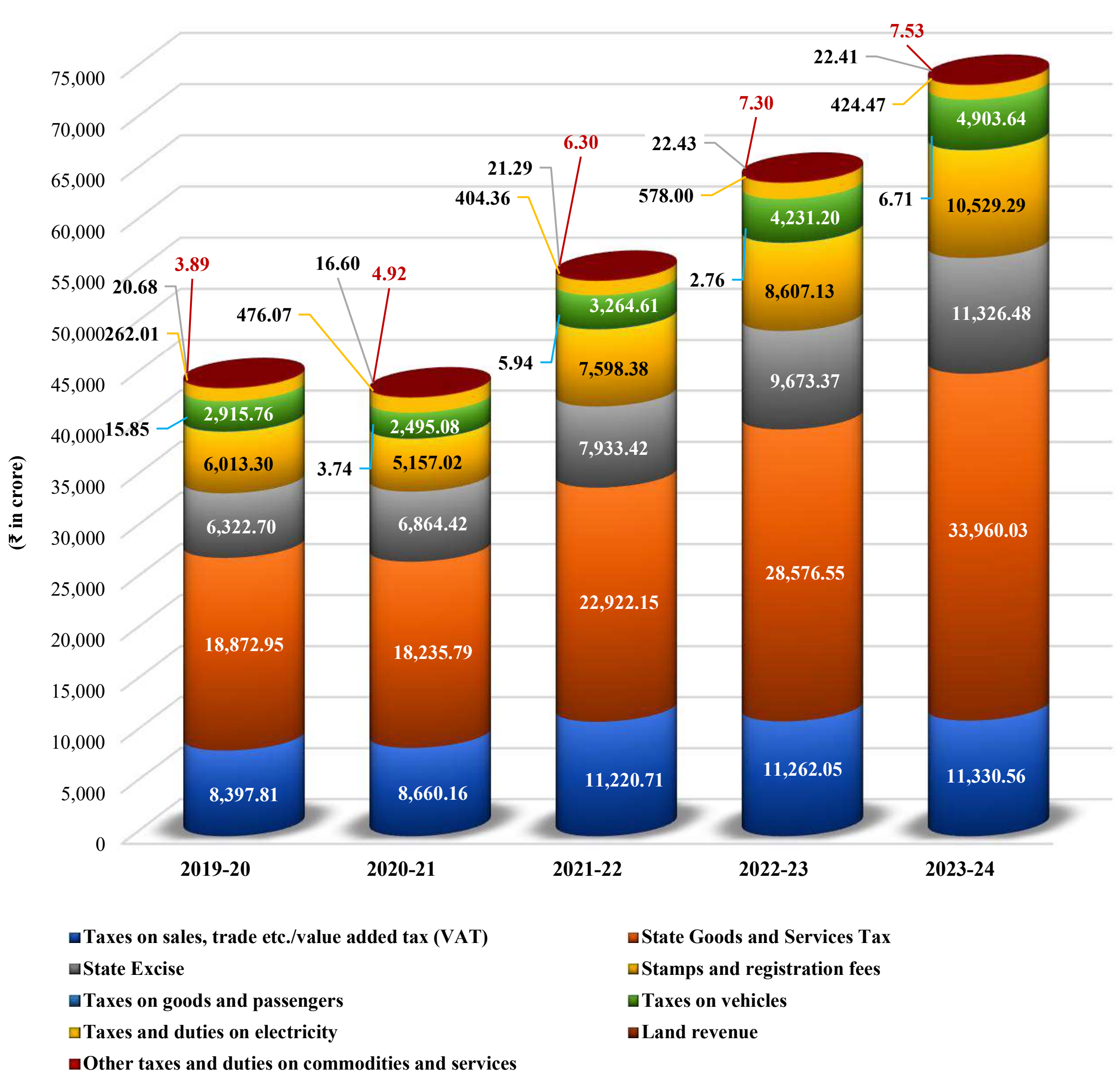
(₹ in crore)

Sr. No	Head of revenue	2019-20	2020-21	2021-22	2022-23	2023-24	Percentage of increase (+) or decrease (-) of actuals of 2023-24 over actuals of 2022-23
		Actual (percentage to total receipts)					
1.	Taxes on sales, trade, etc./ Value added tax (VAT)	8,397.81 (19.61)	8,660.16 (20.66)	11,220.71 (21.02)	11,262.05 (17.89)	11,330.56 (15.63)	0.61
2.	State Goods and Services Tax (SGST)	18,872.95 (44.07)	18,235.79 (43.50)	22,922.15 (42.94)	28,576.56 (45.39)	33,960.03 (46.83)	18.84
3.	State Excise	6,322.70 (14.76)	6,864.42 (16.38)	7,933.42 (14.86)	9,673.37 (15.36)	11,326.48 (15.62)	17.09
4.	Stamps and registration fees	6,013.30 (14.04)	5,157.02 (12.30)	7,598.38 (14.24)	8,607.13 (13.67)	10,529.29 (14.52)	22.33
5.	Taxes on goods and passengers	15.85 (0.04)	3.74 (0.01)	5.94 (0.01)	2.76 (0.00)	6.71 (0.01)	143.12
6.	Taxes on vehicles	2,915.76 (6.81)	2,495.08 (5.95)	3,264.61 (6.12)	4,231.20 (6.72)	4,903.64 (6.76)	15.89
7.	Taxes and duties on electricity	262.01 (0.61)	476.07 (1.14)	404.36 (0.76)	578.00 (0.92)	424.47 (0.59)	(-) 26.56
8.	Land revenue	20.68 (0.05)	16.60 (0.04)	21.29 (0.04)	22.43 (0.04)	22.41 (0.03)	(-) 0.09
9.	Other taxes and duties on commodities and services	3.89 (0.01)	4.92 (0.02)	6.30 (0.01)	7.30 (0.01)	7.53 (0.01)	3.15
	Total	**42,824.95**	**41,913.80**	**53,377.16**	**62,960.80**	**72,511.12**	**15.17**
	***Per cent* increase/decrease over previous year**	**0.57**	**(-) 2.13**	**27.35**	**17.95**	**15.17**	

Source: Finance Accounts of the respective years.

The year-wise trend of various tax revenues is depicted in **Chart 1.2**.

Chart 1.2: Details of Tax Revenue raised



Source: Finance Accounts of the respective years

Tax revenue increased by ₹ 29,686.17 crore (69.32 *per cent*) during the years 2019-20 to 2023-24 with an average growth rate of 11.78 *per cent* for the period.

The respective Departments attributed the following reasons for the variations:

- **Taxes on sales, trade, etc./Value Added Tax (VAT)**: Taxes on sales, trade, etc./Value Added Tax (VAT) increased to ₹ 11,330.56 crore in 2023-24 against ₹ 11,262.05 crore in 2022-23 due to nominal increase in recovery of arrears (old as well as current), collection of VAT on Petrol & Diesel and increase of CST on liquor.

- **State Goods and Services Tax:** Receipt of State Goods and Services Tax increased to ₹ 33,960.03 crore in 2023-24 against ₹ 28,576.56 crore in 2022-23 due to significant growth in taxpayer base (from 4.85 lakh to 5.11 lakh registered) in 2023-24 thereby affecting a notable rise in SGST collections.

- **State Excise:** Receipt of State Excise increased to ₹ 11,326.48 crore in 2023-24 against ₹ 9,673.37 crore in 2022-23 due to increase in the license fee.

- **Stamps and Registration Fees:** Receipt of Stamps and Registration Fee increased to ₹ 10,529.29 crore in 2023-24 against ₹ 8,607.13 crore in 2022-23 due to more registration of documents (7,40,810 in 2022-23 to 7,44,856 in 2023-24) of immovable property.

- **Taxes on vehicles**: Receipt of Taxes on vehicles increased to ₹ 4,903.64 crore in 2023-24 against ₹ 4,231.20 crore in 2022-23 due to increase in registration of new vehicles.

- **Taxes and duties on Electricity:** Receipt of Taxes and duties on electricity has decreased to ₹ 424.47 crore in 2023-24 against ₹ 578.00 crore in 2022-23 due to less realisation of Electricity duty from the consumers.

1.1.3 The details of non-tax revenue raised during 2019-20 to 2023-24 are indicated in **Table 1.3**.

Table 1.3: Details of Non-Tax Revenue raised

(₹ in crore)

Sr. No.	Head of revenue	2019-20	2020-21	2021-22	2022-23	2023-24	Percentage of increase (+) or decrease (-) of actuals of 2023-24 over actuals of 2022-23
		Actual (percentage to total receipts)					
1.	Interest Receipts	1,974.86 (26.69)	1,561.74 (22.43)	1,378.23 (18.64)	1,464.09 (16.75)	1,645.20 (20.30)	12.37
2.	Road Transport	1,114.51 (15.06)	585.38 (8.41)	1,077.44 (14.57)	1,333.43 (15.25)	1,368.50 (16.89)	2.63
3.	Education, Sports, Art and Culture	457.94 (6.19)	595.47 (8.55)	220.11 (2.98)	677.73 (7.75)	366.52 (4.52)	(-) 45.92
4.	Urban Development	1,855.51 (25.08)	1,953.92 (28.06)	1,240.74 (16.78)	1,284.24 (14.69)	1,559.63 (19.25)	21.44
5.	Non-ferrous mining and metallurgical industries	702.25 (9.49)	1,020.95 (14.67)	837.77 (11.33)	834.41 (9.54)	810.77 (10.01)	(-) 2.83
6.	Major and medium irrigation	171.74 (2.32)	209.67 (3.01)	232.10 (3.14)	360.11 (4.12)	618.33 (7.63)	71.71
7.	Police	179.84 (2.43)	53.51 (0.77)	87.39 (1.18)	90.25 (1.03)	159.05 (1.96)	76.23
8.	Other administrative services	107.89 (1.46)	65.62 (0.94)	87.83 (1.19)	155.02 (1.77)	167.69 (2.07)	8.17
9.	Forestry and wildlife	23.07 (0.31)	19.97 (0.29)	16.73 (0.23)	21.27 (0.24)	23.03 (0.28)	8.27
10.	Miscellaneous General Services[4]	62.96 (0.85)	131.69 (1.89)	283.99 (3.84)	102.75 (1.18)	189.05 (2.33)	83.99
11.	Medical and public health	171.89 (2.32)	197.19 (2.83)	221.87 (3.00)	472.53 (5.40)	301.21 (3.72)	(-) 36.26
12.	Other non-tax receipts	577.28 (7.80)	566.38 (8.14)	1,709.93 (23.13)	1,946.80 (22.27)	894.02[5] (11.04)	(-) 54.08
Total		**7,399.74**	**6,961.49**	**7,394.13**	**8,742.63**	**8,103.00**	**(-)7.32**

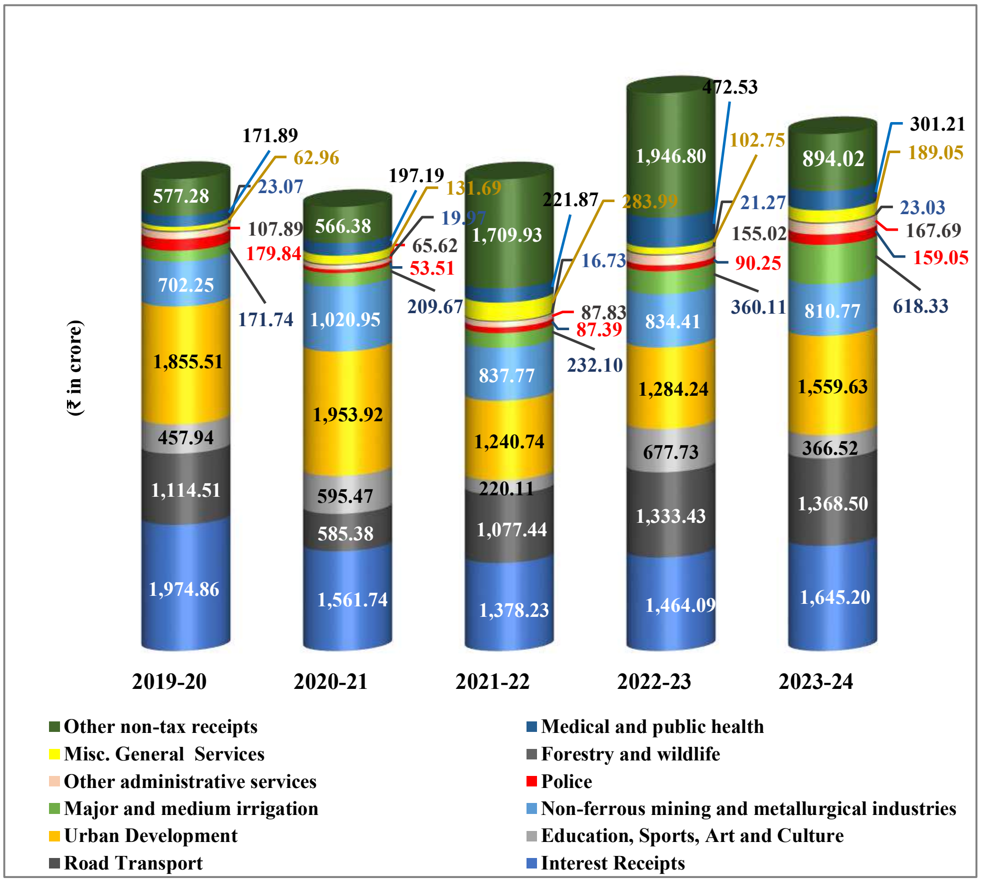
Source: Finance Accounts of the respective years

[4] Unclaimed deposits, State Lotteries, Sales of land and property and Guarantee Fee.

[5] Dividend and Profit ₹ 289.79 crore, Public services commission ₹ 20.15 crore, Jail ₹ 4.06 crore, supplies and disposal ₹ 0.43crore, Stationery and printing ₹ 0.55 crore, Public work ₹ 56.67 crore, Contribution and Recoveries towards Pension ₹ 68.16 crore, Family Welfare ₹ 0.02 crore, Water supply and sanitation ₹ 48.69 crore, Housing ₹ 10.02 crore, Information and publication ₹ 0.29 crore, Labour and Employment ₹ 43.87 crore, Social Security and Welfare ₹ 162.36 crore, Other Social Services ₹ 0.30 crore, Crop Husbandry ₹ 43.04 crore, Animal husbandry ₹ 2.33 crore, Dairy Development ₹ 0.01 crore, Fisheries ₹ 3.45 crore, Food Storage and Warehousing ₹ 0.23 crore, Cooperation ₹ 8.65 crore, Other Agriculture Programs ₹ 1.73 crore, Other Rural Development Programs ₹ 2.96 crore, Villages and Small Industries ₹ 4.22 crore, Industries ₹ 0.18 crore, Civil Aviation ₹ 1.63 crore, Road and Bridge ₹ 65.01 crore, Other scientific Research ₹ 0.01 crore, Tourism ₹ 0.96 crore, Other General Economic Services ₹ 54.25 crore.

Chart 1.3: Details of Non-Tax Revenue raised

(₹ in crore)



Source: Finance Accounts of the respective years

Non-tax revenue constituted eight *per cent* of the revenue receipts during 2023-24 registering decrease of ₹ 639.63 crore (7.32 *per cent*) over the previous year mainly due to decrease in receipts of Education, Sports, Art and Culture, Medical and Public health (41.94 *per cent*). There has been increase of non-tax receipt under Police (76.23 *per cent*), Urban Development (21.44 *per cent*), Interest receipts (12.37 *per cent*), Major and Medium Irrigation (71.71 *per cent*) over the previous year. Interest receipt, Receipts under Urban Development, Road Transport are major contributors to the non-tax revenue and constitute 56.43 *per cent* of the non-tax revenue.

The concerned departments attributed the following reasons for variations:

- **Urban Development**: The increase (21.44 *per cent*) in actual receipts in 2023-24 over 2022-23 was due to more CLU/license cases received during this period.

- **Major and Medium irrigation:** The increase (71.71 *per cent*) in actual receipts in 2023-24 over 2022-23 was due to recovery of arrears of previous year and of outstanding amount of Public Health Engineering Department.

- **Police:** The increase (76.23 *per cent*) in actual receipts in 2023-24 over 2022-23 was due to providing police services to other State Governments.

- **Medical and Public health:** The decrease (36.26 *per cent*) in actual receipts in 2023-24 over 2022-23 was due to less receipts of number of applications for issue and renewal of licenses.

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2024 in some principal heads of revenue amounted to ₹ 34,548.64 crore, of which ₹ 14,231.35 crore was outstanding for more than five years as depicted in **Table 1.4**.

Table 1.4: Arrears of Revenue

(₹ in crore)

Sr. No.	Heads of revenue	Amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024	Replies of Department
1	Taxes on sales, trade/VAT etc.	30,437.24	12,581.07	Recovery of ₹ 1,033.19 crore was stayed by the Hon'ble High Court and other judicial authorities and ₹ 65.14 crore was stayed by Government. Recovery of ₹ 38.38 crore was due to the dealers becoming insolvent, and ₹ 1,429.93 crore due to rectification/ review /application. Recoveries of ₹ 112.02 crore was likely to be written off. Recovery of arrears of ₹ 3,580.87 crore was pending on account of cases pending in court, ₹ 1,734.07 crore was pending on account of non-recovery by the department due to other reasons, recovery of ₹ 18,904.51 crore was under different stages[6] of action. Inter State arrears were ₹ 390.17 crore and Inter districts arrears were ₹ 112.95 crore. Recovery of ₹ 0.10 crore was being made in instalments. Balance amount of ₹ 3,035.91 crore was pending as cases pending with official liquidator/Board of Industrial and Financial Reconstruction (BIFR).

[6] Information as provided by the Department.

Sr. No.	Heads of revenue	Amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024	Replies of Department
2	State Excise	663.85	267.19	Recovery of ₹ 30.10 crore was stayed by the Hon'ble High Court and other judicial authorities and recoveries of ₹ 0.67 crore was likely to be written off. Recovery of arrears of ₹ 46.98 crore was pending due to court cases, ₹ 70.92 crore was pending on account of non-recovery by the department due to other reasons, recovery of ₹ 369.96 crore was at different stages of action. Inter State arrears were ₹ 36.95 crore and Inter districts arrears were ₹ 108.27 crore.
3	Taxes and duties on electricity	446.93	181.00	Amount of ₹ 446.93 crore was pending due to Inter State arrears.
4	Tax on entry of goods into local areas (Local Area Development Tax)	203.38	203.24	Recovery of ₹ 177.93 crore was stayed by Hon'ble High Court and other judicial authorities, ₹ 0.05 crore are pending on account of cases pending with official liquidator/Board of Industrial and Financial Reconstruction (BIFR), ₹ 0.05 crore was pending on account of cases pending in court, ₹ 4.98 crore was pending on account of non- recovery by the department due to other reasons and ₹ 20.37 crore was outstanding at different stages of action.
5	Police	140.88	40.89	Amount of ₹ 7.37 crore was due from Indian Oil Corporation Limited (IOCL). The matter of recovery from IOCL in Haryana State was pending at the level of State Government. ₹ 0.30 crore was recoverable from Bhakra Beas Management Board, Faridabad and ₹ 33.22 crore was recoverable from other States for law and orders and election duties.

Sr. No.	Heads of revenue	Amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024	Replies of Department
6	Other taxes and duties on commodities and services – Receipts from Entertainment duty	11.11	11.11	Recovery of ₹ 8.52 crore was stayed by Hon'ble High Court and other judicial authorities, recoveries of ₹ 0.01 crore was likely to be written off and ₹ 0.21 crore was pending on account of pending court cases and amount of ₹ 0.04 crore was outstanding at different stages of action. An amount of ₹ 2.33 crore was pending with official liquidator/BIFR.
7	Non-ferrous mining and metallurgical industries	2,645.25	946.85	₹ 513.79 crore was outstanding on account of demand covered by recovery certificate[7], ₹ 516.17 crore was stayed by Hon'ble High Court and judicial authorities, ₹ 0.26 crore was likely to be written off and ₹ 3.03 crore was pending on account of cases pending in Hon'ble Court, ₹ 1,372.51 crore was pending on account of non-recovery by the department due to other reasons. Inter State arrears were ₹ 0.49 crore and inter district arrears were ₹ 220.91 crore. Balance amount of ₹ 18.09 crore was outstanding at other stages of action.
	Total	**34,548.64**	**14,231.35**	

Source: Departmental Figures.

From the above **Table 1.4**, it can be seen that 88.19 *per cent* of the arrears of revenue exceeding five years were related to Taxes on sales, trade/VAT etc. District wise arrears of revenue exceeding five years in Gurugram (West), Panipat, Gurugram (East) and Gurugram (North) districts were 8.43 *per cent,* 12.44 *per cent,* 14.71 *per cent* and 16.06 *per cent* respectively. The Departments/Government need to initiate sincere efforts to recover the outstanding arrears of revenue.

1.3 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending

[7] Any rent, royalty, tax, fee or other sum due to the Government under this Act or the rules made thereunder or under the terms and conditions of any reconnaissance permit, prospecting license or mining lease may, on a certificate of such officer as may be specified by the State Government in this behalf by general or special order, be recovered in the same manner as an arrear of land revenue.

for finalisation at the end of the year as furnished by the Excise and Taxation Department in respect of Sales Tax/VAT are as depicted in **Table 1.5**.

Table 1.5: Arrears in assessments

Head of revenue	Year	Opening balance	New cases due for assessment during the year	Total assessments due	Cases disposed of during the year	Balances at the end of the year	Percentage of disposal (col. 6 to 5)
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Taxes on Sales, Trade, etc /VAT	2019-20	2,96,685	31,594	3,28,279	2,92,709	35,570	89
	2020-21	35,570	3,606	39,176	34,140	5,036	87
	2021-22	5,036	4,240	9,276	3,096	6,180	33
	2022-23	6,180	4,473	10,653	3,576	7,077	34
	2023-24	7,077	3,884	10,961	3,588	7,373	33

Source: Information provided by State Excise and Taxation Department

The number of cases pending at the end of the year 2023-24 decreased to 7,373 against 35,570 in the year 2019-20. It is further observed that percentage of disposal of cases decreased to 33 in the year 2023-24 as against 89 in 2019-20. **District wise percentage of disposal and pendency of cases are given in Annexures I to V.**

1.4 Evasion of tax detected by the Department

As per provisions of Sections 29 to 31 of the HVAT Act, 2003, the Department is required to inspect business premises to detect tax evasion. Further, the Department conducts survey in business premises to identify the new taxpayers. Besides this, roadside checking is also a tool to detect tax evasion for goods in transit.

The details of cases of evasion of tax detected by the Excise and Taxation Department, cases finalised and the demands for additional tax raised as reported by the Department are given in **Table 1.6**.

Table 1.6: Evasion of Tax

Sr. No.	Head of revenue	Cases pending as on 31 March 2023	Cases detected during 2023-24	Total	Number of cases in which assessment/investigation completed and additional demand with penalty etc. raised		Number of cases pending for finalisation as on 31 March 2024
					Number of cases	Amount of demand (₹ in crore)	
1	Taxes on sales, trade etc./VAT	1	0	1	1	0.003	0
2	State Excise	37	141	178	143	6.24	35
Total		**38**	**141**	**179**	**144**	**6.24**	**35**

Source: Information provided by Excise and Taxation Department.

As on 31 March 2024, 35 cases are pending for assessment/investigation, 144 cases have been disposed of and demand of ₹ 6.24 crore has been raised in these cases by the Department.

1.5 Refund cases

The number of refund cases pending at the beginning of the year 2023-24, claims received during the year, refunds allowed/rejected during the year and the cases pending at the close of the year 2023-24 are mentioned in **Table 1.7**.

Table 1.7: Details of Refund Cases

Sr. No.	Particulars	Sale Tax/VAT		State Excise	
		Number of cases	Amount (₹ in crore)	Number of cases	Amount (₹ in crore)
1	Claims outstanding at the beginning of the year	217	187.08	37	3.42
2	Claims received during the year	211	64.82	79	13.54
3	Refunds made/ adjusted/rejected during the year	333	88.09	83	14.67
4	Balance outstanding at the end of year	95	163.81	33	2.29

Source: Information provided by State Excise and Taxation Department.

The number of outstanding cases at the end of year has decreased in respect of Sales Tax/VAT and State Excise as compared to cases outstanding at the beginning of the year. Information regarding the GST refund cases has not been received from the Department as on February 2026.

1.6 Internal Audit

During the year 2023-24, out of 165 units planned for audit, Internal Audit Cell of Revenue and Disaster Management, Excise and Taxation (State Excise) audited 161 units as detailed in **Table 1.8.**

Table 1.8: Internal Audit

Receipts	Number of units Planned	Number of units audited
Stamp Duty	143	143
State Excise	22	18
Total	**165**	**161**

No internal audit was planned/conducted by the Excise and Taxation Department (Sales Tax/VAT) and reason for the same was not provided by the Department. In case of Taxes on Motor Vehicles, internal audit was not planned/conducted which was statedly due to shortage of staff. Notably, the irregularities discussed in Chapters 2 to 4 are indicators of inadequate internal control mechanism.

1.7 Response of the Government/Departments towards audit

The Principal Accountant General (Audit) Haryana conducts periodical inspection of Government departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with inspection reports (IRs), which are issued to the heads of the offices concerned for taking prompt corrective action. The heads of offices/Government are required to comply with the observations contained in the IRs within four weeks from the date of receipt of the IRs. Serious irregularities are reported to the heads of the Department and the Government in the form of a Management Letter.

Inspection reports issued up to June 2024 revealed that 11,807 paragraphs relating to 3,265 IRs remained outstanding at the end of June 2024 as mentioned in the **Table 1.9** along with the corresponding figures for the preceding two years.

Table 1.9: Details of pending Inspection Reports

	June 2022	June 2023	June 2024
Number of IRs pending for settlement	3,053	3,140	3,265
Number of outstanding audit observations	9,950	10,384	11,807

1.7.1 Department wise outstanding Inspection Reports

The Department wise details of the IRs and audit observations outstanding as on June 2024 are mentioned in **Table 1.10** below:

Table 1.10: Department wise details of Inspection Reports

Sr. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations
1	**Excise and Taxation**	Sales tax /VAT	452	4,692
		State Excise	269	653
		Taxes on goods and passengers	247	433
		Entertainment duty and show tax	49	65
2	**Revenue**	Stamps and registration fees	1,487	4,513
		Land Revenue	173	311
3	**Transport**	Taxes on vehicles	469	910
4	**Power**	Taxes and duties on electricity	12	27
5	**Mines and Geology**	Non-ferrous mining and metallurgical industries	107	203
Total			**3,265**	**11,807**

The increase in the pendency of IRs indicate that the heads of offices/ Departments have not taken adequate action to address the observations as pointed out by the Audit. The Government needs to institute an effective oversight mechanism to hold Departments accountable and ensure timely response to audit observations.

1.7.2 Departmental Audit Committee Meetings

The Government has set up audit committees to monitor and expedite the progress of settlement of IRs and paragraphs in the IRs. The details of the audit committee meetings held during the year 2023-24 and the paragraphs settled are mentioned in **Table 1.11**.

Table 1.11: Departmental Audit Committee Meetings

Sr. No.	Head of revenue	Number of meetings held	Number of paragraphs settled	Amount involved (₹ in crore)
1	RTA/RLA, Transport Department	6	33	0.63

1.7.3 Non production of records to audit for scrutiny

During the year 2023-24, 145 files and other relevant records were not provided to the audit. District wise details of cases are depicted in **Table 1.12**.

Table 1.12: Details of non-production of records

Name of the office/department Deputy Excise and Taxation Commissioners (ST) and Transport Commissioner Haryana Chandigarh	Year in which it was to be audited	Number of cases not produced
Assessment cases		
Gurugram (North)	2023-24	130
Transport Commissioner Haryana	2023-24	5
RTA Panchkula	2023-24	10
Total		**145**

Data compiled by office.

1.7.4 Response of the Government to the draft audit paragraphs

Draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Principal Accountant General (Audit) to the concerned Principal Secretary/Additional Chief Secretaries. The Departments are required to send their response within six weeks.

In all, 26 draft paragraphs (including one Subject Specific Compliance Audit) were sent to the administrative Additional Chief Secretaries of the concerned Departments between January and December 2025. No reply has been received in these cases from the Government. However, replies received from the concerned Department have been appropriately included in the relevant places in the Report.

1.7.5 Follow up on the Audit Reports-summarised position

According to the instructions issued by the Finance Department in October 1995 and reiterated in July 2001, it had been laid down that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the departments shall initiate action on the audit paragraphs and the action taken notes (ATNs) thereon should be submitted by the Government within three months of tabling of the Report, for consideration of the Public Accounts Committee.

The Report of the Comptroller and Auditor General of India on Compliance Audit Report II for the year ended March 2022 containing total 18 paragraphs including one Subject Specific Compliance Audit and one Information System Audit on "Integrated Financial Management System" in Finance Department was placed before the State Legislature Assembly on 10 March 2025 for which Action Taken Notes are awaited.

1,004 recommendations pertaining to the Audit Reports from 1979-80 to 2020-21 contained in 22nd to 90th Reports of PAC as detailed in Appendix 1.1 and 1.2 were pending for want of final corrective action by the concerned Departments.

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

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 for one Department has been evaluated and included in this Audit Report.

The succeeding paragraphs 1.8.1 to 1.8.2 discuss the performance of the Excise and Taxation Department under State Excise and cases detected during the course of local audit for the last 10 years included in the inspection Reports.

1.8.1 Position of Inspection Reports

The summarised position of the inspection reports issued to the Excise and Taxation Department (State Excise) during the last 10 years, paragraphs included in these reports and their status as on 31 March 2024 is brought out in Appendix 1.3.

The number of outstanding IRs increased from 116 in 2014-15 to 260 in 2023-24 and the number of paragraphs have increased from 201 in 2014-15 to 537 in 2023-24 as on 31 March 2024. During the period, six ACMs were held in respect of RTAs/RLAs of Transport Department and 33 paragraphs with a financial implication of ₹ 0.63 crore were settled.

1.8.2 Recovery in accepted cases

The position of paragraphs included in the Audit Reports of the last 10 years, those accepted by the Excise and Taxation Department (State Excise) and the amount recovered are mentioned in Appendix 1.4.

The progress of recovery even in accepted cases was low (26.20 *per cent*) during the last 10 years. The department may take appropriate action to pursue and monitor prompt recovery of the dues involved in accepted cases.

1.9 Audit Planning

The audit universe (Revenue Sector) comprises of 392 auditable units in the State, of which 161 units[8] were planned and audited during 2023-24. The units were selected based on risk analysis.

1.10 Results of audit

Position of local audits conducted during the year

Test check of the records of 143 (141 Revenue + 2 Expenditure) units pertaining to Sales Tax/Value Added Tax, Stamp Duty and Registration fee, Excise and Transport conducted during the year 2023-24 revealed under assessment/short levy of tax/loss of revenue aggregating to ₹ 998.85 crore in 7,144 cases. During the course of the year, the Departments concerned acknowledged under assessment and other deficiencies of ₹ 814.62 crore involved in 5,769 cases. The departments recovered ₹ 0.24 crore in 41 cases during the year 2023-24 of which 41 cases amounting to ₹ 0.20 crore pertain to earlier years.

1.11 Coverage of this Report

This Report contains 22 Draft Paragraphs (including one Subject Specific Compliance Audit) involving financial impact of ₹ 509.22 crore.

The Departments/Government have accepted audit observations involving ₹ 509.22 crore out of which ₹ 0.56 crore had been recovered. These are discussed in succeeding Chapters 2 to 4.

[8] 18 units related to Haryana Roadways.