

**CHAPTER I**  
**DEPARTMENT OF REVENUE -CUSTOMS REVENUE**

**1.1 Resources of the Union Government**

Government of India's resources include all revenues received by the Union Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans. Tax revenue resources of the Union Government consist of revenue receipts from direct and indirect taxes. **Table 1.1** below shows the summary of resources of the Union Government for the Financial Year (FY) 16 and FY 15.

**Table 1.1: Resources of the Union Government**

	2015-16	2014-15
	Cr.₹	
A. Total Revenue Receipts	19,42,200	16,66,717
<i>i. Direct Taxes Receipts</i>	7,42,012	6,95,792
<i>ii. Indirect Taxes Receipts including other taxes<sup>1</sup></i>	7,13,879	5,49,343
<i>iii. Non-Tax Receipts</i>	4,84,428	4,19,982
<i>iv. Grants-in-aid &amp; contributions</i>	1,881	1,600
B. Miscellaneous Capital Receipts <sup>2</sup>	42,132	37,740
C. Recovery of Loan & Advances <sup>3</sup>	41,878	26,547
D. Public Debt Receipts <sup>4</sup>	43,16,950	42,18,196
<b>Receipts of Government of India (A+B+C+D)</b>	<b>63,43,160</b>	<b>59,49,200</b>
Note: Total Revenue Receipts include ₹ 3,37,808 crore in FY 15 and ₹ 5,06,193 crore in FY 16, share of net proceeds of direct and indirect taxes directly assigned to states.		

Source: Union Finance Accounts of respective years

The total receipts of the Union Government increased to ₹ 63,43,160 crore in FY 16 from ₹ 59,49,200 crore in FY 15. In FY 16, its own receipts were ₹ 19,42,200 crore including Gross tax receipts of ₹ 14,55,891 crore, of which Indirect Taxes accounted for ₹ 7,13,879 crore.

**1.2 Trends of growth of Indirect Taxes**

The relative growth of indirect taxes during FY 12 to FY 16 is given in **Table 1.2** below. The percentage share of indirect taxes to GDP<sup>5</sup> was slightly above 4 per cent during last five years.

<sup>1</sup> Indirect taxes levied on goods and services such as customs duty, excise duty, service tax etc.;

<sup>2</sup> This comprises of value of bonus share, disinvestment of public sector and other undertakings and other receipts;

<sup>3</sup> Recovery of loans and advances made by the Union Government;

<sup>4</sup> Borrowing by the Government of India internally as well as externally;

<sup>5</sup> Source: Union Finance Accounts of respective years, GDP Figures of GDP provided by Central Statistical Organisation. in June 2016.

Table 1.2: Growth of Indirect Taxes

Cr. ₹

Year	Gross Indirect Taxes	GDP	Indirect Taxes as % of GDP	Gross Tax Revenue	Indirect Taxes as % of Gross Tax Revenue
FY 12	3,92,674	90,09,722	4.36	8,89,118	44
FY 13	4,74,728	1,01,13,281	4.69	10,36,460	46
FY 14	4,97,349	1,13,45,056	4.38	11,38,996	44
FY 15	5,46,214	1,25,41,208	4.36	12,45,135	44
FY 16	7,10,101	1,35,76,078	5.23	14,55,891	49

Source: Finance Accounts of respective years, Figures for FY 16 are provisional.

The share of Indirect Taxes in Gross Tax revenue increased in FY 16 as compared to FY 15.

### 1.3 Nature of Indirect Taxes

Indirect taxes are levied on the cost of the supply of goods/services and are, in this sense, transaction-specific rather than person-specific. The major indirect taxes/duties levied under Acts of Parliament are Customs duty, Central Excise duty and Service Tax. This report is devoted to Customs duty.

### 1.4 Organisation and Functions

The Department of Revenue (DoR) of MoF, functions under the overall direction and control of the Secretary (Revenue) and coordinates matters relating to all the Direct and Indirect Union Taxes through two statutory Boards namely, the Central Board of Excise and Customs (CBEC) and the Central Board of Direct Taxes (CBDT) constituted under the Central Board of Revenue Act, 1963. Matters relating to the levy and collection of Customs are looked after by the CBEC.

The overall sanctioned staff strength of the CBEC is 91,756<sup>6</sup>(as on 1 January 2016).

In addition, DoR is also responsible for the Indian Stamp Act 1899 (to the extent falling within the jurisdiction of the Union), the Central Sales Tax Act 1956, the Narcotic Drugs and Psychotropic Substances Act 1985 (NDPSA), the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 (SAFEMA), the Foreign Exchange Management Act, 1999 (FEMA) and the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA), the Prevention of Money Laundering Act, 2002 (PMLA) and the attached/ subordinate offices for intelligence, enforcement, ombudsman and quasi-judicial functions.

The Department of Commerce under Ministry of Commerce and Industry through Director General of Foreign Trade formulates, implements and

<sup>6</sup> Figures furnished by the Directorate General of HRD (Customs, Central Ex. & STax as on 1 January 2016.

monitors the Foreign Trade Policy (FTP) which provides the basic framework of policy and strategy to be followed for promoting exports and trade. The Trade Policy is periodically reviewed to incorporate changes necessary to take care of emerging economic scenarios both in the domestic and international economy. Besides, the Department is also entrusted with responsibilities relating to multilateral and bilateral commercial relations, Special Economic Zones, state trading, export promotion and trade facilitation, and development and regulation of certain export oriented industries and commodities.

### **1.5 Customs Tax base**

The customs revenue base comprises of the Importers and Exporters issued with Importer Exporter Code (IEC)<sup>7</sup> by the Director General of Foreign Trade (DGFT). As on March 2016<sup>8</sup> there are 724434 active IECs. For managing the foreign trades there are 363 Import ports (105 EDI, 53 Non-EDI, 6 Manual and 199 SEZ) and 347 Export ports (120 EDI, 70 Non-EDI, 12 Manual and 145 SEZ). During 2015-16, ₹ 17.16 lakh crore of exports (97,41,229 transactions) and ₹ 24.90 lakh crore worth of imports (80,15,856 transactions) took place. Thirty agreements<sup>9</sup> providing tariff concession were active during FY 16. Customs Receipts (₹ 2,10,338 crore) along with revenue forgone (₹ 3,40,420 crore) forms the basis of the tax audit.

### **1.6 India's export and import and Customs Receipts during FY 12 to FY 16**

In terms of value of exports, percentage growth of Indian exports declined from 28% to 17% during FY 12 to FY 14. In FY 15 the value of export earnings declined by ₹ 8,663 crore (0.45 percent) and further in FY 16 declined by ₹ 1,79,970 crore (9.49 percent) over FY 15.

In value terms imports also declined from 39% in FY 12 to less than 1% in FY 15. During FY 16 imports declined by 9 percent which was mainly due to fall in International crude prices.

---

<sup>7</sup> IEC is issued by DGFT, Delhi to every importer/Exporter.

<sup>8</sup>Source: DGFT, Udyog Bhawan, New Delhi.

<sup>9</sup><http://commerce.nic.in/trade/international>

Table 1.3: India's Import and Export

									Cr. ₹
Year	Imports	Growth %	Customs Receipts	Growth %	Custom Receipts to Imports %	Exports	Growth %	Trade Imbalance	Trade Imbalance as % of Imports
FY 12	2345463	39	149328	10	6.4	1465959	28	-879504	37
FY 13	2669162	14	165346	11	6.2	1634319	11	-1034843	38
FY 14	2715434	2	172033	4	6.3	1905011	17	-810423	30
FY 15	2737087	0.8	188016	9	6.9	1896348	(-)0.45	-840739	31
FY16*	2490298	(-)9.02	210338	12	8.4	1716378	(-)9.49	-773920	31

Source: EXIM data, Department of Commerce, \* FY 16 figures are provisional

Customs receipts to percentage of total imports were 8.4 percent in FY 16 as compared to 6.9 percent of FY 15.

Trade imbalance as percentage of imports came down from 38 percent in FY 13 to 31 percent in FY 16. However, decline in trade imbalance seems to be mainly due to reduction in international oil and crude prices, rather than due to reduction in quantity of imports or growth of exports, both of which have shown declining trend in the last two years.

### 1.7 Growth of Customs Receipts vis-a-vis GDP, Gross tax revenue and Indirect Taxes

The growth trends of customs revenue vis-a-vis GDP and Indirect Taxes during FY 12 to FY 16 are given in **Table 1.4**.

Table 1.4: Growth of Customs Receipts

								Cr. ₹
Year	Customs Receipts	GDP	Customs Revenue as % of GDP	Gross Tax Revenues	Customs Revenue as % of Gross tax	Gross Indirect Taxes	Customs as % of Indirect taxes	
FY 12	1,49,328	90,09,722	1.66	8,89,118	16.80	3,92,674	38.03	
FY 13	1,65,346	99,88,540	1.66	10,36,460	15.95	4,74,728	34.83	
FY 14	1,72,033	1,13,45,056	1.52	11,38,996	15.10	4,97,349	34.59	
FY 15	1,88,016	1,25,41,208	1.50	12,45,135	15.10	5,46,214	34.42	
FY 16	2,10,338	1,35,76,086	1.55	14,55,891	14.45	7,10,101	29.62	

Source: Finance Accounts of respective years, FY 16 figures are provisional

The customs revenue as percentage of GDP shows marginal increase in the FY 16 as compared to FY 15. Customs revenue as a percentage of gross tax reduced from 17 percent in FY 12 to 14 percent in FY 16. Customs Revenue as a percentage of Indirect taxes showed decline from 38 percent in FY 12 to 30 percent in FY 16.

### 1.8 Variation in Budget and Actual Customs receipts

Budget and Revised estimates vis-a vis actual Customs receipts during FY 12 to FY 16 are given in **Table 1.5** below.

Table 1.5: Budget and Revised estimates, Actual receipts

Year	Budget estimates	Revised budget estimates	Actual receipts	Diff. between actuals and BE	Cr.₹	
					% variation between actuals and BE	% variation between actuals and RE
FY 12	151700	153000	149328	(-)2372	(-)1.56	(-)2.40
FY 13	186694	164853	165346	(-)21348	(-)11.43	(+)0.30
FY 14	187308	175056	172033	(-)15275	(-)8.16	(-)1.73
FY 15	201819	188713	188016	(-)13803	(-)6.84	(-)0.37
FY 16*	208336	209500	210338	(+)2002	(+)0.96	(+)0.40

Source: Union Budgets and Finance Accounts for respective years, DoR,

\* Figures are provisional

The percentage variation during the last five years between budget estimates and actual collections was in the range of (-) 11.43 percent to (+) 0.96 percent as shown in Table. The revised estimates to actual receipts also varied from (-) 2.40 percent to (+) 0.40 percent.

Explaining the variation in BE/RE/Actual receipts, Ministry stated (November 2016) that BE and RE for customs duty for a particular financial year are fixed while taking into account factors such as growth in GDP, tax policy, growth in value of dutiable imports, revenue outgo on account of refund and duty drawback, exchange rates of leading international currencies etc under certain assumptions. The final outcome of these factors for the whole year are not known in advance which effects the actual collection with regard to the BE/RE.

### 1.9 Customs Revenue forgone under Customs Act, 1962

The Central Government has been delegated powers of duty exemption under Section 25(1) of the Customs Act, 1962 to issue notifications in public interest so as to prescribe duty rates lower than the tariff rates prescribed in the Schedule to the Customs Tariff Act. These rates prescribed by notification are known as the “effective rates”.

The revenue forgone is thus defined by Ministry of Finance to be the difference between duty that would have been payable but for the issue of the exemption notification and the actual duty paid in terms of the relevant notification. In other words,

$$\text{Revenue forgone} = \text{Value} \times (\text{Tariff rate of duty} - \text{Effective rate of duty})$$

Table 1.6: Customs Receipts and Total Customs Revenue forgone

Year	Customs Receipts	Revenue forgone on commodities including Schemes	Refunds	Drawback paid	Cr.₹	
					Rev. forgone +Refunds+ DBK	Revenue forgone as %age of Customs Receipts
FY 12	149328	285638	3202	12331	301171	202
FY 13	165346	298094	3031	17355	318480	193
FY 14	172033	326365	4501	18539	349405	203

Year	Customs Receipts	Revenue forgone on commodities including Schemes	Refunds	Drawback paid	Rev. forgone +Refunds+ DBK	Revenue forgone as %age of Customs Receipts
FY 15	188016	465618	5051	27276	497945	265
FY 16	210338	298704	6346	35370	340420	162

Source: Union Receipts Budget, CBEC DDM, Drawback cell, CBEC

The revenue forgone as a percentage of Customs Receipts was 162 percent in FY 16. During the last five years it ranged from 162 to 265 percent. Revenue foregone on commodities as well as total revenue foregone had shown declining trend in the FY 16 from ₹ 4.98 thousand crore to ₹ 3.40 thousand crore as compared to FY 15. However, Drawbacks have grown 30 per cent (₹ 8094 crore) in FY 16, whereas refunds have grown by 26 per cent (₹ 1295 crore). Total numbers of items covered under Drawback Schedule as on 31 March 2016 were 2459 adding 87 items during FY 16.

During the FY 16, 67 percent of the Revenue forgone was on Natural or cultured pearls, precious metals and articles thereof, mineral fuels, Animal or vegetable fats/oil, Machinery and mechanical appliances and Electrical machinery/equipment etc.

#### 1.10 Revenue forgone under Export Promotion schemes

Advance license scheme allows duty free imports of raw materials used in the manufacture of resultant products subject to fulfillment of prescribed Export obligation (EO) within 36 months from the date of issue of licence.

Export Promotion Capital Goods (EPCG) scheme allows import of capital goods at concessional rate of customs duty subject to EO equivalent to eight times of duty saved on capital goods imported to be fulfilled over a period of eight years from the date of issue of licence.

Focus Product Scheme (FPS) provides for duty credit equivalent to 2/5 per cent of Free on Board (FOB) value of exports realized in free foreign exchange for export of specified products.

Units in Special Economic Zones (SEZ)/ Exports Processing Zones (EPZ)/ Export Oriented units (EOU) are allowed duty free imports of inputs to export goods and services.

The revenue forgone under Export Promotion schemes stood at 39 percent of the Customs Receipts during the FY 16 as compared to 49 percent during FY 15. During FY 16 top five schemes on which duty was foregone were Advance license scheme, EOU/EHT/STP, SEZ, EPCG and Focus Product Scheme. These five schemes accounted for 88 percent (₹ 72828 crore) of total duty foregone (₹82890 crore) under the schemes (**Table 1.7**).

**Table1.7: Revenue forgone under various Export promotion schemes**

Scheme	Amount forgone		Cr.₹	
	FY 15	(%age of total)	FY 16	(%age of total)
Advance Licence	23461	26	25625	31
EOU/EHT/STP	14857	16	15959	19
SEZ	8066	9	13593	16
EPCG	8010	9	10157	9
Focus Product Scheme(FPS)	10083	11	7494	9
Others *	18660	20	10062	12
<b>TOTAL</b>	<b>91964</b>		<b>82890</b>	

Source: Directorate of Data Management, CBEC, Ministry of Finance

\*Others include DEPB, DFRC, DFEC Schemes, Target plus scheme, Vishesh Krishi and Gram Udyog Yojana (VKGUY), Served from India Scheme (SFIS), DFIA Scheme, FMS, Status Holder Incentive scrip Scheme (SHIS), ), etc.

During FY 16 revenue foregone under Advance license Scheme was the highest among the different Export Promotion Schemes. The revenue foregone under Advance license scheme, EOU/EHT/STP, SEZ and EPCG Scheme had shown an increase in FY 16 vis-à-vis FY 15 except Focus Product Scheme.

### 1.11 Performance of Special Economic Zones

Under the SEZ Act 2005, there are 408 approvals given for establishing SEZs, of which 328 have been notified and 204 are operational as on 2 September 2016 (**Annexure 1**). There are 4166 units approved as on 2 September 2016. A total of ₹ 3.76 lakh crore has been invested resulting in generation of employment for 15.91 lakh persons. It has shown a growth of 0.77 percent over 2014-15 with exports of ₹ 4.67 lakh crore in 2015-16 (**Table 1.8**). Exports growth percentage had declined from 31 percent in 2012-13 to less than 1 percent in 2015-16.

**Table 1.8: Performance of SEZs in FY 12 TO FY 16**

Year	Exports ₹ in crore	Growth %age
2011-12	3,64,478	15.39
2012-13	476159	31 %
2013-14	494077	4%
2014-15	463770	(-) 6%
2015-16	467337	0.77 %

Source: [www.sezindia.nic.in](http://www.sezindia.nic.in)

### 1.12 Cost of Collection for the FY 12 to FY 16

The cost of collection is the cost incurred on collection of Customs duties and comprises of expenditure on Import/Export Trade Control functions, Preventive functions, transfers to reserve fund/deposit account and other expenditure.

The cost of collection of customs receipts for 2015-16 was 1.33 percent of customs receipts. The cost of collection of Customs receipts for the five year financial period from 2012-13 to 2015-16 is given below (**Table 1.9**).

**Table 1.9: Cost of Collection during FY 12 to FY 16**

Cr.₹

Year	Expdr. on Revenue-cum Import /export and trade control functions	Expenditure on preventive and other functions	Transfer to Res. Fund, Deposit A/c and other expdr.	Total	Customs receipts	Cost of collection as % of customs receipts
FY 12	306	1577	5	1888	149876	1.26
FY 13	315	1653	10	1979	165346	1.20
FY 14	333	1804	5	2142	172033	1.25
FY 15	382	2094	20	2496	188016	1.33
FY 16	412	2351	36	2799	210338	1.33

Source: Finance Accounts of the Union Government for respective years

Expressed in terms of percentage of Customs receipts, cost of collection ranged between 1.20 percent (FY 13) to 1.33 percent (FY16).

### 1.13 Risk Management system (RMS)

Customs assessments procedures are largely computerised to facilitate trade by quicker process of imports and exports and minimize irregularities in assessments. RMS, an electronic system, interdicts import declarations (goods) on the basis of pre-defined risk parameters which are then subject to assessment or examination or both.

Efficiency of RMS hinges on the precision of the outliers highlighted and increasing the coverage of system based assessments in all air cargo, sea port and land ports, SEZ / EOU except non-EDI ports. Out of total import transactions in FY16, 20 percent transactions were flagged by RMS for detailed assessments as against 24 percent in the previous year. Similarly, in FY 16, export transactions flagged by RMS for detailed assessments were 24 percent of total transactions as against 20 percent in FY 15.

**Table 1.10: Transactions flagged by the RMS**

No. of transactions flagged by RMS	FY 15	FY 16
Imports	18,12,765 (24 %)	16,06,930 (20 %)
Exports	18,10,718 (20 %)	23,81,803 (24 %)
Total transactions (Imports)	75,22,430	80,15,856
Total transactions (Exports)	92,62,011	97,41,229

Source: Risk Management Division, DRI, CBEC, MOC and Industry, Govt. of India

### 1.14 Internal Audit and Investigation

Directorate General of Audit has its Headquarter located in Delhi, headed by Director General (Audit) with seven zonal units at Ahmedabad, Bangalore,



Chennai, Delhi, Hyderabad, Kolkata and Mumbai each headed by Addl. Director Generals under its ambit. Every zonal unit of DGA has area wise jurisdictional control over zonal units of Chief Commissioner and Commissionerates there under.

### 1.15 Technical audit by DG (Audit), CBEC

Departmental audit is an important instrument of internal control which detects non compliance and inefficiencies and initiates remedial action on shortcomings. **Table 1.11** given below gives quantitative achievements in this area during FY 12 to FY 15. CBEC has not furnished information for FY 16.

**Table 1.11: Departmental audit during FY 12 to FY 15**

FY	Audits conducted	Duty detected	Duty recovered	Duty detected to Customs Receipts %	Duty recovered to Detected %	Cr.₹
						Duty recovered to Customs Receipts %
FY12	525406	439	459	0.29	105	0.31
FY13	446911	1824	1058	1.10	58	0.64
FY14	494393	294	223	0.17	76	0.13
FY 15	441068	4.45	3.50	0.002	79	0.001

Source: Directorate General of Audit, Customs ,Central Excise and Service Tax

### 1.16 On Site Post Clearance Audit (OSPCA)

Customs On-Site Post Clearance Audit (OSPCA) is an initiative based on global best practices and is aimed at creating an environment of increased compliance while allowing the department the flexibility to increase the facilitation for importers and exporters. By its very nature, OSPCA is a broad based audit with focus on systems and procedures even though the short levies of duties, if any, shall continue to be determined on transaction basis.

Accredited Clients Programme (ACP) is a major element of the risk management strategy of the department. Under this programme, clients who are assessed as highly compliant would be given assured facilitation by the RMS so as to create a climate of voluntary compliance. OSPCA has been made applicable to all ACP clients.

During FY 15 and FY 16 only 22 to 24 percent of units planned for audit under OSPCA have been audited which resulted in detection of miniscule total short levy of ₹ 8.46 crore, of which ₹ 5.89 crore was recovered.

**Table 1.12: Audit conducted under OSPCA**

FY	Audit planned for no. of units	Audit conducted	Duty detected ₹ in crore	Duty recovered ₹ in crore
FY 15	519	113 (22 %)	4.73	2.38
FY 16	330	80 (24 %)	3.73	3.51

Source: Directorate General of Audit, Customs, CEx and Service Tax

### 1.17 Tax Evasion and Seizures

According to information furnished by Directorate of Revenue Intelligence (DRI) the number of duty evasion cases in FY 16 moved up from 407 to 631 and value went up from ₹ 2,926 crore to ₹ 6,623 crore (**Annexure 2**).

Major commodities involved in evasion cases were Gold, Narcotic Drugs, Foreign currency and Electronic items.

### 1.18 Internal Audit irregularities

Principal Chief Controller of Accounts (Pr.CCA), CBEC audits different payment and accounting functions of CBEC. Though internal audit is an integral part of the internal control system, the internal audit reports of Pr.CCA indicated pendency to the tune of 296 internal audit paras with gross value of ₹ 56363.74 crore<sup>10</sup>.

Pr.CCA audit comments comprised the following irregularities apart from points of establishment audit till FY 16:

- a) Non recovery of dues from Govt. Department/State Government Bodies/Private parties/ Autonomous bodies; ₹ 44857.23 crore.
- b) Blocking of government money; ₹ 72.90 crore.

### 1.19 CAG's audit

The CAG's audit of Customs Revenue is managed through nine field offices headed by Director Generals (DGs)/ Principal Directors (PDs) who conducted audit under section 16 of the Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971. The compliance audit is carried out by observing provisions of Regulations on Audit and Accounts, 2007, Standing orders, and Auditing Standards, 2<sup>nd</sup> Edition, 2002.

### 1.20 Compliance Audit Report

The current report has 101 paragraphs with revenue implication of ₹ 495 crore, and two subject specific compliance paragraphs with revenue implication of ₹ 568 crore. In addition audit objections in the nature of systemic and internal control deficiencies involving revenue of ₹ 6430 crore have been incorporated in this report. There were generally six kinds of observations viz. Incorrect classification; Incorrect application of exemption notification; Condition of notification not fulfilled; Incorrect exemption due to miscalculation, Scheme based exemption and Incorrect assessment of customs duties. The department/Ministry has taken rectificatory action involving money value of ₹ 19 crore in case of 70 paragraphs in the form of issue of

---

<sup>10</sup>DGACR, New Delhi letter No. CRA/4-8/Misc Corres./Info. for CAG/16-17/853 dated 21.11.2016

show cause notices, adjudication of show cause notices and has reported recovery of ₹ 15 crore in in 54 cases.

### 1.21 Access to information /Records

Single Sign On (SSO id) based access of ICES 1.5 was used along with examination of basic Records/ documents in DoR, CBEC, Department of Commerce and their field formations. MIS, MTRs of CBEC along with other stake holder reports were used. In addition DGFT (EDI) data, SEZ online data DoC, Annual Import/Export Data of Customs (CBEC) the Union Finance Account, Exim Data DoC, were also used.

**Transaction level data of ICES 1.5 for imports and exports for the period 2014-16 as per the data directory was not provided by Director General (System), CBEC despite several reminders. The CRA module of ICES does not cater to macro analysis and periodic analysis of the transaction data.**

### 1.22 Status of Audit Reports selected and discussed by Public Accounts Committee (PAC)

PAC has taken up performance review on 'Export obligation Units (EOUs)', Chapter 71 and one long paragraph on 'Provisional Assessments' for discussion. PAC's advance questionnaires to the Department of Revenue/ Commerce have been broad based at the levels of tax policy, administration and implementation. It has also observed lack of inter-ministerial coordination, scheme outcomes as well as inadequate monitoring in the past.

### 1.23 Response to CAG's audit, revenue Impact/follow-up of Audit Reports

In the last five audit reports (including current year's report) we had included 639 audit paragraphs (**Table 1.13**) involving ₹ 6547crore. Government had accepted observations in 536 audit paragraphs involving ₹ 304 crore and had recovered ₹ 121 crore.

**Table 1.13: Follow up of Audit Reports**

Year	Paragraphs included		Paragraphs accepted		Recoveries effected	
	No.	Amt.( Cr. ₹)	No.	Amt. (Cr. ₹)	No.	Amt.(Cr. ₹)
FY 12	121	62	118	59	98	35
FY 13	139	1832	120	95	85	31
FY14	154	2428	137	46	78	17
FY 15	122	1162	91	85	67	23
FY 16*	103	1063	70	19	54	15
<b>Total</b>	<b>639</b>	<b>6547</b>	<b>536</b>	<b>304</b>	<b>382</b>	<b>121</b>

Source: CAG Audit reports for respective years

\* FY 16 Figures are of pre printing

