

CHAPTER-I
GENERAL

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1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Himachal Pradesh during the year 2017-18, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and Grants-in-Aid received from the Government of India during the year and the corresponding figures for the preceding four years are depicted below:

Table: 1.1 Trend of revenue receipts

₹in crore						
Sr. No.	Particular	2013-14	2014-15	2015-16	2016-17	2017-18 ¹
1.	Revenue raised by the State Government					
	Tax revenue	5,120.91	5,940.16	6,695.81	7,039.05	7,107.67 ²
	Non-tax revenue	1,784.53	2,081.45	1,837.15	1,717.24	2,363.85
	Total	6,905.44	8,021.61	8,532.96	8,756.29	9,471.52
2.	Receipts from the Government of India					
	Share of net proceeds of divisible Union taxes and duties	2,491.53	2,644.17	3,611.17	4,343.70	4,801.31 ³
	Grants-in-Aid	6,314.11	7,177.67	11,296.35	13,164.35	13,094.23 ⁴
	Total	8,805.64	9,821.84	14,907.52	17,508.05	17,895.54
3.	Total revenue receipts of the State Government (1 and 2)	15,711.08	17,843.45	23,440.48	26,264.34	27,367.06
4.	Percentage of 1 to 3	44	45	36	33	35

During the year 2017-18, the revenue raised by the State Government (₹9,471.52 crore) was 35 per cent of the total revenue receipts. The balance 65 per cent of the receipts during 2017-18 was from the Government of India as share of net proceeds of divisible union taxes and Grants-in-Aid. There was an increase in revenue receipts over previous year by ₹1,102.72 crore. The trends of revenue receipts are depicted below:

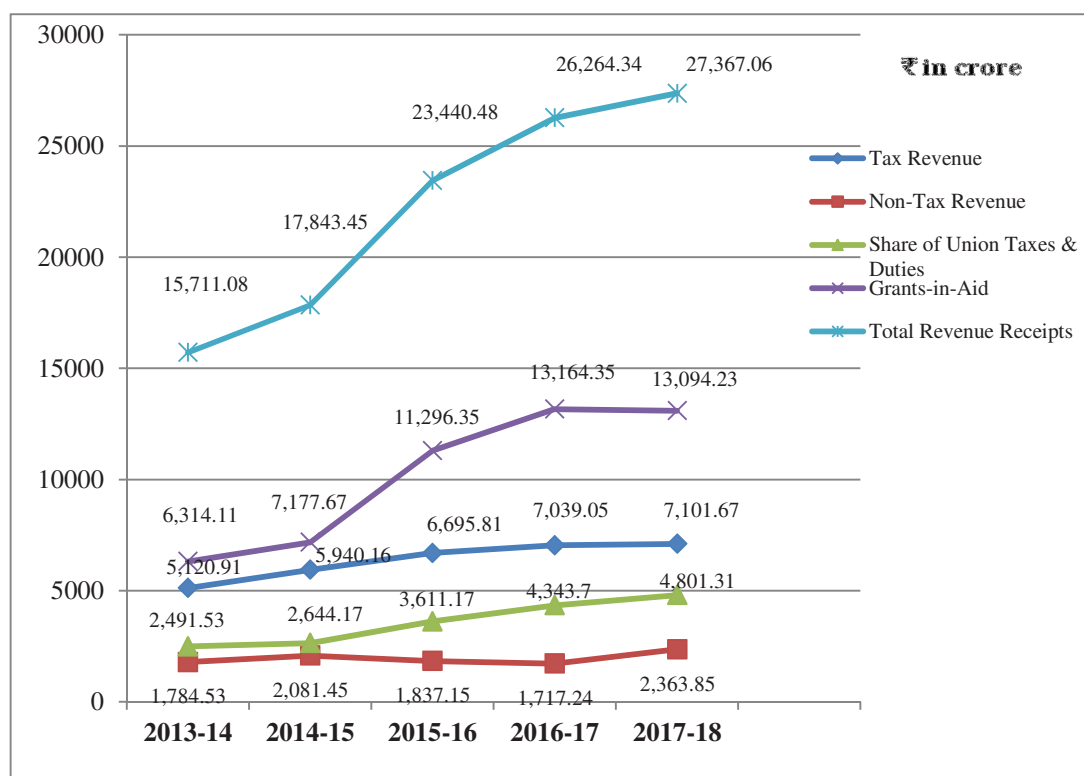
¹ Finance Accounts of the State Government.

² This includes amount of ₹1,833.16 crore received under Major Receipt Head '0006-State Goods and Services Tax'.

³ This includes amount of ₹68.36 crore received from Government of India as share of Central Goods and Services Tax and ₹484.84 crore as share of Integrated Goods and Services Tax.

⁴ This includes amount of ₹1,059 crore received from Government of India as compensation of loss due to implementation of Goods and Services Tax

Graph 1.1



1.1.2 The details of the tax revenue raised during the period 2013-14 to 2017-18 are depicted below:

Table: 1.2 Details of Tax Revenue Receipts

₹ in crore							
Sr. No.	Major Head of revenue receipts	Tax Revenue Receipts (percentage to total tax revenue receipts)					Percentage of increase (+) or decrease (-) in 2017-18 over actual of 2016-17
		2013-14	2014-15	2015-16	2016-17	2017-18	
1.	GST/VAT on sales and trade	3,141.10 (61.34)	3,660.57 (61.62)	3,992.99 (59.63)	4,381.91 (62.25)	4,359.03 ⁵ (61.33)	0
2.	State Excise	951.96 (18.59)	1,044.14 (17.58)	1,131.22 (16.89)	1,307.87 (18.58)	1,311.25 (18.45)	0
3.	Motor vehicles tax	207.81 (4.06)	220.10 (3.71)	317.05 (4.74)	279.58 (3.97)	367.16 (5.17)	31
4.	Stamp Duty	187.50 (3.66)	190.58 (3.21)	205.52 (3.07)	209.16 (2.97)	229.18 (3.22)	10
5.	Taxes and Duties on electricity	191.36 (3.74)	332.82 (5.60)	551.06 (8.23)	371.67 (5.28)	360.79 (5.08)	-3
6.	Others	441.18 (8.62)	491.95 (8.28)	497.97 (7.44)	488.86 (6.94)	480.26 ⁶ (6.76)	-2
Total		5,120.91	5,940.16	6,695.81	7,039.05	7,107.67	1

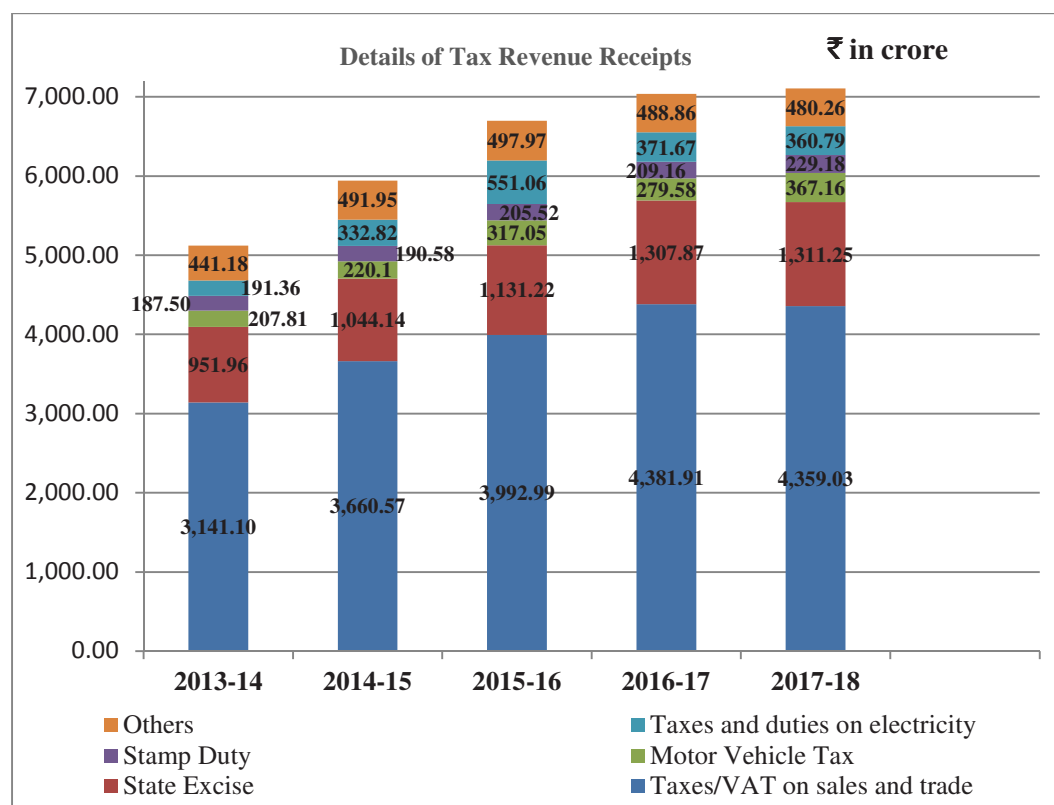
Source: Finance accounts

The trend of tax revenue receipts during 2013-14 to 2017-18 is depicted in graph as below:

⁵ This includes an amount of ₹1,833.16 crore of GST leviable from 1 July 2017.

⁶ Other Receipts-Land Revenue: ₹16.96 crore, Taxes on Goods and Passengers: ₹111.69 crore and Other Taxes and Duties on Commodities and Services: ₹351.61 crore

Graph 1.2



There was an increase in the overall tax revenue from ₹5,120.91 crore in 2013-14 to ₹7,107.67 crore in 2017-18.

1.1.3 The details of the non-tax revenue raised during the period 2013-14 to 2017-18 are depicted below:

Table: 1.3 Details of Non-tax Revenue Receipts

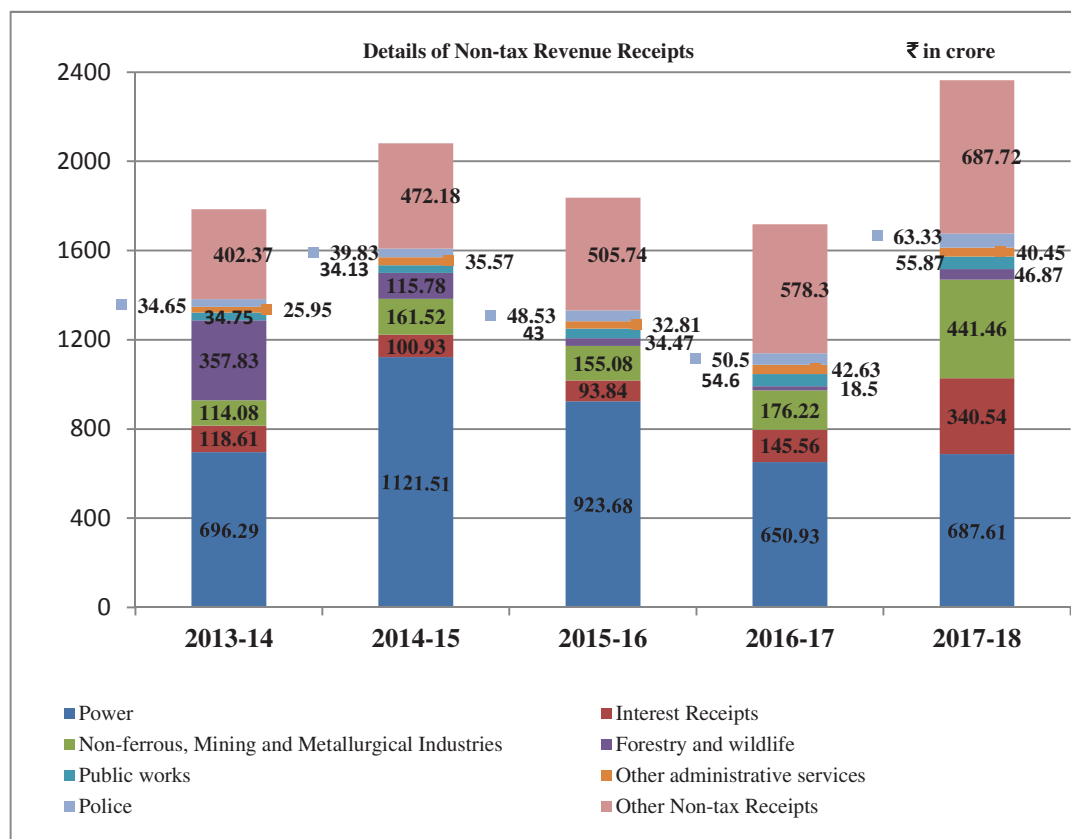
Sr. No.	Major Head of revenue receipts	Non-tax Revenue Receipts (percentage to total Non-tax Revenue Receipts)					Percentage of increase (+) or decrease (-) in 2017-18 over actual of 2016-17
		₹ in crore					
		2013-14	2014-15	2015-16	2016-17	2017-18	
1.	Power	696.29 (39.02)	1,121.51 (53.88)	923.68 (50.28)	650.93 (37.91)	687.61 (29.09)	6
2.	Interest receipts	118.61 (6.65)	100.93 (4.85)	93.84 (5.11)	145.56 (8.48)	340.54 (14.41)	134
3.	Non-ferrous, Mining and Metallurgical Industries	114.08 (6.39)	161.52 (7.76)	155.08 (8.44)	176.22 (10.26)	441.46 (18.68)	151
4.	Forestry and Wildlife	357.83 (20.05)	115.78 (5.56)	34.47 (1.88)	18.50 (1.08)	46.87 (1.98)	153
5.	Public works	34.75 1.95	34.13 (1.64)	43.00 (2.34)	54.60 (3.18)	55.87 (2.36)	2
6.	Other administrative services	25.95 (1.45)	35.57 (1.71)	32.81 (1.79)	42.63 (2.48)	40.45 (1.71)	-5
7.	Police	34.65 (1.94)	39.83 (1.91)	48.53 (2.64)	50.50 (2.94)	63.33 (2.68)	25
8.	Other Non-tax revenue⁷	402.37 (22.55)	472.18 (22.69)	505.74 (27.53)	578.30 (33.68)	687.72 (29.09)	19
Total		1,784.53	2,081.45	1,837.15	1,717.24	2,363.85	38

Source: Finance accounts

⁷ The details of Other Non-tax revenue are in Annexure-I.

The trend of non-tax revenue during 2013-14 to 2017-18 is depicted in graph as below:

Graph 1.3



The overall non-tax revenue receipts increased from ₹1,717.24 crore in 2016-17 to ₹2,363.85 crore in 2017-18 (increase of ₹646.61 crore or 38 per cent). This was primarily on account of sharp increase in actual receipts from Interest receipts, Non-ferrous, mining and metallurgical Industries and Miscellaneous General Services as compared with actual receipts in 2016-17.

The respective Departments reported the following reasons for variation during the year.

- **Power:** During 2017-18, there was increase in receipts under Power Sector due to higher average per unit sale price of power as compared to previous year.
- **Interest receipts:** The increase was due to interest received (₹231 crore) on account of loan given to DISCOM under UDAY.
- **Non-ferrous, mining and metallurgical Industries:** The increase was due to payment of upfront premium of ₹194.20 crore on account of transfer of mining leases and deposit of interest on delayed payment of royalty by M/s Ultratech Ltd.
- **Forestry and Wildlife:** The increase was mainly due to amount of ₹10.13 crore received from National Highway Authority of India for sale of trees and sale of other forest produce.

- **Public works:** The increase was due to taking up of 189 works during 2017-18 as compared to 77 works during the previous year.
- **Police:** The increase was due to recoveries from contribution to railway police, guards made available to Bhakra Beas Management Council, recovery of excess payment of salary from employees and issue of permits to vehicles for plying on restricted roads in Shimla.

The other Departments did not intimate reasons for variation of actual receipts from the previous year (August 2019).

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2018 realisable under some Major Receipt Heads amounted to ₹4,035.69 crore, of which ₹373.23 crore was outstanding for more than five years as depicted below:

Table: 1.4 Arrears of revenue

₹ in crore				
Sr. No.	Major Head of revenue receipts	Amount outstanding as on 31 March 2018	Amount outstanding for more than 5 years as on 31 March 2018	Replies of the Departments
1.	Taxes/VAT on Sales and Trade	3,086.23	118.61	Arrears for ₹2,610.10 crore had been referred for recovery as arrears of land revenue, ₹109.89 crore were stayed by the Courts, ₹16.69 crore was recoverable from Government Departments/undertakings/Boards, ₹27.88 crore was proposed to be written off, ₹27.19 crore was pending under appeal and ₹294.48 crore recoverable from others.
2.	Water supply, Sanitation, Housing and Minor Irrigation	297.59	198.74	Arrears of ₹236.32 crore pertains to Municipal Corporation/Committees, ₹58.87 crore and ₹77.41 lakh pertains to non-Government Bodies and Government Departments respectively, ₹1.58 crore to Abiana charges and ₹4.54 lakh to Housing.
3.	State Excise	222.63	14.88	Arrears for ₹72.49 crore had been referred for recovery as arrears of land revenue, ₹7.64 crore were stayed by the Courts, ₹28.88 crore was recoverable from Government Departments/undertakings/Boards, ₹21.32 lakh was proposed to be written off and ₹113.41 crore recoverable from the bidders/licensees/others.
4.	Taxes and duties on electricity	211.04	0.0	The amount was recoverable from the Government of HP.
5.	Forestry and Wildlife	100.21	16.04	The amount was recoverable from the Himachal Pradesh State Development Corporation Ltd. and the contractors.
6.	Other Taxes and Duties on Commodities and Services	68.35	12.62	Arrears of ₹42.23 crore had been referred for recovery as arrears of land revenue, ₹11.03 crore were stayed by the Courts, ₹2.27 crore was pending under appeal and ₹12.82 crore recoverable from others.
7.	Police	30.17	1.89	Arrears accumulated from the years 1971-72. Out of this ₹22.89 lakh pertains to M/s Patel Engineers Ltd. Kullu and the remaining from the Government Department/Undertakings for supply of Police force.
8.	Village and Small Industries	0.23	0.13	Arrears accumulated from the year 1989-90. Arrears pertain to rent of sheds (Industrial Estate), rent of Government accommodation/receipt of sale of Mulberry plants etc.
9.	Taxes on Goods and Passengers	6.89	6.87	From the total arrears, ₹3.29 crore had been referred for recovery as arrears of land revenue, ₹12.00 lakh were stayed by the Courts, ₹11.17 lakh was recoverable from Government Departments/undertakings/Boards, ₹38.32 lakh was proposed to be written off and ₹2.99 crore recoverable form the others.

10.	Printing and Stationery	3.92	0.34	Arrears accumulated from the year 1999. Arrears of ₹59.08 lakh from the State Project Officer, SSA Lal-Paani, ₹26.56 lakh from Director HP State Women & Child Development, ₹23.31 lakh from MD Civil Supply Corporation, ₹21.03 lakh from Director Industries and ₹2.62 crore from other Industries/Departments/Corporations were recoverable.
11.	Non-ferrous, Mining and Metallurgical Industries	0.80	0.59	Arrears accumulated from the year 1970-71. Arrears pertain to Mining Offices and DDO (Headquarter) Geological Wing Directorate of industries on account of recovery of royalty/drilling charges etc.
12.	Public Works	0.58	0.15	Arrears pertain to residential and non-residential buildings.
13.	Industries	7.05	2.37	Arrears accumulated from the year 1980-81. Arrears pertain to premium of plots (Industrial areas) etc.
Total		4,035.69	373.23	

Source: Departmental figures

1.3 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed off during the year and number of cases pending for finalization at the end of the year as furnished by the Excise Department in respect of Sales Tax, Motor Spirit Tax, Luxury Tax and Tax on Works Contracts are depicted below:

Table: 1.5 Arrears in assessments

Major Head of revenue receipts	Opening balance	New cases due for assessment during 2017-18	Total assessments due	Cases disposed off during 2017-18	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
1	2	3	4	5	6	7
Taxes/VAT on Sales and Trade	1,79,308	97,713	2,77,021	61,573	2,15,448	22
Luxury Tax	3,553	2,956	6,509	2,538	3,971	39
Tax on Works Contracts	1,270	729	1,999	875	1,124	44
Motor Spirit Tax	28	21	49	21	28	43

Source: Departmental figures

The low percentage of disposal (22 per cent) in the case of Taxes/VAT on Sales and Trade was a matter of serious concern because of the large and increasing volume of arrears.

The Department may take necessary steps to reduce the pendency in the interest of revenue.

1.4 Evasion of tax detected by the Department

Excise and Taxation Department carried out surveys and checking on roads for tax evasion and 14,493 cases of evasion of tax were detected during the year. The details of cases of evasion of tax detected by the Excise and Taxation Department, cases finalised and demands for additional tax raised as reported by the Department are depicted below:

Table: 1.6 Evasion of Tax

Sr. No.	Major Head of revenue receipts	Cases pending as on 1 April 2017	Cases detected during 2017-18	Total	Number of cases in which assessment/investigation completed and additional demand with penalty etc. raised		Number of cases pending for finalization as on 31 March 2018
					Number of cases	Amount (₹ in crore)	
1.	Taxes/VAT on Sales and Trade	156	2,836	2,992	2,881	9.44	111
2.	State Excise	62	1,375	1,437	1,410	1.56	27
3.	Passengers and Goods Tax	325	9,277	9,602	9,574	3.99	28
4.	Other Taxes and Duties on Commodities and Services	97	1,005	1,102	1,097	3.90	5
Total		640	14,493	15,133	14,962	18.89	171

Source: Departmental figures

The total number of cases pending for finalisation had decreased from 640 at the beginning of financial year to 171 at the end of the financial year 2017-18.

1.5 Refund cases

The details of refund cases pending at the beginning of the year 2017-18, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2017-18 are depicted below:

Table: 1.7 Pendency of refund cases

Sr. No.	Particulars	Sales Tax/VAT		State Excise	
		No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)
1.	Claims outstanding at the beginning of the year	42	21.69	19	0.53
2.	Claims received during the year	210	35.98	31	4.43
3.	Refund made during the year	211	52.72	35	3.93
4.	Balance outstanding at the end of year	41	4.95	15	1.03

Source: Departmental figures

The number of cases outstanding at the end of the financial year 2017-18 had decreased for both Sales Tax/VAT and State Excise as compared to cases outstanding at the beginning of the financial year.

1.6 Response of Government/Departments towards Audit

The Principal Accountant General (Audit), Himachal Pradesh (PAG), conducts periodic 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) 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 comply with the observations contained in the IRs within four weeks from the date of receipt of the IRs. Serious financial irregularities are reported to the Heads of the Department and the Government.

Taking into consideration IRs issued up to March 2018, 7,924 paragraphs involving ₹1,958.98 crore relating to 2,660 IRs remained outstanding at the end of June 2018 as shown in Table 1.8 along with the corresponding figures for the preceding two years.

Table: 1.8 Details of pending Inspection Reports

	June 2016	June 2017	June 2018
Number of IRs pending for settlement	2,549	2,582	2,660
Number of outstanding audit observations	7,512	7,764	7,924
Amount of revenue involved (₹ in crore)	1,512.30	1,817.56	1,958.98

The number of IRs, audit observations pending for settlement and the total money value showed an increasing trend during the last three years.

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2018 and the amounts involved are depicted below:

Table: 1.9 Department-wise details of pending Inspection Reports

Sr. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved (₹ in crore)
1.	Excise & Taxation	Taxes/VAT on Sales and Trade	136	860	385.93
		State Excise	67	314	281.43
		Passengers & Goods Tax	184	395	280.67
		Other Taxes & Duties on Commodities and Services	114	144	6.70
		Entertainment & Luxury tax etc.	58	113	12.63
2.	Revenue	Land Revenue	219	413	169.05
		Stamp and Registration Fees	644	1,412	55.04
3.	Transport	Taxes on Motor Vehicles	695	2,598	299.78
4.	Forestry and Wildlife	Forest Receipts	543	1,675	467.75
Total			2,660	7,924	1,958.98

Audit received the first reply from the respective Heads of Offices after the stipulated time of four weeks in respect of 54 IRs out of 174 IRs issued during the year 2017-18.

The purpose of audit is to check whether prescribed rules, laws and procedures are being adhered to, and to highlight cases of non-compliance, systematic weaknesses and failures. The large number and increasing trend of IRs and audit observations pending settlement indicate inadequate response to audit observations. The lack of action on these audit observations weakens accountability and raises the risk of avoidable loss of revenue. Increasing pendency of audit paragraphs merits urgent attention of the Government for addressing the issues persistently raised by Audit.

1.6.2 Departmental audit committee meetings

The Government had set up audit committees to monitor and expedite the settlement of paragraphs included in the IRs. The details of audit committee meetings held during the year 2017-18 and the paragraphs settled are depicted below:

Table: 1.10 Details of Departmental Audit Committee meetings

Sr. No.	Department	Number of meetings held	Number of paragraphs outstanding	Number of paragraphs settled	Amount (₹ in crore)
1.	Revenue	1	1,270	42	0.50
2.	Forest	1	1,659	21	6.48
Total		2	2,929	63	6.98

Out of 2,929 outstanding paragraphs, 63 paragraphs (2.15 per cent) involving an amount of ₹6.98 crore were settled in two Audit Committee meetings held during 2017-18 involving Revenue and Forest Departments. No Audit Committee meetings were held in respect of Excise & Taxation and Transport Departments.

The Government should ensure holding of meetings of the Audit Committee at regular intervals for all Departments.

1.6.3 Response of Departments to draft audit paragraphs

Draft audit paragraphs proposed for inclusion in the Audit Report of the Comptroller and Auditor General of India are forwarded by the PAG 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 issue of non-receipt of replies from the Departments/Government is invariably indicated at the end of such paragraphs included in the Audit Report.

31 draft paragraphs were sent to the Principal Secretaries/Secretaries of the respective Departments between June and August 2018, of which, 23 paragraphs have featured in this Report. The Departments concerned had not furnished replies to six draft paragraphs, and the same have been included in this Report without the response of the Department. The Government had not furnished any reply and the same have been included in the report without the response of the Government. Progress of recovery even in accepted cases was very slow which is depicted in graph in Para 1.7.2.

Submission of replies is essential for ensuring the logical completeness of the facts highlighted in the draft audit paragraphs and enabling holistic appreciation of issues presented in the Audit Report by PAC.

1.6.4 Follow-up on the Audit Reports-summarised position

The Public Accounts Committee notified in December 2002 that after the presentation of the Audit Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs and action taken notes thereon should be submitted by the Government within three months of tabling the Report for consideration of the Committee. However, in spite of these provisions, the action taken notes on audit paragraphs of the Reports were delayed inordinately. A total of 116 paragraphs (including Performance Audits) included in the Audit Reports of the Comptroller and Auditor General of India of the Government of Himachal Pradesh for the years ended

31 March of 2013, 2014, 2015 and 2016 on Revenue Sector were placed before the State Legislative Assembly between 21 February 2014 and 31 March 2017. Action taken notes on these paragraphs were, however, received very late, from the Departments concerned with an average delay of 14, 10, seven and nine months respectively for these Audit Reports. Action taken notes in respect of two paragraphs of the Audit Report for the year ended 31 March 2016 had not been received from the Revenue Department (August 2019).

The PAC did not discuss any paragraph pertaining to the Audit Reports on Revenue Sector during the year 2017-18.

1.7 Action taken by Departments on issues raised by Audit: Detailed position for Revenue Department

The action taken on the Paragraphs and Performance Audits included in the Audit Reports of the last 10 years for Revenue Department under Major Receipt Head '0030-Stamp Duty and Registration fee' was evaluated and is detailed in the succeeding paragraphs 1.7.1 to 1.7.3.

1.7.1 Position of Inspection Reports

The summarized position of the inspection reports issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2018, relating to Revenue Department is depicted in *Annexure-II*.

Against 607 IRs with 1,181 paragraphs outstanding as on start of 2008-09, the number of outstanding IRs increased to 646 with 1,449 paragraphs at the end of 2017-18. The corresponding money value pointed out in IRs increased from ₹15.43 crore to ₹59.49 crore.

1.7.2 Recovery of accepted cases

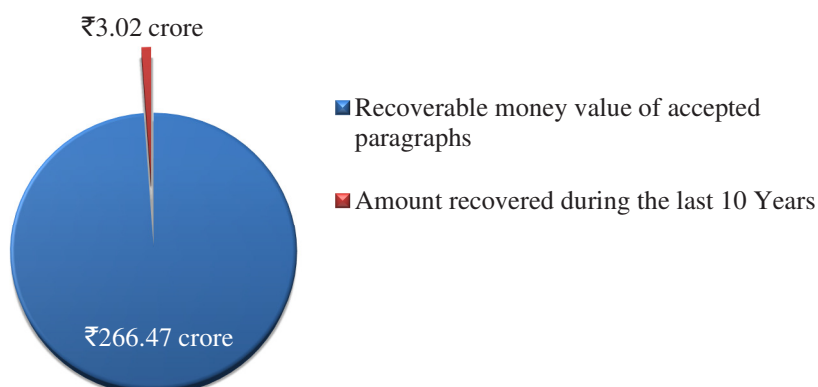
The position of paragraphs included in the Audit Reports of the last 10 years, those accepted by the Revenue Department and the amount recovered is depicted in *Annexure-III*.

The progress of recovery even in accepted cases was very slow as only ₹3.02 crore (one *per cent*) were recovered upto 31 March 2018 against the total recoverable revenue of ₹269.49 crore in accepted paragraphs.

The recovery of accepted cases and the amount recovered by the Revenue Department is depicted in graph below:

Graph 1.4

Recovery in accepted Cases



1.7.3 Action taken on audit recommendations accepted by the Department/Government

The Draft report of Performance Audit conducted by the PAG is forwarded to the concerned Department/Government with a request to furnish their replies. The Performance Audit Report is also discussed in an exit conference and the Department/ Government's views are included while finalizing the Performance Audit for the Audit Report.

Audit recommendations were included in one Performance Audit on the Revenue Department under Major Receipt Head '0030-Stamp Duty' which featured in the Audit Report for the year 2011-12 on Revenue Sector, as depicted below:

Table: 1.11 Action taken on the recommendations

Sr. No.	Year of Audit Report	Title of the Performance audit	Number of recommendations made in PA	Remarks
1.	2011-12	'Stamp duty and Registration fee on lease deed'	Five recommendations	The Department accepted all recommendations and stated that efforts were being made for their implementation.

1.8 Internal Audit

Internal Audit Cells (IAC) in the Departments under the charge of the Assistant Controller (F&A), were required to conduct test check of the cases of assessment as per the approved action plan and in accordance with the criteria decided by the Steering Committee to ensure adherence to the provisions of the Acts and Rules as well as Departmental instructions issued from time to time.

The position of internal audits conducted during the year 2017-18 is depicted below:

Table: 1.12 Position of Internal Audit

Name of the Department	Total auditable units	No. of units planned for audit	No. of units audited	Shortfall
Excise and Taxation	13	13	04	09
Revenue	Details not provided			
Transport				
Forest				
There was no Internal Audit Cell.				

The Excise and Taxation Department attributed the shortfall in internal audit to shortage of staff. Information regarding internal audit was not provided by Revenue and Transport Departments while Forest Department stated that there was no IAC in the Department.

1.9 Audit planning

The auditable entities under various Departments are categorised into high, medium and low risk units according to their revenue position, past audit observations and other criteria. An annual audit plan is prepared on the basis of risk analysis which *inter-alia* includes issues in government revenue and tax administration derived from the budget speech, the white paper on State finances, reports of the Finance Commissions (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of revenue earnings during the past five years and audit coverage.

During the year 2017-18, there were 386 auditable units of which 178 units⁸ were audited. Two thematic audits on '*Grant of concessions to the dealers*' and '*Arrears of Revenue in Excise and Taxation Department under different receipt heads*' were conducted. Besides, audit on '*Preparedness for transition to Goods and Services Tax*' was also conducted to examine the effectiveness of the Departments concerned in realisation of revenue receipts.

1.10 Results of audit

Out of 386 auditable units, audit of 178 units of Sales Tax/Value Added Tax, State Excise, Motor Vehicles, Goods & Passengers Tax and Forest Receipts was conducted during the year 2017-18 through test check of records. The major deficiencies observed in the functioning of the Departments included; failure to detect suppression of sales and purchases; under-assessment/wrong allowance of Input Tax Credit; application of incorrect rate of tax; short recovery of excise duty, license fee and interest by AAs; short levy of stamp duty and registration fee, incorrect determination of market value of property by SRs; short recovery of token tax, special road tax, composite fee by Transport Department; short recovery of royalty and extension fee by Forest Department. The total revenue loss on account of the deficiencies highlighted by Audit through IRs during 2017-18 amounted to ₹490.09 crore in 863 cases.

⁸ These units included three units of Apex level of Excise, Transport and Revenue Departments, one unit (Economic Intelligence Unit) of the office of the ETC, Shimla (these four Inspection Reports had not been issued), units of Luxury Tax, Entertainment Tax, Toll Tax and Multi-Purpose Barriers.

During the year, the Departments concerned accepted audit observations of ₹13.61 crore in 317 cases out of which an amount of ₹4.16 crore was realised in 298 cases, of which ₹4.15 crore in 296 cases related to audit findings of previous years and ₹0.01 crore in two cases related to the audit findings of 2017-18.

1.11 Coverage of this Report

This Report contains 25 paragraphs including two thematic audits with revenue implication of ₹330.87 crore. The Departments/Government accepted 19 audit observations involving ₹87.87crore, of which ₹4.30 crore was recovered in 11 cases.

