

CHAPTER-III

REVENUE RECEIPTS

3.1 Trend of revenue receipts

3.1.1 The tax and non-tax revenue raised by the Government of the Union Territory of Puducherry and the grants-in-aid received from the Government of India (GoI) during the year 2019-20 and the corresponding figures for the preceding four years are mentioned in **Table 3.1**.

Table 3.1: Trend of Revenue receipts

(₹ in crore)						
Sl. No.	Category	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue raised by the Government						
I	(a) Tax revenue	2,260.34	2,401.21	2,805.55	3,188.75	2,475.48
	(b) Non-tax revenue	1,137.75	1,245.37	1,373.73	1,583.89	1,637.54
	Total (I)	3,398.09	3,646.58	4,179.28	4,772.64	4,113.02
II	Receipts from GoI – Grants-in-Aid	1,689.86	1,736.37	1,823.39	1,627.77	2,668.32
III	Total receipts of the Government (I + II)	5,087.95	5,382.95	6,002.67	6,400.41	6,781.34
IV	Percentage of I to III	67	68	70	75	61

(Source: Finance Accounts of the respective years)

During the year 2019-20, the revenue raised (₹ 4,113.02 crore) by the Union Territory Government was 61 *per cent* of the total revenue receipts (₹ 6,781.34 crore), as against 75 *per cent* in the preceding year. The balance (₹ 2,668.32 crore) 39 *per cent* of the receipts during 2019-20 was obtained from the GoI as grants-in-Aid and contributions.

3.1.2 The details of tax revenue raised during the period from 2015-16 to 2019-20 are given in **Table 3.2**.

Table 3.2: Details of tax revenue raised

(₹ in crore)												
Sl. No.	Heads of revenue	2015-16		2016-17		2017-18		2018-19		2019-20		Percentage of increase (+)/ decrease (-) in 2019-20 over 2018-19
		Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	
1	Goods and Services Tax	Nil	Nil	Nil	Nil	Nil	851.31	925.00	907.04*	1,723.00	781.54	(-) 13.84
2	Taxes on Sales, Trade, etc.	1,510.00	1,438.89	1,600.00	1,576.48	1,725.00	1,008.45	1,100.00	632.01	727.00	596.64	(-) 5.60
3	State Excise	630.00	673.75	775.00	671.27	700.00	769.92	800.00	850.81	1,100.00	868.11	(+) 2.03

Sl. No.	Heads of revenue	2015-16		2016-17		2017-18		2018-19		2019-20		Percentage of increase (+)/ decrease (-) in 2019-20 over 2018-19
		Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	
4	Stamps and Registration Fees	115.00	76.37	100.00	65.50	80.00	70.50	100.00	91.89	100.00	87.92	(-) 4.32
5	Taxes on Vehicles	83.00	69.34	83.00	86.94	92.00	104.29	115.00	114.17	125.00	139.60	(+) 22.27
6	Land Revenue	1.75	1.93	1.75	1.02	2.62	1.08	2.62	0.83	2.63	1.67	(+) 101.20
7	Others	0.25	0.06	0.25	0.00	0.38	0.00	0.38	0.00	0.37	0.00	--
Total		2,340.00	2,260.34	2,560.00	2,401.21	2,600.00	2,805.55	3,043.00	2,596.75	3,778.00	2,475.48	

*excluding the incorrectly booked receipt of GST compensation of ₹ 592 crore during 2018-19
(Source: Finance Accounts of the respective years)

The tax revenue decreased from ₹ 2,596.75 crore in 2018-19 to ₹ 2,475.48 crore in 2019-20 by ₹ 121.27 crore over the previous year. The decrease in collection was under Goods and Services Tax (₹ 125.50 crore), Taxes on Sales, Trade (₹ 35.36 crore) etc. In 2019-20, the increase was under Taxes on vehicles (₹ 25.43 crore) and State Excise (₹ 17.30 crore).

3.1.3 The details of non-tax revenue raised during the period from 2015-16 to 2019-20 are given in **Table 3.3**.

Table 3.3: Details of Non-tax revenue raised

Sl. No.	Heads of revenue	2015-16		2016-17		2017-18		2018-19		2019-20		Percentage of increase (+)/ decrease (-) in 2019-20 over 2018-19
		Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	
1	Power	1,300.00	990.60	1,200.00	1,116.21	1,253.00	1,197.17	1,310.00	1,352.96	1,455.00	1,422.45	(+) 5.14
2	Interest Receipts, Dividends and Profits	93.28	91.88	97.10	66.45	72.10	98.90	92.58	95.05	79.07	101.89	(+) 7.20
3	Medical and Public Health	12.54	16.58	19.01	13.51	14.01	16.64	22.63	26.48	27.00	10.96	(-) 58.61
4	Education, Sports, Art and Culture	1.14	2.22	2.44	1.07	2.44	1.25	2.44	6.72	7.00	2.38	(-) 64.58
5	Crop Husbandry	0.47	0.66	0.72	1.23	1.32	1.13	1.32	0.93	1.00	0.98	(+) 5.37
6	Other receipts	52.57	35.81	50.73	46.90	57.13	58.64	98.03	101.75	67.93	98.88	(-) 2.82
Total		1,460.00	1,137.75	1,370.00	1,245.37	1,400.00	1,373.73	1,527.00	1,583.89	1,637.00	1,637.54	

(Source: Finance Accounts of the respective years)

The non-tax revenue increased from ₹ 1,583.89 crore in 2018-19 to ₹ 1,637.54 crore in 2019-20. The increase was mainly on account of increase of receipts under power, interest receipts, dividends and profits and crop husbandry.

3.2 Audit Planning

The unit offices under various Departments are categorised into A (high), B (medium) and C (low) units according to their revenue position, past trends of audit observations, nature/volume of transactions, etc. The annual audit plan is

prepared based on the risk analysis which, *inter-alia*, includes statistical analysis of the revenue earnings during the past five years, features of the tax administration, audit coverage and its impact during the past five years, etc.

During the year 2019-20, the audit universe comprised 38 auditable units; out of which, 13 units were planned and audited during the year 2019-20, *i.e.*, 34.21 *per cent* of the total auditable units.

3.3 Response of the Departments/Government towards audit

3.3.1 Inspection Reports

Accountant General (Audit-II), Tamil Nadu and Puducherry arranges periodical inspection of the Government Departments to test check the transactions and verify the maintenance of important accounts and other records as per the prescribed 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 offices inspected with copies to the next higher authorities, for taking corrective action. The Heads of offices/Government are required to comply with the observations contained in the IRs, rectify the defects and omissions promptly and report compliance to the office of the Accountant General within one month from the dates of issue of the IRs. Serious financial irregularities are also brought to the notice of the Heads of Departments and the Government by the office of the Accountant General.

Inspection Reports issued upto 31 December 2019 disclosed that 951 paragraphs involving ₹ 266.93 crore relating to 227 IRs remained outstanding at the end of June 2020, along with the corresponding figures for the preceding two years, as mentioned in **Table 3.4**.

Table 3.4: Details of pending IRs

Inspection reports	June 2018	June 2019	June 2020
Number of outstanding IRs	204	217	227
Number of outstanding audit observations	772	807	951
Amount involved (₹ in crore)	253.76	259.13	266.93

Department-wise details of IRs and audit observations outstanding as on 30 June 2020 and the amounts involved are mentioned in **Table 3.5**.

Table 3.5: Department-wise details of IRs

Sl. No.	Tax Heads	Outstanding		Amount
		Inspection Reports	Audit Observations	
		1	Sales Tax	48
2	Stamp Duty and Registration Fee	78	238	9.05
3	Taxes on Vehicles	59	337	9.48
4	State Excise	42	93	139.43
Total		227	951	266.93

The large pendency of the IRs due to non-receipt of the replies is indicative of the failure by Heads of Offices and Departments to initiate action to rectify defects, omissions and irregularities pointed out by the Accountant General through the IRs.

3.4 Response of the Transport Department to the issues raised by Audit

To analyse the system of addressing the issues highlighted in IRs/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 paragraph discuss the performance of the Transport Department under revenue head '0041' and cases detected in the course of local audit and also the cases included in the Audit Reports during the last 10 years.

3.4.1 Position of Inspection Reports

The summarised position of IRs issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2020 are tabulated in **Table 3.6**.

Table 3.6: Position of Inspection Reports

Year	Opening balance			Additions			Total			Clearance			Closing balance		
	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value
	2010-11	29	171	4.11	2	7	0.04	31	178	4.15	0	52	0.73	31	126
2011-12	31	126	3.42	2	4	0.05	33	130	3.47	0	0	0	33	130	3.47
2012-13	33	130	3.47	1	4	0.02	34	134	3.49	0	0	0	34	134	3.49
2013-14	34	134	3.49	4	17	0.08	38	151	3.57	0	0	0	38	151	3.57
2014-15	38	151	3.57	4	21	0.38	42	172	3.95	1	3	0.01	41	169	3.94
2015-16	41	169	3.94	2	8	0.09	43	177	4.03	0	0	0	43	177	4.03
2016-17	43	177	4.03	2	9	0.30	45	186	4.33	0	0	0	45	186	4.33

Year	Opening balance			Additions			Total			Clearance			Closing balance		
	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value
2017-18	45	186	4.33	3	9	0.08	48	195	4.41	0	0	0	48	195	4.41
2018-19	48	195	4.41	2	19	0.05	50	214	4.46	0	0	0	50	214	4.46
2019-20	50	214	4.46	6	117	4.99	56	331	9.45	0	0	0	56	331	9.45

As against 29 IRs involving 171 paragraphs which were pending at the beginning of 2010-11, the number at the end of 2019-20 had increased to 56 IRs involving 331 paragraphs. This indicates that response to the local audit reports was poor and adequate steps needed to be taken by the Department to clear the outstanding IRs and paragraphs.

3.4.2 Recovery of accepted cases

During the last 10 years upto 2018-19, four draft paragraphs involving ₹ 92.90 lakh pertaining to Transport Department were included in the Revenue Receipts chapter of the Report of the Comptroller and Auditor General of India, Government of Union Territory of Puducherry. Further, the Department accepted audit observations involving ₹ 30.98 lakh and recovered ₹ 42,000.

Chennai,
The 28 October 2021

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Countersigned

New Delhi,
The 29 October 2021

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India