

CHAPTER-I: GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Chhattisgarh during the year 2010-11, the State's share of net proceeds of divisible Union taxes and duties assigned to States and Grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned below:

(₹ in crore)

| Sl. No. | Particulars | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-----------|--|------------------|------------------|------------------|------------------|-----------------------|
| 1. | Revenue raised by the State Government | | | | | |
| | •Tax revenue | 5,045.70 | 5,618.10 | 6,593.72 | 7,123.25 | 9,005.14 |
| | •Non-tax revenue | 1,451.34 | 2,020.45 | 2,202.21 | 3,043.00 | 3,835.32 |
| | Total | 6,497.04 | 7,638.55 | 8,795.93 | 10,166.25 | 12,840.46 |
| 2. | Receipts from the Government of India | | | | | |
| | •Share of net proceeds of divisible Union taxes and duties | 3,198.80 | 4,034.98 | 4,257.91 | 4,380.66 | 5,425.19 ¹ |
| | •Grants-in-aid | 1,757.40 | 2,205.12 | 2,608.92 | 3,606.74 | 4,453.89 |
| | Total | 4,956.20 | 6,240.10 | 6,866.83 | 7,987.40 | 9,879.08 |
| 3. | Total revenue receipts of the Government (1 and 2) | 11,453.24 | 13,878.65 | 15,662.76 | 18,153.65 | 22,719.54 |
| 4. | Percentage of 1 to 3 | 57 | 55 | 56 | 56 | 57 |

The above table indicates that the total revenue raised by the State Government increased by 25 *per cent* as compared to the increase of 16 *per cent* during the previous year. The share of revenue raised by the State Government to the total revenue of the State during 2010-11 was 57 *per cent* as against 56 *per cent* in the previous year. The balance 43 *per cent* of receipts during 2010-11 was from the Government of India.

¹ For details, refer "tax revenue" of statement 11, detailed account of revenue by minor heads of the Finance Account of the Government of Chhattisgarh, 2010-11. The amount under the minor head 901- share of net proceeds assigned to the state booked under the major heads 0020- Corporation tax, 0028- Other taxes on income and expenditure, 0032- Taxes on wealth, 0038- Union excise duty, 0044- Service tax and 0045- Other taxes and duties on commodities and services under 'A-tax revenue' have been excluded from the revenue raised by the state and included in the state's share of divisible Union taxes in this statement.

1.1.2 The following table presents the details of the tax revenue raised during the period 2006-07 to 2010-11:

(₹ in crore)

| Sl. No. | Head of revenue | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Percentage of increase (+)/decrease (-) in 2010-11 over 2009-10 |
|--------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| 1. | • Commercial tax | 2,140.71 | 2,502.70 | 2,946.78 | 3,031.16 | 4,094.96 | (+) 35.10 |
| | • Central sales tax | 702.33 | 521.00 | 664.16 | 681.00 | 745.83 | (+) 9.52 |
| 2. | State excise | 706.81 | 843.00 | 964.10 | 1,187.72 | 1,506.44 | (+) 26.83 |
| 3. | Stamp duty and Registration fee | 389.51 | 462.72 | 495.59 | 583.13 | 785.85 | (+) 34.76 |
| 4. | Taxes and duties on electricity | 469.12 | 394.86 | 415.10 | 416.91 | 502.53 | (+) 20.54 |
| 5. | Taxes on vehicles | 253.05 | 276.94 | 313.78 | 351.88 | 427.52 | (+) 21.50 |
| 6. | Taxes on goods and passengers | 301.81 | 510.72 | 420.71 | 696.10 | 675.14 | (-) 3.01 |
| 7. | Other taxes on income and expenditure, taxes on professions, trades, callings and employments including hotel receipts tax | 16.23 | 11.54 | 7.67 | 8.81 | 8.82 | (+) 0.11 |
| 8. | Other taxes and duties on commodities and services | 5.27 | 6.40 | 6.33 | 6.86 | 10.69 | (+) 55.83 |
| 9. | Land revenue | 60.86 | 88.12 | 359.50 | 159.68 | 247.37 | (+) 54.92 |
| Total | | 5,045.70 | 5,618.10 | 6,593.72 | 7,123.25 | 9,005.15 | (+) 26.42 |

The following reasons for variations were reported by the concerned Departments:

Commercial tax and Central sales tax: The increase (35.10 and 9.52 *per cent*) was due to simple scheme for recovery of arrears under Commercial tax and increase in price of iron ore, cement and coal and increase in inter-state sales under Central Sales Tax Act.

State Excise: The increase (26.83 *per cent*) was due to increase in income from process fee and increase in consumption of liquor.

Stamp duty and registration fee: The increase (34.76 *per cent*) was due to increase of registered documents and increase in market value of property in the guidelines.

Taxes on vehicles: The increase (21.50 *per cent*) was due to increase in life time tax and increase in registration of new vehicles.

Land Revenue: The increase (54.92 *per cent*) was due increase in recovery of *Adhosanrachna Upkar* pertaining to earlier years.

The other Departments did not inform (September 2011) the reasons for variation, despite being requested (May 2011).

1.1.3 The following table presents the details of the non-tax revenue raised during the period from 2006-07 to 2010-11:

(₹ in crore)

| Sl. No. | Head of revenue | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Percentage of increase(+) / decrease (-) in 2010-11 over 2009-10 |
|--------------|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| 1. | Geology and mining | 813.42 | 1,031.55 | 1,243.24 | 1,660.87 | 2,470.44 | (+) 48.74 |
| 2. | Forestry and wild life | 205.79 | 258.07 | 322.29 | 345.85 | 305.17 | (-) 11.76 |
| 3. | Interest receipt | 186.04 | 205.61 | 237.40 | 220.70 | 170.95 | (-) 22.54 |
| 4. | Major and medium irrigation | 104.96 | 97.62 | 126.03 | 105.37 | 222.00 | (+) 110.69 |
| 5. | Other non-tax receipts | 74.32 | 96.44 | 135.18 | 537.82 | 602.01 | (+) 11.94 |
| 6. | Medical and public health | 19.33 | 7.62 | 1.67 | 35.67 | 10.26 | (-) 71.24 |
| 7. | Other administrative services | 13.10 | 10.59 | 11.49 | 13.03 | 15.97 | (+) 22.56 |
| 8. | Police | 12.11 | 12.31 | 8.22 | 6.69 | 18.22 | (+) 172.35 |
| 9. | Public works | 9.31 | 11.67 | 13.59 | 14.61 | 15.74 | (+) 7.73 |
| 10. | Miscellaneous general services | 8.62 | 281.84 | 95.58 | 96.97 | (-)0.84 | (-) 100.87 |
| 11. | Co-operation | 4.34 | 7.13 | 7.52 | 5.42 | 5.40 | (-) 0.37 |
| Total | | 1,451.34 | 2,020.45 | 2,202.21 | 3,043.00 | 3,835.32 | (+) 26.04 |

The following reasons were reported by the concerned Department:

Geology and Mining: The increase (48.74 *per cent*) was due to collection of royalty of major and minor minerals at increased rates for the whole financial year.

Forestry and Wild life: The decrease (11.76 *per cent*) was due to specific regional reasons in forest areas.

Public Works: The increase (7.73 *per cent*) was due to tender of new works.

1.2 Response of the Departments/ Government towards audit

The Accountant General (Audit), (AG) Chhattisgarh conducts periodical inspection of the Government Departments to test check the transactions and

verify the maintenance of the important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the inspection reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices/ Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the Departments and the Government.

1.2.1 Outstanding IRs and audit observations

IRs issued up to December 2010 disclosed that 7,874 paragraphs involving ₹ 3,429.36 crore relating to 2,094 IRs remained outstanding at the end of June 2011 as mentioned below along with the corresponding figures for the preceding two years:

| | June 2009 | June 2010 | June 2011 |
|--|-----------|-----------|-----------|
| Number of outstanding IRs | 1,955 | 1,990 | 2,094 |
| Number of outstanding audit observations | 7,266 | 7,462 | 7,874 |
| Amount involved (₹ in crore) | 2,847.14 | 3,313.41 | 3,429.36 |

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2011 and the amount involved are mentioned in the following table:

| Sl. No. | Name of the Department | Nature of receipts | Number of outstanding IRs | Number of outstanding audit observations | Money involved (₹ in crore) |
|--------------|------------------------|---|---------------------------|--|-----------------------------|
| 1. | Finance | Taxes/ VAT on sales, trade etc | 354 | 2,277 | 314.12 |
| | | Electricity duty | 11 | 37 | 6.95 |
| | | Entertainment tax | 62 | 79 | 1.90 |
| 2. | Stamp and Registration | Stamp and registration fees | 254 | 610 | 32.35 |
| 3. | Revenue | Land revenue | 501 | 1395 | 360.70 |
| 4. | Transport | Taxes on motor vehicles | 113 | 760 | 91.06 |
| 5. | Excise | State Excise | 108 | 328 | 326.07 |
| 6. | Geology and Mining | Non-ferrous mining and metallurgical industries | 118 | 395 | 550.39 |
| 7. | Other tax Departments | Other receipts | 288 | 1042 | 651.19 |
| 8. | Forest (Revenue) | Forest receipts | 285 | 951 | 1,094.63 |
| Total | | | 2,094 | 7,874 | 3,429.36 |

Even the first replies required to be received from the heads of offices within one month from the date of issue of the IRs were not received for 80 IRs issued up to March 2011. This large pendency of the IRs due to non-receipt of the replies is indicative of the fact that the heads of offices and heads of the Departments failed to initiate action to rectify the defects, omissions and irregularities pointed out by the AG in the IRs.

We recommended that the Government to take suitable steps to install an effective procedure for prompt and appropriate response to audit observations as well as taking action against officials/ officers who fail to send replies to the IRs/ paragraphs as per the prescribed time schedules and also fail to take action to recover loss/outstanding demand in a time bound manner.

1.2.2 Departmental Audit Committee meetings

The Government has set up audit committees (during various periods) to monitor and expedite the progress of the settlement of IRs and paragraphs in the IRs. The details of the Audit Committee Meetings (ACMs) held during the year 2010-11 and the paragraphs settled are mentioned in the following table:

| Head of revenue | Number of meetings held | Number of paragraphs settled | Amount (₹ in crore) |
|-------------------------------|-------------------------|------------------------------|---------------------|
| Taxes on motor vehicles | 01 | 41 | 0.86 |
| Taxes/VAT on sale, trade etc. | 01 | 42 | 0.31 |
| Total | 02 | 83 | 1.17 |

It is seen from the above that during 2010-11 only two Departments convened one ACM each, other Departments did not take initiative to hold ACMs.

It is recommended that Government ensure convening of periodical ACMs by all the Departments for effective and expeditious settlement of outstanding paragraphs.

1.2.3 Non-production of records to Audit for scrutiny

The programme of local audit of Commercial Tax is drawn up sufficiently in advance and intimations are issued, usually one month before the commencement of audit, to the Department to enable them to keep the relevant records ready for audit scrutiny.

During 2010-11, commercial tax assessment records relating to four offices were not made available to audit as mentioned below:

| Sl. No. | Name of office | Year in which it was audited | Number of assessment cases not audited | Number of cases in which revenue involved could be ascertained | Revenue involved |
|---------|----------------------------|------------------------------|--|--|------------------|
| 1. | CTO circle-IV, Raipur | 4/2010 to 3/2011 | 07 | N.A | N.A |
| 2. | CTO circle-I, Bilaspur | 4/2010 to 3/2011 | 02 | N.A | N.A |
| 3. | ACCT- Raipur (S.K. Bakshi) | 4/2010 to 3/2011 | 06 | N.A | N.A |
| 4. | ACCT-Raipur (S.L. Agrawal) | 4/2010 to 3/2011 | 09 | N.A | N.A |

1.2.4 Response of the Departments to the draft audit paragraphs

As per standing instructions of the Finance Department, all Departments are to send their response to the draft paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within three weeks of their receipt. The draft paragraphs are forwarded to the Secretaries of the Department concerned through demi-official letters requesting them to send their response within three weeks. The fact of non-receipt of replies from the Government is invariably indicated at the end of each such paragraph included in the Audit Report.

24 draft paragraphs proposed to be included in the report of the Comptroller and Auditor General of India (Revenue Receipts) for the year ended 31 March 2011 were forwarded to the Secretaries of the respective Departments between April 2010 and March 2011. Out of 24 draft paragraphs, the Departments have accepted the audit observations in respect of 16 paragraphs.

1.2.5 Follow up on Audit Reports- summarised position

According to the instructions issued by the Finance Department, all Departments were required to furnish explanatory memoranda, vetted by audit, to the Chhattisgarh *Vidhan Sabha* Secretariat, in respect of paragraphs included in the Audit Reports, within three months of their being laid on the table of the House.

As on March 2011, three Departments had not furnished the Departmental notes in respect of five paragraphs included in the Audit Reports for the years between 2004-05 and 2008-09 for vetting and the period of delay ranged from 9 to 57 months as mentioned in the following table:

| Sl. No. | Name of the Department | Year of report | Date of presentation to the legislature | Last date by which departmental notes were due | Number of paragraphs for which departmental notes were due | Delay in months at the end of March 2011 |
|--------------|------------------------|----------------|---|--|--|--|
| 1. | Land revenue | 2004-05 | 23.3.06 | 23.6.06 | 1 | 57 |
| | | 2007-08 | 20.2.09 | 20.5.09 | 1 | 23 |
| | | 2008-09 | 26.3.10 | 26.6.10 | 1 | 09 |
| 2. | Co-operative | 2007-08 | 20.2.09 | 20.5.09 | 1 | 23 |
| 3. | Registration | 2008-09 | 26.3.10 | 26.6.10 | 1 | 09 |
| Total | | | | | 5 | |

With a view to ensure accountability of the executive, the Public Accounts Committee (PAC) lays down in each case, the period within which Action Taken Notes (ATN) on its recommendations should be sent. The PAC discussed 76 selected paragraphs pertaining to the Audit Reports for the years 1998-99 to 2008-09 and gave its recommendations on 33 paragraphs. However, ATNs have not been received in respect of 33 recommendations of the PAC from the Departments concerned as mentioned in the following table:

| Year | Name of the Department | | | | | | Total |
|--------------|------------------------------|--------------|---------------------------------|-----------------------------|------------------------|--|-----------|
| | Commercial tax/ State Excise | Co-operative | Urban development/ Registration | Motor vehicle/ Land revenue | Water resource/ Mining | Food civil supplies/ Public Works Department | |
| 1998-99 | -/2 | 1 | -/4 | 2/1 | 2/- | 1/- | 13 |
| 1999-2000 | -/- | - | -/- | -/- | -/3 | -/- | 03 |
| 2000-01 | -/1 | - | -/6 | 4/- | 1/- | -/- | 12 |
| 2001-02 | -/- | - | -/- | -/- | -/- | -/- | - |
| 2002-03 | -/- | - | -/- | -/- | -/- | -/- | - |
| 2004-05 | -/- | - | -/- | -/2 | -/- | -/2 | 4 |
| 2007-08 | -/- | - | -/- | -/- | 1/- | -/- | 1 |
| Total | -/3 | 1 | -/10 | 6/3 | 4/3 | 1/2 | 33 |

1.2.6 Compliance with the earlier Audit Reports

In the Audit Reports of 2005-06 to 2009-10 cases of under assessment, non/short levy of taxes, loss of revenue, failure to raise demands etc. Were indicated involving ₹ 947.25 crore. The Departments accepted observations of the Audit Reports involving ₹ 525.24 crore, of which ₹ 9.75 crore only had been recovered till March, 2011 as mentioned in the following table:

(₹ in crore)

| Sl. No. | Year of the Audit Report | Total money value | Amount accepted | Recovery made up to March 2011 |
|--------------|--------------------------|-------------------|-----------------|--------------------------------|
| 1. | 2005-06 | 253.10 | 2.22 | 1.88 |
| 2. | 2006-07 | 15.99 | 2.92 | 1.85 |
| 3. | 2007-08 | 92.87 | 52.88 | 1.68 |
| 4. | 2008-09 | 486.08 | 446.33 | 4.34 |
| 5. | 2009-10 | 99.21 | 20.89 | - |
| Total | | 947.25 | 525.24 | 9.75 |

We recommend that the Government may consider taking effective steps for recovering the outstanding revenue.

1.3 Analysis of the mechanism for dealing with the issues raised by audit

The succeeding paragraphs 1.3.1 to 1.3.2.2 discuss the performance of the Excise Department to deal with the cases detected in the course of local audit conducted during the last 10 years and also the cases included in the Audit Reports for the years 2001-02 to 2009-10.

1.3.1 Position of Inspection Reports

The summarised position of inspection reports issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2011 are mentioned in the following table:

| Year | Opening balance | | | Addition during the year | | | Clearance during the year | | | Closing balance during the year | | |
|---------|-----------------|-------------|--------------------------|--------------------------|-------------|--------------------------|---------------------------|-------------|--------------------------|---------------------------------|-------------|--------------------------|
| | IRs | Para-graphs | Money value (₹ in crore) | IRs | Para-graphs | Money value (₹ in crore) | IRs | Para-graphs | Money value (₹ in crore) | IRs | Para-graphs | Money value (₹ in crore) |
| 2001-02 | 51 | 194 | 70.32 | 12 | 65 | 20.50 | 2 | 15 | 1.23 | 61 | 244 | 89.59 |
| 2002-03 | 61 | 244 | 89.59 | 11 | 63 | 25.51 | 2 | 46 | 6.66 | 70 | 261 | 108.43 |
| 2003-04 | 70 | 261 | 108.43 | 7 | 25 | 35.94 | 8 | 84 | 37.77 | 69 | 202 | 106.60 |
| 2004-05 | 69 | 202 | 106.60 | 7 | 40 | 46.36 | 1 | 18 | 2.48 | 75 | 224 | 150.47 |
| 2005-06 | 75 | 224 | 150.47 | 15 | 93 | 35.96 | - | 17 | 4.41 | 90 | 300 | 182.03 |
| 2006-07 | 90 | 300 | 182.03 | 6 | 34 | 19.20 | 2 | 13 | 1.16 | 94 | 321 | 200.07 |
| 2007-08 | 94 | 321 | 200.07 | 12 | 49 | 13.81 | - | 20 | 6.97 | 106 | 350 | 206.91 |
| 2008-09 | 106 | 350 | 206.91 | 11 | 47 | 151.05 | 9 | 67 | 33.72 | 108 | 330 | 324.25 |
| 2009-10 | 108 | 330 | 324.25 | 7 | 26 | 16.46 | 13 | 67 | 76.46 | 102 | 289 | 264.25 |
| 2010-11 | 102 | 289 | 264.25 | 10 | 48 | 64.51 | 3 | 6 | 2.47 | 109 | 331 | 326.30 |

Above table clearly shows that more than 100 IRs involving revenue of more than ₹ 200 crore are pending for last four years.

It is recommended that the Department/Government take appropriate and timely action to settle outstanding paragraphs.

1.3.2 Assurance given by the Department/Government on the issues highlighted in the Audit Reports

1.3.2.1 Recovery of accepted cases

The position of paragraphs included in the Audit Reports of the last nine years, those accepted by the Department and the amount recovered are mentioned in the following table:

(₹ in lakh)

| Year of AR | Number of paragraphs included | Money value of the paragraphs | Number of paragraphs accepted | Money value of paragraphs accepted | Amount recovered during the year | Cumulative position of recovery of accepted cases |
|--------------|-------------------------------|-------------------------------|-------------------------------|------------------------------------|----------------------------------|---|
| 2001-02 | 5 | 368.88 | 1 | 256.00 | - | 1.12 |
| 2002-03 | 2 | 23.41 | 1 | 3.09 | - | 1.17 |
| 2003-04 | 2 | 40.54 | 2 | 40.54 | - | 9.72 |
| 2004-05 | 6 | 1025.20 | 3 | 381.12 | - | 4.76 |
| 2005-06 | 5 | 409.00 | 2 | 105.28 | - | - |
| 2006-07 | - | - | - | - | - | - |
| 2007-08 | 6 | 1495.00 | - | - | - | - |
| 2008-09 | 3 | 119.80 | 3 | 119.80 | 1.88 | 1.88 |
| 2009-10 | 2 | 48.04 | 2 | 45.04 | - | - |
| Total | 31 | 3,529.87 | 14 | 950.87 | 1.88 | 18.65 |

31 paras (Money value ₹ 3,529.87 lakh) had been included in the Audit Reports for the period 2001-02 to 2009-10, of which 14 paras (Money value ₹ 950.87 lakh) were accepted by the Department, whereas only ₹ 18.65 (1.96 per cent) was realised in the accepted cases.

When asked about the existing mechanism in the Department to monitor the recovery in the accepted cases, the Department intimated that Assistant Commissioners/District Excise Officers posted in districts are competent officers to effect recovery on accepted cases; process of recovery of outstanding revenue pointed out by audit is done at district level. RRCs are issued against the persons concerned and recovery is made as arrears of land revenue, however the fact remains that the progress made in recovery of the accepted cases is very low (1.96 % of the accepted amount). **We recommend that Government may consider taking effective steps for recovery of the amounts at least in those cases which have been accepted by the Department.**

1.3.2.2 Action taken on the recommendations accepted by the departments/ Government

The draft performance audits conducted by the AG are forwarded to the concerned Departments/Government for their information with a request to furnish their replies. These performance audits are also discussed in an exit conference and the Department's/Government's views are included while finalising the performance audit for the Audit Reports.

The following paragraphs discuss the issues highlighted in the performance audit on the Excise Department featured in the last 10 Audit Reports including the recommendations and action taken by the Department on the recommendations accepted by it as well as the Government.

| Year of AR | Name of the performance audit | Number of recommendations | Details of the recommendations accepted | Status |
|------------|---------------------------------------|---------------------------|---|---|
| 2007-08 | Levy and collection of Excise Revenue | 6 | 3.2.7 The Government may evolve provisions for recovery of alcohol from grain as in the case of molasses to avoid revenue leakage. | The Government stated that it would start the process of framing provisions for production from grain by collecting and examining the prevailing rules in other States. |
| | | | 3.2.8 The Government should re-examine the methodology for fixing targets using prescribed parameters such as time series data of actual revenue collection to do a trend analysis to fix targets for the districts. | The Government stated that while fixing the targets, efforts would be made to do a trend analysis of the past targets and actual revenue realisation. |
| | | | 3.2.9 The Government should calculate the anticipated yield from the higher of the two reports, from the distiller and department laboratory. | The laboratory has been sanctioned by the Government but delay in its establishment is due to lack of place. |
| | | | 3.2.10.1 The Government may consider introducing similar provisions for IMFL. | As per rules, the stock of filled bottles is kept by the Department to avoid the revenue pilferage. There is no need for amending the rules. |
| | | | 3.2.10.2 To issue instructions to record actual loss in transit. | Strict instructions have been issued for recording actual wastage. |
| | | | 3.2.11 To strengthen the Internal Audit Wing and its functioning. | Action will be taken for establishing IAW accordingly. |

1.4 Audit planning

The unit offices under various Departments are categorised into high, medium and low risk units according to their revenue position, past trends of audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter-alia* includes critical issues in Government revenues and tax administration i.e. budget speech, white paper on state finances, reports of the Finance Commission (State and Central), recommendations of the taxation reforms committee; statistical analysis of the revenue earnings during the past five years, features of the tax administration, audit coverage and its impact during past five years etc.

During the year 2010-11, the audit universe comprised of 662 auditable units, of which 127 units were planned and 140 units audited during the year which is 21.15 *per cent* of the total auditable units.

Besides, the compliance audit mentioned above, three performance reviews were also taken up to examine the efficacy of the tax administration of these receipts.

1.5 Results of audit

1.5.1 Position of local audit conducted during the year

Test check of the records of 110 units of commercial tax, land revenue, state excise, motor vehicle tax, stamps and registration fees and other non-tax receipts conducted during the year 2010-11 revealed underassessment/ short levy/loss of revenue aggregating to ₹ 826.86 crore in 7,666 cases. During the course of the year, the departments concerned accepted under assessments and other deficiencies of ₹ 656.84 crore involved in 4,498 cases. The departments collected ₹ 2.35 crore in during 2010-11.

1.5.2 This Report

This report contains 28 paragraphs (selected from the audit detections made during the local audit referred to above and during earlier years which could not be included in earlier reports) including three Performance Audit on **Cross verification of declaration forms on *Inter-state* trade or commerce; Levy and collection of Land Revenue;** and **Computerisation in Transport Department** relating to short/ non-levy of tax, duty and interest, penalty etc., involving financial effect of ₹ 49.96 crore. The Departments/ Government have accepted audit observations involving ₹ 11.05 crore, out of which ₹ 0.16 crore had been recovered. The replies in the remaining cases have not been received (October 2011). These are discussed in succeeding chapters II to VIII.