

CHAPTER-I : GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Maharashtra during the year 2010-11, the State's share of divisible Union taxes, grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

(₹ in crore)

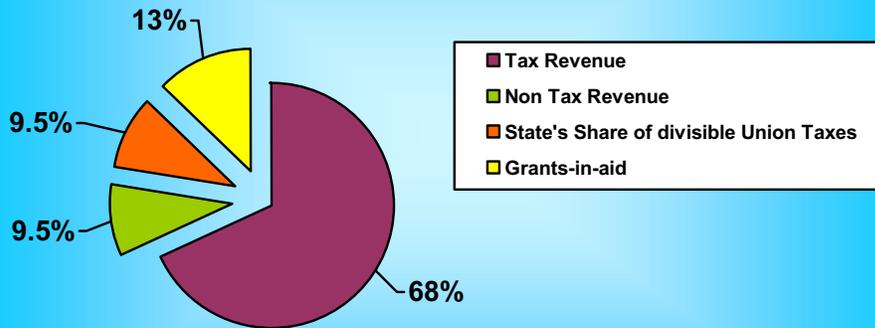
Sl. no.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
I.	Revenue raised by the State Government					
	• Tax revenue	40,099.24	47,528.41	52,029.94	59,106.33	75,027.09
	• Non-tax revenue ¹	6,706.50 (7,518.25)	16,935.25 (16,947.97)	9,750.77 (9,789.94)	8,263.97 (8,352.61)	8,213.10 (8,225.04)
	Total	46,805.74 (47,617.49)	64,463.66 (64,476.38)	61,780.71 (61,819.88)	67,370.30 (67,458.94)	83,240.19 (83,252.13)
II.	Receipts from the Government of India					
	• State's share of divisible Union Taxes	6,022.76	7,597.22	8,018.41	8,248.12	11,419.79
	• Grants-in-aid	8,555.13	7,509.55	11,432.39	11,203.23	11,195.89
	Total	14,577.89	15,106.77	19,450.80	19,451.35	22,615.68
III.	Total revenue receipts of the State Government	61,383.63 (62,195.38)	79,570.43 (79,583.15)	81,231.51 (81,270.68)	86,821.65 (86,910.29)	1,05,855.87 (1,05,867.82)
IV.	Percentage of I to III	76	81	76	78	79

The above table indicates that during the year 2010-11, the revenue raised by the State Government was 79 *per cent* of the total net revenue receipts (₹ 1,05,855.87 crore) against 78 *per cent* in 2009-10. The balance 21 *per cent* of receipts during 2010-11 were received from the Government of India.

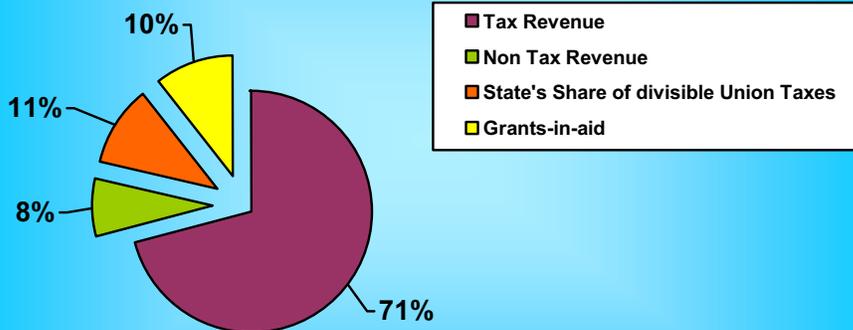
The comparative figures of sources of revenue for 2009-10 and 2010-11 and trend of growth of tax and non-tax revenue during the period 2006-07 to 2010-11 are shown below in the pie charts and the bar chart.

¹ Figures in brackets indicate gross receipts, the details of which are available in Statement No. 11 - Detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Maharashtra for the year 2010-11. The figures above those in brackets are lower because of netting of expenditure on prize winning tickets from Lottery receipts.

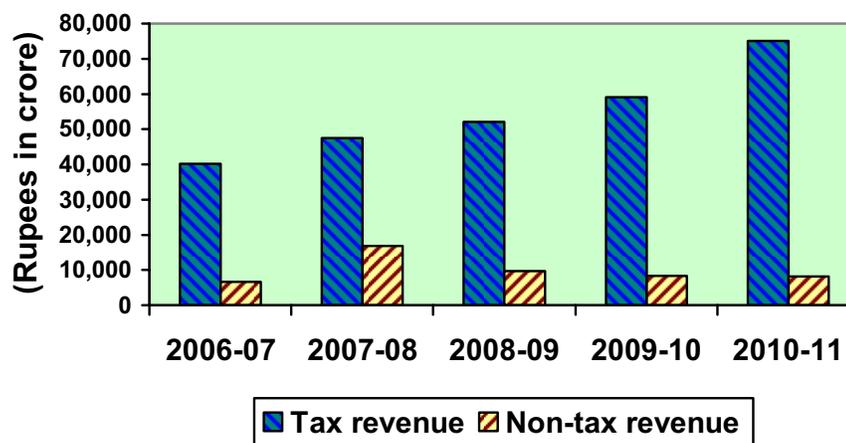
Receipts of the Government for the year 2009-2010



Receipts of the Government for the year 2010-11



**Growth of tax and non-tax revenue
from 2006-07 to 2010-11**



As can be seen from the bar chart the tax revenue of the State increased by 87 per cent in 2010-11 as compared to 2006-07 and by 27 per cent when compared with the previous year. The non-tax revenue decreased by 52 per cent in 2010-11 as compared to the previous high in 2007-08.

1.1.2 The following table presents the details of 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.	Sales tax/VAT						
	• State sales tax, VAT etc.	21,583.06	24,368.22	27,805.30	30,170.70	38,934.47	(+) 29.04
	• Central sales tax	2,547.66	2,384.58	2,875.23	2,505.32	3,548.25	(+) 41.63
2.	State excise	3,300.70	3,963.05	4,433.76	5,056.63	5,961.85	(+) 17.90
3.	Stamp Duty and Registration fees	6,415.72	8,549.57	8,287.63	10,773.65	13,515.99	(+) 25.45
4.	Taxes and Duties on Electricity	1,577.19	2,687.87	2,394.86	3,289.32	4,730.26	(+) 43.81
5.	Taxes on Vehicles	1,841.06	2,143.11	2,220.22	2,682.30	3,532.90	(+) 31.71
6.	Taxes on Goods and Passengers	224.48	388.27	891.95	976.60	599.88	(-) 38.57
7.	Other taxes on Income and expenditure-Taxes on Professions, Trades, Callings and Employments	1,246.72	1,488.26	1,561.17	1,612.35	1,686.20	(+) 4.58

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
8.	Other Taxes and Duties on Commodities and Services	878.31	1,043.17	1,013.58	1,325.39	1,422.31	(+) 7.31
9.	Land Revenue	484.17	512.22	546.22	714.04	1,094.98	(+) 53.35
10.	Service Tax	0.17	0.09	0.02	0.03	0.00	
	Total	40,099.24	47,528.41	52,029.94	59,106.33	75,027.09	

The reasons for significant variation in the receipts in 2010-11 from that of 2009-10 in respect of principal heads of revenue as furnished by the departments are as under:

Sales Tax, VAT etc and Central Sales Tax: The increase was on account of better administrative control exercised by the Sales Tax Department, introduction of e-payment and improvement in defaulter follow-up.

The following Departments did not inform (September 2011) the reasons for variation, despite being requested (April 2011). However, the reasons for variations analysed by us from the Finance Accounts are as follows (figures in brackets indicate percentage of increase/decrease from the previous year's collections):

State Excise: The increase was mainly due to increase in collections of State excise duty on the sale of country fermented liquors (11 *per cent*), malt liquor (92 *per cent*), foreign liquors and spirits (59 *per cent*), commercial and denatured spirits and medicated wines (45 *per cent*) and receipts under services and service fees (287 *per cent*).

Stamp duty and registration fees: The increase was mainly due to increase in sale of non-judicial stamps (17 *per cent*), increase in receipts on account of duty on impressing of documents (37 *per cent*) and increase in receipts on account of registration fees (19 *per cent*).

Taxes and duties on electricity: The increase was mainly due to increase in receipts under taxes on consumption and sale of electricity (43 *per cent*) and Fees under the Indian Electricity Rules, 1956 (115 *per cent*).

Taxes on vehicles: The increase was mainly due to increase in receipts under Indian Motor Vehicles Act (30 *per cent*) and State Motor Vehicles Taxation Acts (32 *per cent*).

Land Revenue: The increase was due to increase in receipts on account of sale of Government Estates (191 *per cent*) and receipts under the head "other receipts" (102 *per cent*).

Taxes on goods and passengers: The decrease was found to be due to decrease in receipts under the sub-head “Tax on entry of goods into Local Areas” (39 per cent).

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.	Interest Receipts	2,503.92	1,170.17	1,016.67	1,342.00	1,421.70	(+)5.94
2.	Dairy Development	611.87	453.60	471.01	487.30	341.64	(-)29.89
3.	Other non-tax receipts	696.03	953.87	1,200.60	1,681.01	1,296.23	(-)22.89
4.	Forestry and Wild life	121.37	195.73	259.76	226.48	238.87	(+)5.47
5.	Non-ferrous mining and Metallurgical Industries	819.44	1,091.19	1,215.67	1,466.73	1,841.19	(+)25.53
6.	Miscellaneous General Services ²	801.64	11,509.38	3,913.08	979.89	622.28	(-)36.49
7.	Power	133.83	344.07	413.28	456.61	485.42	(+)6.31
8.	Major and Medium Irrigation	444.93	626.41	631.77	812.58	729.54	(-)10.22
9.	Medical and Public Health	159.20	170.69	131.22	234.30	173.04	(-)26.15
10.	Co-operation	64.46	67.72	87.78	97.28	77.88	(-)19.94
11.	Public Works	154.09	101.91	154.77	162.31	166.38	(+)2.51
12.	Police	101.84	140.20	137.27	163.45	191.99	(+)17.47
13.	Other Administrative Services	93.88	110.31	117.89	154.03	626.94	(+)307.02
	Total	6,706.50	16,935.25	9,750.77	8,263.97	8,213.10	

The reasons for variations in the receipts for 2010-11 from that of 2009-10, in respect of principal heads of revenue though called for (April 2011) from concerned departments were not furnished (September 2011). However, some of the significant variations in the receipts during 2010-11 over those of the previous year as analysed by us from the Finance Accounts were as follows:

Non-ferrous, mining and metallurgical industries: The increase was mainly due to increase under the sub head “mineral concession fees, rents and royalties” (30 per cent) and “other receipts” (45 per cent).

² Includes net lottery receipts after adjustment of prize money paid.

Police: The increase was mainly due to increase in receipts under the head “receipts of State Headquarters Police” (44 *per cent*) and “other receipts” (67 *per cent*).

Other Administrative Services: The increase was mainly due to increase in receipts under the detailed head “Other receipts” of the sub head “60 – Other Services” (1551 *per cent*)

Dairy Development: The decrease was mainly due to less receipt from various Government Milk Schemes.

Miscellaneous General Services: The decrease was mainly due to decrease in receipts under the head “unclaimed deposits” (70 *per cent*) and “other receipts” (99 *per cent*).

1.2 Response of the Departments/Government to audit observations

The offices of the Principal Accountant General (Audit)-I, Mumbai and the Accountant General (Audit)-II, Nagpur (AsG) arrange to conduct periodical inspections of the various offices of the Government Departments to test check transactions of the tax and non-tax receipts and verify the maintenance of important accounting and other records as per the prescribed rules and procedures. After inspections by field parties inspection reports (IRs) are issued to the heads of offices, with copies of the same to the next higher authorities. The Government of Maharashtra, Finance Department’s circular dated 10 July 1967 provides for response by the executive to the IRs issued by the offices of the AsG, within one month, after ensuring action in compliance to the observations made during audit inspections. Serious irregularities are also brought to the notice of the heads of departments by the offices of the AsG. Half yearly reports are sent to the secretaries of the concerned departments in respect of the pending IRs to facilitate the monitoring of audit observations.

1.2.1 Failure of senior officials to enforce accountability and protect the interest of the State Government

Scrutiny of the inspection reports issued upto 31 December 2010 revealed that 10,293 observations relating to 4,682 IRs involving ₹ 1,722.20 crore, remained outstanding at the end of June 2011 as mentioned below, along with the corresponding figures for the preceding two years.

	30 June 2009	30 June 2010	30 June 2011
Number of outstanding IRs	4,672	4,681	4,682
Number of outstanding audit observations	10,101	9,811	10,293
Amount involved (₹ in crore)	1,154.08	1,419.02	1,722.20

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2011 and the amounts involved are mentioned below:

Sl. no.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved (₹ in crore)
1	Home	State Excise	125	206	9.16
2	Home	Taxes on vehicles	215	790	24.15
3	Revenue and Forest	Land Revenue	1,195	2,398	603.67
4	Revenue and Forest	Entertainments Duty	282	485	11.66
5	Revenue and Forest	Forestry and Wild Life	149	245	47.37
6	Revenue and Forest	Education Cess and Employment Guarantee Cess	86	143	40.42
7	Revenue and Forest	Stamps and registration fees	1,053	2,403	297.45
8	Finance	Taxes on Sales, trades etc.	1,274	3,212	176.30
9	Finance	Taxes on profession etc.	80	112	1.19
10	Industry, Energy and Labour	Electricity duty	75	126	502.21
11	Urban Development	Residential Premises Tax	52	61	0.90
12	Urban Development	Repair Cess	9	13	2.64
13	Home, Irrigation, Public Works, Revenue and Forest Department	Other non tax receipts	87	99	5.08
	Total		4,682	10,293	1,722.20

In respect of the above observations, 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 in respect of 1,800 observations relating to 603 IRs, issued upto December 2010 involving revenue of ₹ 104.16 crore. Huge 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 had failed to initiate action to rectify the defects, omissions and irregularities pointed out by the AsG in the IRs.

It is recommended that the Government take suitable steps to evolve a mechanism for prompt and appropriate response to audit observations. The Government may also consider fixing responsibility for failure to reply to the IRs/paragraphs as per the prescribed time schedule as well as for not taking appropriate and time bound action to recover losses/outstanding demands.

1.2.2 Departmental Audit Committee Meetings

The Government had 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 (ACM) held during the year 2010-11 and the paragraph settled are mentioned below:

(₹ in crore)

Administrative Department	Head of revenue	Number of meetings held	Number of paras discussed	Number of paras settled	Amount
Revenue and Forest	Land Revenue	1	227	99	25.76
	Entertainments Duty	1	144	30	0.43
	Stamps and Registration Fees	1	433	208	86.55
Finance	Taxes on sales, trade etc.	11	1,717	704	6.76
	Taxes on professions etc.	1	99	25	0.20
Total		15	2,620	1,066	119.70

As can be seen from the above, as against 2,620 paras discussed, 1,066 paras (41 per cent) were settled in the meetings, indicating that the Departments were not adequately prepared with full and final compliance in respect of the audit observations made in the local audit reports. Further in case of Land Revenue and Stamps and Registration Fees only one meeting was held for each head of revenue even though the pendency of cases were quite high in those departments. As 10,293 audit observations were outstanding at the end of June 2011, it indicates that the machinery created for this purpose was not put to use effectively.

The Government may take proactive action to send replies in advance so that more number of paras could be settled in the ACM. Special efforts may also be made to comply to the old outstanding paras.

1.2.3 Non-production of records to Audit for scrutiny

The programme of local audit of Sales Tax/VAT receipts Offices is drawn up in advance and intimations are issued, usually much before the commencement of audit to the Department to enable them to keep the relevant records ready for audit scrutiny.

Upto 2010-11, 680 tax records of dealers whose returns were examined/accepted by the Sales Tax Department, for the audit periods 2002-03 and 2004-05 to 2010-11, were not made available to audit during those years. Out of this, in respect of 455 cases, tax involved was ₹ 98.62 crore and in the remaining 225 cases the tax effect was not available in the departmental records during audit. Of the 680 cases, 232 cases pertained to 38 units in which examination/acceptance of returns of major dealers are dealt with. Year wise break up of such cases are given below:

(₹ in crore)

Name of Office	Year in which it was to be audited	Number of assessment cases not audited	Number of cases in which revenue involved could not be ascertained	Number of cases in which revenue involved could be ascertained	Revenue involved
Sales Tax Department	2002-03	16	11	5	0.05
	2004-05	2	1	1	0.95
	2005-06	1	1	0	0
	2006-07	37	4	33	3.97
	2007-08	49	4	45	13.06
	2008-09	96	29	67	3.41
	2009-10	195	71	124	53.69
	2010-11	284	104	180	23.49
	Total	680	225	455	98.62

Though these units are audited annually, 128 out of 680 tax records involving revenue of ₹ 8.43 crore though requisitioned during the audits of these units in subsequent years were not made available to audit (position of outstanding audit observations as on 30 August 2011).

The Government/Department may ensure that the tax records are made available to audit during the audit period itself so that any under assessment/short recovery of tax involved in these cases could be pointed out by audit for timely action.

1.2.4 Response of the Departments to draft audit paragraphs

The Finance Department had issued directions to all the Departments in July 1967 to send their responses to the draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks. The draft paragraphs were forwarded by Audit to the secretaries of the concerned Departments through demi-official letters, drawing their attention to the audit findings and requesting them to send their response within the prescribed time. The fact of non-receipt of replies from the Government was invariably indicated at the end of each paragraph included in the Audit Report.

Draft paragraphs (clubbed into 32 paragraphs) 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 2011 and October 2011 through demi-official letters. Replies to most of the paragraphs (clubbed into 32 paragraphs) have not been received. Such paragraphs have been included in this report.

1.2.5 Follow-up on Audit Reports - summarised position

According to the instructions issued by the Finance Department, all the Departments were required to furnish explanatory memoranda, vetted by Audit, to the Maharashtra Legislative Secretariat, in respect of paragraphs included in the Audit Reports, within one month of their being laid on the table of the House.

A review of the outstanding explanatory memoranda on paragraphs included in the Reports of the Comptroller and Auditor General of India (Revenue Receipts) which were still to be discussed by the Public Accounts Committee (PAC), disclosed that as on 30 September 2011, the Departments had not submitted remedial explanatory memoranda on 52 paragraphs for the years from 1997-98 to 2008-09 (excluding 1999-00)³ as detailed below:

³ 1999-00 – Explanatory memoranda were received and the Audit Report discussed.

Sl. No.	Name of the Department	1997-98	1998-99	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	Total
1	Home	--	--	--	--	--	--	--	--	--	4	1	5
2	Revenue and Forests	3	1	--	2	--	2	2	1	5	4	4	24
3	Urban Development	--	--	1	2	1	--	--	--	--	--	--	4
4	Finance	--	--	--	--	--	--	--	--	2	1	1	4
5	Water Resources	--	--	--	--	--	--	--	--	--	--	1	1
6	Industries, Energy and Labour	--	--	--	1	--	--	--	--	1	--	3	5
7	Relief and Rehabilitation	--	--	--	1	--	--	--	--	--	--	6	7
8	Co-operation and Textiles	--	--	--	--	--	1	--	--	1	--	--	2
Total		3	1	1	6	1	3	2	1	9	9	16	52

With a view to ensure accountability of the executive in respect of all the issues dealt with in the Audit Reports, the PAC lays down in each case, the period within which action taken notes (ATNs) on its recommendations should be sent.

The PAC discussed 248 selected paragraphs pertaining to the Audit Reports for the years from 1986-87 to 2005-06 and its recommendations on 104 paragraphs were incorporated in their 27th Report (1994-95), 9th Report (1995-96), 12th, 13th, 14th and 18th Reports (1996-97), 21st Report (1997-98), 5th Report (2000-01), 12th Report (2002-03), 5th Report (2006-07), 6th Report (2007-08), 5th Report (2010-11) and 6th Report (2010-11). However, ATNs have not been received in respect of 68 recommendations of the PAC from the Departments concerned as mentioned in the following table:

Year	Name of the department							Total
	Home	Revenue and Forests	Finance	Industries, Energy and Labour	Relief and Rehabilitation	Medical Education and Drugs	Co-operation and Textiles	
1986-87	--	1	--	--	--	--	--	1
1987-88	--	--	1	--	--	--	--	1
1988-89	--	--	1	--	--	--	--	1
1989-90	1	4	2	--	--	--	--	7
1990-91	7	2	4	--	--	--	--	13
1991-92	1	--	--	1	1	--	--	3
1992-93	1	1	1	1	--	--	--	4
1993-94	3	2	--	--	--	--	--	5
1995-96	--	1	--	--	--	--	--	1
1996-97	--	--	--	--	1	--	--	1
1997-98	--	3	1	--	--	--	--	4
1998-99	--	4	1	--	--	--	--	5
2003-04	--	3	7	--	--	2	2	14
2004-05	1	2	4	1	-	-	-	8
Total	14	23	22	3	2	2	2	68

1.2.6 Compliance to the earlier Audit Reports

During the period from 2001-02 to 2009-10, the Government/Departments accepted audit observations involving ₹ 3,451.40 crore, out of which an amount of ₹ 1,085.13 crore had been recovered till 31 March 2011 as mentioned below:

(₹ in crore)

Year of Audit Report	Total money value	Accepted/recoverable money value	Recovery made
2001-02 to 2005-06	5,627.07	1,910.95	836.49
2006-07	854.63	495.92	9.27
2007-08	818.90	167.44	54.11
2008-09	3,246.16	857.72	182.77
2009-10	59.67	19.37	2.49
Total	10,606.43	3,451.40	1,085.13

Despite the matter being taken up with the concerned secretaries a number of times, the position relating to recovery of dues as pointed out by audit, remains highly unsatisfactory.

The Government may institute a mechanism to monitor the position of recoveries pointed out in the audit reports and take effective steps to recover the amounts early.

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

In order 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 reviews included in the Audit Reports of the last 10 years in respect of one Department is evaluated and included in each Audit Report.

The succeeding paragraphs 1.3.1 and 1.3.2 discuss the performance of the Relief and Rehabilitation Department to deal with the cases detected in the course of local audit conducted during the period from 2003-04 to 2009-2010.

1.3.1 Position of Inspection Reports

The summarised position of Inspection Reports issued during the last seven years, paragraphs included in these reports and their status as on 31 March 2011 are tabulated below:

(₹ in crore)

Year	Opening balance			Addition during the year			Clearance during the year			Closing balance		
	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value	IRs	Para-graphs	Money value
2003-04	1,241	2,407	98.81	263	720	32.03	373	944	11.50	1,131	2,183	119.34
2004-05	1,131	2,183	119.34	201	515	33.28	167	611	4.64	1,165	2,087	147.98
2005-06	1,165	2,087	147.98	274	889	119.74	262	677	17.77	1,177	2,299	249.95
2006-07	1,177	2,299	249.95	255	614	64.02	231	1,172	44.08	1,201	1,741	269.89
2007-08	1,201	1,741	269.89	223	363	47.30	153	598	33.73	1,271	1,506	283.46
2008-09	1,271	1,506	283.46	202	479	94.00	111	401	20.54	1,362	1,584	356.92
2009-10	1,362	1,584	356.92	226	558	35.41	60	272	7.01	1,528	1,870	385.32

The Department may make effective use of the machinery created for settling outstanding audit observations.

In order to obtain speedy compliance to the outstanding para statement of such paras are forwarded to the concerned Departments of the Government in January and July every year. The outstanding paras are also pursued through periodic references to the concerned offices and also through field parties which visit these offices for audit in the subsequent years. Further, apart from the ACMs regular meetings are also held with heads of offices for discussion of issues wherein the Departmental views do not concur with the audit observation.

1.3.2 Recovery of accepted cases

The position of paragraphs included in the Audit Reports of the last 10 years, those accepted by the department and the amount recovered are mentioned below:

(₹ in crore)

Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year	Cumulative position of recovery of accepted cases
2000-01	4	32.74	2	0.39	0.00	0.04
2001-02	5	5.31	5	1.80	0.00	0.00
2002-03	4	0.87	4	0.62	0.00	0.11
2003-04	7	0.51	3	0.47	0.00	0.00
2004-05	6	3.31	6	3.31	0.00	3.03
2005-06	8	59.93	5	1.65	0.00	0.00
2006-07	16	136.92	13	37.95	0.00	5.75
2007-08	4	25.83	2	0.68	0.00	0.11
2008-09	6	3.39	5	2.75	0.00	0.00
2009-10	6	4.97	6	4.97	0.00	0.03
Total	66	273.78	51	54.59	0.00	9.07

As seen from the above table, out of 66 paras involving ₹ 273.78 crore, 51 paras involving ₹ 54.59 crore, were accepted by the Department, whereas the amount recovered in respect of these paragraphs was only ₹ 9.07 crore (September 2011).

Government may consider issuing instructions to the Department to recover the amount involved in accepted cases on priority basis.

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 include 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, out of the audit universe comprising of 2,892 auditable units, 1,223 units were planned for audit and 1,216 units were actually audited which is 42 *per cent* of the total auditable units. The details are shown in the **Annexure I**.

Besides the compliance audit mentioned above, four Performance Audits were also taken up to examine the efficacy of the tax administration and compliance issues.

1.5 Results of audit

1.5.1 Position of local audit conducted during the year

Test check of the records of 1,216 units of Sales Tax, Stamp Duty and Registration Fees, Land Revenue, Motor Vehicles Tax, State Excise, Forest Receipts and other tax and non-tax receipts conducted during 2010-11 revealed under assessments/short levy/loss of revenue amounting to ₹ 909.52 crore in 6,655 cases. During the course of the year, the Departments accepted under-assessments, short levy etc., of ₹ 274.44 crore in 2,372 cases of which 334 cases involving ₹ 93.09 lakh were pointed out in 2010-11 and rest in earlier years. Of these, the Departments recovered ₹ 261.79 crore during 2010-11.

1.5.2 This Report

This Report contains 31 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) relating to short/non-levy of tax, duty and interest, penalty etc., and four Performance Audits on

- **“Cross verification of declaration forms used in Inter-State trade”,**
- **“Sale/allotment of land and levy and collection of conversion charges”,**
- **“Computerisation in the Motor Vehicles Department”,**
- **“Levy and collection of excise duty, Licence fee, fines etc.” and**

a compliance Audit on “Development of Hill Station at Lavasa, Pune” involving financial effect of ₹ 386.37 crore and audit observations involving financial effect of ₹ 13.27 crore (total financial effect ₹ 399.64 crore). The Departments/Government have accepted audit observations involving ₹ 84.81 crore, out of which ₹ 63.68 lakh has been recovered. These are discussed in succeeding Chapters II to VII.