

## CHAPTER-I : GENERAL

### 1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Karnataka during the year 2009-10, the State's share 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:

(Rupees in crore)

Sl. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
<b>I.</b>	<b>Revenue raised by the State Government</b>					
	• Tax revenue	18,631.55	23,301.03	25,986.76	27,645.66	30,578.60
	• Non-tax revenue	3,874.71	4,098.41	3,357.66	3,158.99	3,333.80
	<b>Total</b>	<b>22,506.26</b>	<b>27,399.44</b>	<b>29,344.42</b>	<b>30,804.65</b>	<b>33,912.40</b>
<b>II.</b>	<b>Receipts from the Government of India</b>					
	• State's share of divisible Union taxes	4,213.42	5,374.33	6,779.23	7,153.77	7,359.98 <sup>1</sup>
	• Grants-in-aid	3,632.37	4,813.17	5,027.49	5,332.25	7,883.32
	<b>Total</b>	<b>7,845.79</b>	<b>10,187.50</b>	<b>11,806.72</b>	<b>12,486.02</b>	<b>15,243.30</b>
<b>III.</b>	<b>Total receipts of the State</b>	<b>30,352.05</b>	<b>37,586.94</b>	<b>41,151.14</b>	<b>43,290.67</b>	<b>49,155.70</b>
<b>IV.</b>	<b>Percentage of I to III</b>	<b>74</b>	<b>73</b>	<b>71</b>	<b>71</b>	<b>69</b>

The above table indicates that during the year 2009-10, the revenue raised by the State Government (₹ 33,912.40 crore) was 69 *per cent* of the total revenue receipts against 71 *per cent* in the preceding year. The balance 31 *per cent* of receipts during 2009-10 was from the Government of India.

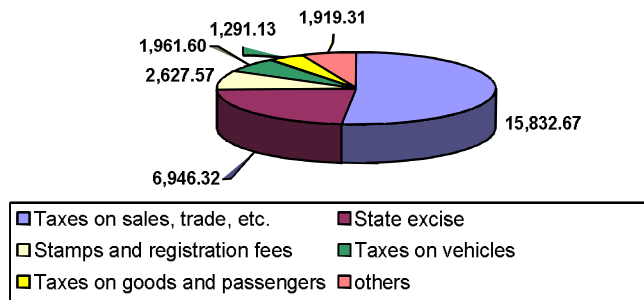
<sup>1</sup> Figures under the major heads of account 0020 Corporation Tax, 0021 Taxes on Income other than Corporation Tax, 0028 Other Taxes on Income and Expenditure, 0032 Taxes on Wealth, 0037 Customs, 0038 Union Excise Duties, 0044 Service Tax and 0045 Other Taxes and Duties on Commodities and Services – Minor head 901 – Share of net proceeds assigned to States booked in the Finance Accounts of the Government of Karnataka for 2009-10, under 'A-Tax Revenue' have been excluded from the revenue raised by the State Government and included in the State's share of divisible Union taxes.

1.1.2 The following table presents the details of tax revenue realised during the period from 2005-06 to 2009-10:

**(Rupees in crore)**

Sl. No.	Head of revenue	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage of increase (+)/ decrease (-) in 2009-10 over 2008-09
1.	Taxes on sales, trade, etc.	9,869.54	11,761.72	13,893.99	14,622.73	15,832.67	(+) 8.27
2.	State excise	3,396.79	4,495.48	4,766.57	5,749.57	6,946.32	(+) 20.81
3.	Stamps and registration fees	2,212.20	3,205.80	3,408.83	2,926.72	2,627.57	(-) 10.22
4.	Taxes on vehicles	1,105.45	1,374.50	1,650.13	1,681.16	1,961.60	(+) 16.68
5.	Taxes on goods and passengers	1,041.45	1,147.20	837.34	1,085.02	1,291.13	(+) 19.00
6.	Taxes and duties on electricity	277.09	388.57	449.50	370.59	678.69	(+) 83.14
7.	Other taxes on income and expenditure	330.25	392.58	451.37	538.79	527.21	(-) 2.15
8.	Other taxes and duties on commodities and services	280.66	425.05	380.68	406.15	576.83	(+) 42.02
9.	Land revenue	116.50	108.76	145.31	255.65	127.88	(-) 49.98
10.	Taxes on agricultural income	1.62	1.37	3.04	9.28	8.70	(-) 6.25
<b>Total</b>		<b>18,631.55</b>	<b>23,301.03</b>	<b>25,986.76</b>	<b>27,645.66</b>	<b>30,578.60</b>	<b>(+) 10.61</b>

**Graph 1: Tax Revenue 2009-10 (Rupees in crore)**



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

**State Excise:** The increase was attributed to increase in sale of Toddy/ Beer/IML, increase in collection of arrears of revenue and due to strict implementation of enforcement guidelines.

**Stamps and Registration Fees:** The decrease was attributed to global economic recession.

**Taxes on Vehicles:** The increase was attributed to increase in revenue collection on new vehicles' registration and enhancement of tax on different categories of vehicles.

**Taxes and Duties on Electricity:** The increase was attributed to collection of arrears of tax.

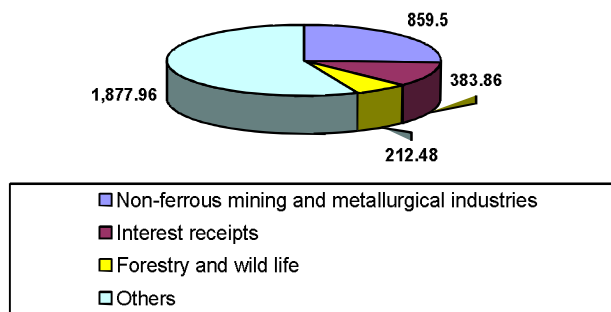
The other Departments did not inform (January 2011) the reasons for variation, although called for (June 2010).

**1.1.3** The following table presents the details of major non-tax revenue realised during the period 2005-06 to 2009-10:

(Rupees in crore)							
Sl. No.	Head of revenue	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage of increase(+)/ decrease (-) in 2009-10 over 2008-09
1.	Non-ferrous mining and metallurgical industries	325.37	366.29	472.35	556.07	859.50	(+) 54.57
2.	Interest receipts	283.00	376.19	375.24	337.17	383.86	(+) 13.85
3.	Forestry and wild life	115.80	127.97	131.84	126.92	212.48	(+) 67.41
4.	Contributions and recoveries towards pensions and other retirement benefits	76.64	27.47	29.08	76.20	69.07	(-) 9.35
5.	Other administrative services	74.33	101.34	79.60	94.37	99.29	(+) 5.21
6.	Education, sports, art and culture	44.91	65.00	74.93	73.56	95.85	(+) 30.30
7.	Medical and public health	43.92	39.54	52.77	40.52	54.67	(+) 34.92
8.	Police receipts	42.55	52.91	58.84	69.82	82.13	(+) 17.63
9.	Other general economic services	294.51	407.92	443.25	432.47	462.65	(+) 6.98
10.	Co-operation	31.07	30.13	33.14	37.30	46.62	(+) 24.99
11.	Village and small industries	29.05	39.46	35.30	36.65	50.41	(+) 37.54
12.	Public works	27.27	31.32	21.75	18.81	25.27	(+) 34.34
13.	Roads and bridges	25.01	24.18	14.05	36.71	32.46	(-) 11.58
14.	Major and medium irrigation	22.30	21.48	19.69	22.11	16.57	(-) 25.06
15.	Dividends and profits	16.88	19.48	23.40	40.14	29.48	(-) 26.56
16.	Housing	16.47	11.49	15.51	20.69	20.55	(-) 0.68
17.	Crop husbandry	10.69	12.92	14.04	15.69	9.96	(-) 36.52
18.	Miscellaneous general services	1,792.76	1,892.46	468.20	398.92	548.35	(+) 37.46
19.	Others <sup>2</sup>	602.18	450.86	994.68	724.87	234.63	(-) 67.63
<b>Total</b>		<b>3,874.71</b>	<b>4,098.41</b>	<b>3,357.66</b>	<b>3,158.99</b>	<b>3,333.80</b>	<b>(+) 5.53</b>

<sup>2</sup> Public Service Commission, Jails, Stationery & Printing, Family Welfare, Water supply & sanitation, Housing, Urban development, etc.

**Graph 2: Non tax revenue 2009-10  
(Rupees in crore)**



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

**Non-ferrous mining and metallurgical industries:** The increase was attributed to increase in recovery of royalty and increased utilisation of minor minerals in developmental programmes.

**Police receipts:** The increase was attributed to increase in recovery of establishment charges for lent personnel and increase in collection of fees from trainees.

The other Departments did not inform (January 2011) the reasons for variation, although called for (June 2010).

## 1.2 Response of the Departments/Government towards audit

The Accountant General (Works, Forests & Receipt Audit), Karnataka (AG) 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 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 upto December 2009 disclosed that 7,106 paragraphs involving ₹ 1,701.48 crore relating to 3,554 IRs remained outstanding at the end of June 2010 as mentioned below along with the corresponding figures for the preceding two years:

	June 2008	June 2009	June 2010
Number of outstanding IRs	3,778	3,705	3,554
Number of outstanding audit observations	7,039	7,028	7,106
Amount involved (Rupees in crore)	1,420.58	1,417.56	1,701.48

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2010 and the amounts involved are mentioned below:

Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money Value (Rupees in crore)
1. Finance	(a) Taxes on sales, trade, etc., entry tax, entertainments tax, luxury tax, professions tax, betting tax and agricultural income tax	1,404	3,725	384.11
	(b) State excise	597	928	352.48
2. Energy	Electricity duty	07	07	41.64
3. Revenue	(a) Land revenue	400	574	115.41
	(b) Stamps and registration fees	442	669	208.58
4. Home and Transport	Taxes on motor vehicles	344	529	41.20
5. Forest, Ecology and Environment	Forest receipts	195	273	374.51
6. Commerce and Industries	(a) Sericulture industries receipts	43	55	4.99
	(b) Mineral receipts	93	281	175.80
7. Public Works	Public works receipts	29	65	2.76
<b>Total</b>		<b>3,554</b>	<b>7,106</b>	<b>1,701.48</b>

Even the first replies required to be received from the heads of the offices within one month from the date of issue of the IRs were not received for 114 IRs issued upto December 2009. This large pendency of the IRs due to non-receipt of the replies is indicative of the fact that the heads of the 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 recommend the Government to take suitable steps to install an effective procedure for prompt and appropriate response to the audit observations and take action against officials/officers who fail to send replies to the IRs/paragraphs as per the prescribed time schedule and who fail to take action to recover loss/outstanding demand in a time bound manner.**

### 1.2.2 Adhoc committee meetings

The Government set up 'Adhoc Committees' to expedite the clearance of audit observations contained in the IRs. As per Government instructions, these committees are required to meet periodically and in any case, at least once in a quarter. The details of the adhoc committee meetings held during the year 2009-10 and the paragraphs settled are mentioned below:

(Rupees in crore)			
Department	Number of meetings held	Number of paragraphs settled	Amount
1. Commercial Taxes	02	73	5.80
2. Forest, Ecology and Environment	13	241	11.70
3. Land Revenue	04	547	16.52

(Rupees in crore)

Department	Number of meetings held	Number of paragraphs settled	Amount
4. Stamps and Registration	02	61	0.80
5. State Excise	02	65	4.17
6. Transport	01	15	0.42
<b>Total</b>	<b>24</b>	<b>1,002</b>	<b>39.41</b>

As seen from the above, only six Departments have convened Adhoc committee meetings. Further, only two Departments, viz., Forest, Ecology and Environment and Land Revenue have convened Adhoc committee meetings periodically. The Departments concerned have not held any Adhoc committee meetings to discuss the IRs on revenue receipts relating to taxes on electricity, mineral receipts, Public Works receipts and sericulture receipts.

**We recommend that the Government ensure convening of periodical adhoc committee meetings for effective and expeditious settlement of outstanding paragraphs.**

### **1.2.3 Non-production of records to audit for scrutiny**

We prepare the programme of local audit of all the offices planned for audit sufficiently in advance and issue intimations to the Department, usually one month before the commencement of audit, to enable them to keep the relevant records ready for audit scrutiny.

During 2009-10, 475 records relating to 44 offices of Commercial Taxes Department (CTD) were not made available to audit. In 108 cases, revenue involved was ₹ 419.41 crore and in the remaining 367 cases, the tax effect was not ascertainable. Day books, receipts books, village accountant records, remittance registers were not produced by nine Tahsildar Offices and records relating to lease and grant of land were not produced by one Deputy Commissioner Office.

**We recommend that the Government/Department issue suitable directions to all its offices for making available all these files as well as for production of all the records to audit at the time of audit itself.**

### **1.2.4 Response of the Departments to draft audit paragraphs**

We forward draft paragraphs/reviews proposed for inclusion in the Audit Report to the Principal Secretaries of the concerned Departments through demi-official letters. According to the instructions issued (April 1952) by the Government, all Departments are required to furnish their remarks on the draft paragraphs/reviews within six weeks of their receipt. We have indicated the fact of non-receipt of replies from the Government at the end of each such paragraph included in the Audit Report.

We forwarded 33 draft paragraphs (clubbed into 26 paragraphs including three reviews) proposed for inclusion in the Report of the Comptroller and Auditor General of India (Revenue Receipts) for the year ended 31 March 2010 to the concerned Principal Secretaries to Government with copies endorsed to concerned heads of departments during March-June 2010. Their replies were due latest by the end of July 2010.

We received the replies of the Government to eight draft paragraphs and considered the same while finalising the Report. However, none of the replies were received within the prescribed period of six weeks. We have not received any replies to 25 draft paragraphs (January 2011). We discussed the draft reviews in the exit conference with the Principal Secretary/Secretary of the Department concerned.

### 1.2.5 Follow-up on Audit Reports – summarised position

According to the Rules of Procedure (Internal Working) of the Committee on Public Accounts (PAC) (as modified in September 1999), within four months (three months up to March 1994) of an Audit Report being laid on the table of the Legislature, the Departments of Government are to prepare and send to the Karnataka Legislative Assembly Secretariat detailed explanations (Departmental notes) on the audit paragraphs. The Rules further require that before such submission, the Departmental notes are to be got vetted by the Accountant General.

We reviewed the position in this regard, which revealed that as of December 2010, 10 Departments had not furnished the Departmental notes in respect of 117 paragraphs included in Audit Reports for the years 1992-93 to 2008-09 due between July 1994 and July 2010, for vetting. The delay ranged from three months to over 16 years, as detailed below:

Sl. No.	Department	Year of Audit Report	Dates of presentation to the Legislature	Last date by which Departmental Notes were due	Number of Paragraphs for which Departmental Notes were due	Delay <sup>3</sup> (months)
1.	Finance	1996-97, 1999-2000 to 2000-01, 2002-03 to 2005-06, 2007-08 and 2008-09	May 1998 to March 2010	September 1998 to July 2010	57	5 to 147
2.	Revenue	1992-93 to 1996-97, 2004-05 to 2008-09	March 1994 to March 2010	July 1994 to July 2010	38	5 to 197
3.	Forest	2002-03 and 2003-04	July 2004 and July 2005	November 2004 and November 2005	04	61 to 73
4.	Urban Development	1998-99, 2002-03 to 2004-05 and 2006-07	March 2000 to July 2008	July 2000 to November 2008	05	25 to 125
5.	Energy	2001-02	March 2003	July 2003	01	89

<sup>3</sup> Excluding the month in which these were due.

Sl. No.	Department	Year of Audit Report	Dates of presentation to the Legislature	Last date by which Departmental Notes were due	Number of Paragraphs for which Departmental Notes were due	Delay <sup>3</sup> (months)
6.	Commerce and Industries	1996-97, 2002-03, 2007-08 and 2008-09	May 1998 to March 2010	September 1998 to July 2010	05	5 to 147
7.	Co-operation	2005-06 and 2007-08	July 2007 and February 2009	November 2007 and June 2009	02	18 to 37
8.	Health and Family Welfare	1997-98	March 1999	July 1999	01	137
9.	Public Works	2004-05 and 2008-09	March 2006 and March 2010	July 2006 and July 2010	02	5 to 53
10.	Minor Irrigation	2006-07 and 2007-08	July 2008 and February 2009	November 2008 and June 2009	02	18 to 25
<b>Total</b>					<b>117</b>	

This indicated that the executive failed to take prompt action on important issues highlighted in Audit Reports that involved large amount of unrealised revenue.

### 1.2.6 Compliance with earlier Audit Reports

In the Audit Reports 2004-05 to 2008-09, 24,667 cases of underassessments, non/short levy of taxes, loss of revenue, failure to raise demands, etc. were included involving ₹ 2,508.20 crore. Of these, to the end of September 2010, the Departments concerned have accepted 20,756 cases involving ₹ 622.55 crore and recovered ₹ 27.82 crore in 1,516 cases. Audit Report wise details of cases accepted and recovered are as under:

Audit Report	Included in Audit Report		Accepted by the Department		Recovered	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
2004-05	544	820.86	398	27.70	236	9.16
2005-06	1,314	694.48	773	117.22	252	4.56
2006-07	824	324.48	487	24.56	140	2.64
2007-08	5,080	331.77	2,410	166.51	342	9.16
2008-09	16,905	336.61	16,688	286.56	546	2.30
<b>Total</b>	<b>24,667</b>	<b>2,508.20</b>	<b>20,756</b>	<b>622.55</b>	<b>1,516</b>	<b>27.82</b>

From the above, it is observed that only 4.47 per cent of the amount involved in the cases accepted by the Department was recovered during the last five years.



We recommend that the Government take measures to ensure expeditious recovery of revenue in respect of the accepted cases.

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

The succeeding paragraphs 1.3.1 and 1.3.2 discuss the performance of the CTD in dealing with the cases detected in the course of local audit conducted during the last five years and also the cases included in the Audit Reports for the years 2004-05 to 2008-09.

#### 1.3.1 Position of IRs

The summarised position of IRs issued during the last five years, paragraphs included in these reports and their status as on 31 March 2010 are tabulated below.

(Rupees in crore)

Year	Opening balance		Additions during the year		Clearance during the year		Closing balance	
	IRs/ Paragraphs	Money value	IRs/ Paragraphs	Money value	IRs/ Paragraphs	Money value	IRs/ Paragraphs	Money value
2005-06	2,609/ 5,436	156.37	127/ 664	49.80	1,103/ 2,082	61.44	1,633/ 4,018	144.73
2006-07	1,633/ 4,018	144.73	296/ 1,396	124.62	252/ 1,108	39.58	1,677/ 4,306	229.77
2007-08	1,677/ 4,306	229.77	213/ 1,159	122.63	651/ 1,791	86.18	1,239/ 3,674	266.22
2008-09	1,239/ 3,674	266.22	218/ 921	230.50	78/ 838	70.58	1,379/ 3,757	426.13
2009-10	1,379/ 3,757	426.13	103/ 579	103.69	36/ 355	108.34	1,446/ 3,981	421.48

During the five year period, we issued 957 IRs with 4,719 paragraphs involving ₹ 631.24 crore and cleared 6,174 paragraphs involving ₹ 366.12 crore included in 2,120 IRs.

### 1.3.2 Assurances 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 five years, those accepted by the Department and the amount recovered are mentioned below:

(Rupees in crore)

Year of AR	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Position of recovery of accepted cases
2005-06	15	27.83	14	20.06	4.34
2006-07	20	74.14	18	21.11	2.46
2007-08	21	109.21	16	56.92	8.46
2008-09	11	7.85	08	1.87	1.45
2009-10	09	15.29	09	10.79	1.32
<b>Total</b>	<b>76</b>	<b>234.32</b>	<b>65</b>	<b>110.75</b>	<b>18.03</b>

From the above, it is observed that only 16.28 *per cent* of the amount involved in the cases accepted by the Department was recovered during the last five years.

**We recommend that the Department take measures to ensure expeditious recovery of revenue in respect of the accepted cases.**

**1.3.2.2 Action taken on the recommendations accepted by the Departments/Government**

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

We conducted three reviews in the CTD that were featured in the Audit Reports during the last five years. We had suggested 15 recommendations for improvement in the system of revenue collection and monitoring mechanism of entertainments tax, professions tax and value added tax during 2006-07, 2007-08 and 2008-09 respectively. The CTD accepted four out of six recommendations suggested in the Audit Report of 2006-07 and one out of three recommendations suggested in Audit Report of 2008-09, while the recommendations made in the Audit Report of 2007-08 are stated to be under their consideration. The details of the recommendations accepted by the CTD are as under:

Year of AR	Name of the review/ No. of recommendations included	Details of the recommendations accepted	Status
2006-07	Assessment, levy and collection of entertainments tax/ 6	1. Prescribing a system for obtaining periodical information from authorities permitting shows/events to enable the CTD to bring persons conducting such shows/events under the tax net.  2. Prescribing a system for ascertaining the status on eligibility for exemption of the film from Central Board of Film Certification before authentication of tickets by Commercial Tax Officers (CTO) in respect of Kannada films.	1. Finance Department had requested Department of Personnel and Administrative Reforms in October 2009 to include a representative of CTD as a member in the single window system permitting shows/events in the State.  2. Notification issued in December 2008 notifying the Director of Information and Publicity as the authority to issue certification of exemption.

Year of AR	Name of the review/ No. of recommendations included	Details of the recommendations accepted	Status
		3. Prescribing a time limit for finalisation of entertainments tax assessments and targets for each CTO for finalising the assessments.  4. Reviving the Internal Audit Wing (IAW) in a more effective form to ensure timely detection and correction of errors in assessments, levy and collection of revenue.	3. The Karnataka Entertainments Tax Act, 1958 was amended from 2009-10 prescribing time limit of one year for completion of assessments.  4. The Department reported (October 2010) that they had taken a decision to form an IAW at the central office and necessary orders in this regard were being issued.
2007-08	Assessment, levy and collection of professions tax/ 6	Nil	The Department stated in October 2010 that the issues are under active consideration.
2008-09	Transition from Sales tax to Value Added Tax/ 3	Reviving the IAW.	The Department reported (October 2010) that they had taken a decision to form an IAW at the central office and necessary orders in this regard were being issued.

#### 1.4 Audit planning

We categorised the unit offices under various Departments into high, medium and low risk units according to their revenue position, past trends of audit observations and other parameters. We prepared the annual audit plan 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 2009-10, the audit universe comprised 1,184 auditable units, of which 365 units were planned and audited during the year, which is 30.83 *per cent* of the total auditable units. The details are shown in Annexure to the Audit Report.

We also conducted three performance reviews besides the compliance audit mentioned above 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**

We test checked records of 365 units of commercial taxes, state excise, taxes on motor vehicles, land revenue, stamps and registration fees, electricity tax, forest and other Departmental offices during the year 2009-10. Further, we also test checked records of 42 offices (includes 19 offices audited as per audit plan) of the Revenue Department and 14 departments of the State Government for three performance audit reviews conducted during the year 2009-10. These revealed underassessments, non/short levy of taxes, loss of revenue, failure to raise demands and other irregularities aggregating ₹ 770.97 crore in 950 cases. During the course of the year, the Departments concerned accepted underassessments and other deficiencies of ₹ 65.90 crore in 208 cases, of which 53 cases involving ₹ 1.43 crore were pointed out in audit in earlier years. The Departments recovered ₹ 11.02 crore relating to 297 cases at the instance of audit.

### **1.5.2 This Report**

This Report contains 26 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 reviews involving financial effect of ₹ 439.54 crore. The Departments accepted audit observations involving ₹ 102.99 crore, of which ₹ 16.52 crore had been recovered upto January 2011. These are discussed in the succeeding Chapters II to VII.