

CHAPTER I

GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Gujarat during the year 2002-03, the State's share of divisible Union Taxes and grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are given below:

(Rupees in crore)

		1998-99	1999-00	2000-01	2001-02	2002-03
I	Revenue raised by the State Government					
(a)	Tax Revenue	7,615.78	8,161.73	9,046.83	10,134.18	9,520.66
(b)	Non-tax revenue	2,766.49	2,990.37	3,349.14	3,760.94	3,995.58
	Total	10,382.27	11,152.10	12,395.97	13,895.12	13,516.24
II	Receipts from the Government of India					
(a)	State's share of divisible Union Taxes	1,641.60	1,665.04	1,573.75	600.68	1,363.22
(b)	Grants-in-aid	718.87	1,154.30	1,768.87	1,490.26	2,995.88
	Total	2,360.47	2,819.34	3,342.62	2,090.94	4,359.10
III	Total receipts of the State	12,742.74	13,971.44	15,738.59	15,986.06	17,875.34[#]
IV	Percentage of I to III	81	80	79	87	76

[#] For details, please see statement No.11 Detailed Accounts of Revenue by Minor Heads in the Finance Accounts of the Government of Gujarat 2002-03. Figures under the Heads "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, 0045-Other Taxes and Duties on Commodities and Services", share of net proceeds assigned to States booked in the Finance Accounts under A-'Tax Revenue', have been excluded from revenue raised by the State and included in State's share of divisible union taxes in this statement.

The position of non-plan grants for the last five years is given below:

Year	Rupees in Crore
1998-99	210.58
1999-00	260.73
2000-01	824.03
2001-02	351.02
2002-03	2,123.49

Huge increase in non-plan grants during the years 2000-01 and 2002-03 was due to more grants-in-aid by Central Government towards calamity relief fund.

1.1.2 The details of tax revenue raised during the year 2002-03 along with the figures for the preceding four years are given below:

(Rupees in crore)

		1998-99	1999-00	2000-01	2001-02	2002-03	Percentage of increase (+) or decrease (-) in 2002-03 over 2001-02
1	(a) Sales Tax	4,045.97	4,177.66	4,891.08	4,841.69	5,095.00	(+)5
	(b) Central Sales Tax	749.87	956.81	1,051.66	1,015.71	1,157.13	(+)14
2	State Excise	27.25	32.02	40.37	47.31	47.11	-
3	Stamp Duty and Registration Fees	506.23	522.38	537.42	539.41	649.88	(+)20
4	Taxes and Duties on Electricity	1,447.17	1,401.63	1,521.00	1,656.52	1,383.84	(-)16
5	Taxes on Vehicles	460.21	601.71	627.28	676.63	808.11	(+)19
6	Taxes on Goods and Passengers	62.14	88.87	26.03	99.11	11.09	(-)89
7	Other Taxes on Income and Expenditure-Tax on Professions, Trades, Calling and Employment	75.33	83.05	104.80	93.31	95.64	(+)2

8	Other Taxes and Duties on Commodities and Services	169.63	180.96	165.66	1,077.54	177.67	(-)84
9	Land Revenue	71.98	116.64	81.53	86.95	95.19	(+)9
	Total	7,615.78	8,161.73	9,046.83	10,134.18	9,520.66	(-)6

The reasons attributed by the department for significant increase/decrease in receipts during 2002-03 over the receipts during 2001-02 are as under:

Central Sales Tax: The increase was mainly due to more receipts on inter-state sales.

Stamp duty and Registration Fees: The increase was mainly due to more receipts on sale of stamps and realisation of fees for registering documents.

Taxes and Duties on Electricity: The decrease was mainly due to abolition of tax on sale of electricity levied under the Gujarat Tax on Sale of Electricity Act, 1985 with effect from 1 April 2002.

Taxes on Vehicles: The increase was mainly due to more receipts under Motor Vehicles Tax Acts, Motor Vehicles Taxation Acts and other receipts.

Taxes on Goods and Passengers: The decrease was mainly due to non payment of tax by Gujarat State Road Transport Corporation (GSRTC), Ahmedabad Municipal Transport Service (AMTS) and other State Corporations under Bombay Motor Vehicles (Taxation of Passengers) Act, 1958.

1.1.3 The details of the major non-tax revenue raised during the year 2002-03 along with the figures for the preceding four years are given below:

(Rupees in crore)

		1998-99	1999-00	2000-01	2001-02	2002-03	Percentage of increase (+) or decrease (-) in 2002-03 over 2001-02
1	Interest Receipts	1,592.69	1,764.54	1,929.82	1,594.30	1,684.88	(+)6
2	Dairy Development	0.52	0.51	0.47	0.35	0.20	(-)43
3	Other Non-Tax Receipts	165.83	198.38	334.15	453.52	358.16	(-)21
4	Forestry and Wild Life	16.03	22.07	18.48	28.34	32.49	(+)15

5	Non-ferrous Mining and Metallurgical Industries	470.23	530.78	616.65	734.58	1,072.83	(+)46
6	Miscellaneous General Services (including lottery receipts)	253.04	136.55	98.79	666.90	453.76	(-)32
7	Power	0.17	68.03	64.46	0.01	5.10	(+)50,900
8	Major and Medium Irrigation	132.09	110.68	136.58	132.09	267.23	(+)102
9	Medical and Public Health	38.65	41.33	49.14	47.26	39.02	(-)17
10	Co-operation	9.99	12.26	12.48	12.84	14.68	(+)14
11	Public Works	19.32	25.98	27.21	13.49	11.72	(-)13
12	Police	30.25	29.33	43.17	38.91	36.03	(-)7
13	Other Administrative Services	37.68	49.93	17.74	38.35	19.48	(-)49
	Total	2,766.49	2,990.37	3,349.14	3,760.94	3,995.58	(+)6

The reasons attributed by the Department for significant increase/decrease in receipts during 2002-03 over the receipts during 2001-02 are as under:

Dairy Development: The decrease was mainly due to less receipt of revolving Fund of World Food Programme 348 etc.

Non-ferrous Mining and Metallurgical Industries: The increase was mainly due to more receipts of mineral concession fees, rents and royalties.

Major and Medium Irrigation: The increase was mainly due to more receipts under Mahi Right Bank Canal and other receipts.

Power:The increase was mainly due to more collection of payment for services rendered.

Miscellaneous General Services: The decrease was mainly due to less receipts under "Other receipts".

1.2 Variations between Budget Estimates and Actuals

The variations between the Budget Estimates and Actuals of revenue receipts for the year 2002-03 in respect of the principal heads of tax and non-tax revenue are given below:

(Rupees in crore)

Head of Revenue		Budget Estimates	Actuals	Variations excess (+) or short fall(-)	Percentage of variation
	Tax Revenue				
1	Sales Tax	6,600.00	6,252.13	(-)347.87	(-)5
2	Taxes and Duties on Electricity	1,735.43	1,383.84	(-)351.59	(-)20
3	Stamp Duty and Registration Fees	550.00	649.88	(+)99.88	(+)18
4	Taxes on Vehicles	784.00	808.11	(+)24.11	(+)3
5	Taxes on Goods and Passengers	150.00	11.09	(-)138.91	(-)93
6	Land Revenue	130.00	95.19	(-)34.81	(-)27
7	State Excise	50.40	47.11	(-)3.29	(-)7
8	Other Taxes on Income and Expenditure	126.80	95.64	(-)31.16	(-)25
	Non tax Revenue				
9	Non-Ferrous Mining and Metallurgical Industries	1,117.26	1,072.83	(-)44.43	(-)4
10	Interest Receipts	1,750.00	1,684.88	(-)65.12	(-)4
11	Major & Medium Irrigation	285.60	267.23	(-)18.37	(-)6
12	Medical & Public Health	40.09	39.02	(-)1.07	(-)3
13	Forestry and Wild Life	24.79	32.49	(+)7.70	(+)31
14	Education, Sports, Arts & Culture	43.96	67.50	(+)23.54	(+)54
15	Police	65.86	36.03	(-)29.83	(-)45
16	Public Works	30.50	11.72	(-)18.78	(-)62
17	Miscellaneous General Services	610.00	453.76	(-)156.24	(-)26

The reasons attributed for the variation in receipts during 2002-03 against Budget Estimates are as under:

Taxes and Duties on Electricity: The decrease was mainly due to abolition of tax on sale of electricity levied under the Gujarat Tax on Sale of Electricity Act, 1985 with effect from 1 April 2002 and reduction in the rate of electricity duty applicable for commercial purpose and for unspecified category of consumers.

Stamp Duty and Registration Fees: The increase was due to more receipt on sale of non judicial stamps.

Taxes on Goods and Passengers: The decrease was mainly due to non payment of tax by Gujarat State Road Transport Corporation (GSRTC), Ahmedabad Municipal Transport Service (AMTS) and other State Corporations under Bombay Motor Vehicles (Taxation of Passengers) Act, 1958.

Land Revenue: The decrease was mainly due to less receipts from sale of Government Estates.

Other Taxes on Income and Expenditure: The decrease was mainly due to less receipt of taxes on professions, trades, calling and employment.

Forestry and Wild Life: The increase was due to more receipts on sale of timber and other forest produce.

Education, Sports, Arts and Culture: The increase was mainly due to more receipts under general education.

Police: The decrease was mainly due to less receipts under Police supplied to other Governments.

Public Works: The decrease was mainly due to less receipt under recovery of percentage charges.

Miscellaneous General Services: The decrease was mainly due to less receipts under other receipts.

1.3 Time Series Analysis of GSDP and Receipts

Year	GSDP (Rs. in crore)	Percent -age growth	Total Receipts (Rs. in crore)			Percent -age growth	Percentage Buoyancy in receipts	Receipts as percent -age of GSDP
			Tax receipts	Non-tax receipts	Total			
1998-99	1,05,305	15.48	7,615.78	2,766.49	10,382.27	17.82	1.151	9.86
1999-00	1,07,618	2.20	8,161.73	2,990.37	11,152.10	7.41	3.368	10.36
2000-01	1,10,449	2.63	9046.83	3,349.14	12,395.97	11.15	4.240	11.22

2001-02	1,24,905	13.09	9,246.57	3,760.94	13,007.51	4.93	0.377	10.41
2002-03	1,33,334 [#]	6.75	9,520.66	3,995.58	13,516.24	3.91	0.579	10.14

[#] Figures of GSDP for 2002-03 have been worked out based on average growth during 1997-98 to 2001-02.

The rate of growth of GSDP and total receipts (tax receipts plus non-tax receipts) fluctuated over the years. While the GSDP growth was between 15.48 per cent and 6.75 per cent during 1998-03, it remained quite low in 1999-00 (2.20 per cent) and 2000-01 (2.63 per cent) as against projected growth rate of 14 per cent by the Eleventh Finance Commission. However, receipts as percentage of GSDP showed a steady trend and remained between 9.86 per cent and 11.22 per cent. Despite growth of 13.09 per cent and 6.75 per cent in GSDP during 2001-02 and 2002-03, buoyancy of own tax receipts was very much low at 0.377 and 0.579 during these two years respectively as against buoyancy of 1.35 projected by the Eleventh Finance Commission.

1.4 Analysis of Collection

Break-up of total collection at pre-assessment stage and after regular assessment of Sales Tax, Motor Spirit Tax, Profession Tax, Entry Tax and Luxury Tax for the year 2002-03 and the corresponding figures for the preceding two years as furnished by the department is as follows:

(Rupees in crore)

Head of revenue	Year	Amount collected at pre-assessment stage	Amount collected after regular assessment (additional demand)	Penalties for delay in payment of taxes and duties	Amount refunded	Net collection	Percentage of column 3 to 7
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sales Tax	2000-01	4,357.34	492.83	-	34.93	4815.24	90
	2001-02	3,886.01	852.18	-	47.00	4691.19	83
	2002-03	4,043.43	1,182.93	-	63.65	5162.71	78
Motor Spirit Tax	2000-01	1,127.50	-	-	-	1,127.50	100
	2001-02	1,102.49	-	-	-	1,102.49	100
	2002-03	1,087.35	-	-	-	1,087.35	100
Profession Tax	2000-01	104.80	-	-	-	104.80	100
	2001-02	89.48	-	-	-	89.48	100
	2002-03	93.55	-	-	-	93.55	100
Entry Tax	2000-01	-	-	-	-	-	-
	2001-02	63.72	-	-	-	63.72	100
	2002-03	2.07	-	-	-	2.07	100
Luxury Tax	2000-01	13.81	-	-	-	13.81	100
	2001-02	14.66	-	-	-	14.66	100
	2002-03	29.92	-	-	-	29.92	100

The table above shows that percentage of collection of revenue at pre-assessment stage ranged between 78 and 90 *per cent* under sales tax during the year 2000-01 to 2002-03. There has been a continuous decrease over last 3 years in the percentage of collection at pre-assessment stage.

1.5 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the years 2000-01, 2001-02 and 2002-03 along with the relevant all India average percentage of expenditure on collection to gross collection for 2001-02 was as follows:-

(Rupees in crore)

Head of revenue	Year	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India Average percentage for the year 2001-02
1 Sales Tax	2000-01	5,942.74	69.74	1.17	1.26
	2001-02	5,857.40	58.84	1.00	
	2002-03	6,252.13	64.14	1.03	
2 Taxes on Vehicles and Taxes on Goods and Passengers	2000-01	653.31	41.19	6.30	2.99
	2001-02	775.74	20.76	2.64	
	2002-03	819.20	25.30	3.09	
3 Stamp Duty and Registration Fees	2000-01	537.42	19.19	3.57	3.51
	2001-02	539.41	16.65	3.09	
	2002-03	649.88	18.36	2.83	
4 State Excise	2000-01	40.37	4.26	10.55	3.21
	2001-02	47.31	18.34	38.77	
	2002-03	47.11	21.40	45.42	

1.6 Collection of sales tax per assessee

(Rupees in crore)

Year	No. of Assesseees	Sales Tax Revenue	Revenue/Assessee
1998-99	4,03,663	4,795.84	0.0119
1999-00	4,01,624	5,134.47	0.0127
2000-01	3,88,362	5,942.74	0.0153
2001-02	3,77,977	5,857.40	0.0155
2002-03	2,99,881	6,252.12	0.0208

The decline in the number of sales tax assessee was attributed to increase in turnover limit for new registration, deletion of Section 30, cancellation of dealer's registration certificate for non-payment of tax for three or more consecutive assessment periods and preparation for introduction of value added tax.

1.7 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2003 in respect of some principal heads of revenue amounted to Rs.6,574.61 crore of which Rs.6,084.50 crore was outstanding for more than 5 years as detailed in the following table:

(Rupees in crore)

Sr. No.	Head of Revenue	Amount outstanding as on 31 March 2003	Amount outstanding for more than 5 years as on 31 March 2003	Remarks
1	Sales Tax	6,550.27	6,067.88	(i) Recovery stayed by Gujarat High Court, other judicial authorities and Government. (ii) Recovery has been held up due to dealers being insolvent.
2	Electricity Duty	13.92	13.92	The arrears of Rs.13.92 crore to be recovered from Baroda Municipal Corporation have not been finalised.
3	Entertainment Tax	10.39	2.67	No specific reasons were given by the department.
4	State Excise	0.03	0.03	Stay order has been granted by Honourable High Court.
	Total	6,574.61	6,084.50	

1.8 Arrears in assessments

The details of cases pending assessment at the beginning of the year 2002-03, cases becoming due for assessment during the year, cases disposed of during the year and number of cases pending finalisation at the end of the year 2002-03 as furnished by the Sales Tax Department in respect of Sales Tax, Profession Tax, Purchase Tax on sugarcane, Entry Tax, Lease Tax, Luxury Tax and Tax on Works Contracts are as follows:

Name of tax	Opening balance as on 1 April 2002	New cases due for assessment during 2002-03	Total assessments due during 2002-03	Cases disposed of during 2002-03	Balance at the end of the year 31 March 2003	Percentage of column 5 to 3
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sales Tax	13,17,590	4,37,999	17,55,589	10,87,590	6,67,999	248.30
Motor Spirit Tax	1,657	877	2,534	117	2,417	13.34
Profession Tax	7,19,391	58,135	7,77,526	73,083	7,04,443	125.71
Purchase Tax on Sugarcane	59	11	70	24	46	218.18
Entry Tax	15	13	28	3	25	23.08
Lease Tax	5	3	8	4	4	133.33
Luxury Tax	21	24	45	5	40	20.83
Tax on works contracts	286	179	465	202	263	112.85
Total	20,39,024	4,97,241	25,36,265	11,61,028	13,75,237	233.49

The cases disposed of during the year 2002-03 ranged between 13 to 248 *per cent* of the new cases due for the assessment during the year 2002-03.

1.9 Evasion of tax

The detail of evasion of tax detected by the Sales Tax Department, cases finalised and the demands for additional tax raised as reported by the department is given below:

Sr. No	Name of tax/duty	Cases pending as on 31 March 2002	Cases detected during 2002-03	Total	No. of cases in which assessments/investigations completed and additional demand including penalty etc., raised		No. of cases pending finalisation as on 31 March 2003
					No. of cases	Amount of demand (Rupees in crore)	
1	Sales Tax	715	299	1,014	428	82.78	586

1.10 Write-off and waiver of revenue

During the year 2002-03, no demands relating to Sales Tax and State Excise were written off by the departments as irrecoverable.

1.11 Refunds

The number of refund cases pending at the beginning of the year 2002-03, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2002-03, as reported by the departments are given below:

		Sales Tax		Taxes and Duties on Electricity		State Excise	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of the year	744	3.58	6	0.03	1	0.09
2	Claims received during the year	5,334	82.92	6	13.78	-	-
3	Refunds made during the year	4,088	63.66	-	-	-	-
4	Balance outstanding at the end of the year	1,990	22.84	12	13.81	1	0.09

1.12 Results of audit

Test check of records of Sales Tax, Land Revenue, State Excise, Motor Vehicles Tax, Stamp Duty and Registration Fees, Electricity Duty, Other Tax Receipts, Forest Receipts and Other Non-tax Receipts conducted during the

year 2002-03 revealed under-assessment/short levy/loss of revenue amounting to Rs.731.01crore in 1,200 cases. During the course of the year, the departments accepted under-assessment of Rs.2.14 crore in 536 cases pointed out in 2002-03 and earlier years and recovered Rs.1.79 crore (402 cases). No replies have been received in respect of the remaining cases.

This Report contains 48 paragraphs including 3 reviews relating to non-levy/short levy of taxes, duties, interest and penalties etc., involving Rs.677.60 crore. The Departments/Government have accepted audit observations involving Rs.141.24 crore of which Rs.3.66 crore had been recovered upto August 2003. No reply has been received in other cases.

1.13 Failure of senior officials to enforce accountability and protect interest of Government

Principal Accountant General (Audit)-I, Gujarat, arranges to conduct periodical inspection of the Government Departments concerned with tax revenue of the State to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc., detected during inspection are not settled on the spot, these inspection reports are issued to the heads of offices inspected with a copy to the next higher authority. The heads of offices and respective next higher authorities are required to ensure compliance with the observations contained in the inspection reports and rectify the defects and omissions promptly and report their compliance to the Principal Accountant General. Serious irregularities through draft paragraphs are also brought to the notice of the Heads of the Departments by the office of the Principal Accountant General (Audit)-I. A half yearly report of the pending inspection reports and audit observations is sent to the Secretary of the department to facilitate monitoring of the audit observations in the pending IRs.

The number of Inspection Reports and audit observations relating to revenue receipts issued upto 31 December 2002 and pending settlement by the Departments as on 30 June 2003 along with corresponding figures for the preceding two years is given below:

Particulars	As at the end of		
	June 2001	June 2002	June 2003
Number of outstanding Inspection Reports	3,667	3,934	3,624
Number of outstanding audit observations	9,191	9,849	9,307
Amount of revenue involved (Rupees in crore)	1,182.57	1,721.18	1,969.23

Inspection Reports issued upto December 2002 pertaining to the offices of Sales Tax, Profession Tax, Forest, Land Revenue, Motor Vehicles Tax, Stamp Duty and Registration Fees, Entertainment Tax and Luxury Tax disclosed that 9,307 paragraphs relating to 3,624 Inspection Reports remained outstanding at the end of June 2003. Of these, 972 Inspection Reports containing 2,869 paragraphs had not been settled for more than 7 years. Even the initial replies which were required to be received from the Heads of offices within one month from the date of issue were not received in respect of 234 IRs issued during the year 2002-03. As a result, serious irregularities commented upon in these Inspection Reports had not been settled as of June 2003.

Department-wise break up of Inspections Reports and audit observations pending as on 30 June 2003 was as follows.

(Rupees in crore)

Sr. No	Department	Inspection Reports	Paras	Amount involved	Years to which observation relate	No. of IRs to which first replies have not been received
1	Sales Tax	1,052	3,983	358.03	1989-90 to 2002-03	49
2	Stamp Duty and Registration Fees	876	2,205	600.82	1988-89 to 2002-03	91
3	Land Revenue	669	1,018	94.75	1988-89 to 2002-03	51
4	Motor Vehicles Tax	221	781	202.77	1990-91 to 2002-03	1
5	Entertainments Tax	520	733	152.01	1989-90 to 2002-03	17
6	Geology and Mining	111	313	289.59	1995-96 to 2002-03	6
7	Forest	70	95	7.97	1993-94 to 2002-03	5
8	Luxury Tax	42	81	6.35	1995-96 to 2002-03	3
9	Electricity Duty	32	52	256.64	1989-90 to 2002-03	1
10	Profession Tax	27	40	0.23	1985-86 to 2002-03	10
11	Prohibition and Excise	4	6	0.07	1997-98 to 2002-03	-
	Total	3,624	9,307	1,969.23		234

1.14 Departmental Audit Committee Meetings

In order to expedite the settlement of outstanding audit observations contained in the Inspection Reports, Departmental Audit Committees are constituted in all the departments of Government. These committees are chaired by Secretaries of the concerned Administrative Departments and attended among others by the concerned officers of the State Government and officers of the Principal Accountant General (Audit)-I, Ahmedabad/ Accountant General (Audit)-II, Rajkot.

In order to expedite the clearance of the outstanding audit observations, it is necessary that the Audit Committees meet regularly and ensure that final action is taken on all audit observations outstanding for more than a year, leading to their settlement. The information regarding number of audit committee meetings held, Inspection Reports and paras settled during the year 2002-03 is as follows:

(Rupees in lakh)

Sr. No.	Name of the Department	No. of Audit Committee meetings held	No. of IRs/Paras settled		Money Value of paras settled
			IRs	Paras	
1	Sales Tax	3	4	125	29.10
2	Forest Receipts	1	13	32	80.96
3	Land Revenue	1	11	24	11.04
4	Stamp Duty and Registration Fees	1	4	34	2.83
5	Luxury Tax	1	4	12	6.27

No meetings were convened by the departments of Motor Vehicles Tax, Entertainments Tax, Geology and Mining. This indicates that the above departments have not taken initiative in using the machinery created for settling the outstanding audit observations.

1.15 Response of the Departments to Draft Audit Paragraphs

According to the Hand Book of Instructions for speedy settlement of Draft Paragraphs issued by the Finance Department on 12 March 1992, results of verification of facts contained in the draft paragraphs are required to be communicated to the Accountant General within six weeks from the date of their receipt. In exceptional cases where it is not possible to furnish final reply to the draft paragraph within the above time limit, an interim reply should be given to the Accountant General.

Sixty two draft paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2003 (Revenue Receipts) were forwarded to the Secretaries of the respective Departments between February and April 2003 through demi-official letters. The Secretaries of the respective Departments did not send replies to 55 draft paragraphs as indicated below. These paragraphs have been included in this Report without incorporating the response of the Secretaries of the Departments.

Name of the Department	No. of draft paragraphs to which replies from Secretaries not received.
Finance (Sales tax)	25
Revenue (Land Revenue & Stamp duty)	20
Home (Transport)	8
Information, Broadcasting & Tourism (Luxury Tax & Entertainments Tax)	2
Total	55

1.16 Follow up on Audit Reports-summarised position

As per instructions issued by the Finance Department on 12 March 1992, Administrative Departments are required to submit explanatory notes on paragraphs and reviews included in the Audit Reports within three months of presentation of the Audit Reports to the legislature, without waiting for any notice or call from the Public Accounts Committee, duly indicating the action taken or proposed to be taken.

It was, however, noticed that though the Audit Reports for the years 1999-00, 2000-01 and 2001-02 were presented to the State Legislature on 31 August 2001, 3 April 2002 and 28 March 2003 respectively, certain Departments as detailed below, had not submitted explanatory notes for the number of paragraphs shown as of August 2003.

Name of the department	1999-00	2000-01	2001-02	Total
Finance (Sales Tax)	15	16	16	47
Revenue Stamp Duty	7	8	7	22
Land Revenue	5	5	6	16
Home (Transport)	-	6	6	12
Information, Broadcasting and Tourism (Entertainments Tax & Luxury Tax)	4	4	6	14
Industries and Mines (Electricity Duty & Mining Receipts)	4	7	2	13
Total	35	46	43	124