

CHAPTER I: GENERAL

1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Karnataka during the year 2006-07, 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)				
	2002-03	2003-04	2004-05	2005-06	2006-07
I. Revenue raised by the State Government					
• Tax revenue	10,439.71	12,570.21	16,072.32 ¹	18,631.55	23,301.03
• Non tax revenue	1,277.67	2,958.37 ²	4,472.34 ¹	3,874.71 ³	4,098.41
Total	11,717.38	15,528.58	20,544.66¹	22,506.26	27,399.44
II. Receipts from the Government of India					
• State's share of divisible Union taxes	2,786.20	3,244.73	3,878.44	4,213.42	5,374.33 ⁴
• Grants in aid	1,665.18	1,986.57	2,146.56	3,632.37	4,813.17
Total	4,451.38	5,231.30	6,025.00	7,845.79	10,187.50
III. Total receipts of the State	16,168.76	20,759.88	26,569.66¹	30,352.05	37,586.94
IV. Percentage of I to III	72	75	77	74	73

The above table indicates that during the year 2006-07, the revenue raised by the State Government was 73 per cent of the total revenue receipts (Rs.37,586.94 crore) against 74 per cent in the preceding year. The balance 27 per cent of receipts during 2006-07 was from the Government of India.

¹ These figures differ from those adopted in the Audit Report for the year ended 31 March 2005 on account of corrections effected in the Finance Accounts for that year as reflected in the Finance Accounts for the year 2005-06. The increase over 2003-04 was due to transfer of outstanding credit balances on 31 March 2004 under 'deposits of local funds- panchayat bodies funds' from public account to revenue receipts and levy of infrastructure cess on sales tax, petrol, diesel etc. and enhancement of the existing infrastructure cess from five per cent to 10 per cent. The increase in tax receipts was due to additional resource mobilisation and collection of deferred taxes, revision of rates of life time tax/registration of new vehicles under the taxes on motor vehicles and increase in State excise revenue under 'country spirits-shop rent' and 'Excise duty/additional Excise duty on Indian made foreign liquor'.

² The increase over 2002-03, was due to introduction of more schemes under conventional lottery and revenue from 'Online computerised network lottery' scheme introduced from August 2002.

³ The decrease over 2004-05 was due to infrastructure cess on sales tax not being levied consequent to introduction of VAT and non-receipt of revenue under 'contribution towards issue of voter identity cards'.

⁴ For details see statement No.11 – Detailed accounts of revenue by Minor Head of the Finance Accounts of the Government of Karnataka for the year 2006-07. Figures of 'Tax 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 the State's share of divisible Union taxes in the statement.

1.1.1 The following table presents the details of tax revenue raised during the period from 2002-03 to 2006-07:

(Rupees in crore)

Sl. No.	Head of revenue	2002-03	2003-04	2004-05	2005-06	2006-07	Percentage of increase (+) / decrease (-) in 2006-07 over 2005-06
1	Taxes on sales, trade, etc.	5,473.54	6,648.95	8,700.07	9,869.54	11,761.72	(+) 19.17
2	State excise	2,094.19	2,333.96	2,805.53	3,396.79	4,495.48	(+) 32.34
3	Stamps and registration fees	1,115.35	1,355.69	1,759.84	2,212.20	3,205.80	(+) 44.91
4	Taxes on vehicles	675.70	800.07	982.99	1,105.45	1,374.50	(+) 24.34
5	Taxes on goods and passengers	516.53	673.46	791.72	1,041.45	1,147.20	(+) 10.15
6	Taxes and duties on electricity	172.14	272.92	339.02 ⁵	277.09	388.57	(+) 40.23
7	Other taxes on income and expenditure	180.20	245.37	277.93	330.25	392.58	(+) 18.87
8	Other taxes and duties on commodities and services	151.13	170.65	295.28	280.66	425.05	(+) 51.45
9	Land revenue	59.61	67.84	117.76	116.50	108.76	(-) 6.64
10	Taxes on agricultural income	1.32	1.30	2.18	1.62	1.37	(-) 15.43
	Total	10,439.71	12,570.21	16,072.32⁵	18,631.55	23,301.03	(+) 25.06

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

Taxes on sales, trade, etc.: The increase was attributed to normal growth with improving trend.

State excise: The increase was attributed to increase in sale of Indian made liquor, collection of arrears of arrack rentals (principal) under Kara Samadhana Scheme and upward revision of rates of additional excise duty.

Stamps and Registration fees: The increase was attributed to increase in the number of documents registered in the year and upward revision of guideline values.

Taxes and duties on electricity: The increase was attributed to increase in power consumption.

Taxes on agricultural income: The decrease was attributed to reduction of tax rates on firms and companies.

⁵ These figures differ from those adopted in the Audit Report for the year ended 31 March 2005 on account of corrections effected in the Finance Accounts for that year as reflected in the Finance Accounts for the year 2005-06.

Taxes on vehicles: The increase was attributed to increase in registration of new vehicles.

The other departments did not inform (October 2007) the reasons for variation despite being requested (June 2007).

1.1.2 The following table presents the details of major non-tax revenue realised during the period 2002-03 to 2006-07:

(Rupees in crore)							
Sl. No.	Head of revenue	2002-03	2003-04	2004-05	2005-06	2006-07	Percentage of increase (+)/ decrease (-) in 2006-07 over 2005-06
1	Non-ferrous mining and metallurgical industries	157.55	222.15	289.94	325.37	366.29	(+) 12.58
2	Interest receipts	34.36	111.34	144.79 ⁶	283.00	376.19	(+) 32.93
3	Forestry and wild life	101.52	180.65	169.41	115.80	127.97	(+) 10.51
4	Contributions and recoveries towards pensions and other retirement benefits	34.68	51.39	18.38	76.64	27.47	(-) 64.16
5	Other administrative services	45.27	91.81	136.88	74.33	101.34	(+) 36.34
6	Education, sports, art and culture	43.32	30.07	45.37	44.91	65.00	(+) 44.73
7	Medical and public health	56.38	31.78	47.07	43.92	39.54	(-) 9.97
8	Police	21.11	31.55	37.26 ⁶	42.55	52.91	(+) 24.35
9	Other general economic services	259.03	293.85	527.40	294.51	407.92	(+) 38.51
10	Co-operation	27.47	25.92	31.80	31.07	30.13	(-) 3.03
11	Village and small industries	17.25	17.66	18.46	29.05	39.46	(+) 35.83
12	Public works	11.10	12.12	14.00	27.27	31.32	(+) 14.85
13	Roads and bridges	17.92	33.80	13.83	25.01	24.18	(-) 3.32
14	Major and medium irrigation	20.93	11.81	13.35	22.30	21.48	(-) 3.68
15	Dividends and profits	14.93	16.90	16.66	16.88	19.48	(+) 15.40
16	Housing	67.08	38.14	10.73	16.47	11.49	(-) 30.24
17	Crop husbandry	18.98	13.59	11.89	10.69	12.92	(+) 20.86
18	Miscellaneous general services	231.42	1,589.75	1,882.46 ⁶	1,792.76	1,892.46	(+) 5.56
19	Others	97.37	154.09	1,042.66 ⁶	602.18	450.86	(-) 25.13
	Total	1,277.67	2,958.37	4,472.34⁶	3,874.71	4,098.41	(+) 5.77

In respect of 'non-ferrous mining and metallurgical industries' the Department of Mines and Geology stated that increase in revenue was due to increase in production of iron ore and recovery of royalty from other departments.

⁶ These figures differ from those adopted in the Audit Report for the year ended 31 March 2005 on account of corrections effected in the Finance Accounts for that year as reflected in the Finance Accounts for the year 2005-06.

The other departments did not inform (October 2007) the reasons for variation despite being requested (June 2007).

1.2 Variations between budget estimates and actual receipts

The variations between budget estimates and actuals of revenue receipts for the year 2006-07 in respect of the principal heads of tax and non-tax revenue are given below:

(Rupees in crore)

Sl. No.	Head of revenue	Budget estimates	Actual receipts	Variation excess (+)/ shortfall (-)	Percentage of variation
Tax revenue					
1	Taxes on sales, trade, etc.	12,430.10	11,761.72	(-) 668.38	(-) 5.38
2	State excise	4,060.34	4,495.48	(+) 435.14	(+) 10.72
3	Stamps and registration fees	2,586.11	3,205.80	(+) 619.69	(+) 23.96
4	Taxes on vehicles	1,285.00	1,374.50	(+) 89.50	(+) 6.96
5	Taxes on goods and passengers	1,155.37	1,147.20	(-) 8.17	(-) 0.71
6	Taxes and duties on electricity	300.00	388.57	(+) 88.57	(+) 29.52
7	Other taxes on income and expenditure	342.18	392.58	(+) 50.40	(+) 14.73
8	Other taxes and duties on commodities and services	290.84	425.05	(+) 134.21	(+) 46.15
9	Land revenue	82.15	108.76	(+) 26.61	(+) 32.39
10	Taxes on agricultural income	1.70	1.37	(-) 0.33	(-) 19.41
Non-tax revenue					
1	Non-ferrous mining and metallurgical industries	350.00	366.29	(+) 16.29	(+) 4.65
2	Interest receipts	178.61	376.19	(+) 197.58	(+) 110.62
3	Forestry and wild life	169.41	127.97	(-) 41.44	(-) 24.46
4	Contributions and recoveries towards pensions and other retirement benefits	18.03	27.47	(+) 9.44	(+) 52.36
5	Other administrative services	11.65	101.34	(+) 89.69	(+) 769.87
6	Education, sports, art and culture	49.00	65.00	(+) 16.00	(+) 32.65
7	Medical and public health	50.17	39.54	(-) 10.63	(-) 21.19
8	Police	47.28	52.91	(+) 5.63	(+) 11.91
9	Other general economic services	331.43	407.92	(+) 76.49	(+) 23.08
10	Co-operation	34.63	30.13	(-) 4.50	(-) 12.99
11	Village and small industries	19.38	39.46	(+) 20.08	(+) 103.61
12	Public works	13.65	31.32	(+) 17.67	(+) 129.45
13	Roads and bridges	174.24	24.18	(-) 150.06	(-) 86.12

(Rupees in crore)

Sl. No.	Head of revenue	Budget estimates	Actual receipts	Variation excess (+)/ shortfall (-)	Percentage of variation
14	Major and medium irrigation	40.45	21.48	(-) 18.97	(-) 46.90
15	Dividends and profits	17.60	19.48	(+) 1.88	(+) 10.68
16	Housing	11.51	11.49	(-) 0.02	(-) 0.17
17	Crop husbandry	15.81	12.92	(-) 2.89	(-) 18.28
18	Miscellaneous general services	2,474.20	1,892.46	(-) 581.74	(-) 23.51

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

Taxes on vehicles: The increase was attributed to increase in registration of new vehicles.

Non-ferrous mining and metallurgical industries: The increase was attributed to increase in recovery of royalty from other departments.

Taxes and duties on electricity: The increase was attributed to increase in power generation and consumption of more power by consumers.

The other departments did not inform (October 2007) the reasons for variations despite being requested (June 2007).

1.3 Cost of collection

The gross collection in respect of the major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the years 2004-05, 2005-06 and 2006-07 along with the relevant all India average percentage of expenditure on collection to gross collection for 2005-06 were as follows:

(Rupees in crore)

Sl. No.	Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of cost of collection to gross collection	All India average percentage for the year 2005-06
1	Taxes on sales, trade, etc.	2004-05	9,036.01	62.84	0.69	0.91
		2005-06	10,222.53	62.23	0.61	
		2006-07	12,390.75	60.60	0.49	
2	Taxes on vehicles	2004-05	1,048.51	20.52	1.96	2.67
		2005-06	1,105.89	22.51	2.04	
		2006-07	1,375.15	24.37	1.77	

1.4 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2007 in respect of some principal heads of revenue amounted to Rs.5,025.99 crore, of which Rs.661.82 crore (Rs.653.91 crore relating to State excise and Rs.7.91 crore relating to taxes and duties on electricity) were outstanding for more than five years as detailed below:

(Rupees in crore)

Sl. No.	Head of revenue	Amount of arrears as on 31 March 2007	Arrears outstanding for more than five years as on 31 March 2007	Remarks
1	Taxes on sales, trade, etc., entry tax, entertainments tax, agricultural income tax, professions tax, luxury tax	4,297.18	Not furnished	Out of the total arrears, Rs.470.03 crore was stayed by courts, Rs.105.20 crore was covered by revenue recovery certificates and Rs.65.10 crore was proposed to be written off. Balance of Rs.3,656.85 crore was under various stages of recovery.
2	State excise	680.43	653.91	Out of the total arrears, Rs.25.24 crore was stayed by courts, Rs.190.77 crore was referred to the Revenue Department and balance of Rs.464.42 crore was under various stages of recovery.
3	Taxes and duties on electricity	48.38	7.91	Out of the total arrears, Rs.44.13 crore relates to Electricity Supply Companies (ESCOMS) and Rs.4.25 crore relates to others.
	Total	5,025.99	661.82	

The position of arrears of revenue pending collection at the end of 2006-07 in respect of other departments was not furnished by the Government (October 2007) despite being requested (June 2007).

1.5 Arrears in assessments

The details of assessments relating to sales tax, taxes on goods and passengers, entertainments tax, luxury tax, professions tax and agricultural income tax pending at the beginning of the year, additional cases which became due for assessment during the year, cases disposed of during the year and cases pending finalisation at the end of each year during 2002-03 to 2006-07 as furnished by the Commercial Taxes Department are given below :

Year	Opening balance	Cases which became due for assessment	Total	Cases disposed of during the year	Cases pending at the end of the year
2002-03	4,89,287	5,28,541	10,17,828	4,23,922	5,96,906
2003-04	5,94,772*	4,81,571	10,76,343	4,33,769	6,42,574
2004-05	6,42,574	4,85,217	11,27,791	5,44,364	5,83,427
2005-06	5,83,427	4,72,386	10,55,813	2,82,894	7,72,919
2006-07	7,72,919	1,59,719	9,32,638	6,56,233	2,76,405

* Differs from the closing balance of 5,96,906 reported by the department for 2002-03

The decrease in the number of cases due for assessment in 2006-07 over previous years is due to the introduction of the Karnataka Value Added Tax

Act, 2003 (KVAT Act) in the State with effect from 1 April 2005 in place of the Karnataka Sales Tax Act, 1957 (KST Act). Under the KVAT Act, only cases selected for scrutiny are classified as due for assessment as against returns filed by all the dealers considered due for assessment under the KST Act. The increase in the number of assessments concluded during 2006-07 was due to clearance of arrears in assessments under the KST Act.

1.6 Arrears in appeals

According to the information furnished by the departments, the number of appeals filed under Commercial Taxes and Motor Vehicle Taxes, number of appeals disposed of and number of cases pending with appellate authorities as on 31 March 2007 are as under:

Sl. No.	Head of revenue	Opening balance	Number of appeals filed during the year	Total	Number of appeals disposed of during the year	Balance as on 31 March 2007	Percentage of cases disposed of to total number of cases
1	Commercial taxes	3,339	4,676	8,015	4,703	3,312	59
2	Taxes on vehicles	31	134	165	69	96	42

1.7 Frauds and evasions

Details of frauds and evasions as reported by the concerned departments are as under:

	Transport Department		Commercial Taxes Department	
	Number of cases	Additional demand raised	Number of cases	Additional demand raised
A. (i) Cases pending as on 1 April 2006	05	86.23	1,713	131.33
(ii) Cases detected during the year 2006-07	-	-	8,860	2,935.78
B. Cases in which investigations/assessments were completed during the year 2006-07	01	2.00	7,888	2,810.13
C. Cases pending as on 31 March 2007	04	84.23	2,685	256.98

1.8 Internal audit

Internal audit is an effective tool in the hands of the management of an organisation to assure itself that the organisation is functioning in an efficient manner and in terms of its stated objectives; the financial and administrative systems and control procedures are functioning effectively.

As per general guidelines for internal audit issued by the Finance Department, all units are to be audited annually as far as possible and no unit is to be left unaudited for more than two years.

The details of the number of offices due for audit during the year 2006-07, number of offices audited and reasons for shortfall as furnished by the departments are as under:

Department	Number of offices due for audit	Number of offices audited	Short fall	Reasons for shortfall
State excise	94	84	10	Due to paucity of staff.
Mines and Geology	22	7	15	

The details of observations made by internal audit and their clearance upto the end of 2006-07, as reported by the concerned departments are given below:

(Rupees in lakh)

Department	Observations relating to the year	Observations pending settlement/ made during the year		Observations settled during 2006-07		Observations pending as at the end of 2006-07	
		Number	Amount	Number	Amount	Number	Amount
State Excise	Up to 2005-06	651	3,465.37	160	284.05	491	3,181.32
	2006-07	56	358.20	-	-	56	358.20
	Total	707	3,823.57	160	284.05	547	3,539.52
Mines and Geology	Up to 2005-06	651	28,452.53	125	12,630.40	526	15,822.13
	2006-07	53	481.35	-	-	53	481.35
	Total	704	28,933.88	125	12,630.40	579	16,303.48

The shortfall in internal audit and the large number of outstanding observations indicate that the departments are not according to Internal Audit the importance it deserves.

1.9 Results of audit

Test check of the records of sales tax, state excise, taxes on motor vehicles, agricultural income tax, land revenue, stamps and registration fees, entry tax, entertainment tax, profession tax, betting tax, electricity tax, forest and other departmental offices conducted during the year 2006-07 revealed under

assessments, non/short levy of taxes, loss of revenue, failure to raise demands, etc. involving Rs.599.47 crore in 1,563 cases. During the course of the year 2006-07, the departments concerned accepted under assessments, short demands, etc. aggregating Rs.52.37 crore in 1,340 cases including 1,220 cases involving Rs.30.51 crore which were pointed out in audit in earlier years. A sum of Rs.15.86 crore relating to 927 audit observations was recovered at the instance of audit.

This Report contains 33 paragraphs including one review involving financial effect of Rs.324.48 crore. The departments accepted audit observations involving Rs.24.15 crore, of which Rs.1.48 crore had been recovered upto October 2007. Audit observations with a total revenue effect of Rs.3.92 crore have not been accepted by the departments, but their contentions have been found to be at variance with the facts or legal position and these have been appropriately commented upon in the relevant paragraphs. No reply has been received in the remaining cases (October 2007).

1.10 Outstanding inspection reports and audit observations

Accountant General (Works, Forest and Receipt Audit) (AG) conducts periodical inspection of the Government departments 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 detected during the inspections are not settled on the spot, these IRs are issued to the heads of offices inspected with a copy to the next higher authorities. The hand book of instructions for speedy settlement of audit observations (Finance Department) provides for prompt response by the executive to the IRs issued by AG to ensure rectificatory action in compliance with the prescribed rules and procedures and accountability for the deficiencies, lapses, etc., noticed during the inspections. The heads of offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of heads of departments by the AG. A half-yearly report of pending IRs is sent to the concerned Principal Secretary to the Government and the controlling officers of the departments to facilitate monitoring of the pending audit observations.

The time schedule prescribed by the Government has seldom been adhered to, with the result that 3,588 IRs issued upto the end of December 2006, containing 6,866 audit observations involving Rs.1,302.71 crore were to be settled at the end of June 2007, as indicated below, along with the corresponding figures for preceding two years:

	June 2005	June 2006	June 2007
Number of outstanding IRs	3,655	3,599	3,588
Number of outstanding audit observations	6,994	6,300	6,866
Amount involved (Rupees in crore)	900.55	985.49	1,302.71

Out of 3,588 IRs pending settlement, even first replies have not been received (June 2007) for 312 IRs containing 1,066 audit observations. Pendency of these reports was reported to the Government (August 2007). The department wise details of IRs and audit observations outstanding as on 30 June 2007 and the amounts involved are indicated below:

(Rupees in crore)

Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved
1. Finance	Taxes on sales, trade, etc., entry tax, entertainments tax, luxury tax, professions tax and betting tax	1,030	2,948	191.57
	Agricultural income tax	27	58	6.68
	State excise	973	1,369	379.70
2. Energy	Electricity duty	11	20	124.34
3. Revenue	Land revenue	440	765	83.56
	Stamps and registration fees	414	600	53.81
4. Home and Transport	Taxes on motor vehicles	322	461	38.43
5. Forest, Ecology and Environment	Forest receipts	200	274	293.96
6. Commerce and Industries	Sericulture industries receipts	62	81	7.16
	Mineral receipts	75	217	112.65
7. Public Works	Public works receipts	34	73	10.85
	Total	3,588	6,866	1,302.71

Since the outstanding amount represents unrealised revenue, the Government needs to take speedy and effective action on the issues raised in the IRs.

1.11 Adhoc committee meetings

The Government issued (March 1968) instructions to constitute adhoc committees in the Secretariat of 10 departments to expedite the clearance of audit observations contained in the IRs. These committees are to be headed by the Secretaries of the concerned administrative departments and attended by the designated officers of the State Government and a nominee of the AG. These committees are to meet periodically and, in any case, at least once in a quarter.

The department wise number of adhoc committee meetings held and paragraphs settled during the year 2006-07 is as under:

Department	No. of meetings held	No. of paragraphs settled	Money value (Rupees in crore)
Forest, Ecology and Environment	1	23	0.20
Transport	1	--	--

The departments concerned had not convened adhoc committee meetings to discuss the IRs on revenue receipts relating to commercial taxes, state excise, land revenue, stamps and registrations fees, mineral receipts, sericulture and public works.

1.12 Response of the departments to draft audit paragraphs

Draft paragraphs/reviews proposed for inclusion in the Audit Report are forwarded by the AG to 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. 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.

Fifty three draft paragraphs clubbed into 33 paragraphs (including one review) proposed for inclusion in the Report of the Comptroller and Auditor General of India (Revenue Receipts) for the year ended 31 March 2007 were forwarded to the concerned Principal Secretaries to the Government and copies endorsed to the concerned heads of the departments during February-June 2007. Their replies were due latest by the end of April-August 2007.

Replies to 33 draft paragraphs have been received and considered in finalisation of the Report (October 2007). Of these, replies to only two draft paragraphs were received within the prescribed period of six weeks. Further, the draft review was discussed with the Deputy Secretary to the Government of Karnataka.

1.13 Follow-up on Audit Reports

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 the 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 AG.

A review of the position in this regard revealed that as of August 2007, eight departments had not furnished the departmental notes in respect of 176 paragraphs included in Audit Reports for the years 1990-91 and 1992-93 to 2004-05 due between March 1993 and July 2006, for vetting. The delay ranged from 13 months to over 14 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 (months)
1	Revenue	1990-91, 1992-93 to 1999-2000, 2003-04 and 2004-05	December 1992 to March 2006	March 1993 to July 2006	55	13 to 173
2	Finance	1996-97, 1998-99 to 2004-05	May 1998 to March 2006	September 1998 to July 2006	104	13 to 107
3	Commerce and Industries	1996-97 and 2002-03	May 1998 to July 2004	September 1998 to November 2004	2	33 to 107
4	Urban Development	1998-99, 2002-03 to 2004-05	March 2000 to March 2006	July 2000 to July 2006	4	13 to 85
5	Energy	1993-94, 2001-02 and 2002-03	March 1995 to July 2004	July 1995 to November 2004	3	33 to 145
6	Health and Family Welfare	1997-98	March 1999	July 1999	1	97
7	Forest	2002-03 to 2004-05	July 2004 to March 2006	November 2004 to July 2006	6	13 to 33
8	Public Works	2004-05	March 2006	July 2006	1	13
	Total	1990-91 and 1992-93 to 2004-05	December 1992 to March 2006	March 1993 to July 2006	176	13 to 173

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

1.14 Compliance to the earlier Audit Reports

In the Audit Reports 2001-02 to 2005-06, 4,548 cases of under assessments, non/short levy of taxes, loss of revenue, failure to raise demands, etc were included involving Rs.3,241.55 crore. Of these, as of October 2007, departments concerned have accepted 3,041 cases involving Rs.250.66 crore and recovered Rs.50.81 crore in 1,457 of them. Audit Report wise details of cases accepted and recovered are as under:

(Rupees in crore)

Audit Report	Included in the Audit Report		Accepted by the department		Recovered	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
2001-02	548	190.79	487	20.47	340	9.17
2002-03	1,104	1,141.96	487	66.92	370	20.98
2003-04	1,038	393.46	945	19.00	368	8.76
2004-05	544	820.86	390	27.18	214	8.93
2005-06	1,314	694.48	732	117.09	165	2.97
Total	4,548	3,241.55	3,041	250.66	1,457	50.81

