

CHAPTER-I : GENERAL

1.1 Trend of Revenue Receipts

1.1.1 The tax and non tax revenue raised by the Government of Orissa during the year 2004-05, 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)

	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005
I Revenue raised by State Government					
(a) Tax Revenue	2,184.03	2,466.88	2,871.84	3,301.73	4,176.60
(b) Non Tax Revenue	685.47	691.75	961.18	1,094.55	1,345.52
Total	2,869.50	3,158.63	3,833.02	4,396.28	5,522.12
II Receipts from Government of India					
(a) State's share of divisible Union taxes	2,603.97	2,648.72	2,805.58	3,327.68	3,977.66 ¹
(b) Grants in aid	1,428.55	1,240.64	1,800.17	1,716.28	2,350.41
Total	4,032.52	3,889.36	4,605.75	5,043.96	6,328.07
III Total Receipt of the State Government (I+II)	6,902.02	7,047.99	8,438.77	9,440.24	11,850.19
IV Percentage of I to III	41.57	44.82	45.42	46.57	46.60

¹ For details, please see Statement No.11-Detailed Accounts of Revenue by Minor Heads in the Finance Accounts of the Government of Orissa for the year 2004-05. Figures under the minor head 901-Share of net proceeds assigned to States under the major 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 and 0045-Other Taxes and Duties on Commodities and Services booked in the Finance Accounts under A-Tax Revenue have been excluded from the Revenue raised by the State and exhibited as State's share of divisible Union taxes.

1.1.2 The details of the tax revenue raised during the year 2004-05 along with figures for the preceding four years are given below:

(Rupees in crore)

Heads of Revenue	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	Per centage of increase (+) or decrease (-) in 2004-2005 over 2003-2004
1. (a) Sales Tax	1,293.99	1,350.51	1,532.69	1,546.47	2,061.23	(+) 33
(b) Central Sales Tax	48.13	51.82	72.53	317.50	410.16	(+) 29
2. Taxes and Duties on Electricity	146.71	136.96	172.17	200.43	261.89	(+) 31
3. Land Revenue	53.26	84.48	82.16	103.27	131.59	(+) 27
4. Taxes on Vehicles	178.17	216.37	257.35	280.03	338.11	(+) 21
5. Taxes on Goods and Passengers	194.04	252.04	313.07	377.19	384.93	(+) 2
6. State Excise	135.31	197.46	246.06	256.37	306.61	(+) 20
7. Stamp Duty and Registration Fees	108.52	109.76	135.86	153.07	197.87	(+) 29
8. Other Taxes and Duties on Commodities and Services	14.60	27.62	13.34	14.77	25.14	(+) 70
9. Other Taxes on Income and Expenditure- Tax on Professions, Trades, Callings and Employments	11.30	39.86	46.61	52.63	59.07	(+)12
Total	2,184.03	2,466.88	2,871.84	3,301.73	4,176.60	

The reasons for variations in respect of the following items as furnished by the concerned departments were as under:

Taxes and Duties on Electricity: The increase was stated to be due to more collection of duty on non captive and captive power plants and inspection fees etc.

Land Revenue: The increase in collection was stated to be due to revision of rate of premium for conversion of land, more collection of royalty etc.

Taxes on Vehicles: The increase was stated to be due to increase in vehicle population, better enforcement activities and effective supervision etc.

Stamp duty and registration fees: The increase was stated to be due to disposal of 47A cases and increase of land value.

Reasons for variation in respect of other taxes and duties on commodities and services has not been received from concerned Department (October 2005).

1.1.3 Details of non tax revenue realised during the year 2004-05 alongwith the figures for the preceding four years are given below:

(Rupees in crore)

Heads of Revenue	2000-2001	2001-2002	2002-2003	2003-2004	2004-05	Per centage of increase (+) or decrease (-) in 2004-2005 over 2003-2004
1 Non ferrous Mining and Metallurgical Industries	360.33	378.56	443.58	552.06	670.52	(+) 21
2 Forestry and Wild Life	84.79	87.95	97.04	48.64	84.72	(+) 74
3 Interest Receipts	13.09	25.27	76.09	164.38	249.04	(+) 52
4 Education	19.91	24.98	24.31	12.00	15.76	(+) 31
5 Irrigation & Inland Water Transport	20.16	18.40	24.70	36.25	40.45	(+) 12
6 Public Works	15.40	13.99	13.69	15.06	17.05	(+) 13
7 Police	21.44	19.23	13.37	15.55	21.24	(+) 37
8 Medical and Public Health	10.07	10.15	11.24	7.51	12.98	(+) 73
9 Power	3.20	3.18	2.94	2.90	4.19	(+) 44
10 Miscellaneous General Services	8.20	13.92	10.41	5.38	31.70	(+) 489
11 Other Non Tax Receipts	111.363	82.653	227.96	226.35	160.97	(-) 29
12 Co-operation	1.70	1.94	2.09	2.39	2.72	(+) 14
13 Other Administrative Services	15.81	11.52	13.71	6.08	34.18	(+) 462
14 Dairy development	0.007	0.007	0.05	Nil	Nil	
Total	685.47	691.75	961.18	1,094.55	1,345.52	

The reasons for variations for the following items as furnished by the concerned departments were as under:

Non ferrous Mining and Metallurgical Industries: The increase was stated to be due to upward revision of rates on royalty on non coal minerals, minor minerals, increase in sale price of minerals and despatch of more iron ore.

Forestry and Wild Life: The increase was stated to be due to realisation of cost of compensatory afforestation from user agencies.

Police: The increase was stated to be due to collection of arrear dues from Aviation Research Centre, Charbatia and East Coast Railways.

Reasons for variations relating to *interest, education, irrigation and inland water transport, medical and public health* have not been received though called for.

1.2 Variations between budget estimates and actuals

The variations between the budget estimates and actuals of revenue receipts for the year 2004-05 in respect of the principal heads of tax and non tax revenue are given below:

(Rupees in crore)

Sl. No.	Heads of Revenue	Budget estimates	Actual receipts	Variations Increase (+) Shortfall (-)	Per centage of Variation
Tax Revenue					
1	Sales Tax	2,063.00	2,471.39	(+) 408.39	20
2	Taxes on Goods and Passengers	300.23	384.93	(+) 84.70	28
3	Taxes and Duties on Electricity	240.84	261.89	(+) 21.05	9
4	Land Revenue	120.00	131.59	(+) 11.59	10
5	Taxes on Vehicles	320.59	338.11	(+) 17.52	5
6	State Excise	290.16	306.61	(+) 16.45	6
7	Stamp Duty and registration Fees	190.90	197.87	(+) 6.97	4
Non Tax Revenue					
8	Mines and Minerals	640.87	670.52	(+) 29.65	5
9	Forest	40.00	84.72	(+) 44.72	112
10	Education	13.26	15.76	(+) 2.50	19
11	Interest	87.07	249.04	(+) 161.97	186
12	Police	8.02	21.24	(+) 13.22	165

Taxes and Duties on Electricity: The increase (nine *per cent*) was stated to be due to collection of arrear dues from M/s. NALCO.

Taxes on vehicles: The increase (five *per cent*) was stated to be due to increase of vehicle population, better enforcement activities, timely review of performance of field functionaries and effective supervision.

Stamp duty and Registration fees: The increase (four *per cent*) was stated to be due to collection of arrear revenue under section 47A of Stamp Act.

Mines and Minerals: The increase (five *per cent*) was stated to be due to increase in despatches of minerals as per market demand and upward revision of rates of royalty of non coal and minor minerals.

Forest: The increase (112 *per cent*) was stated to be due to realisation of cost of compensatory afforestation from user agencies.

Police: The increase (165 *per cent*) was stated to be due to payment of claims by Aviation Research Centre, Charbatia and East Coast Railways.

The reasons for variation for state excise, taxes on goods and passengers, education, interest etc. though called for were awaited.

1.3 Analysis of collection

Breakup of total collection at pre assessment stage and after regular assessment of Sales Tax, Profession Tax, Entry Tax and Luxury Tax for the year 2004-05 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)	Amount of arrear demand collected	Amount refunded	Net collection	Percentage of column 3 to 7
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Sales Tax	2002-03	1,570.33	40.79	35.54	35.36	1,611.30 ²	97.5
	2003-04	1,820.65	37.80	36.61	17.01	1,877.75 ³	97
	2004-05	2,420.87	35.34	34.68	23.54	2,467.35 ⁴	98.1
2. Profession Tax	2002-03	44.42	--	--	--	44.42	100
	2003-04	50.62	--	--	--	50.62	100
	2004-05	56.16	--	--	--	56.16	100
3. Entry Tax	2002-03	301.63	7.72	2.32	1.20	310.47	97
	2003-04	350.67	17.44	3.45	0.04	371.52	94.4
	2004-05	361.65	19.87	4.81	0.74	385.59	93.8
4. Luxury Tax	2002-03	9.45	--	--	--	9.45	100
	2003-04	11.26	--	--	--	11.26	100
	2004-05	10.15	0.01	--	--	10.16	99.9

The above table shows that percentage of collection of revenue at the assessment stage ranged between 94.4 to 98.1 per cent under sales tax and entry tax during the year 2002-03 to 2004-05.

1.4 Cost of Collection

The gross collection in respect of major revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collection during the years 2002-03, 2003-04 and 2004-05 along with the relevant all India average percentage of expenditure on collection to gross collection for 2003-04 are given below:

(Rupees in crore)

Heads of Revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average per centage for the year 2003-04
Sales Tax	2002-2003	1,646.66	21.36	1.29	1.15
	2003-2004	2,331.60	21.30	0.91	
	2004-2005	2,946.87	23.47	0.80 ⁵	
Taxes on Vehicles	2002-2003	257.35	9.22	3.58	2.57
	2003-2004	280.14	7.81	2.79	
	2004-2005	338.11	8.82	2.61	
State Excise	2002-2003	246.06	12.62	5.13	3.81
	2003-2004	256.68	13.05	5.08	
	2004-2005	306.70	13.19	4.30	
Stamp Duty and Registration Fees	2002-2003	135.86	12.24	9.01	3.66
	2003-2004	154.36	12.82	8.30	
	2004-2005	197.95	11.70	5.91	

It would be seen from above that cost of collection under taxes on vehicles, state excise, stamp duty and registration fee was higher than all India average.

- 2 The figures supplied by the Department do not tally with figures of Finance Accounts.
- 3 The difference of Rs.13.78 crore (Departmental figure of Rs.1,877.75 crore minus Rs.1,863.97 crore Finance Accounts figure) yet to be reconciled.
- 4 The difference of Rs.4.04 crore (Departmental figure of Rs.2,467.35 crore minus Rs.2,471.39 crore Finance Accounts figure) yet to be reconciled (October 2005).
- 5 Percentage of expenditure to gross collection for 2004-05 includes Entry Tax, Entertainment Tax and Professional Tax in addition to Sales Tax.

1.5 Collection of sales tax per assessee

(Rupees in crore)

Year	No. of assesseees	Sales tax revenue	Revenue/assessee
2000-2001	58,427	1,351.49	0.023
2001-2002	62,142	1,434.72	0.023
2002-2003	69,743	1,646.66	0.024
2003-2004	74,494	1,894.76	0.025
2004-2005	78,991	2,490.89	0.032

The above table reveals that revenue collection per assessee increased from Rs.0.023 crore in the year 2000-01 to Rs.0.032 crore in 2004-05.

1.6 Analysis of arrears of revenue

As on 31 March 2005, the arrears of revenue under principal heads of revenue as reported by the Departments aggregating Rs.2,259.05 crore were as detailed below:-

(Rupees in crore)

Sl. No	Heads of Revenue	Amount of arrears as on 31 March 2005	Arrears more than five years old	Remarks
1	Sales Tax	1,203.58	527.09	<p>The stages of arrears were as under:</p> <ul style="list-style-type: none"> • Cases covered by show cause and penalty 336.65 • Demands stayed by <ul style="list-style-type: none"> ➤ Departmental authorities 180.05 ➤ Supreme Court/High Court 411.05 • Demands covered by Certificate proceedings/ Tax Recovery proceedings 272.41 • Amounts likely to be written off 3.42
2	Taxes on Vehicles	75.94	--	<p>The stages of arrears were as under:</p> <ul style="list-style-type: none"> • Demands covered by certificate proceedings 31.24 • Recoveries stayed by <ul style="list-style-type: none"> ➤ High Court/Supreme Court/other Judicial authorities 0.29 ➤ Departmental authorities of Government 4.32 • Amount under dispute 0.20 • Other stages 39.89

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(Rupees in crore)

Sl. No	Heads of Revenue	Amount of arrears as on 31 March 2005	Arrears more than five years old	Remarks
3	Entry Tax	41.75	--	The stages of arrears were as under: <ul style="list-style-type: none"> • Amount covered by show cause and penalty 10.20 • Recoveries stayed by Departmental authorities 13.46 • Demand stayed by High Court 17.75 • Demand covered by Certificate/ tax recovery proceedings 0.34
4	Entertainment Tax	6.25	--	The stages of arrears were as under: <ul style="list-style-type: none"> • Demand covered by certificate/Tax Recovery proceedings 3.47 • Amount covered by show cause and penalty 2.49 • Recoveries stayed by: <ul style="list-style-type: none"> ➤ Departmental authorities 0.16 ➤ High Court/ Supreme Court 0.13
5	Land Revenue	19.98	--	Item wise break up was as follows : <ul style="list-style-type: none"> • Rent 2.38 • Cess 4.44 • Nistar Cess 0.14 • Sairat 3.53 • Misc. Revenue 9.49
6	State Excise	18.56	9.92	The stage wise position of arrears was as under <ul style="list-style-type: none"> • Covered by certificate proceedings 8.42 • Stayed by High Court/ other judicial authorities 3.30 • Stayed by Departmental authorities 1.75 • Amount under dispute 0.07 • Proposed to be written off 0.03 • Other stages of recovery 4.99

(Rupees in crore)

Sl. No	Heads of Revenue	Amount of arrears as on 31 March 2005	Arrears more than five years old	Remarks
7	Interest	120.31	--	<ul style="list-style-type: none"> • Co-operation Department 78.84 • Industries Department 41.47 <p>The arrears were due from:</p> <ul style="list-style-type: none"> • Orissa State Financial Corporation. ➤ Loan in lieu of share capital 7.75 ➤ Interest bearing loan 13.63 ➤ State Aid Rural Industries Program. loan 1.15 ➤ Sales Tax loan 6.04 ➤ Electricity Duty loan 2.95 ➤ Panchayat Samiti Industries loan 0.34 • Industrial Development Corporation 6.93 • IPICOL 0.84 • Orissa Small Scale Industries Corporation 0.67 • Orissa State Leather Corporation 0.61 • Orissa Instrument Comany 0.43 • Orissa Film Development Corporation 0.13
8	Other Departmental Receipts (Rent) G.A Department	9.44	--	<p>The arrears were due from:</p> <ul style="list-style-type: none"> • Non-Residential Buildings 0.62 • Residential Buildings • Retired Govt. Servants 3.47 • MLA's and ex-MLA's 0.50 • Boards and Corporations 0.40 • Private parties 0.62 • Transferred Govt. Servants 1.19 • Certificate cases 0.03 • Central Government employees occupying State Government Quarters and water tax 0.32 • Usual House Rent 2.09 • Recovery stayed by High Court and other judicial authorities 0.20

(Rupees in crore)

Sl. No	Heads of Revenue	Amount of arrears as on 31 March 2005	Arrears more than five years old	Remarks
9	Mines and Minerals	83.88	3.12	The stages of recovery were as under:- <ul style="list-style-type: none"> • Demand covered by certificate proceedings 2.11 • Demand locked up in litigation in High Court and other judicial authorities 1.04 • Amount under dispute 2.33 • Amount covered under write off/ waiver proposal 1.82 • Recoverable amount 76.58
10	Irrigation (WR)	87.16	45.23	Industrial Water Rate 87.16
11	Taxes and Duties on Electricity	471.78	--	Item wise breakup was as follows: <ul style="list-style-type: none"> • Non captive 143.46 • Captive 292.32 • Inspection 36.00
12	Forest	82.81	--	The arrears were due from: <ul style="list-style-type: none"> • Forest lease 6.61 • OFDC⁶ 71.73 • TDCC⁷ 4.47
13	Police	37.61	8.60	--

1.7 Arrears in assessments

The details of cases pending assessment at the beginning of the year 2004-05, cases becoming due for assessment during the year, cases disposed of during the year and the number of cases pending finalisation at the end of the year 2004-05 as furnished by the Sales Tax Department in respect of sales tax and entry tax are as follows:

	Opening Balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the close of the year	Percentage of column 5 to 4
1	2	3	4	5	6	7
Sales Tax	2,84,385	2,70,549	5,54,934	2,09,000	3,45,934	37.66
Entry Tax	58,916	1,44,741	2,03,567	91,773	1,11,884	45.08

It can be seen from the above table that the percentage of disposal under sales tax and entry tax were 37.66 per cent and 45.08 per cent respectively.

⁶ Orissa Forest Development Corporation Limited.

⁷ Orissa Tribal Development Cooperative Corporation.

1.8 Evasion of Tax

The number of cases of evasion of tax detected and assessments finalised during 2004-05 are given below:

Sl No.	Name of tax/duty	Cases pending as on 31 March 2004	Cases detected during 2004-05	Total	No. of cases in which assessment/ investigations completed and additional demand including penalty etc., raised		No. of cases pending finalisation as on 31 March 2005
					No. of cases	Amount of demand (Rs.in crore)	
1	Sales Tax	6,925	5,173	12,098	3,619	16.50	8,479

The revenue involved in the pending cases was not furnished by the Department. It would be seen from the above that the disposal of detected cases was only 29.9 per cent in respect of sales tax cases.

1.9 Results of Audit

Test check of the records of sales tax, motor vehicles tax, land revenue, state excise, forest, mines and minerals and other departmental offices conducted during the year 2004-05 revealed underassessment/short levy/loss of revenue etc. amounting to Rs.936.51 crore in 20,81,333 cases. During the course of the year 2004-05, the concerned departments accepted underassessment etc. of Rs.109.11 crore involved in 17,38,232 cases which were pointed out in 2004-05 and in earlier years. Of these, the Departments recovered Rs.6.40 crore in 16,421 cases.

This report contains 62 paragraphs including one review relating to under-assessment/short levy/non levy etc. involving Rs.560.81 crore of which Rs.221.43 crore has been accepted by Government/Department. Recovery made in these cases amounted to Rs.2.67 crore up to July 2005. Audit observations with a total revenue effect of Rs.255.51 crore have not been accepted by the Department/Government but their contentions have been appropriately commented upon in the relevant paragraphs. Replies in the remaining cases have not been received (October 2005).

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

Audit observations on incorrect assessments, short levy of taxes, duties, fees etc. as also defects in the maintenance of initial records noticed during audit and not settled on the spot are communicated to the heads of departments/offices and other departmental authorities through Inspection Reports (IRs). The heads of departments/offices are required to take corrective action in the interest of Government revenue and furnish compliance within a period of one month.

The number of IRs and audit observations relating to revenue receipts issued up to 31 December 2004 which were pending settlement by the departments as on 30 June 2005 along with corresponding figures for the preceding two years are given below:

	2003	2004	2005
Number of inspection reports pending settlement	3,655	3,768	3,653
Number of outstanding audit observations	11,081	11,023	11,067
Amount of revenue involved (in crore of Rupees)	1,446.54	1,472.32	1,788.59

Department wise break up of the IRs and audit observations outstanding as on 30 June 2005 is given below:

Department	Nature of receipts	Number of outstanding		Amount of receipts involved (Rs. in crore)	Year to which observations relate	Number of Inspection Reports to which even first replies have not been received
		Inspection reports	Audit observations			
1 Finance	Sales Tax	597	2,461	262.05	1978-79 to 2004-05	69
	Entertainment Tax	76	113	1.76	1975-76 to 2004-05	03
	Luxury Tax	10	11	0.57	1997-98 to 2004-05	--
	Entry Tax	46	64	5.61	2001-02 to 2004-05	28
2 Commerce and Transport (Transport)	Taxes on Vehicles	268	2,830	221.18	1970-71 to 2004-05	40
	Taxes on Goods and Passenger	70	237	1.09	1973-74 to 1987-88	--
3 Revenue	Land Revenue	1,028	2,122	366.52	1975-76 to 2004-05	124
	Stamp Duty and Registration Fees	285	487	52.80	1977-78 to 2004-05	46
4 Excise	State Excise	237	610	131.90	1991-92 to 2004-05	45
5 Forest and Environment	Forest Receipts	438	1,047	125.78	1980-81 to 2004-05	71
6 Steel and Mines	Mining Receipts	114	238	79.72	1974-75 to 2004-05	04
7 Cooperation	Departmental Receipts	55	132	134.80	1976-77 to 2004-05	07
8 Food Supplies and Consumer Welfare	Departmental Receipts	60	90	4.22	1989-90 to 2004-05	02
9 Energy	-do-	51	107	384.85	1992-93 to 2004-05	02
10 General Administration (Rent)	-do-	08	16	4.55	1977-78 to 2004-05	01
11 Works	-do-	21	33	8.19	1992-93 to 2004-05	--
12. Others	-do-	289	469	3.00	1987-88 to 2004-05	--
Total		3,653	11,067	1,788.59		442

It indicates that the Heads of departments/offices, whose records were inspected by Accountant General, failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs and also did not take any remedial measures for the defects, omissions and irregularities pointed out by the Accountant General.

1.11 Departmental Audit Committee Meetings

In order to expedite the settlement of outstanding audit observations contained in the IRs, departmental Audit Committees have been constituted by the Government. The representatives of Finance Department, Administrative Department and office of the Accountant General (AG) (CW&RA) attend the Committee. The Committees meet regularly to expedite the clearance of outstanding audit observations and ensure that final action is taken on all audit observations outstanding for more than a year. During the year 2004-05, Finance, Transport, Revenue and Forest Departments convened 18, 4, 15 and four Audit Committee meetings respectively. Other Government departments did not take initiative in using the machinery created for settling the outstanding audit observations.

1.12 Response of the Departments to Draft Audit Paragraphs

Government of Orissa, Finance Department, in their circular memorandum instructed (May 1967) various departments of the Government to submit compliance to the draft audit paragraphs (DPs) floated by the AG for inclusion in the Audit Reports of the Comptroller and Auditor General (CAG) within six weeks from the date of receipt of such DPs. The above instructions were reiterated (December 1993) while accepting the recommendation of the High Power Committee on response of the State Governments to the Audit Reports of the CAG. The DPs are normally forwarded by the AG to the Principal Secretary/Secretary of the administrative department concerned through demi-official letters seeking confirmation of the factual position and comments thereon within the stipulated period of six weeks.

Eighty six DPs being considered for inclusion in this Report were demi officially forwarded to the Secretaries/Principal Secretaries of the concerned departments between February 2005 and June 2005 with a request to verify the factual position and offer comments thereon. Demi official reminders were also issued after the expiry of six weeks time in each case. The position of response to the draft paras is detailed below:

Sl. No.	Name of the Department/Nature of receipt	No. of draft paras forwarded including review	No. of draft paras in respect of which replies were received	No. of draft paras in which replies were not received
1	Finance (Sales Tax & Entry Tax)	27	5	22
2	Transport (Motor Vehicle Tax)	14	--	14
3	Excise (Excise Duty and Fees)	10	--	10
4	Forest and Environment (Forest Receipts)	7	2	5
5	Steel & Mines (Mining Receipts)	7	2	5
6	Revenue (Land Revenue, Stamp Duty and Registration Fees)	11	--	11
7	Energy, Food supplies & Consumer Welfare, Cooperation, Finance, Agriculture, Industries, Housing & Urban Development, Steel & Mines, ST & SC Development, Textiles and Handloom Department (Departmental Receipts)	10	2	8
Total		86	11	75

The Excise Department recovered Rs.1.40 crore at the instance of audit in two audit observations in the year 2004-05.

1.13 Follow up on Audit Reports- summarised position

According to instructions issued by the Finance Department in December 1993, all departments are required to furnish explanatory memoranda duly vetted by audit to the Orissa Legislative Assembly in respect of paragraphs included in the Audit Reports within three months of being laid on the table of the House.

Review of outstanding explanatory memoranda on paragraphs included in the reports of CAG of India (Revenue Receipts) as on 31 March 2005 disclosed that the departments had not submitted remedial explanatory memoranda on 88 paragraphs for the years from 1994-95 to 2002-03 as detailed below.

Year	1989-1990	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	Total
No. of paras in the AR	69	63	54	44	47	40	36	38	40	34	45	45	57	612
No. of paras discussed in PAC	68	51	40	32	21	13	5	3	1	--	5	3	--	242
No. of paras pending for discussion	01	12	14	12	26	27	31	35	39	34	40	42	57	370
No. of paras for which compliance notes awaited from the Departments	--	--	--	--	2	--	1	1	4	7	7	11	55	88

From the above, it would be seen that the non compliance to audit paragraphs stood at 14.38 *per cent* of total paras presented to the Assembly during the above period.

With a view to ensuring accountability of the executive in respect of all the issues dealt with in the Audit Reports, the Public Accounts Committee (PAC) had as early as May 1966 issued instructions to all the Departments of State Government to submit Action Taken Notes (ATN) on the recommendations made by PAC for further consideration **within six months** of the presentation of PAC Report to the Legislature. However it was noticed from the PAC reports submitted during 10th, 11th and 12th Assembly that 50 Reports containing 345 paras/recommendations were presented by the PAC before the Legislature between February 1991 and March 2005 after examination of the Audit Report (Revenue Receipts) of 14 departments for the years 1985-86 to 2000-01. However, ATNs have not been received in respect of 112 recommendations of the PAC from the concerned departments as of March 2005.