

CHAPTER I GENERAL

1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Andhra Pradesh during the year 2007-08, 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 mentioned below:

(Rupees in crore)

| Sl. No. | Particulars | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|------------|---|------------------|------------------|------------------|------------------|------------------------|
| I | Revenue raised by the State Government | | | | | |
| | • Tax revenue | 13,805.93 | 16,254.50 | 19,207.40 | 23,926.20 | 28,794.05 ¹ |
| | • Non-tax revenue | 3,604.65 | 3,755.57 | 4,691.37 | 6,487.83 | 7,064.13 |
| | Total | 17,410.58 | 20,010.07 | 23,898.77 | 30,414.03 | 35,858.18 |
| II | Receipts from the Government of India | | | | | |
| | • State's share of divisible Union taxes | 5,068.53 | 6,058.51 | 6,950.86 | 8,866.00 | 11,183.64 |
| | • Grants-in-aid | 4,389.39 | 2,680.92 | 4,001.56 | 4,965.44 | 7,100.73 |
| | Total | 9,457.92 | 8,739.43 | 10,952.42 | 13,831.44 | 18,284.37 |
| III | Total receipts of the State (I + II) | 26,868.50 | 28,749.50 | 34,851.19 | 44,245.47 | 54,142.55 |
| IV | Percentage of I to III | 65 | 70 | 69 | 69 | 66 |

The above table indicates that during the year 2007-08, the revenue raised by the State Government was 66 *per cent* of the total revenue receipts (Rs. 54,142.55 crore). The balance 34 *per cent* of the receipts during 2007-08 was from the Government of India.

¹ For details please see Statement No.11- Detailed accounts of revenue by minor heads in the Finance Accounts of Andhra Pradesh for the year 2007-08. Figures 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 - 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 this table

1.1.1 The following table presents the details of tax revenue raised during the period from 2003-04 to 2007-08:

(Rupees in crore)

| Sl. No. | Head of revenue | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | Percentage of increase (+)/ decrease (-) in 2007-08 over 2006-07 |
|---------|---|------------------|------------------|------------------|------------------|------------------|--|
| 1. | Sales tax | 8,395.70 | 9,988.64 | 11,524.24 | 14,222.67 | 17,593.41 | (+) 23.70 |
| | Central sales tax | 791.23 | 1,051.96 | 1,017.37 | 1,244.41 | 1,433.08 | (+) 15.16 |
| 2. | State excise | 1,914.98 | 2,092.67 | 2,684.57 | 3,436.63 | 4,040.69 | (+) 17.58 |
| 3. | Stamp duty and registration fee | 1,111.75 | 1,387.91 | 2,013.45 | 2,865.38 | 3,086.06 | (+) 7.70 |
| 4. | Taxes and duties on electricity | 138.52 | 137.58 | 151.96 | 151.05 | 195.36 | (+) 29.33 |
| 5. | Taxes on vehicles | 1,067.76 | 1,168.64 | 1,355.74 | 1,364.74 | 1,603.80 | (+) 17.52 |
| 6. | Taxes on goods and passengers | 44.55 | 65.59 | 50.35 | 41.25 | 80.29 | (+) 94.64 |
| 7. | Other taxes on income and expenditure, tax on professions, trades, callings and employments | 168.35 | 180.21 | 227.07 | 312.21 | 355.72 | (+) 13.94 |
| 8. | Other taxes and duties on commodities and services | 135.58 | 144.81 | 110.62 | 148.84 | 171.00 | (+) 14.89 |
| 9. | Land revenue | 34.52 | 33.59 | 68.75 | 113.50 | 144.39 | (+) 27.22 |
| 10. | Taxes on immovable property other than agricultural land | 2.99 | 2.90 | 3.29 | 25.52 | 90.25 | (+) 253.64 |
| | Total | 13,805.93 | 16,254.50 | 19,207.41 | 23,926.20 | 28,794.05 | (+) 20.35 |

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

- **Taxes and duties on electricity:** The increase in revenue was stated to be due to increase in collection of receipts on account of taxes on consumption of electricity and sale of electricity.
- **Transport:** The increase in revenue was stated to be due to increase in registration of two and four wheelers.
- **Land revenue:** The increase in revenue was stated to be due to deployment of regular Village Revenue Officers (VROs).

- **Taxes on immovable property other than agricultural land:** The increase was stated to be due to increase in number of impressing documents and sale of stamps.
- **Taxes on goods and passengers:** The increase was stated to be due to increase in collection of receipts under tax on entry of goods into local areas.

The other departments did not inform (November 2008) the reasons for variation, despite being requested (May 2008) and reminded (August 2008).

1.1.2 The following table presents the details of major non-tax revenue realised during the period from 2003-04 to 2007-08:

(Rupees in crore)

| Sl. No. | Head of revenue | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | Percentage of increase (+)/decrease (-) in 2007-08 over 2006-07 |
|--------------|--|-----------------|-----------------|-----------------|-----------------|---------------------|---|
| 1. | Interest receipts | 1,818.53 | 1,710.44 | 2,039.52 | 2,231.17 | 3,525.34 | (+) 58.00 |
| 2. | Other non-tax receipts | 545.24 | 496.65 | 505.05 | 682.73 | 711.03 ² | (+) 4.15 |
| 3. | Forestry and wild life | 92.95 | 121.68 | 137.93 | 87.11 | 90.92 | (+) 4.37 |
| 4. | Non-ferrous mining and metallurgical industries (mines and minerals) | 771.57 | 873.53 | 1,062.57 | 1,321.25 | 1,597.56 | (+) 20.91 |
| 5. | Miscellaneous general services | 153.63 | 243.34 | 703.47 | 1,865.90 | 778.64 | (-) 58.27 |
| 6. | Power | 44.90 | 25.15 | 22.26 | 22.11 | 25.13 | (+) 13.66 |
| 7. | Major and medium irrigation | 15.52 | 56.27 | 47.82 | 68.81 | 42.03 | (-) 38.92 |
| 8. | Medical and public health | 29.30 | 28.88 | 40.59 | 34.19 | 67.31 | (+) 96.87 |
| 9. | Co-operation | 23.07 | 21.16 | 12.45 | 23.61 | 39.14 | (+) 65.78 |
| 10. | Public works | 7.11 | 6.14 | 7.20 | 7.09 | 7.56 | (+) 6.63 |
| 11. | Police | 59.05 | 50.15 | 62.94 | 79.12 | 99.83 | (+) 26.18 |
| 12. | Other administrative services | 43.78 | 122.18 | 49.57 | 64.73 | 79.64 | (+) 23.03 |
| Total | | 3,604.65 | 3,755.57 | 4,691.37 | 6,487.83 | 7,064.13 | (+) 8.88 |

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

² Includes dividends and profits also

Interest receipts: The increase in revenue was stated to be due to increase in collection of interest from departmental commercial undertakings and other receipts.

Medical and Public Health: The increase in revenue was stated to be due to increase in collection of receipts from Employees State Insurance Scheme.

Other administrative services: The increase in revenue was stated to be due to increase in collection of passport fees and fire protection and control.

Non-ferrous mining and metallurgical industries (mines and minerals): The increase in revenue was stated to be due to increase in consumption of minor mineral used in various irrigation projects. Besides, the royalty received on account of sale of sand was credited to the department in pursuance of sand policy promulgated by the Government. These receipts were earlier credited to Panchayat Raj Department.

The other departments did not inform (November 2008) the reasons for variations, despite being requested (May 2008) and reminded (August 2008).

1.2 Variation between the budget estimates and actuals

The variations between the budget estimates and actuals of revenue receipts for the year 2007-08 in respect of the principal heads of tax and non-tax revenue are mentioned below:

(Rupees in crore)

| Sl. No. | Head of revenue | Budget estimates | Actuals | Variations excess (+) shortfall (-) | Percentage of variation |
|------------------------|--|------------------|-----------|-------------------------------------|-------------------------|
| Tax revenue | | | | | |
| 1. | Sales tax | 20,568.00 | 19,026.49 | (-) 1,541.51 | (-) 7.49 |
| 2. | State excise | 4,125.00 | 4,040.69 | (-) 84.31 | (-) 2.04 |
| 3. | Stamp duty and registration fee | 3,750.00 | 3,086.06 | (-) 663.94 | (-) 17.71 |
| 4. | Taxes and duties on electricity | 175.83 | 195.36 | (+) 19.53 | (+) 11.11 |
| 5. | Land revenue | 129.48 | 144.39 | (+) 14.91 | (+) 11.52 |
| 6. | Taxes on vehicles | 1,892.40 | 1,603.80 | (-) 288.60 | (-) 15.25 |
| 7. | Other taxes and duties on commodities and services | 284.49 | 171.00 | (-) 113.49 | (-) 39.89 |
| 8. | Taxes on goods and passengers | 75.93 | 80.29 | (+) 4.36 | (+) 5.74 |
| 9. | Taxes on immovable property other than agricultural land | 15.00 | 90.25 | (+) 75.25 | (+) 501.67 |
| Non-tax revenue | | | | | |
| 10. | Interest receipts | 3,620.26 | 3,525.24 | (-) 95.02 | (-) 2.62 |
| 11. | Non-ferrous mining and metallurgical industries (mines and minerals) | 1,750.00 | 1,597.56 | (-) 152.44 | (-) 8.71 |
| 12. | Forestry and wild life | 145.53 | 90.92 | (-) 54.61 | (-) 37.52 |

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

- **Taxes and duties on electricity:** The increase in revenue was stated to be due to increase in collection of receipts on account of taxes on consumption of electricity and sale of electricity.
- **Non-ferrous mining and metallurgical industries (mines and minerals):** The shortfall was stated to be due to stay orders granted by the Honourable Supreme Court on collection of cess on mineral bearing land. Besides, the proposals for revision of royalty rates were pending with the Government of India.
- **Taxes on vehicles:** The shortfall was stated to be due to non-payment of tax by Andhra Pradesh State Road Transport Corporation (APSRTC).

The other departments did not inform (November 2008) the reasons for variations, despite being requested (May 2008) and reminded (August 2008).

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 2005-06, 2006-07 and 2007-08 along with the relevant all India average percentage of expenditure on collection to gross collection for 2006-07 are mentioned below:

(Rupees in crore)

| Sl. No. | Head of revenue | Year | Gross collection | Expenditure on collection of revenue | Percentage of cost of collection to gross collection | All India average percentage for the year 2006-07 |
|---------|----------------------------------|---------|------------------|--------------------------------------|--|---|
| 1. | Sales tax | 2005-06 | 12,541.61 | 145.86 | 1.16 | 0.82 |
| | | 2006-07 | 15,467.08 | 166.07 | 1.07 | |
| | | 2007-08 | 19,026.49 | 175.73 | 0.92 | |
| 2. | State excise | 2005-06 | 2,684.57 | 138.75 | 5.17 | 3.30 |
| | | 2006-07 | 3,436.63 | 165.78 | 4.82 | |
| | | 2007-08 | 4,040.69 | 162.24 | 4.02 | |
| 3. | Taxes on vehicles | 2005-06 | 1,355.74 | 48.30 | 3.56 | 2.47 |
| | | 2006-07 | 1,364.74 | 55.43 | 4.06 | |
| | | 2007-08 | 1,603.80 | 62.46 | 3.89 | |
| 4. | Stamp duty and registration fees | 2005-06 | 2,013.45 | 50.89 | 2.53 | 2.33 |
| | | 2006-07 | 2,865.38 | 60.05 | 2.10 | |
| | | 2007-08 | 3,086.06 | 62.54 | 2.03 | |

Thus, the expenditure on collection in sales tax, state excise and taxes on vehicles was higher as compared to the all India average and the Government needs to look into this aspect.

1.4 Arrears in assessments

The details of assessments relating to sales tax, motor spirit tax, professions tax, entry tax, lease tax, luxury tax, tax on works contracts pending at the beginning of the year, additional cases became due for the assessment during the year, cases disposed during the year and cases pending at the end of each year during 2003-04 to 2007-08 as furnished by the Commercial Taxes Department are mentioned below:

| Year | Opening balance | Cases which became due for assessment | Total | Cases disposed during the year | Cases pending at the end of the year |
|---------|-----------------|---------------------------------------|----------|--------------------------------|--------------------------------------|
| 2003-04 | 71,508 | 3,33,029 | 4,04,537 | 3,27,630 | 76,907 |
| 2004-05 | 76,907 | 3,50,493 | 4,27,400 | 3,00,893 | 1,26,507 |
| 2005-06 | 1,26,507 | 3,41,983 | 4,68,490 | 3,69,326 | 99,164 |
| 2006-07 | 99,164 | 27,077 | 1,26,241 | 97,768 | 28,473 |
| 2007-08 | 28,473 | 14,469 | 42,942 | 40,192 | 2,750 |

1.5 Evasion of tax

The details of evasion as reported by the Commercial Taxes Department are mentioned below:

(Rupees in lakh)

| Particulars | Number of cases | Amount involved |
|---|-----------------|-----------------|
| A. (i) Cases pending as on 1 April 2007 | 1,938 | 942.02 |
| (ii) Cases detected during the year 2007-08 | 10,431 | Not furnished |
| B. Cases in which investigations/assessments were completed during the year 2007-08 | 9,759 | 23,407.50 |
| C. Cases pending as on 31 March 2008 | 2,610 | Not furnished |

1.6 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2008 in respect of some principal heads of revenue amounted to Rs. 2,412.71 crore, of which Rs. 861.78 crore were outstanding for more than five years as mentioned below:

(Rupees in crore)

| Sl. No. | Head of revenue | Amount of arrears | Arrears outstanding for more than five years | Remarks |
|---------|--|-------------------|--|---|
| 1. | Taxes on vehicles | 1,656.99 | 546.52 | Rs. 1,653.82 crore was due from the APSRTC and the balance Rs.3.17 crore was pending for various other reasons. |
| 2. | Land revenue (water tax) | 284.25 | 18.72 | The department did not furnish the break-up of the arrears. |
| 3. | Receipt under sugar cane (Regulation of Supply and Purchase Tax) Act | 255.17 | 255.17 | Rs. 24.81 crore was covered by stay orders of the High Court and other judicial authorities. Proposals had been sent to the Government for write off/deferring of arrears amounting to Rs. 135.09 crore and the Government had requested for a detailed report on the financial liabilities of the co-operative sugar factories, so as to take action on the proposals. Balance of Rs. 95.26 crore was pending for various other reasons. |

(Rupees in crore)

| Sl. No. | Head of revenue | Amount of arrears | Arrears outstanding for more than five years | Remarks |
|--------------|---|-------------------|--|--|
| 4. | Taxes and duties on electricity | 154.18 | 35.69 | Rs. 138.31 crore was due from AP Gas Power Corporation and the balance of Rs. 15.87 crore was due from others. |
| 5. | Taxes on immovable properties other than agricultural land (NALA) | 62.12 | 5.68 | The department did not furnish the details of the arrears. |
| Total | | 2,412.71 | 861.78 | |

The position of arrears of revenue at the end of 2007-08 in respect of Commercial Taxes, State Excise, Registration and other departments was not furnished (November 2008) by the Government despite being requested (May 2008) and reminded (August 2008).

1.7 Results of audit

Test check of the records of sales tax, state excise, land revenue, motor vehicles tax, stamp duty and registration fees, electricity duty, other tax receipts, forest receipts and other departmental offices conducted during the year 2007-08 revealed underassessment/non/short levy of taxes/loss of revenue, failure to raise demands etc., involving Rs. 1,057.82 crore in 1,887 cases. During the course of the year 2007-08, the departments concerned accepted underassessments, short demands etc., aggregating Rs. 190.44 crore in 411 cases including 134 cases involving Rs. 4.95 crore which were pointed out in audit in earlier years. A sum of Rs. 5.88 crore relating to 184 audit observations was recovered at the instance of audit.

This Report contains 51 paragraphs including two reviews involving financial effect of Rs. 443.46 crore. The departments accepted audit observations involving Rs. 177.31 crore, of which Rs. 4.36 crore had been recovered. No reply has been received in the remaining cases (November 2008).

1.8 Failure to enforce accountability and protect interest of the Government

Accountant General (Commercial 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 the 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 the 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 the 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 the heads of departments by the AG. A half yearly report of the 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 10,556 IRs issued upto the end of December 2007, containing 27,008 audit observations involving Rs. 8,884.17 crore were to be settled at the end of June 2008, as indicated below, along with the corresponding figures for the preceding two years:

| | June 2006 | June 2007 | June 2008 |
|--|-----------|-----------|-----------------|
| Number of outstanding IRs | 9,695 | 9,651 | 10,556 |
| Number of outstanding audit observations | 24,525 | 25,363 | 27,008 |
| Amount involved (Rupees in crore) | 6,762.46 | 7,966.99 | 8,884.17 |

Out of 10,556 IRs pending settlement, even first replies have not been received (August 2008) for 343 IRs. The department-wise details of IRs and audit observations outstanding as on 30 June 2008 and the amounts involved are mentioned below:

(Rupees in crore)

| Sl. No. | Department | No. of outstanding IRs | No. of outstanding audit observations | Money value involved |
|--------------|--|------------------------|---------------------------------------|----------------------|
| 1. | Commercial taxes | 3,426 | 10,682 | 2,639.90 |
| 2. | Land revenue | 3,511 | 7,913 | 1,027.30 |
| 3. | Stamp duty and registration fees | 1,597 | 3,838 | 296.31 |
| 4. | State excise | 445 | 883 | 91.36 |
| 5. | Taxes on vehicles | 291 | 1,334 | 1,720.51 |
| 6. | Forest receipts | 413 | 747 | 99.82 |
| 7. | Co-operation | 182 | 382 | 79.47 |
| 8. | Mines and minerals | 244 | 517 | 1,592.17 |
| 9. | Civil supplies | 152 | 301 | 34.97 |
| 10. | Agriculture | 183 | 252 | 0.00 |
| 11. | Purchase tax on sugarcane | 76 | 119 | 243.97 |
| 12. | Electricity duty | 26 | 30 | 170.34 |
| 13. | Municipal Administration and Urban Development | 2 | 2 | 83.19 |
| 14. | Finance and planning | 4 | 4 | 474.81 |
| 15. | Irrigation and command area development | 4 | 4 | 330.05 |
| Total | | 10,556 | 27,008 | 8,884.17 |

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

1.9 Departmental audit committee meetings

The Government while accepting the recommendations of Shaktidher Committee (High Powered Committee) instructed (November 1993) all the departments to nominate a designated officer within the department for monitoring the follow-up action on audit observations. For regular review at higher levels, the departments were instructed to ensure that there should be a monitoring committee consisting of the Secretary of the Department and the Finance Secretary. The Government also reformulated (June 2004) comprehensively the orders issued in July 1986 for constitution of Audit Committees at three levels i.e., apex level, departmental level and district level for speedy settlement of audit observations. The three committees are required to meet twice in a year (i.e., January and July), once in three months and once in two months respectively.

The department-wise number of district level audit committee meetings held and paragraphs settled during the year 2007-08 are mentioned below:

(Rupees in lakh)

| Sl. No. | Departments | No. of meetings | No. of paras settled | Money value |
|--------------|------------------|-----------------|----------------------|-----------------|
| 1. | Commercial taxes | 3 | 314 | 3,935.97 |
| 2. | Transport | 5 | 71 | 634.55 |
| 3. | Registration | 1 | 168 | 19.57 |
| Total | | 9 | 553 | 4,590.09 |

The departments concerned had not convened audit committee meetings to discuss the IRs on revenue receipts relating to state excise, land revenue, stamp duty and registration fees and mineral receipts.

1.10 Response of the departments to draft audit paragraphs

The draft paragraphs/reviews proposed for inclusion in the Audit Report are forwarded by the AG to the Principal Secretaries of the concerned departments through demi-official letters. According to the instructions issued (September 1995) by the Government, all the 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.

149 draft paragraphs clubbed into 51 paras (including two reviews) proposed for inclusion in the Report of the Comptroller and Auditor General of India (Revenue Receipts) for the year ended 31 March 2008 were forwarded to the concerned Principal Secretaries to the Government and copies endorsed to the concerned heads of the departments during December 2007 and July 2008. Of these replies to 44 draft paragraphs have been received and considered while finalising the Report (November 2008). The draft review on "Assessment, levy and collection of water tax and royalties" was discussed with the Government.

1.11 Amendments to Act/Rules

During the years 2003 to 2008, the Government had amended Act/Rules addressing the concerns raised by Audit through Audit Reports. These changes are briefly mentioned in the following table.

| Reference of audit report (AR) paragraph | Issue raised in audit | Amendment to Act/Rules |
|---|--|--|
| Para 2.2 of AR 2000-01 | Rural development cess, which was included in the sale price of rice, paid by the Food Corporation of India to the rice millers was not included in the sales turnover and thus escaped sales tax. | The Government issued an order ³ dt.10.9.2003 exempting RD cess collections from levy of tax. |
| Para 2.2 of AR 2003-04 | The department did not levy interest on the delayed payments of tax according to the prescribed slab rates provided in the Act. | The Government issued a Memo ⁴ dt.8.6.2004 clarifying that the rates of interest payable prescribed under subsection 3(a) of section 16 of the Act under three sub-clauses (i) to (iii) are per annum and not to be applied in lump sum for the periods prescribed under the said three sub-clauses (i) to (iii). |
| Para 8.2.8 of AR 2004-05 | Cases of arrears of mineral revenue are neither pursued by the assessing authorities nor processed under the Revenue Recovery Act. | The Government issued orders ⁵ dt.2.6.2005 delegating the powers of mineral revenue recovery under the Act to the Mines and Geology Department. |

1.12 Follow up on Audit Reports

As per the instructions issued by Finance and Planning Department in November 1993, the departments of the Government are to prepare and send to the Andhra Pradesh Legislative Assembly Secretariat detailed explanations (departmental notes) on the audit paragraphs within three months of an Audit Report being laid on the table of the Legislature.

A review of the position in this regard revealed that as of October 2008, 14 departments had not furnished the departmental notes in respect of 212 paragraphs included in the Audit Reports for the years 2000-01 to 2006-07 due

³ G.O.Ms.No.951/Rev. CT.II

⁴ No.13300/CT.II/1/2004-1

⁵ G.O.Ms.No.66

between June 2002 and June 2008. The delays ranged from four months to over six years as mentioned below:

| Sl. No. | Department | Year of the Audit Report | Dates of presentation to the legislature | Last date by which departmental notes were due | No. of paragraphs for which the departmental notes were due | Delay in months |
|---------|--|---------------------------|--|--|---|-----------------|
| 1. | Commercial taxes | 2002-03 to 2006-07 | July 2004 to March 2008 | October 2004 to June 2008 | 93 | 4 to 48 |
| 2. | State excise | 2001-02 to 2005-06 | March 2003 to March 2007 | June 2003 to June 2007 | 14 | 16 to 64 |
| 3. | Transport | 2006-07 | March 2008 | June 2008 | 3 | 4 |
| 4. | Registration | 2001-02 to 2006-07 | March 2003 to March 2008 | June 2003 to June 2008 | 35 | 4 to 64 |
| 5. | Co-operation | 2000-01 | March 2002 | June 2002 | 1 | 76 |
| 6. | Irrigation | 2000-01 & 2006-07 | March 2002 & March 2008 | June 2002 & June 2008 | 4 | 76 |
| 7. | Land revenue | 2001-02 to 2006-07 | March 2003 to March 2008 | June 2003 to June 2008 | 38 | 4 to 64 |
| 8. | Industries & Commerce | 2002-03 to 2006-07 | July 2004 to March 2008 | October 2004 to June 2008 | 15 | 4 to 48 |
| 9. | Home | 2006-07 | March 2008 | June 2008 | 1 | 4 |
| 10. | Energy | 2001-02 | March 2003 | June 2003 | 1 | 64 |
| 11. | Municipal Administration and Urban Development | 2002-03, 2003-04 | July 2004 & October 2005 | October 2004 & January 2006 | 3 | 33 to 48 |
| 12. | Finance | 2001-02 | March 2003 | June 2003 | 1 | 64 |
| 13. | Forest | 2003-04 & 2005-06 | October 2005 & March 2007 | January 2006 & June 2007 | 2 | 16 to 33 |
| 14. | General administration | 2005-06 | March 2007 | June 2007 | 1 | 16 |
| | Total | 2000-01 to 2006-07 | March 2002 to June 2008 | June 2002 to June 2008 | 212 | 4 to 76 |

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

1.13 Action not taken on recommendations of the Public Accounts Committee

The Finance and Planning Department issued (May 1995) instructions to all the administrative departments and the heads of the departments to submit the action taken notes (ATNs) on the recommendations of the Public Accounts Committee (PAC) within six months from the date(s) of receipt of the recommendations. As of November 2008, 159 recommendations of the PAC made between 1972-73 and 2004-05 in regard to nine departments remained outstanding. The concerned administrative departments are yet to submit ATNs for these recommendations. The details are mentioned in the annexure.

1.14 Compliance with the earlier Audit Reports

During the years between 2001-02 and 2006-07, the departments/Government accepted audit observations involving Rs. 716.02 crore, out of which an amount of Rs. 82.25 crore was recovered till 31 October 2008 as mentioned below:

(Rupees in crore)

| Year of Audit Report | Total money value | Accepted money value | Recovery made |
|----------------------|-------------------|----------------------|---------------|
| 2001-02 | 489.14 | 109.36 | 65.39 |
| 2002-03 | 780.89 | 199.90 | 2.30 |
| 2003-04 | 267.37 | 71.57 | 5.78 |
| 2004-05 | 264.68 | 40.20 | 0.91 |
| 2005-06 | 189.69 | 49.60 | 4.45 |
| 2006-07 | 401.59 | 245.39 | 3.42 |
| Total | 2,393.36 | 716.02 | 82.25 |