

PREFACE

The Report for the year ended March 2006 has been prepared for submission to the President under Article 151(1) of the Constitution of India.

The audit of Revenue Receipts – Direct Taxes of the Union Government is conducted under Section 16 of the Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971. The Report presents the results of audit reviews and appraisals of receipts under direct taxes. This Report is arranged in the following order:-

- (i) Chapter 1 is a broad based review on the assessment of selected companies in the selected sectors of computer software, automobiles and ancillaries, steel and trading.
- (ii) Chapter 2 is a review on the implementation of TDS/TCS schemes.
- (iii) Chapter 3 is a review on assessment of sports associations/institutions and sports personalities.

The observations included in this Report have been selected from the findings of test audit conducted during 2005-2006 and in earlier years, which could not be covered in the previous reports.