

20

**OUTSTANDING AUDIT
OBJECTIONS**

**MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

**PUBLIC ACCOUNTS
COMMITTEE
1990-91**

TWENTIETH REPORT

NINTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

Corrigenda to 20th Report of Public Accounts Committee
presented to the House on 27.2.1991

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|-------------|-----------------------|--------------------------|-----------------------------------|---|------------------|
| 1 | 1.4 | 10 | CAG | | |
| 3 | 1.5 | Table (First line) | Total disposal as on 31.3.1983 | | No. 22529 |
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| 4 | 1.6 | 1 | Vatting | Vetting | |
| 6 | 1.9 | Table (Sl.1) | world | work | |
| 25 | Sl.No.1 (Para 1.7) | 30 | continued | contained | |
| 28 | Sl. No.3 | 2 | varbal | verbal | |

**TWENTIETH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1990-91)**

(NINTH LOK SABHA)

OUTSTANDING AUDIT OBJECTIONS

**MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

**[Action Taken on the 150th Report of Public Accounts
Committee (8th Lok Sabha)]**



*Presented to Lok Sabha on 27 February, 1991
Laid in Rajya Sabha on 27 February, 1991*

**LOK SABHA SECRETARIAT
NEW DELHI**

January, 1991 / Magha, 1912 (Saka)

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PUBLIC ACCOUNTS COMMITTEE
(1990-91)

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Shri Sontosh Mohan Dev

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3. Shri K.C. Shekhar — *Assistant Director*

* Appointed w.e.f. 4.1.91 vice Shri Shantilal Purushottamdas Patel ceased to be member of the Committee on his appointment as Deputy Minister.

** Appointed w.e.f. 10.1.91 vice Shri K.omal Morarka ceased to be member of the Committee on his appointment as a Minister of State.

INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Twentieth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 150th Report (Eighth Lok Sabha) on Outstanding Audit Objections.

2. With regard to the final settlement of 10522 audit objections, the Committee have been of the view that basically the responsibility for settlement of audit objections rests with the Department of Revenue and it cannot be content with merely sending replies to audit objections. The Committee have desired that urgent steps should be taken to finalise all pending cases in consultation with Ministry of Law, wherever necessary, and to settle all outstanding objections on this account according to a time-schedule, and the Committee informed of the outcome within six months.

3. The Committee have further desired that the reasons for the shortfall in the achievement of targets by certain charges be looked into and remedial measures taken to improve the situation. The Committee have recommended that special and vigorous efforts be made to ensure that the position in regard to settlement of audit objections is brought upto date and audit objections are not allowed to fall into arrears in future.

4. The Report was considered and adopted by the Public Accounts Committee at their sitting held on 11 January, 1991. Minutes of the sitting form Part II of the Report.

5. For facility of reference and convenience, the recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix I of the Report.

6. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;

January 24, 1991

Magha 4, 1912 (Saka)

SONTOSH MOHAN DEV

Chairman,

Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by Government on Committee's recommendations and observations contained in their 150th Report (Eighth Lok Sabha) on Paragraph 2.20 of the Report of the C&AG of India for the year ended 31 March, 1987 on Union Govt. (Revenue Receipts—Direct Taxes) relating to outstanding audit objections.

1.2 The 150th Report which was presented to Lok Sabha on 12 April, 1989 contained 12 recommendations. Action taken notes have been received in respect of all the recommendations and these have been broadly categorised as follows:

- (i) Recommendations and observations which have been accepted by Government:
Sl. Nos. 2, 4, 7 and 12.
- (ii) Recommendations and observations which the Committee do not desire to pursue in the light of the replies received from Government:
Sl. Nos. 3, 5, 6 and 9
- (iii) Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration:
Sl. Nos. 1 and 8
- (iv) Recommendations and observations in respect of which Govt. have furnished interim replies:
Sl. Nos. 10 and 11

1.3 The Committee will now deal with the action taken by Govt. on some of their recommendations.

Settlement of outstanding audit objections

(Sl. No. 1, Paragraph 3.8)

1.4 Taking note of inordinate delay in the settlement of audit objections by the CBDT, the Committee made the following recommendations:

“The Committee regret to note that as on 31st March, 1987, as many as 99,035 audit objections raised by Internal Audit of the department as well as statutory audit by the C&AG were pending without settlement. The revenue effect of the outstanding audit objections was as high as Rs. 558.71 crores. A large number of outstanding objections of the Internal Audit were raised as early as 1983-84 and a still larger number of outstanding objections raised by the statutory audit of CAG pertain to the assessment year 1981-82 and earlier. The fact that

such a large number of audit objections have been pending without settlement for long period of time show that the procedure for taking action on the audit objections is most unsatisfactory.

Internal audit has been accepted as the ears and eyes of the administration and enables it to keep a watch on the working of the department. Statutory audit on the other hand, is an important instrument in the mechanism evolved under the Constitution for ensuring accountability of the executive in its financial management to the Legislature. Viewed in this context, the Committee consider it unfortunate that adequate attention has not been given to prompt settlement of audit objections and a very large number of objections with a considerably large tax effect continue to be outstanding for want of settlement. Such a casual attention to the results of audit and inordinate delays in settlement of audit objections not only adversely affect the interest of revenue but also negate the very objects of internal audit and statutory audit. The Committee have been given to understand that elaborate instructions have been issued for expeditious settlement of audit objections. The Committee consider that mere issuing of instructions would not be of much avail in improving the situation unless adequate steps are taken to ensure effective implementation of the instructions. The Committee, would, therefore, like to know what steps have been taken to ensure effective implementation of the instructions issued from time to time for expeditious settlement of audit objections how the number of outstanding audit objection is proposed to be reduced by taking appropriate action thereon expeditiously. The Committee would also like to know the progress made in this regard.”

1.5 In their action taken note, the Ministry of Finance (Deptt. of Revenue) have stated as follows:

“Follow up of important irregularities contain in LAR was assigned to Director of Income-tax (IT&A) and it was laid down that important irregularities would be specifically brought to the notice of Director of Income-tax / CIT by AG concerned and the DIT (Audit) would ensure settlement of such irregularities within 4 months and where cases were not settled within that period these should be brought to the notice of Central Board of Direct Taxes. (Important irregularities are those which have tax effect of Rs. 10,000/- Income-tax and Rs. 5,000/- in other cases). A time limit for taking remedial action continues to be 4 months from the date of receipt of LAR by the ITO.

Remedial Action in other irregularities in individual asstt. cases is required to be taken within 3 months of receipt of LAR by the ITO and compliance reported to the AG by the ITO through Deputy Commissioner (Audit). The urgency of prompt remedial action has

been stressed at the highest level in Chairman's CBDT's letter of Feb., 73. The DIT (Audit) had more than once brought the importance of observing these time limits for remedial action to the notice of field officers.

With a view to achieve settlement of audit objections inter-Departmental periodical meetings between the officers of the Income-tax Department and AG were introduced from February, 1984 for the settlement of outstanding audit objections and to sort out contentious issues. The Deputy Commissioner (Audit) are required to have periodical meetings with the Receipt Audit and settlement of Audit objections then and there in the meetings. This informal way of settling of Audit objections have proved to be very successful and it cuts down the time consumed in correspondence. From the progress reports sent by various Deputy Commissioners (Audit) it is seen that these meetings have been producing desired results. The field formations are required to bend quarterly statements to the DIT (Audit) so that the progress of settlements of Audit objections is monitored by the DIT (Audit).

The Director of Income-tax (Audit) formulates Action Plan every year. The Action Plan lays down the targets which have to be achieved during the financial year. The targets of settlement of Audit objections are further divided into quarterly targets. The field formations are required to achieve the targets both in respect of quarter and the annual targets as laid down in the Action Plan issued by the DIT (IT&A) and CBDT through quarterly reviews and frequent inspections of the Audit wings. Through quarterly review and inspection the areas where the audit organisation of a particular charge of a Commissioner is not keeping up with the targets laid down for it the charge is identified and that Audit wing is exhorted to make up for the deficiency in achieving the quarterly and annual targets.

The various instructions issued by CBDT and efforts made by the DIT (IT&A) by way of constantly exhorting Commissioners to expedite settlement of audit objections appear to have started showing better results, as would be evident from the following figures in respect of receipt Audit Major Objections.

| | Arrear | | Current | |
|--|--------|------------|---------------|------------|
| | No. | Tax effect | No. | Tax effect |
| Total disposal as on 31.3.1989. | | | (Rs.in Lakhs) | |
| | 22529 | 52352.42 | 11899 | 42406.76 |
| Settled upto 31.3.89 | 7136 | 10227.28 | 1508 | 1963.73 |
| Not accepted but yet to be dropped by AG | 10522 | 28644.49 | 1105 | 3541.78 |

Thus out of total pendency of 22529 arrear objections 7136 cases were settled and final replies had been sent to AG in 10522 case not accepting those objections, but 10522 objection were yet to be dropped by AG. The A.G. takes its own time to drop the objections. Some of the objections are not settled on the ground that C&AG's instructions are to be solicited etc. Some of these types of cases are:

- (a) Where Extra Shift Allowance has been allowed as per Board's Instruction No. 1605.
- (b) Where disallowance U/s 37(3A) of IT Act has not been made.
- (c) Where disallowance U/s 40A(3) of IT Act had not been made and audit report was not exhaustive.
- (d) Where TDS portion of sub-contracted amount has not been treated as contractor's income U/s 198 of the Income-tax Act.
- (e) Where instruction No. 1643 of CEDT has not been applied, the beneficiaries being all minors.
- (f) Where assessments framed under Amnesty Scheme are questioned.
- (g) Where assessments have been made under Summary Assessment Scheme.

These types of cases could not be settled at the level of Deputy Commissioner (Audit) and D.A.G. during the Inter-departmental Meetings. In view of this practical difficulty the Department can only send final replies to the AG, but settlement if not in the hands of the Department.

Similarly, 13307 minor objection were pending with AG for settlement as on 31.3.1989 (vide Receipt Audit Minor Objections Quarterly Review for the quarter ended March, 1989, F. No. RA-12 / 88-89 / March / DIT dated 5.7.1989 of Director of Income-tax (IT&A), New Delhi.

Since Action Plan Targets laid down by Director of Income-tax (Audit) are for settlement / sending of final replies to AG in respect of 90% of arrear Major Receipt Audit Objections, most of the Commissioners have been able to achieve the targets to avoid adverse comments from the Director of Income-tax (Audit). It is, therefore, apparent that the delay in settlement of objections are not entirely attributable to the Income tax Department if AGs can gear up their machinery the pace of settlement of objections can be considerably stepped up."

1.6 The Office of C&AG of India have made the following vating comments on the above action taken note of the Ministry:

"The progress in settlement of old outstanding objections (7136 out of 22,529) is not satisfactory. In the case of current cases (1508 against

11899) the position is still more unsatisfactory. Further, the replies regarding non- acceptance (10522 / 1105) is not acceptable as all the points remaining unsettled are under correspondence with the Ministry who will have to expedite their final decision, on these points, in consultation with the Ministry of Law, if considered necessary. The objections on these points lie unsettled in A.G.'s books pending the Board's final action in the matter. Further, the progress achieved in the settlement of outstanding objections in the departmental meetings was not very satisfactory."

1.7 The Committee note that the audit have not accepted the stand taken by the Ministry of Finance (Deptt. of Revenue) in the Action Taken Note in regard to final settlement of 10522 audit objections. The Ministry of Finance have stated that although final replies not accepting those objections were sent to AGs, the objections were not dropped by them as AGs had their limitations in dealing with the objections and in view of the practical difficulties, department can only send final replies to the AGs and settlement is not in its hands. On the other hand the audit has held the view that "all the points remaining unsettled are under correspondence with the Ministry, who will have to expedite their final decision on those points in consultations with the Ministry of Law, if considered necessary."

The Committee are of the view that basically the responsibility for settlement of audit objections rests with the Department and it can not be content with merely sending replies to audit objections. The Committee learn that the cases listed out by the Ministry at (a) to (e) of their Action Taken Note on Sl. No. 1 are either under correspondence or pending for decisions in consultation with Ministry of Law. In the case at (g), Ministry's response to the audit objections, in the light of the Committee's recommendations contained in its 173rd Report 1989-90 - Eighth Lok Sabha on Assessment Procedure is yet awaited. The Committee desire that urgent steps may be taken to finalise all pending cases in consultation with Ministry of Law, wherever necessary, and to settle all outstanding objections on this account according to a time-Schedule, and the Committee informed on the outcome within six months.

Target fixed for the settlement of audit objections

(Si. No. 8 Paragraph 5.13)

1.8 Commenting upon the action plan for achievement of 100% target in settlement of internal and statutory audit objections, the Committee had observed as follows:

"While taking note of the plan of action of achievement of 100% target in settlement of internal and statutory audit objections in each year, the Committee are concerned to note that in no year, achievement has been satisfactory. The Committee trust that the

CBDT will not rest with determination of a target alone but also ensure its achievement.”

1.9 In their action taken note the Ministry of Finance (Department of Revenue) have stated as follows:

“The Action Plan Targets for the F.Y. 1988-89 were for sending final replies to A.G. in 90% of Receipt Audit Major Objections. During the year ended 31.3.1988 the position for settlement for Major Audit Objections was as under:—

| | Arrears | | Current | |
|----------------------------|---------|-----------------------------|---------|-----------------------------|
| | No. | Revenue involved (in lakhs) | No. | Revenue involved (in lakhs) |
| 1. World load | 19527 | 35731.33 | 11439 | 24755.37 |
| 2. Settled during the year | 7323 | 10002.32 | 2139 | 4111.95 |
| 3. Final reply send to AG | 7540 | 17427.94 | 1428 | 2056.31 |

Thus out of total pendency of 19527 Arrear Objections 7323 objections were settled and 7540 objections were not accepted and final replies sent to A.G. total No. of arrear objection where final replies were sent to A.G. amounted to (7323 + 7540) or 14863, which in terms of percentage comes to about 72% of the pendency. Most of the charges had achieved targets of sending final replies to A.G. in 90% of cases. The charges which had not been able to achieve the targets were identified in the quarterly review brought out by the DIT (Audit) for the quarter ended 31.3.1988. From the figures for the final year 1988-89 given against S. No. 1 above it is seen that there has been an improvement in settlement of Arrear Receipt Audit Major Objections in as much as in about 77% of the Objections final replies were sent to A.G. Thus better results are being received in respect of settlement of Arrear Major Receipt Audit Objections. The position was not happy in respect of settlement of current objections. However, it will be endeavoured to see that the targets for settlement of Audit objections are achieved by the various charges of Commissioners of Income-tax.”

1.10 In their earlier report, the Committee stressed upon the Ministry the need for achieving the target fixed for the settlement of internal and statutory audit objections. From the Action Taken Notes furnished by the Ministry of Finance (Deptt. of Revenue), the Committee find that while most of the charges had achieved the targets of sending final replies to A.G. in 90% of cases, there were charges which could not achieve their targets. The position in respect of settlement of current objection was still more unsatisfactory as only 3567 out of 11439 current audit objections could either be settled or finally replied to. The Committee desire that the reasons

for the shortfall in the achievement of targets by certain charges be looked into and remedial measures taken to improve the situation. The Committee also desire that special and vigorous efforts be made to ensure that the position in regard to settlement of audit objections is brought upto date and audit objections are not allow to fall into arrears in future.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee note that the internal audit objections are not analysed with reference to the year of assessment but are not analysed with reference to the Year in which objections were raised. With the result that the department is not able to keep a watch over the expeditious settlement of objections relating to earlier assessment years before action thereon becomes time barred. Moreover, the internal audit objections are classified into major and minor objections, according as the tax effect is above or below Rs. 10,000/- in the case of income tax and Rs. 1000/- in the case of other direct taxes. During evidence the Committee recommended that objections having substantial tax effect of Rs. 1 lakh, Rs. 5 lakhs, Rs. 10 lakhs etc. and above should be especially identified for keeping a close watch on the settlement of cases involving larger revenue affect. The Board had agreed to have further classification on the basis of the larger value of the objections. The Committee would like to know further action in this regard. The Committee further recommend that classification of objections should be made with reference to the year of assessment also so that greater attention can be given to the settlement of objections relating to earlier years.

[S.No. 2 (Para No. 3.9) of Appendix IV to 150th Report of PAC (1988-89) (8th Lok Sabha)]

Action Taken

The Chief Commissioners have been requested to get the cases with revenue effect of more than Rs. one lakh, Rs. 2 lakh, Rs. 5 lakhs and Rs. 10 lakhs identified in the Registers. Assessment yearwise and agewise classification is also being made to that greater attention could be paid to settlement of older and revenue significant objections.

[Ministry of Finance (Department of Revenue) F. No. 241/1/89-A & PAC-I dated 27 Dec., 1989]

Recommendation

The Committee note that the responsibility for settlement of internal and statutory audit objections solely rests with the assessing officers numbering 2262 as on 31st March, 1988 and the Commissioners under whom they function and that an elaborate monitoring system has been established by CBDT with a Member in charge of Audit at the Board's level, Directors in Chief Commissioner and Dy. Commissioners (Audit) in Commissioners'

offices to monitor the progress of settlement. Despite availability of elaborate monitoring system, it is unfortunate that the broad nature of outstanding objections and reasons for pendency of old cases could not be furnished to the Committee.

One of the contributory causes for heavy outstandings is reported to be inadequacy of manpower in the internal audit wing. As action for settlement of objections has to commence and end at the respective assessing officer's level, the Committee are unable to comprehend how creation of additional posts in the Internal Audit Wing can solve the problem of delays in settlement of audit objections. The Committee recommend that the utility of creation of additional posts for settlement of outstanding audit objections may be reviewed to ensure that creation of these posts is fully justified.

[S. No. 4 (Para No. 4.9) of Appendix IV to 150th Report of PAC
1988-89) 8th Lok Sabha]

Action Taken

At present there are 110 Internal Audit Parties and forty special audit parties. Audit Objections are received both from Internal and Receipt Audit. On receipt of the audit objection it has to be decided whether the objection is correct or not. If correct, remedial action is taken with the approval of the Commissioner involving tax effect of Rs. 25,000/- and above and with the approval of Deputy Commissioner where tax effect is between Rs. 10,000/- to Rs. 25,000/-. Replies have also to be sent to A.G. On draft paras. Various statistical data has also to be supplied to the CBDT and the DIT (Audit). The replies to draft paras and proposal for taking remedial action where audit objections are accepted are properly scrutinised by the Audit wing in the office of the Commissioner. For all these a separate Audit Wing is necessary to assist the Commissioner. However, any expansion in the Audit wing is done after a detailed work study, which is conducted by Directorate of Income-tax (O&MS). A proposal for increase in the strength of Audit parties is being processed by the DIT (O&MS) in consultation with the DIT (Audit). The recommendations of the Committee have duly been noted.

[Ministry of Finance (Department of Revenue) F. No. 241/1/89-
A&PAC-I, dated 27.12.89]

Recommendation

The Committee note that while at least on paper an elaborate procedure has been established for clearance of statutory audit objections, even the procedure prescribed for internal audit objections do not seem to be

adequate because the onus is totally left on the assessing officers and Commissioners with only the duty of periodical reminders etc. left with the internal audit wing. As the pendency in internal audit objections is equally large, the Committee recommend that the pursuing of objections raised in internal audit may be done in the same way as statutory audit objections.

[S. No. 7 (Para No. 5.12) of Appendix IV to 150th Report of PAC 1988-89) 8th Lok Sabha]

Action Taken

In the Action Plan for Audit Organisation the targets of settlement are both for Receipt Audit and Internal Audit objections. The Officers are required to settle certain percentage of Audit Objections both raised by Receipt Audit and those raised by Internal Audit. The Chief Commissioners have also been requested to make assessment yearwise and agewise classification as also to make incomewise classification in respect of both types of audit objections so that more emphasis would be laid on settlement of old and important objections.

[Ministry of Finance (Department of Revenue) F. No. 241/1/89-A & PAC-I, dated 27.12.89]

Recommendation

The Committee are concerned to note that at the Board's level also, timely action is not taken even in respect of important cases that are reported to the Board and replies to only 371 draft paragraphs out of 1193 paragraphs proposed for inclusion in the C & AG's Report were furnished before the audit report was finalised for presentation to Parliament. It is also unfortunate to note that till November, 1988 replies to only 612 paragraphs had been furnished to Audit. The reasons given viz. objections relate to far flung areas, non-availability of data with Board etc. etc. are not tenable because of the present level of communication facilities available in the country and at best, such causes can account for a week or fortnight's delay. The Committee recommend that the existing procedure need to be tightened and dilatory practices need to be speeded up sufficiently to ensure that replies to audit paragraphs are invariably furnished within the prescribed period of six weeks from the date of issue. In case of failure to do so and to explain the reason therefor adequately,

the concerned officers should be penalised for their lapses in accountability.

[S. No. 12 (Para No. 7.4) of Appendix IV to 150th Report of PAC
1988-89) 8th Lok Sabha]

Action Taken

The recommendations of the Committee have been noted. All possible measures are being taken to ensure that replies to audit paragraphs are furnished within the prescribed period of six weeks from the date of issue.

[Ministry of Finance (Department of Revenue) F. No. 241/189-
A & PAC-I, dated 27.12.89]

CHAPTER III

RECOMMENDATIONS AND OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVT.

Recommendation

Asked to state whether any time bound programme had been called out to clear the pending objections raised by Internal Audit, the Ministry had stated that the Action Plan targets for the year 1988-89 had laid down that 90% of the arrears relating to major objections would be settled during the year. The Committee would like to know the progress made in this regard.

[S. No. 3 (Para No. 3.10) of Appendix IV to 150th Report of PAC 1988-89) 8th Lok Sabha]

Action Taken

For the settlement of Internal Audit Major Objections Action Plan Targets have been laid down by this Directorate. For the year 1988-89, there was no target for disposal of current Internal Audit Objections, but for the year 1989-90 the following targets have been laid down:—

Arrear:—90% of the objections pending as on 31.3.1989.

Current:—50% of the objections raised during 1989 and received upto 31.12.1989.

However, it is seen that 90% targets in respect of settlement of Major Internal Audit Objections were not achieved during the Financial year 1989-90. All India statistics of work load and disposal of Internal Audit Major Objections for the year ended March, 1989 are depicted below:—

| | Current | | Arrear | |
|-------------------------|---------|----------------------|--------|----------------------|
| | No. | Amount (in thousand) | No. | Amount (in thousand) |
| Total work load | 7201 | 1795174 | 10689 | 2090634 |
| Settled during the year | 1343 | 735155 | 6096 | 1086801 |
| Balance pending | 5858 | 1060019 | 4593 | 1003833 |

Thus there was shortfall in achieving the targets. The Commissioners were asked to make a review of the out-put of Internal Audit Parties with reference to the revised norms periodically and to take stern action in cases of deficiency.

Thus there is time bound programme of settlement of 90% Major Arrear Audit Objections and 50% of current Major Audit Objections.

[Ministry of Finance (Department of Revenue) F. No. 241/189-A & PAC-I, dated 27.12.89]

Recommendation

There are in all 2262 assessing officers functioning in the country and the number of recorded outstanding objections is of the order of 1.34 lakhs. Thus on an average the number of outstanding cases per assessing officer will be about 60 cases only. In this contest, the Committee are of the opinion that if all the assessing officers make earnest efforts to clear the outstanding objections, the number of outstanding audit objections can be brought down substantially within a short time. The Committee recommend that appropriate steps may be taken to identify outstanding with each assessing officer to draw up a time bound programme of settlement and to ensure progress there against.

[S. No. 5 (Para No. 4.10) of Appendix IV to 150th Report of PAC 1988-89) 8th Lok Sabha]

Action Taken

The Chief Commissioners of Income-tax have been requested to issue instructions for identifying outstanding objections with each assessing officer so that a time bound programme for settlement of such objections is drawn that the registers are updated is more important in view of the large scale changes in the jurisdiction of assessing officers brought out during 1988-89. However, it is seen that the outstanding objections are not evenly spread over. The objections are more in bigger charges as compared to the officers having jurisdiction over small income cases. In view of these facts it cannot be said that No. of objections with each assessing officer will be 60 cases only.

[Ministry of Finance (Department of Revenue) F. No. 241/189-A & PAC-I, dated 27.12.89]

Recommendation

The Committee note that an elaborate procedure has been laid down for prompt action on statutory audit objections and a time limit fixed for their settlement. The procedure so laid down, includes on the spot written replies, on the spot discussion, written reports to assessing authorities and their superiors, written replies by assessing authorities to their superiors, review by the superiors, discussions with Audit and finally the despatch of final reply to Audit. While appreciating the detailed instructions and

procedures laid down for timely action, the Committee are however, perturbed to note that these instructions are not, in practice, complied with because replies to the initial audit objections in the form of half margin memos are not sent, discussions, with Audit parties rarely take place etc. The explanations for failure, such as the assessing officers being otherwise busy, cases relating to periods of earlier incumbents etc. are, unconvincing and un-acceptable. The Committee recommend that steps may be taken to ensure that the Board's instructions in this regard are duly implemented and in case of failure to implement, appropriate action is taken.

[S. No. 6 (Para No. 5.11) of Appendix IV to 150th Report of PAC (1988-89) 8th Lok Sabha]

Action Taken

The recommendations of the Committee have duly been noted. Various instructions of CBDT and DIT (Audit) lay down the procedure and time limit for settlement of audit objections. However, the audit objections are to be settled before the remedial action in those cases gets barred by limitation, as stipulated in various Direct Taxes Acts. So, some of the officers take the remedial action when it is getting barred by limitation.

[Ministry of Finance (Department of Revenue) F. No. 241/1/89-A & PAC-I, dated 27.12.89]

Recommendation

One of the difficulties expressed during evidence, in replying to statutory audit objections has been that the term of an Income-tax Officer on a job is generally for one year and many times the objections pertain to the current ITO's predecessor. It was agreed to by the Secretary (Revenue) during evidence that posting of an ITO in a post only for one year was not a happy arrangement and this should not happen. While the Committee hope to be apprised about the result of review of this arrangement, the Committee are unable to accept this as an explanation for delays in replying to statutory audit. Since the records are available, it is imperative that the existing incumbent acts in an objective way and take appropriate action on the basis of the available records.

[S. No. 9 (Para No. 5.14) of Appendix IV to 150th Report of PAC (1988-89) 8th Lok Sabha]

Action Taken

In the PAC Report under consideration, the ground cited for delays in attending to audit objections are the following:—

- (i) Inadequacy of man-power in Internal Audit Wing (Para 4.9 of the Report); and
- (ii) Frequent transfers of ITOs (Para 5.1)

In respect of point (i), while accepting the Committee's view that the average number of audit objections with each ITO could be only 60 cases

and that with sincere efforts, the same might be wiped out, it is still maintained that inadequacy of manpower is a potent factor contributing to delays in the disposal of audit objections. In this connection, it may be mentioned that as a result of cadre review of Group 'A' Officers, 30 additional posts of Deputy Commissioners (Audit) have since been sanctioned and officers posted vide order F. No. A-11013/15/88-Ad. VII dated 16.12.1988. The Cadre review of Group 'B', 'C' and 'D' categories is in progress.

As regards Point (ii), kind attention is invited to this Ministry's letter F. No. A-22013/1/88-Ad. VI dated 17.11.1988 (copy enclosed) regarding the guidelines for transfer of Gazetted officers. It has been laid down in these guidelines that as far as practicable, Officers should be posted in the particular post for at least 2 years. It is hoped that the above measures will go a long way in the speedy disposal of audit objections as also will help in avoidance of future audit objections.

[Ministry of Finance (Department of Revenue) F. No. 241/189-A & PAC-I, dated 27.12.89]

ANNEXURE
F.No. A. 22013/1/88-Ad.VI
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES

New Delhi, the 17th November, 88.

To

All Chief Commissioners/
Directors General.

SUBJECT:— Guidelines for transfers of Gazetted Officers by the Chief Commissioners of Income-tax/Directors General.

Sir,

In continuation of this Department's letter of even number dated the 10th November, 1988, I am directed to enclose herewith new transfer guidelines referred to in para 1 of the letter dated 2.8.1988 of Shri M.N.Tiwary, Joint Secretary (Admn.) which was left here inadvertently, for your information and record.

Yours faithfully,
Sd/-

KRISHNA SAINI.

Under Secretary to the Govt. of India.

MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

SUBJECT:— Guidelines for transfer of Gazetted Officers by the Chief Commissioners of Income-tax/Directors General.

Under the guidelines issued by the Board in February, 1986 all Group 'A' Officers are liable to be transferred after they have completed 8 years continuous stay in any cadre controlling Commissioner's charge or 8 years at metropolitan cities of Bombay, Calcutta and Delhi. Transfers on the basis of stay in the said cities and transfers between the regions of two Chief Commissioners of Income-tax shall continue to be made by the Central Board of Direct Taxes.

2. However, transfer of officers who have completed 5 years' stay in the cities of Madras, Hyderabad, Ahmedabad and Bangalore and 3 years in other places will be made by the Chief Commissioners of Income-tax within his region. Where the region includes more than one cadre, Assistant Commissioners and ITOs shall be posted on transfer within the

cadre. However, Deputy Commissioners may be posted at any station within the region of the Chief Commissioner.

3. As far as practicable each officer shall be posted in a particular post for at least 2 years.

4. Persons who have less than 2 years service left before retirement may not be transferred on stay basis if it is practicable to retain them in the same station unless the officer himself desires change.

5. Husband and wife may be retained at the same station to the extent possible.

6. As far as possible general transfers shall be effected in the months of April/May (and officers may not be shifted during the middle of the year except on grounds of administrative expediency or to avoid hardship).

7. Chief Commissioner of Income-tax will be competent to transfer and post any Deputy Commissioner/Assistant Commissioner to special pay posts also subject to guidelines issued by the Board from time to time.

8. Officers who are otherwise not due for an transfer under the guidelines but are transferred from one place to another on their request shall not be allowed TA/DA unless they have put in two years at the station from which the transfer is being made.

9. Where officers are earmarked for a particular Commissioner of Income-tax Charge/Cadre or station in any order of the Board, Chief Commissioner will post them accordingly.

10. These guidelines will apply in like manner in respect of transfer and posting of officers by Directors General.

CHAPTER IV

RECOMMENDATIONS AND OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

The Committee regret to note that as on 31st March, 1987, as many as 99,035 audit objections raised by Internal Audit of the department as well as statutory audit by the CAG were pending without settlement. The revenue effect of the outstanding audit objections was as high as Rs. 558.71 crores. A large number of outstanding objections of the Internal Audit were raised as early as 1983-84 and a still larger number of outstanding objections raised by the statutory audit of CAG pertain to the assessment year 1981-82 and earlier. The fact that such a large number of audit objections have been pending without settlement for long periods of time show that the procedure for taking action on the audit objections is most unsatisfactory.

Internal audit has been accepted as the ears and eyes of the administration and enables it to keep a watch on the working of the department. Statutory audit on the other hand, is an important instrument in the mechanism evolved under the Constitution for ensuring accountability of the executive in its financial management to the Legislature. Viewed in this context, the Committee consider it unfortunate that adequate attention has not been given to prompt settlement of audit objections and a very large number of objections with a considerably large tax effect continue to be outstanding for want of settlement. Such a casual attention to the results of audit and inordinate delays in settlement of audit objections not only adversely affect the interest of revenue but also negate the very objects of internal audit and statutory audit. The Committee have been given to understand that elaborate instructions have been issued for expeditious settlement of audit objections. The Committee consider that mere issuing of instructions would not be of much avail in improving the situation unless adequate steps are taken to ensure effective implementation of the instructions. The Committee would, therefore, like to know what steps have been taken to ensure effective implementation of the instructions issued from time to time for expeditious settlement of audit objections how the number of outstanding audit objection is proposed to be reduced by taking appropriate action thereon expeditiously. The Committee would also like to know the progress made in this regard.

[S.No. 1 (Para No. 3.8) of Appendix IV to 150th Report of PAC (1988-89) 8th Lok Sabha]

Action Taken

Follow up of important irregularities contain in LAR was assigned to Director of Income-tax (IT&A) and it was laid down that important irregularities would be specifically brought to the notice of Director of Income-tax/CIT by AG concerned and the DIT (Audit) would ensure settlement of such irregularities within 4 months and where cases were not settled within that period those should be brought to the notice of Central Board of Direct Taxes. (Important irregularities are those which have tax effect of Rs. 10,000/- Income-tax and Rs. 5,000/- in other cases). A time limit for taking remedial action continues to be 4 months from the date of receipt of LAR by the ITO.

Remedial Action in other irregularities in individual asstt. cases is required to be taken within 3 months of receipt of LAR by the ITO and compliance reported to the AG by the ITO through Deputy Commissioner (Audit). The urgency of prompt remedial action has been stressed at the highest level in Chairman's CBDT's letter of Feb., 73. The DIT (Audit) had more than once brought the importance of observing these time limits for remedial action to the notice of field officers.

With a view to achieve settlement of audit objections inter-Departmental periodical meetings between the officers of the Income-tax Department and AG were introduced from February, 1984 for the settlement of outstanding audit objections and to sort out contentious issues. The Deputy Commissioner (Audit) are required to have periodical meetings with the Receipt Audit and settlement of Audit objections then and there in the meetings. This informal way of settling of Audit objections have proved to be very successful and it cuts down the time consumed in correspondence. From the progress reports sent by various Deputy Commissioners (Audit) it is seen that these meetings have been producing desired results. The field formations are required to send quarterly statements to the DIT (Audit) so that the progress of settlements of Audit objections is monitored by the DIT (Audit).

The Director of Income-tax (Audit) formulates Action Plan every year. The Action Plan lays down the targets which have to be achieved during the financial year. The targets of settlement of Audit objections are further divided into quarterly targets. The field formations are required to achieve the targets both in respect of quarter and the annual targets as laid down in the Action Plan issued by the DIT (IT&A) and CBDT through quarterly reviews and frequent inspections of the audit wings. Through quarterly review and inspection the areas where the audit organisation of a particular charge of a Commissioner is not keeping up with the targets laid

down for it the charge is identified and that Audit wing is exhorted to make up for the deficiency in achieving the quarterly and annual targets.

The various instructions issued by CBDT and efforts made by the DIT (IT&A) by way of constantly exhorting Commissioners to expedite settlement of audit objections appear to have started showing better results, as would be evident from the following figures in respect of receipt Audit Major Objections:

| | Arrear | | Current | |
|--|--------|---------------------------------|---------|------------|
| | No. | Tax effect (Rs. in Lakhs) | No. | Tax effect |
| Total disposal as on 31.3.1989 | 22529 | 52352.42 | 11899 | 42406.76 |
| Settled upto 31.3.89 | 7136 | 10227.28 | 1508 | 1963.73 |
| Not accepted but yet to be dropped by AG | 10522 | 28644.49 | 1105 | 3541.78 |

Thus out of total pendency of 22529 arrear objections 7136 cases were settled and final replies had been sent to AG in 10522 case not accepting those objections, but 10522 objection were yet to be dropped by AG. The A.G. takes its own time to drop the objections. Some of the objections are not settled on the ground that C&AG's instructions are to be solicited etc. Some of these types of cases are:—

- (a) Where Extra Shift Allowance has been allowed as per Board's Instruction No. 1605.
- (b) Where disallowance U/s 37(3A) of IT Act has not been made.
- (c) Where disallowance U/s 40A(3) of IT Act has not been made and audit report was not exhaustive.
- (d) Where TDS portion of sub-contracted amount has not been treated as contractor's income U/s 198 of the Income-tax Act.
- (e) Where instruction No. 1643 of CBDT has not been applied, the beneficiaries being all minors.
- (f) Where assessments framed under Amnesty Scheme are questioned.
- (g) Where assessments have been made under Summary Assessment Scheme.

These types of cases could not be settled at the level of Deputy Commissioner (Audit) and D.A.G. during the Inter-departmental Meetings. In view of this practical difficulty the Department can only send final replies to the AG, but settlement is not in the hands of the Department.

Similarly, 13307 minor objections were pending with AG for settlement as on 31.3.1989 (*Vide* Receipt Audit Minor Objections Quarterly Review for the quarter ended March, 1989, F.No. RA-12/88-89/March/DIT dated 5.7.1989) of Director of Income-tax (IT&A), New Delhi.

Since Action Plan Targets laid down by Director of Income-tax (Audit) are for settlement/sending of final replies to AG in respect of 90% of arrear Major Receipt Audit Objections, most of the Commissioners have been able to achieve the targets to avoid adverse comments from the Director of Income-tax (Audit). It is, therefore, apparent that the delay in settlement of objections are not entirely attributable to the income-tax Department. If AGs can gear up their machinery the pace of settlement of objections can be considerably stepped up.

[Ministry of Finance (Department of Revenue) F.No. 241/1/89-A&PAC-I, dated 27.12.89]

Recommendation

While taking note of the plan of action of achievement of 100% target in settlement of internal and statutory audit objections in each year, the committee are concerned to note that in no year, achievement has been satisfactory. The Committee trust that the CBDT will not rest with determination of a target alone but also ensure its achievement.

[S. No. 8 (Para No. 5.13) of Appendix IV to 150th Report of PAC (1988-89) 8th Lok Sabha]

Action Taken

The Action Plan Targets for the F.Y. 1988-89 were for sending final replies to A.G. in 90% of Receipt Audit Major Objections. During the year ended 31.3.1988 the position for settlement for Major Audit Objections was as under:—

| | Arrears | | Current | |
|----------------------------|---------|-----------------------------|---------|-----------------------------|
| | No. | Revenue involved (in lakhs) | No. | Revenue involved (in lakhs) |
| 1. Work load | 19527 | 35731.33 | 11439 | 24755.37 |
| 2. Settled during the year | 7323 | 10002.32 | 2139 | 4111.95 |
| 3. Final reply send to AG | 7540 | 17427.94 | 1428 | 2056.31 |

Thus out of total pendency of 19527 Arrear Objections 7323 objections were settled and 7540 objections were not accepted and final replies sent to A.G. total No. of arrear objections where final replies were sent to A.G. amounted to (7323 + 7540) or 14863, which in terms of percentage comes to about 72% of the pendency. Most of the charges had achieved targets of sending final replies to A.G. in 90% of cases. The charges which had not been able to achieve the targets were identified in the quarterly review

brought out by the DIT (Audit) for the quarter ended 31.3.1988. From the figures for the final year 88-89 given against S. No. 1 above it is seen that there has been an improvement in settlement of Arrear Receipt Audit Major Objections in as much as in about 77% of the objections final replies were sent to A.G. Thus better results are being received in respect of settlement of Arrear Major Receipt Audit Objections. The position was not happy in respect of settlement of current objections. However, it will be endeavoured to see that the targets for settlement of Audit objections are achieved by the various charges of Commissioners of Income-tax.

[Ministry of Finance (Department of Revenue) F. No. 241/1/89-A & PAC-I, dated 27.12.89]

CHAPTER V

RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF WHICH GOVT. HAVE FURNISHED INTERIM REPLIES

Recommendation

The Committee are also perturbed to note that even though Audit has identified a large number of cases having tax effect of over Rs. 10 lakhs in income tax and Rs. 5 lakhs in other direct tax laws and the Committee also called for details, the Board failed to furnish details thereof and the action taken. The committee recommend that every case of objections having substantial tax effect may be taken serious note of an remedial action ensured by the Board within a prescribed time limit, in any case not exceeding 6 months from the date of raising of objections by audit. The Committee also recommend that a broad analysis of cases of objections (both internal and statutory) of substantial tax effect pending as in February 1989 may also be furnished, indicating the age and nature of objections, steps taken for settlement and likely time by which these would be settled.

[S. No. 10 (Para No. 5.15) of Appendix IV to 150th Report of PAC (1988-89) 8th Lok Sabha]

Action Taken

Time limit for taking remedial action in the case of important audit objections is 4 months. In every case where a draft para is made by C&AG explanation of the erring officer is called for in order to see whether the mistake is bonafide or not. Action as the circumstances of the case warrant is also taken against the erring officer. An analysis of objections pending in February, 1989 indicating the nature and age of objections and steps taken for settlement and the time by which the objections are likely to be settled has been called for from the Chief Commissioners and the same would be submitted to the Committee as soon as the same is received from them.

[Ministry of Finance (Department of Revenue) F. No. 241/1/89-A&PAC-I, dated 27.12.89]

Recommendation

Cases of objections becoming time barred for appropriate remedial action can arise only if the assessing authorities fail to act in time, as existing legal provisions are stated to be adequate. Since several objections raised more than four years back are still pending, it is felt that there may be a large number of such cases in which remedial action might have already been barred by time thereby resulting in loss of revenue. The Committee recommend that the Board may have a review of the old

outstanding cases conducted immediately in coordination with Audit and its own internal audit wing, compile a list of all such cases and report the action taken to the Committee.

[S. No. 11 (Para No. 6.4) of Appendix IV to 150th Report of PAC
(1988-89) 8th Lok Sabha]

Action Taken

The Chief Commissioners have been requested to carry out a review of cases which are more than four years old and are still borns on the record of the Department and where no remedial action can be taken in such cases. As soon as the results of the review carried out by various charges of Commissioners are received those will be furnished to the Committee for its information.

[Ministry of Finance (Department of Revenue) F. No. 241/1/89-
A&PAC-I, dated 27.12.89]

NEW DELHI;

January 24, 1991

Magha 4, 1912(S)

SONTOSH MOHAN DEV

Chairman,
Public Accounts Committee.

APPENDIX I

Statement of Conclusions/Recommendations

| Sl. No. | Para No. | Ministry/ Deptt. Concerned | Recommendations/Conclusions |
|---------|----------|---|---|
| 1 | 2 | 3 | 4 |
| 1 | 1.7 | Ministry of Finance (Deptt. of Revenue) | <p>The Committee note that the audit have not accepted the stand taken by the Ministry of Finance (Deptt. of Revenue) in the Action Taken Note in regard to final settlement of 10522 audit objections. The Ministry of Finance have stated that although final replies not accepting those objections were sent to AGs, the objections were not dropped by them as AGs had their limitations in dealing with the objections and in view of the practical difficulties, department can only send final replies to the AGs and settlement is not in its hands. On the other hand the audit has hold the view that "all the points remaining unsettled are under correspondence with the Ministry, who will have to expedite their final decision on those points in consultation with the Ministry of Law, if considered necessary".</p> <p>The Committee are of the view that basically the responsibility for settlement of audit objections rests with the Department and it cannot be content with merely sending replies to audit objections. The Committee learn that the cases listed out by the Ministry at (a) to (e) of their Action Taken Note on Sl. No. 1 are either under correspondence or pending for decisions in consultation with Ministry of Law. In the case at (g), Ministry's response to the audit objections, in the light of the Committee's recommendations continued in its 173rd Report 1989-90 Eighth Lok Sabha on Assessment Pro-</p> |

| | | | |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
|---|---|---|---|

cedure is yet awaited. The Committee desire that urgent steps may be taken to finalise all pending cases in consultation with Ministry of Law, wherever necessary, and to settle all outstanding objections on this account according to a time-schedule, and the Committee informed on the outcome within six months.

2 1.10 Ministry
 of Finance
 (Deptt. of
 Revenue)

In their earlier report, the Committee stressed upon the Ministry the need for achieving the target fixed for the settlement of internal and statutory audit objections. From the Action Taken Notes furnished by the Ministry of Finance (Deptt. of Revenue), the Committee find that while most of the charges had achieved the targets of sending final replies to A.G. in 90% of cases, there were charges which could not achieve their targets. The position in respect of settlement of current objection was still more unsatisfactory as only 3567 out of 11439 current audit objections could either be settled or finally replied to. The Committee desire that the reasons for the shortfall in the achievement of targets by certain charges be looked into and remedial measures taken to improve the situation. The Committee also desire that special and vigorous efforts be made to ensure that the position in regard to settlement of audit objections is brought upto date and audit objections are not allow to fall into arrears in future.

PART II

MINUTES OF THE 19TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 11.1.1991 IN COMMITTEE ROOM 'C' PARLIAMENT HOUSE ANNEXE

The Committee sat from 1500 hrs. to 1600 hrs.

PRESENT

Shri Sontosh Mohan Dev — *Chairman*

MEMBERS

2. Shri Mallikarjun
3. Shri Manjay Lal
4. Shri Kailash Meghwal
5. Shri M.S. Pal
6. Shri Ajit Kumar Panja
7. Shri Janardhana Poojary
8. Shri H. Hanumanthappa
9. Shri Sunil Basu Ray
10. Dr. Nagen Saikia
11. Shri Vishvjit P. Singh
12. Shri Rameshwar Thakur
13. Shri A.N. Singh Deo

SECRETARIAT

1. Shri G.L. Batra — *Joint Secretary*
2. Shri G.S. Bhasin — *Director (PAC)*
3. Shri B.S. Johar — *Under Secretary*
4. Shri K.C. Shekhar — *Assistant Director*

REPRESENTATIVES OF AUDIT

1. Shri S. Soundararajan — *ADAI*
2. Shri S.B. Krishnan — *Principal Director*
3. Shri A.K. Menon — *DG Defence Audit*
4. Shri V.A. Mahajan — *DG Telecom Audit*
5. Shri D.S. Iyer — *DG (ESM)*
6. Shri T. Sethumadhavan — *Principal Director*
7. Shri K. Krishnan — *Director*
8. Mrs. Ajanta Dayalun — *Director*
9. Mrs. Sudarshana Talpatra — *Director*

2. The Committee considered the following draft Reports and adopted the same subject to certain modifications and amendments as indicated in Annexures *I-II*.

- (i) ** ** ** **
- (ii) ** ** **
- ** (iii) Draft Report on Action Taken on the 150th Report of PAC
 (8th LS) re: Outstanding audit objections.
- (iv) ** ** ** **

3. The Committee authorised the Chairman to finalise these draft Reports in the light of verbal changes and minor modifications/amendments arising out of factual verification by the audit and present the reports to the House.

- 4. ** ** ** **
- 5. ** ** ** **

The Committee then adjourned.

* Not appended

** Adopted without any amendment.

LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA SECRETARIAT PUBLICATIONS

| Sl. No. | Name of Agent | Sl. No. | Name of Agent |
|-----------------------|---|----------------------|--|
| ANDHRA PRADESH | | UTTAR PRADESH | |
| 1. | M / s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500361. | 12. | Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P. |
| BIHAR | | WEST BENGAL | |
| 2. | M / s. Crown Book Depot, Upper Bazar, Ranchi (Bihar). | 13. | M / s. Manimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1 |
| GUJARAT | | DELHI | |
| 3. | The New Order Book Company, Ellis Bridge, Ahmedabad-380006. (T. No. 79065). | 14. | M / s. Jain Book Agency, C-9, Connaught Place, New Delhi. (T. No. 351663 & 350806) |
| MADHYA PRADESH | | 15. | M / s. J. M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006. (T. No. 2915064 & 230936). |
| 4. | Modern Book House, Shiv Vilas Palace, Indore City. (T. No. 35289). | 16. | M / s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. No. 3315308 & 45896) |
| MAHARASHTRA | | 17. | M / s. Bookwell, 2 / 72, Sant Nirankari Colony, Kingsway Camp, Delhi-110009. (T.No. 7112309). |
| 5. | M / s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400002. | 18. | M / s. Rajendra Book Agency IV-DR59, Lajpat Nagar, Old, Double Storey, New Delhi-110024. (T. No. 6412362 & 6412131). |
| 6. | The International Book Service, Deccen Gymkhana, Poona-4. | 19. | M / s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033. |
| 7. | The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400001. | 20. | M / s. Venus Enterprises, B-2 / 85, Phase-II, Ashok Vihar, Delhi. |
| 8. | M / s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications 585, Chira Bazar Khan House, Bombay-400002. | 21. | M / s. Central News Agency Pvt. Ltd., 23 / 90, Connaught Circus, New Delhi-110001. (T. No. 344448, 322705, 344478 & 344508). |
| 9. | M&J Services, Publisher, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor 68, Jyotiba Fuele Road, Nalgaum-Dadar, Bombay-400014. | 22. | M / s. Amrit Book Co., N-21, Connaught Circus, New Delhi. |
| 10. | Subscribers Subscription Services India, 21, Raghunath Dadaji Street, 2nd floor, Bombay-400001. | 23. | M / s. Books India Corporation Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110052. (T. No. 269631 & 714465). |
| TAMIL NADU | | 24. | M / s. Sangam Book Depot, 4378 / 4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110002. |
| 11. | M / s. M. M. Subscription Agencies, 14th Murali Street (1st floor) Mahalingapuram, Nungambakkam, Madras-600034. (T.No. 476558). | | |