

CHAPTER VI: OTHER TAX AND NON-TAX RECEIPTS

6.1.1 Tax administration

This chapter consists of receipts from Entertainment Duty, Power (Taxes and duties on electricity), Mines and Geology and Land Revenue. The administration and levy of these taxes is governed by respective Acts/Rules framed separately for each administrative department.

6.1.2 Results of Audit

In 2015-16, test check of the records of 49 units out of 182 units revealed non/short recovery of tax receipts and interest relating to Mines and Geology (12 units), Power Department (Taxes and duties on electricity), Land Revenue (31 units) and Excise and Taxation Department (Entertainment Duty) (6 units) involving ₹ 0.43 crore in 116 cases which are categorised as in **Table 6.1**.

Table 6.1: Results of Audit

Sr. No.	Categories	Number of cases	Amount (₹ in crore)
1.	Non/short recovery of royalty and interest	65	0.25
2.	Non deposit of copying and mutation fee	25	0.04
3.	Miscellaneous irregularities (Entertainment Duty)	26	0.14
	Total	116	0.43

During the year, the Department accepted under-assessment and other deficiencies amounting to ₹ 19.52 lakh in 64 cases out of which ₹ 19.49 lakh involved in 58 cases were pointed out during the year and the rest in earlier years. The Department recovered ₹ 3.12 lakh in 22 cases out of which ₹ 3.09 lakh involved in 16 cases relates to the year 2015-16 and the rest to earlier years.

One illustrative case involving ₹ 11.72 lakh is discussed in the following paragraph.

MINES AND GEOLOGY DEPARTMENT

Audit findings

6.2 Non/short recovery of royalty and interest

Rule 30 of the Haryana Minor Mineral Concession, Stocking, Transportation of Mineral and Prevention of illegal Mining Rules, 2012, stipulates that brick kiln owners (BKO) shall pay annual amount of royalty at the prescribed rate in advance by 30th April of every year. State Government revised the rates of fixed royalty of various categories of BKOs with effect from 20 June 2012 and the BKOs shall pay annual amount of royalty at the prescribed rate in advance by 1st April of every year. In case payment is made after seven days but up to 30 days of the due date, after 30 days but within 60 days of the due date and beyond 60 days of the due date, interest at the rate of 15, 18 and 21 *per cent* (for the entire period of default) per annum respectively is chargeable for the period of default. A BKO's register is maintained at each mining office for levy and collection of royalty. The permits of such BKOs who do not pay royalty are to be cancelled by the department by giving one month's notice and any sum due from the permit holders on account of royalty and interest thereon is recoverable as arrears of land revenue. The Assistant Mining Engineers (AMEs)/Mining Officers (MOs) are responsible for monitoring recovery of outstanding dues.

Audit scrutiny of records (March to September 2015) of four offices¹ of MOs revealed that 31 out of 701 BKOs did not pay due amount of royalty between April 2013 and March 2016. Though, a period ranging between 24 to 36 months had elapsed upto March 2016, yet royalty of ₹ 7.81 lakh had neither been paid by the BKOs nor had action been taken by the department to recover the same or to cancel the permits. Lack of action on the part of the department resulted in non-realisation of royalty of ₹ 7.81 lakh. In addition interest of ₹ 3.91 lakh was also leviable as per rules.

On this being pointed out, MOs Hisar and Jind stated (November and December 2015) that notices had been issued to concerned BKOs to recover

¹ Hisar, Jind, Narnaul and Rohtak.

the outstanding amount. Further report on recovery and replies from the MOs Narnaul and Rohtak has not been received (October 2016).

The matter was reported to the Government in June 2016; its reply was awaited (October 2016).

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