

Chapter-III State Excise

3.1 Tax administration

The Financial Commissioner Taxation and Principal Secretary to the Government of Punjab is overall in-charge of the Excise and Taxation Department. The administration of the Punjab Excise Act, 1914, is carried out by Additional Excise and Taxation Commissioner at Patiala and six Deputy Excise and Taxation Commissioners (DETCs) at Amritsar, Faridkot, Ferozepur, Jalandhar, Ludhiana and Patiala. 26 Assistant Excise and Taxation Commissioners (AETCs), assisted by Excise and Taxation Officers (ETOs) and other allied staff monitor the work at the district level.

3.2 Results of audit

Test check of the records of 41 units out of 59 units relating to State Excise receipts during 2017-18 revealed irregularities involving ₹ 65.93 crore in 476 cases as depicted below.

Table 3.1: Results of audit

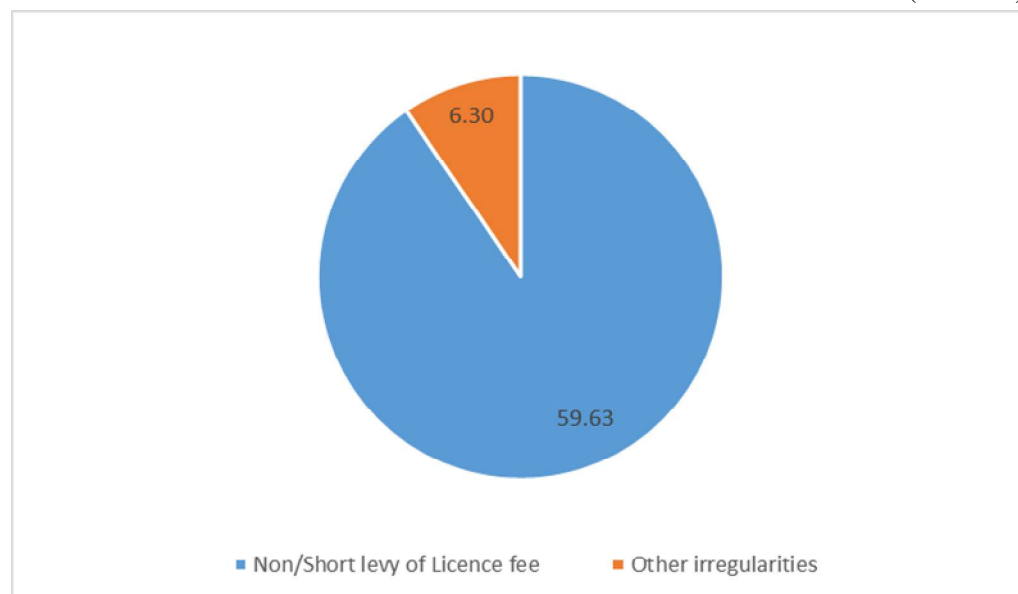
(` in crore)

Sl. No.	Categories	No. of cases	Amount
1.	Non/Short levy of Licence fee	434	59.63
2.	Other irregularities	42	6.30
Total		476	65.93

Head wise audit findings noticed under State Excise is depicted in Chart 3.1:

Chart-3.1

(` in crore)



In 2017-18, the Department accepted and recovered ` 8.70 lakh in 13 cases out of which ` 1.43 lakh involved in three cases were pointed out in 2017-18 and rest in earlier years.

3.3 Non-realisation of interest

Two AETCs did not realise interest of ` 22.07 lakh from two licensees on account of delayed payment of fixed license fee.

Rule 36(15) of Punjab Liquor Licence (Amendment) Rules 2016 provides that after deducting the amount of 12 *per cent* security, a licensee is required to pay the remaining licence fee (88 *per cent*), in nine¹ installments. Each monthly installment is payable by the close of last working day of each month. In case of late payment of any installment, an interest at the rate of one and a half *per cent* per month, to be calculated on daily basis, shall be charged.

Scrutiny of records of AETCs Barnala and Ludhiana-II for the year 2016-17 revealed that two licensees, who had been issued licence L-2² and L-14A³ had paid due monthly licence fee of ` 25.97 crore, out of which ` 24.30 crore was paid with delay ranging between two and 83 days. However, interest, as per the provision *ibid* was not realised by the department. This resulted in non-realisation of interest of ` 22.07 lakh.

The matter was brought to the notice of the Department and the Government in January 2018 and May 2018; their replies were awaited (May 2019).

The Government may direct the Department to recover interest of ` 22.07 lakh from the two licensees.

The cases pointed out are based on the test check conducted by Audit. The Department may initiate action to examine similar cases and take necessary corrective action.

1 Nine *per cent* in the month from April to June each, ten *per cent* in the month from July to November each and eleven *per cent* in the month of December.

2 License for retail sale of Indian Foreign Liquor (including IMFL, Beer, Wine and cider).

3 License for retail sale of Punjab Medium Liquor (PML).