

CHAPTER – VII

NON TAX RECEIPTS

7.1 Results of audit

Test check of records in the offices of the geologists and assistant geologists and Mining Department and Public Works Department in the State conducted during the year 2005-06 disclosed non/short recovery of receipts amounting to Rs.4.52 crore in 78 cases which broadly fall under the following categories:

| (Rupees in crore) | | | |
|-------------------|--|--------------|-------------|
| Sl. No. | Category | No. of cases | Amount |
| 1 | Non/short levy of royalty/interest | 18 | 1.66 |
| 2 | Non levy of interest on belated payment of royalty/ dead rent | 07 | 1.15 |
| 3 | Non/short levy of dead rent/surface rent | 15 | 0.48 |
| 4 | Procedural irregularities, defects/miscellaneous, other irregularities | 38 | 1.23 |
| | Total | 78 | 4.52 |

During the year 2005-06, the department accepted and recovered an amount of Rs.19.77 lakh in nine cases pertaining to earlier years.

A few illustrative cases involving important audit observations involving Rs.13.33 crore are given in the following paragraphs.

Mining Receipts

7.2 Non/short levy of royalty and dead rent

Under the Mines and Minerals (Regulation and Development) Act (MMDR Act), 1957, the Mineral Concession Rules (MC Rules), 1960 and the Gujarat Minor Mineral Rules (GMM Rules), 1966, a lessee is liable to pay in respect of each lease for major/minor mineral, dead rent or royalty, whichever is higher, at the prescribed rates. Procedure prescribed by the department in December 2000 required the lessee to pay royalty in advance. Default in payment attracts simple interest at the rate of 24 per cent per annum.

During test check of records of offices of 14* geologists/assistant geologists, it was noticed between January and November 2005 that in 240 cases, the lease holders of lignite, limestone, black trap etc. removed the mineral but did not pay royalty/dead rent of Rs.8.37 crore for the period between 2001-02 and 2004-05. Removal of mineral without payment of royalty was in contravention of the provisions of the Act. The lessees were also liable to pay interest of Rs.1.72 crore. However the department neither raised demand of royalty for the mineral removed nor did it levy interest. This resulted in non/short levy of Government revenue of Rs.10.09 crore.

After this was pointed out between April and December 2005, the department accepted audit observations for Rs.10.09 crore and recovered Rs.7 crore in 66 cases. Particulars of recovery in remaining cases have not been received.

This was brought to notice of Government in February 2006; reply has not been received (October 2006).

* Ahmedabad, Bharuch, Bhuj, Godhra, Himatnagar, Junagadh, Mehsana, Nadiad, Palanpur, Porbandar, Rajkot, Surat, Surendranagar and Vadodara.

7.3 Non levy of interest

The MC Rules and the GMM Rules provide that interest at the rate of 24 *per cent* per annum is to be charged on the unpaid amount for the period of delay. Royalty alongwith interest if not paid by the lessee, can be recovered as arrears of land revenue.

During test check of records of the offices of four[#] geologists/assistant geologists, it was noticed between January and November 2005 that in 15 cases royalty was paid after a delay ranging between three and 554 days. However, interest on belated payment of royalty was neither demanded nor paid during the years 2003-04 and 2004-05. Failure of departmental officials to raise demand of interest on delayed payment of royalty resulted in non levy of interest of Rs.3.05 crore.

After this was pointed out between April and December 2005, the department accepted audit observations in all cases and recovered Rs.1.22 crore in nine cases. Particulars of recovery in remaining cases have not been received.

This was brought to notice of Government in February 2006; reply has not been received (October 2006).

Receipts of Public Works Department

7.4 Short realisation of rent receipts due to non adherence to Government instructions

As per clause 40 of Government resolution dated 1 October 1998 of Roads and Building (R&B) Department, in the case of non residential buildings allotted to the institutions, schools, dispensaries, libraries and private parties, the Superintending Engineer incharge should increase the rent upto 200 *per cent* every five years in a phased manner i.e. 50 *per cent* in the first year and 37.50 *per cent* per year in the remaining four years.

During test check of rent records of three^Y R&B divisions, it was noticed during August and September 2005 that 59 Government building premises were occupied by private parties. Of these in 49 cases, allotments were made between 1948 and 1955. The rent fixed at the time of allotment was, however, not enhanced at all. Non revision of rent resulted in short realisation of rent of Rs.19.03 lakh for the period from April 2000 to March 2005.

This was brought to notice of Government in April 2006; reply has not been received (October 2006).

7.5 Non observance of procedure in crediting to Government account

As per para 15.4.1 of Central Public Works Accounts Code, deposits which have become due but remained unclaimed for three complete accounting years lapse to Government as revenue receipts.

During test check of records of 13^Σ divisions it was noticed between August 2005 and January 2006 that an amount of Rs.34.22 crore was lying under

[#] Amreli, Bhuj, Junagadh and Vadodara

^Y City R&B Ahmedabad, City R&B Rajkot and City R&B Vadodara

^Σ R&B Dn. Anand, Bhuj, Bhavnagar, Godhra, Himatnagar, Junagadh, Rajkot (Dist.), Surendranagar, Dn.-II Surat, Vadodara (City), Vadodara (Dist.), Valsad and N.H.Division Godhra.

deposits unclaimed for more than three years as on 31 March 2005. Division offices neither adhered to codal provisions nor followed Government instructions to get the deposits lapsed to revenue account after ascertaining the facts of the cases.

This was brought to notice of Government in April 2006. Government accepted audit observation in July 2006 and stated that in respect of three divisions an amount of Rs.15.12 lakh has been transferred to Government revenue account as lapsed deposits. Particulars in respect of remaining amount have not been received (October 2006).

Ahmedabad

The:

(Niranjan Pant)

**Principal Accountant General
(Commercial and Receipt Audit) Gujarat**

Countersigned

New Delhi

The :

(Vijayendra N. Kaul)

Comptroller and Auditor General of India