

CHAPTER-VI: Non Tax Receipts

6.1 Results of audit

Test check of records in departmental offices relating to home (police), public works (irrigation, building and roads and public health), medical, agriculture (horticulture), mines and minerals and co-operation during the year 2005-06, revealed under assessments and loss of revenue amounting to Rs.29.64 crore in 4,427 cases as depicted below:

Sl. No.	Name of department and nature of irregularity	Number of cases	Amount (Rupees in crore)
Home (police)			
1.	Non recovery of cost of police guard/force supplied	459	1.96
2.	Non auction of condemned vehicles	98	0.31
3.	Miscellaneous irregularities	4	0.07
	Total	561	2.34
Public Works Department			
	• Irrigation		
1.	Miscellaneous irregularities	38	1.12
	Total	38	1.12
	• Building and Roads		
1.	Non deposit of Government receipts in treasury	4	0.01
2.	Miscellaneous irregularities	40	2.65
	Total	44	2.66
	• Public Health		
1.	Short recovery of water charges due to non application of revised rates	3,066	0.02
2.	Miscellaneous irregularities	10	0.09
	Total	3,076	0.11

Sl. No.	Name of department and nature of irregularity	Number of cases	Amount (Rupees in crore)
Medical			
1.	Miscellaneous irregularities	25	2.27
	Total	25	2.27
Animal Husbandry			
1.	Miscellaneous irregularities	68	0.45
	Total	68	0.45
Horticulture			
1.	Miscellaneous irregularities	6	0.07
	Total	6	0.07
Mines and Geology			
1.	Non recovery of royalty and interest	184	0.29
2.	Non recovery of contract money and interest	42	1.88
3.	Non recovery of licence fee	85	0.09
	Total	311	2.26
Co-operation			
1.	Non/short recovery of audit fee	101	0.62
2.	Non redemption of share capital	47	16.44
3.	Non deposit of dividend on share capital of Government	150	1.30
	Total	298	18.36
	Grand Total	4,427	29.64

The departments accepted under assessments of revenue amounting to Rs.2.57 crore in 438 cases during the year 2005-06. An amount of Rs.1.69 crore had been recovered in 1,097 cases during 2005-06 of which Rs.1.68 crore recovered in 1,094 cases pertains to earlier years.

A few illustrative cases involving Rs.1.96 crore are mentioned in this chapter.

6.2 Unauthorised retention of receipts

Punjab Financial Rules, as applicable to Haryana, require that departmental receipts should be deposited in Government account. Further, utilisation of these receipts towards departmental expenditure is strictly prohibited.

Technical Education Department

6.2.1 State Government nominated Regional Engineering College, now National Institute of Technology (NIT), Kurukshetra, as nodal agency in February 2002 for conducting entrance examination and imparting counselling for different professional courses viz. undergraduate programmes in engineering and technology including architecture, combined engineering entrance test (CEET) 2002 and Master in Computer Application in Haryana. The State Government further decided that 50 *per cent* of net income from conducting various tests/admissions in case of post graduate and graduate professional courses should be deposited in Government account.

Audit scrutiny of the records of NIT, for the year 2003-04, revealed in March 2005 that NIT received fee of Rs.2.20* crore and incurred an expenditure of Rs.51.13** lakh for conducting various entrance tests during the year 2002-03 and 2003-04. Thus, NIT earned net income of Rs.1.68 crore and deposited the entire receipts in 'College Development Fund' in their saving bank account in State Bank of India instead of depositing 50 *per cent* of net income amounting to Rs.84.22 lakh in Government account.

After this was pointed out in March 2005, NIT intimated in May 2006 that the issue was placed before the Board of Governors in its meeting held on 28 April 2006 and the decision is still awaited. Retention of 50 *per cent* share of State Government without the prior approval/sanction of State Legislature was unauthorised.

The matter was referred to Government in May 2005; reply had not been received (August 2006).

* Fee of Rs.173.53 lakh from the sale of 33,684 forms by different centres in Haryana and Delhi; Rs.43.33 lakh deposited in the banks through 19,624 bank drafts and Rs.2.71 lakh received through 562 demand drafts from candidates.

** Printing of prospectus and forms: Rs.9.62 lakh; Advertisement: Rs.16.57 lakh; Conduct of examination including paper setting and deployment of staff: Rs.24.94 lakh.

Animal Husbandry Department

6.2.2 Audit scrutiny of the records of Chief Superintendent, Government Livestock Farm, Hisar (GLF) for the year 2004-05 revealed in May 2005 that the State Government constituted a committee, under the chairmanship of Chief Superintendent, GLF in November 2004 for the disposal of debris of old buildings and other structures on the land measuring 74 acre 18 marla proposed to be transferred to Municipal Council, Hisar for the establishment of Trade and Business Complex (TBC), Hisar. The highest bid of Rs.44.73 lakh realised in the auction of debris of old buildings and other structures of the land was deposited in the bank account of the Haryana Livestock Development Board (board) at Hisar, instead of crediting the receipts into Government account. As such retention of Government receipts by the board without prior approval of the State Legislature was against the financial rules.

After this was pointed out in May 2005, the Chief Superintendent, GLF, Hisar stated in August 2005 that the auction money of Rs.44.73 lakh realised from auction of debris of old buildings was a part of TBC (Vyapar and Vyavasayya Kunj Yojna, Hisar). The reply of the department was not tenable as the land of GLF had not been transferred to Municipal Council Hisar so far. Thus, the auction money of debris on land under the possession of Animal Husbandry Department was a Government receipt, which was required to be deposited into Government account.

The matter was referred to Government in June 2005; reply had not been received (August 2006).

Revenue Department

6.2.3 During test check of records of the Deputy Commissioner (DC), Hisar for the period April 2003 to March 2005, it was noticed in May 2005 that auction money amounting to Rs.26.34 lakh received from the public auction of space allotted to private contractors for cycle/scooter stands, stationery and printed official forms shop and telephone/public call office (PCO) booth in the premises of mini secretariat and judicial complex (Government land) at Hisar on annual lease basis for the years 2001-02 to 2004-05 between March 2001 and March 2005 was deposited with the District Red Cross Society, Hisar (DRCS) instead of crediting these receipts into Government account. As such transfer of Government receipts of Rs.26.34 lakh to DRCS by the DC Hisar, without prior approval of the State Legislature, was against the financial rules.

After this was pointed out in May 2005, Government directed in January 2006 the DC Hisar to recover the amount from DRCS and deposit the same into Government receipt head and also desired that reasons for deviation may be intimated.

Agriculture Department

6.3 Non recovery of purchase tax and interest

Under the Punjab Sugarcane (Regulation of Purchase and Supply) Act, 1953 and the Rules framed thereunder, as applicable to Haryana, a sugar factory is required to pay tax of Rs.1.50 per quintal on purchase of sugarcane latest by 14th of the following month. In the event of default in payment, interest at 15 *per cent* per annum shall be charged for the period of default. The Act further provides that all sums payable to Government, but not paid by the due date, shall be recoverable as arrears of land revenue.

During test check of records of Assistant Cane Development Officer (ACDO), Yamunanagar for the year 2002-03, it was noticed in December 2003 that Naraingarh Sugar Mills Limited, Naraingarh purchased 14,50,811 quintals of sugarcane between March and May 2003. Purchase tax and interest of Rs.30.43 lakh, though payable, was neither demanded nor deposited by the mill.

After this was pointed out in December 2003, the Project Officer (cane), Yamunanagar intimated in November 2005 that efforts were being made to recover the purchase tax from Naraingarh Sugar Mill. Further reply had not been received (August 2006).

The matter was referred to Government in January 2004 and November 2005; reply had not been received (August 2006).

Mines and Geology Department

6.4 Non recovery of royalty and interest

The Punjab Minor Minerals Concession Rules, 1964 provide that brick kiln owners (BKO) shall pay royalty at the prescribed rate in advance by 30 April every year. In case of default, interest at the rate of 24 *per cent* per annum is chargeable for the period of default. BKO register is maintained at each mining office for levy and collection of royalty. The permits of such BKOs were required to be cancelled by the department, in case royalty was not paid by them and sum due from the permit holders on account of royalty and interest thereon was recoverable as arrears of land revenue. No internal audit system exists in the department, but the Assistant Mining Engineers (AMEs)/mining officers (MOs) are responsible for monitoring internal control mechanism in the field to watch the recovery of outstanding dues. Further they have been delegated the powers of Assistant Collector, Grade I for initiating recovery proceeding against defaulter as per provisions of Land Revenue Act.

During test check of the records of the offices of AME, Faridabad and three* MOs for the years 2003-04 and 2004-05, it was noticed between November 2004 and July 2005 that 78 BKO's were issued permits between August 1998 and April 2004. The BKO's were required to pay royalty before 30 April every year but royalty of Rs.7.82 lakh for the years 2003-04 and 2004-05 was neither paid by the BKO's nor was it demanded by the AME/MO's. No action was taken either to cancel the permits or to recover the dues as arrears of land revenue. Lack of action on the part of the department resulted in non realisation of revenue of Rs.11.14 lakh including interest amounting to Rs.3.32 lakh.

After this was pointed out between November 2004 and July 2005, the department intimated in February 2006 that royalty amounting to Rs 2.62 lakh and interest of Rs.0.77 lakh in 26 cases had been recovered. Further progress of recovery of balance amount had not been received (August 2006).

The matter was referred to Government in January and December 2005; reply had not been received (August 2006).

Chandigarh

Dated:

(ASHWINI ATTRI)

Accountant General (Audit) Haryana

Countersigned

New Delhi

Dated:

(VIJAYENDRA N. KAUL)

Comptroller and Auditor General of India

* Jind, Kurukshetra and Rohtak.