

## CHAPTER-VI: Other Non-Tax Receipts

### 6.1 Results of Audit

Test-check of records in departmental offices relating to Home (Police), Public Works (Building and Roads, Public Health, and Irrigation), Forest, Finance (State Lotteries), Agriculture (Crop-Husbandry), Medical, Animal Husbandry, Food and Supply, Industries, Co-operation and Tourism conducted in audit during the year 2003-2004, revealed under-assessments and losses of revenue amounting to Rs.68.17 crore in 2,367 cases as depicted below:

Sl. No.	Name of departments	Number of cases	Amount (Rupees in crore)
1.	Home (Police)	99	5.67
2.	Public Works Department	86	0.14
	(i) Building and Roads	743	6.16
	(ii) Public Health	302	37.76
	(iii) Irrigation		
3.	Finance (State Lotteries)	70	0.24
4.	Forest	198	4.12
5.	Agriculture (Crop Husbandry)	44	0.12
6.	Medical	509	0.01
7.	Animal Husbandry	7	0.01
8.	Food and Supply	148	0.02
9.	Industry	4	0.01
10.	Co-operation	147	12.06
11.	Tourism	10	1.85
	<b>Total</b>	<b>2,367</b>	<b>68.17</b>

The Department accepted under-assessments of revenue of Rs.13.44 crore in 747 cases during the year 2003-04, of which Rs.1.92 crore in 704 cases pertain to earlier years. Besides, an amount of Rs.7.43 crore had been recovered in 211 cases during 2003-04 of which part recovery of Rs.7.28 crore recovered in 208 cases pertained to earlier years.

A few illustrative cases involving Rs.9.08 crore are mentioned in this Chapter. Of these, the Department accepted four observations involving Rs.7.11 crore.

## **Tourism Department**

### **6.2 Non-recovery of rent**

The Government of Haryana, Finance Department decided in December 1997 that Haryana Hotels Limited and Haryana Tourism Corporation would pay revised rent of Rs.37 lakh and Rs.38 lakh per annum from 1994-95 and 1995-96 onwards respectively to the State Government on account of the use of non-commercial buildings of tourism department. In lieu thereof, State Government was liable to pay maintenance charges of Rs.70 lakh per annum on tourism property w.e.f. January 1998.

During test-check of records of Tourism Department, Haryana it was noticed that as against rent of Rs.5.72 crore payable by the Tourism Corporation, Rs.3.87 crore was adjusted by the Corporation against the Government dues resulting in short recovery of Rs.1.85 crore on account of rent of non-commercial buildings from 1995-96 to 2001-02.

This was pointed out in audit in December 2002 to the Department which admitted the facts and stated in February 2004 that Haryana Tourism Corporation had requested the Government to adjust the rent amount of Rs.1.85 crore of non-commercial buildings occupied by the Corporation due upto March 2003 against the expenditure incurred on maintenance of infrastructure and horticulture by the Corporation upto 2003-04. The reply is not tenable as no policy existed with the Department for adjustment of such expenditure incurred on infrastructure and horticulture of tourist complexes against the rent of non-commercial buildings.

The matter was referred to the Government in February 2004; final reply had not been received (September 2004).

## **Co-operation Department**

### **6.3 Non-redemption of Government share capital**

The share capital contributed by the State Government to co-operative societies registered with the Co-operative Department is required to be redeemed in accordance with instructions/terms and conditions stipulated in the sanction issued by the Department/ Government. The State Government further directed all the heads of the Departments in March 1979 that the primary responsibility for maintenance of accounts relating to shares held by Government in various undertakings and their timely repayment rests with the head of the Department.

During test-check of records of Assistant Registrar Co-operative Societies, Fatehabad, for the year 2002-03 it was noticed in August 2003 that Government invested share capital of Rs.10.15 crore in Bhuna Co-operative Sugar Mills Ltd.,

Bhuna during the years 1988-89 and 1996-97. Out of this, Rs.5.82 crore were released between 1988-89 and 1996-97 without fixing the terms and conditions of repayment/redemption of share capital. Remaining amount of Rs.4.33 crore was released between 1991-92 and 1996-97 on the terms and conditions that share capital shall be retired in 10 equal annual instalments commencing from the sixth anniversary of the drawal. As per Kist Bandi (repayment schedule) available with the Department out of Rs.10.15 crore, share capital of Rs.7.05 crore was due for redemption from October 1994 to March 2003 but had not been redeemed till January 2004. This resulted in blockage of revenue of Rs.7.05 crore.

After this was pointed out in August 2003 to the Assistant Registrar, Co-operative Societies (ARCS), Fatehabad stated that share capital of the Mill could not been redeemed till January 2004 due to huge loss suffered by the mill and efforts were being made for redemption of share capital.

Reply was not tenable as the investment of Rs.5.82 crore was made without fixing the terms and conditions of repayment. In absence of this the Department was not in a position to know as to when and how the recovery would be made. Besides, for investment of Rs.4.33 crore, the condition stipulated did not indicate any concession/exemption from payment of Government dues in case of loss suffered by the society. As such department should have pressed for recovery of its dues.

The matter was referred to the Department/Government in September 2003; reply had not been received (September 2004).

## Agriculture

### **6.4 Utilisation of departmental receipts towards expenditure**

**6.4.1** Under the State Financial Rules, utilisation of departmental receipts towards expenditure is strictly prohibited. All moneys received by or tendered to a Government servant on account of revenue of the State Government shall be paid into treasury or Bank on the same day or the next day at the latest.

During test-check of records of Deputy Director, Agriculture, Bhiwani it was noticed in March 2001 that out of the total receipts of Rs.1.81 lakh realised during the years 1998-2000 on account of sale of Rabi crops, an amount of Rs.1.12 lakh was not deposited into the treasury/bank but utilised to meet the Departmental expenditure.

After this was pointed out in March 2001, the Department admitted the facts and stated in March 2004 that the amount was utilised on the purchase of manure, pesticides and labour charges for the standing crops of wheat and sarson etc. Departmental reply was not tenable as utilisation of Government receipts towards departmental expenditure was in contravention of State Financial Rules.

The matter was referred to the Government in April 2004. Final reply had not been received (September 2004).

**Public Works Department  
(Building and Roads)**

*Utilisation of departmental receipts towards expenditure*

**6.4.2** Under the State Financial Rules, utilisation of departmental receipts towards expenditure is strictly prohibited. All moneys received by or tendered to a Government servant on account of revenue of the State Government shall be paid into treasury or Bank on the same day or the next day at the latest.

During test-check of records of the Executive Engineer, provincial divisional- 1 Faridabad, it was noticed in June 2002 that departmental receipts amounting to Rs.4.22 lakh collected by three provincial sub-divisions during the years 1998-99 to 2000-01 were not deposited into treasury/bank but utilised towards expenditure.

This was pointed out in June 2002 to the Department which admitted the facts and stated in March 2004 that an amount of Rs.0.20 lakh was deposited in March and October 2002. However, the balance amount of Rs.4.02 lakh had not been deposited so far (September 2004).

The matter was reported to the Government in March 2004; final reply had not been received (September 2004).

**Public Works Department**

**6.5 Short recovery of water connection fee**

As per instructions issued in January 2001 by the Engineer-in-Chief Haryana PWD/Health Branch, fee for the issue of new water connection was enhanced from Rs.300 to Rs.500 with effect from 15 January 2001.

Test-check of records of Executive Engineer, Public Health Division-3, Hisar for the years 1999-2000 to 2001-2002 revealed that the Divisional /Sub Divisional offices charged water connection fee in respect of 681 new water connections released between 17 January and March 2001 at the old rate of Rs.300 instead of Rs.500, resulting in short recovery of water connection fee of Rs.1.36 lakh.

This was pointed out in audit in June 2002 to the Department which stated in March 2004 that efforts were being made to effect the recovery.

The matter was referred to Government in April 2004; their reply had not been received (September 2004).

**Forest Department**

**6.6 Non-realisation of sales tax**

Under the Haryana General Sales Tax Act, 1973, 'sale' means any transfer of property in goods for cash or deferred payment or other valuable consideration.

While 'goods' means all kinds of movable property; sale of trees (timber) is taxable at first stage of sale from 18 July 1997.

During test-check of records of four\* Divisional Forest Offices (Territorial), it was noticed between March and November 2003 that trees/timber valued at Rs.1.50 crore were sold to Haryana Forest Development Corporation during the year 2001-02 to 2002-03 on which sales tax amounting to Rs.12.02 lakh was not levied/realised.

The omission was pointed out to the Principal, Chief Conservator of Forest, Haryana who intimated in September 2003 that Commissioner and Secretary, Excise and Taxation Department had been requested to issue notification regarding accepting of declaration by Haryana Forest Development Corporation Limited taxing the goods at subsequent sale/stage. The reply of the Department was not tenable as no notification was issued by the State Government. Hence the Forest Department was required to collect the taxes at first stage and failure on its part resulted in non-realisation of the government revenue to that extent.

The issue was referred to the Government between April and December 2003; reply had not been received (September 2004).

**Chandigarh**

**(ASHWINI ATTRI)**

**Dated:**

**Accountant General (Audit) Haryana**

**Countersigned**

**New Delhi**

**(VIJAYENDRA N. KAUL)**

**Dated:**

**Comptroller and Auditor General of India**

---

\* Bhiwani, Gurgaon, Hisar and Rohtak.