

CHAPTER 7: OTHER NON-TAX RECEIPTS

7.1. Results of audit

Test check of records relating to Co-operation Department, Industries Department etc. conducted in audit during 2002-2003, revealed non-realisation of royalty, sales tax and other irregularities involving revenue amounting to Rs.4.40 crore in 41 cases, which broadly fall under the following categories:-

(Rupees in crore)

| | | Number of cases | of | Amount |
|----|--|-----------------|----|-------------|
| 1. | Non realisation of royalty and sales tax | 16 | | 2.67 |
| 2. | Non redemption of Government share capital | 2 | | 0.58 |
| 3. | Other irregularities | 23 | | 1.15 |
| | Total | 41 | | 4.40 |

During 2002-2003, the Department accepted under-assessments etc., of Rs.2.32 crore involved in 34 cases which had been pointed out in audit in earlier years. Two cases, highlighting important observations involving financial effect of Rs.0.37 crore are given in the following paragraphs.

A. Co-operation Department

7.2. Non-redemption of Government share capital

The State Government had decided in January 1996 that in case of cooperative banks, share of government contribution shall be redeemable at the rate of 10 *per cent* of its capital share once an optimum level of Rs.1 crore is reached.

During audit of Assistant Registrar, Co-operative Societies, Dharamsala, it was noticed in July 2001 that government's contribution of share capital in respect of a co-operative bank was Rs 1.07 crore as on 31 March 1998. Consequently share capital of Rs.32.20 lakh became redeemable between 1998-99 and 2000-01. However, no action was taken to recover the amount.

On this being pointed out, the Registrar Cooperative Societies stated in October 2001 that necessary action was being taken. Further reply had not been received till August 2003.

The matter was reported to the Government in July 2001; reply has not been received (August 2003).

B. Industries Department

7.3. Non realisation of royalty and sales tax

The Himachal Pradesh Minor Minerals (Concession) Revised (Amendment) Rules, 1999, provides that the lessee shall pay royalty in advance for the material to be removed from the leased area. Besides, the Mining Officers are also required to recover sales tax on royalty under the Sales Tax Law and deposit the tax into the Government Treasury.

A test check of records of the Mining Officer, Solan, revealed that 7 lessees were required to pay advance of royalty of Rs.13.99 lakh on sand, bajri and stone to be removed from the leased area. However, the Department recovered Rs.9.19 lakh. This resulted in short recovery of royalty of Rs.4.80 lakh on which sales tax of Rs.0.38 lakh was also leviable.

On this being pointed out, the Department stated in June 2003 that recovery of Rs.3.84 lakh had been made. Report of recovery of the remaining amount of Rs.1.34 lakh has not been received (August 2003).

The matter was reported to the Government in September 2002; reply has not been received (August 2003).

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