

Chapter-VI

Revenue Receipts

6.1 *Trend of revenue receipts*

6.1.1 The total receipts of Government of Jammu and Kashmir for the year 1999-2000 were Rs 5513.59 crore, against the anticipated receipts of Rs 4983.10 crore. The receipts during the year 1999-2000 registered an increase of Rs 1004.45 crore[#] over 1998-99. Out of the total receipts of Rs 5513.59 crore, Rs 982.92 crore represented revenue raised by the State Government, of which Rs 577.64 crore represented tax revenue and the balance of Rs 405.28 crore non-tax revenue. The receipts from Government of India (Rs 4530.67 crore) during the year accounted for 82 *per cent* of the total revenue receipts of the State Government.

6.1.2 *Details of revenue receipts*

(a) *General*

The details of revenue receipts during the year 1999-2000 alongwith the corresponding figures for the preceding two years are given in the table below:

(Rupees in crore)

		1997-98	1998-99	1999-2000
I-Revenue raised by the State Government				
(a)	Tax revenue	368.28	436.61	577.64
(b)	Non-tax revenue	247.92	283.25	405.28
	Total - I	616.20	719.86	982.92
II-Receipts from Government of India				
(a)	State's share of Union taxes and duties	833.57	1212.05	1231.60
(b)	Grants-in-aid	3192.02	2577.23	3299.07
	Total-II	4025.59	3789.28	4530.67
III	Total (I+II)	4641.79	4509.14	5513.59
IV	Percentage of I to III	13	16	18

(b) *Tax revenue raised by the State*

Receipts from tax revenue during 1999-2000 constituted 59 *per cent* of the revenue raised by the State. An analysis of tax revenue for the year 1999-2000 and the preceding two years is given in the table below:

Receipts from Government of India accounted for 82 *per cent* of total revenue

Tax revenue, 59 *per cent* of total revenue raised by the State

[#] Rs 741.39 crore on account of receipts from Government of India and Rs 263.06 crore on account of tax and non-tax revenue

(Rupees in crore)

S. No	Tax revenue	1997-98	1998-99	1999-2000	Percentage increase(+)/ decrease(-) in 1999-2000 with reference to 1998-99
1	State Excise	161.93	206.14	274.30	(+) 33
2	Sales Tax	144.65	180.28	235.87	(+) 31
3	Taxes on Vehicles	14.79	18.14	21.91	(+) 21
4	Stamps and Registration Fees	11.43	12.10	14.86	(+) 23
5	Taxes and Duties on Electricity	8.07	8.33	16.38	(+) 97
6	Taxes on Goods and Passengers	23.80	4.95	7.46	(+) 51
7	Land Revenue	0.63	2.81	1.81	(-) 36
8	Other taxes and duties	2.98	3.86	5.05	(+) 31
	Total	368.28	436.61	577.64	(+) 32

Increase in Sales tax and Excise duty receipts during 1999-2000 as compared to 1998-99 was mainly due to increasing trend in prices of consumer goods with consequent increase in Sales tax collections, upward revision in tax rates including excise duty and introduction of amnesty scheme by the State Government. The increased collection under Taxes and Duties on Electricity and Passenger tax was also due to increase in tariff during the years 1997-99.

(c) Non-tax revenue of the State

Receipts from non-tax revenue during 1999-2000 constituted 41 per cent of the revenue raised by the State. Receipts from sale of power, Interest and Forestry and Wild life were the principal sources of non-tax revenue in the State. An analysis of non-tax revenue under the principal heads for the year 1999-2000 and the preceding two years is given in the table below:

(Rupees in crore)

S. No	Non-tax revenue	1997-98	1998-99	1999-2000	Percentage increase (+)/ decrease (-) in 1999-2000 with reference to 1998-99
1.	Power	87.47	103.93	218.55	(+) 110
2.	Forestry and Wildlife	20.80	45.70	33.86	(-) 26
3.	Interest	102.69	88.17	102.55	(+) 16
4.	Public Works	7.64	7.33	6.81	(-) 7
5.	Stationery and Printing	2.01	1.88	1.48	(-) 21
6.	Medical and Public Health	2.40	3.06	3.27	(+) 7
7.	Animal Husbandry	2.59	3.36	2.48	(-) 26
8.	Others	22.32	29.82	36.28	(+) 22
	Total:	247.92	283.25	405.28	(+) 43

Non-tax revenue, 41 per cent of revenue raised by the State

The increase (110 *per cent*) on account of Power and Others was mainly due to more receipts of arrears of electricity charges for which an amnesty scheme was introduced by the State Government (1997) which was extended during the years 1998 and 1999 and increase in user charges particularly under Power, water tax and rents, etc.

(d) Variation between Budget estimates and actuals

The variations between the Budget estimates and actuals for the year 1999-2000 in respect of principal heads of revenue are given below:

(Rupees in crore)

S.No	Heads of revenue	Budget estimates	Actuals*	Variations increase (+)/ decrease (-)	Percentage of variation
A Tax revenue					
1	Sales Tax	240.00	235.87	(-) 4.13	(-) 2
2	State Excise	145.00	274.30	(+) 129.30	(+) 89
3	Taxes on Goods and Passengers	147.50	7.46	(-) 140.04	(-) 95
4	Taxes on Vehicles	16.65	21.91	(+) 5.26	(+) 32
5	Taxes and Duties on Electricity	25.34	16.38	(-) 8.96	(-) 35
6	Stamps and Registration Fees	13.65	14.86	(+) 1.21	(+) 9
7	Land Revenue	1.46	1.81	(+) 0.35	(+) 24
B Non-tax revenue					
8	Interest Receipts	116.96	102.55	(-) 14.41	(-) 12
9	Forestry and Wildlife	86.17	33.86	(-) 52.31	(-) 61
10	Stationery and Printing	3.95	1.48	(-) 2.47	(-) 63
11	Animal Husbandry	3.62	2.48	(-) 1.14	(-) 31
12	Medical and Public Health	4.62	3.27	(-) 1.35	(-) 29
13	Public Works	7.75	6.81	(-) 0.94	(-) 12
14	Power	39.74	218.55	(+) 178.81	(+) 450

Reasons for variations between the Budget estimates and actual receipts, though called for, have not been received (November 2000).

(e) Cost of collection

The collections in respect of major tax receipts, expenditure incurred on their collection and percentage of such expenditure to collections during the year 1999-2000 and preceding two years alongwith the corresponding all India average for the year 1998-99 are given below:

* Figures as per Finance accounts and unreconciled

(Rupees in crore)

S. No	Heads of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India percentage of cost of collection for the year 1998-99
1	State Excise	1997-98	161.93	6.07	4	
		1998-99	206.14	6.24	3	3.25
		1999-2000	274.30	7.35	3	
2	Sales Tax	1997-98	144.65	4.09	3	
		1998-99	180.28	7.03	4	1.40
		1999-2000	235.87	8.61	4	
3	Taxes on Vehicles	1997-98	14.79	1.54	10	
		1998-99	18.14	1.89	10	3.22
		1999-2000	21.91	2.11	10	
4	Stamps and Registration Fees	1997-98	11.43	0.94	8	
		1998-99	12.10	0.64	5	5.45
		1999-2000	14.86	2.41	16	

The percentage of expenditure on collection of Sales Tax, Taxes on vehicles and Stamps and Registration fees compared to the national average was higher mainly due to high cost of establishment.

6.1.3 Arrears in revenue

As on 31 March 2000, arrears of revenue under Sales Tax, Passenger Tax, Forestry and Wild life and State Excise as reported by the Departments were as under:

S. No.	Heads of revenue	Total arrears	Arrears more than five years old	Remarks
		(Rupees in crore)		
1.	Sales Tax	511.95	187.30	Out of total arrears of Rs 511.95 crore (Rs 472.32 crore proposed to be recovered as arrears of land revenue) recovery of Rs 29.33 crore and Rs 1.41 crore had been stayed by the court and the Appellate Authority respectively. Arrears of Rs 81.32 crore were proposed to be written off. The position of recovery of the remaining amount of Rs 399.89 crore was not intimated (September 2000).
2..	Passenger Tax	10.77	6.75	Out of total arrears of Rs 10.77 crore (Rs 10.46 crore proposed to be recovered as arrears of land revenue) recovery of Rs 48.22 lakh had been stayed by the courts and Rs 15.72 lakh was proposed to be written off
3	Forestry and Wild life	358.16	292.52	Recovery of arrears of Rs 19.73 crore was stayed by the courts
4.	State Excise	5.41	4.28	Recovery of arrears in abeyance as the cases are sub-judice
Total:		886.29	490.85	

55 per cent of total arrears more than 5 years old

The arrears outstanding for more than five years constituted 55 per cent of the total arrears.

6.1.4 Arrears in Assessment

The details of Sales Tax assessment cases pending at the beginning of the year, cases becoming due for assessment during the year, cases disposed of during the year and number of cases pending finalisation at the end of each year during 1995-96 to 1999-2000 as furnished by the Department, are given below:

Year	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the close of the year	Percentage of column 5 to 4
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1995-96	39340	17079	56419	17893	38526	32
1996-97	38526	20790	59316	18402	40914	31
1997-98	40914	17381	58295	16214	42081	28
1998-99	52304 #	51136	103440	23968	79472	23
1999-2000	40433 [#]	22453	62886	22108	40778	35

[#] The variation in the figures with the closing balance for 1997-98 and 1998-99 as shown in the Audit Report for 1997-98 and 1998-99 is due to the revised figures of assessment cases supplied by the Sales Tax Department

6.1.5 *Frauds and evasion of tax*

The details of cases of frauds and evasion of sales tax pending at the beginning of the year, number of cases detected by the departmental authorities, number of cases in which assessments/investigations were completed and additional demand (including penalties, etc.) of taxes raised against the defaulters during the years and the number of cases pending for finalisation at the end of each year, as supplied by the Department, are given as under:

Year	Cases pending at the beginning of the year	Cases detected during the year	Cases in which assessments/investigations were completed	Amount of demand (Rs. in lakh)	Number of cases pending finalisation at the end of the year
1995-96	1989	17314	16733	80.50	2570
1996-97	2570	22002	20978	68.39	3594
1997-98	3625 [#]	25100	24257	118.02	4468
1998-99	4468	21704	20766	44.21	5406
1999-2000	4757 [#]	77438	73815	741.05	8380

6.2 *Results of Audit*

During the year underassessments, short levy and loss of revenue, etc. amounted to Rs 16.80 crore in 134 cases

Test check of records of Sales Tax, State Excise, Stamps and Registration Fees, Forest and other Departments, conducted during the year 1999-2000, revealed underassessments, short levy and loss of revenue, etc. amounting to Rs 16.80 crore in 134 cases. During the course of the year 1999-2000, the concerned departments accepted underassessments, etc. of Rs 1.19 crore involved in 7 cases of which 5 (involving Rs 0.14 crore) pertained to the year 1999-2000 and 2 to the earlier years.

[#] The variation in figures with those given in the Audit Report 1996-97 and 1998-99 is due to revised figures supplied by the Sales Tax Department

Finance Department

6.3 Suppression of turnover

Failure of the Assessing Authority to follow prescribed internal controls resulted in suppression of turnover of Rs 25.15 lakh with consequential short levy of tax, interest and penalty of Rs 9.05 lakh

Under the provisions of Jammu and Kashmir General Sales Tax Act, 1962, if the Assessing Authority has reason to believe that the dealer has concealed his turnover or has furnished incorrect particulars of such turnover, the said authority shall direct the dealer to pay, in addition to tax due on such concealed turnover, interest for the period of default in payment and penalty equivalent to the amount of tax which is assessed on the escaped turnover. Further, for ensuring proper assessment and check evasion of tax, the departmental instructions issued in February 1994 require the Assessing Authority to call for details of imports, made by each assessee, from the Computer Centre established (1990) for maintaining data base of imports.

(a) Test-check of records of Sales Tax Circle 'F' and 'H' in Jammu revealed (May 1999 and April 1999) that 3 dealers had not included their purchases valued at Rs 14.03 lakh made during 1993-94 and 1995-96 in their accounts. The Assessing Authorities while assessing the dealers (April 1997 and March 1998) failed to detect the same which resulted in suppression of sale turnover amounting to Rs 14.82 lakh (after including element of profit and freight). This led to short levy of tax of Rs 6.07 lakh (including interest and penalty).

On this being pointed out (May and April 1999) the Department raised demand of Rs 6.22 lakh (June and August 1999). Report of recovery was awaited (September 2000).

The matter was reported to the Government (May and July 2000); their reply had not been received (December 2000).

(b) Test-check of records of Sales Tax Circle 'J' in Jammu revealed (May 1997) that a dealer had not filed his return for the year 1992-93 within the prescribed time. The Assessing Authority assessed (October 1996) the dealer to tax on best judgement basis on a turnover of Rs 40 lakh against the turnover of Rs 50.33[#] lakh (including element of profit and freight) based on the actual inter-state purchases of Rs 43.77 lakh made by the dealer as per the data of purchases maintained by the computer cell. The omission resulted in underassessment of turnover of Rs 10.33 lakh with consequential short demand of tax of Rs 2.83 lakh including interest.

[#] After adding 15 per cent of purchase value as freight and profit

On this being pointed out in audit (May 1997), the Assessing Authority re-assessed the dealer (November 1999) and raised an additional demand of Rs 2.83 lakh (November 1999 and July 2000). Further report on the recovery had not been received (September 2000).

The matter was reported to Department/Government in May 2000; reply had not been received (December 2000).

6.4 Non-levy of tax, penalty and interest

Failure of the Assessing Authority to detect inter-state purchases of Rs 14.90 lakh made by a dealer, which were not covered under certificate of registration, resulted in non-levy of tax, penalty and interest of Rs 3.11 lakh

Under the provisions of Central Sales Tax Act, 1956, if a registered dealer while purchasing any class of goods in the course of inter-state trade or commerce, falsely represents that the goods of such class are covered by his certificate of registration, the competent authority may impose upon him by way of penalty, a sum not exceeding one and a half times the tax which would have been levied in respect of such goods. Further, under the Jammu and Kashmir General Sales Tax Act, 1962, the Assessing Authority shall direct the dealer, who has without any cause failed to furnish correct return of his turnover or concealed the particulars thereof, to pay, in addition to tax due on such concealed turnover, penalty and interest for the period of default in payment.

During the course of test-check of the records of Sales Tax Circle Udhampur, it was noticed (September 1999/July 2000) that a dealer made inter-state purchase of sintex tanks, hardware, sanitary, druggets, resin, watches and cosmetics valued at Rs 14.90 lakh during the year 1996-97 which were not covered by his certificate of registration. These were also not accounted for by the dealer in his accounts. The Assessing Authority, while assessing (May 1998) the dealer, failed to detect the above irregularities which resulted in non-levy of tax aggregating Rs 3.11 lakh (including interest: Rs 0.13 lakh and penalty: Rs 2.66 lakh)

On this being pointed out (September 1999/July 2000), the department raised an additional demand of Rs 2.33 lakh (December 1999) against the dealer. Further action to raise an additional demand of Rs 0.78 lakh and the position of recovery was awaited (September 2000).

The matter was reported to Government (May 2000); reply had not been received (December 2000).

6.5 Mistake in computation of tax

Mistake in computation of tax payable by a dealer resulted in short levy of tax and interest of Rs 3 lakh

The Jammu and Kashmir General Sales Tax Act, 1962, provides for levy of sales tax on total taxable turnover during an accounting year at the prescribed rates. In case of short payment of tax, interest at varying rates from 1.5 *per cent* to 3 *per cent* per month is chargeable on the amount of tax not paid for the period of default.

In a Sales Tax Circle in Kashmir Division, the Assessing Authority while assessing (July 1998) a dealer to tax on a taxable turnover of Rs 21.36^ψ lakh for the year 1994-95 computed the tax as Rs 0.33 lakh against Rs 1.49 lakh payable by the dealer. This resulted in short levy of tax and interest aggregating Rs 3 lakh (tax: Rs 1.16 lakh; interest: Rs 1.84 lakh up to July 1999).

On this being pointed out (August 1999) the Assessing Authority reassessed the dealer (August 1999) and raised additional demand. Further report on recovery had not been received (September 2000).

The matter was reported to Government in July 2000; reply had not been received (December 2000).

Forest Department

6.6 Extraction of Resin

Short yield of resin and illicit tapping of blazes resulted in non-recovery of Rs 1.11 crore by way of penalty. Further, lack of proper facilities for storage and safety including comprehensive insurance cover of resin stocks resulted in loss of revenue of Rs 81.76 lakh and non-realisation of revenue of Rs 15.37 lakh

Resin, a viscous substance^φ is extracted from standing green “chir” trees (*pinus roxburghii*) which form sub-tropical forests of Jammu region. It is an important raw material for manufacture of rosin and turpentine oil which are further used for manufacture of soap, cosmetics, paints and varnishes.

Resin tapping is a seasonal operation carried out between April and November. The Forest Department gets the extraction work done through wage-mates by open auction of each lot containing mature tappable “chir”

^ψ (Rs 14.10 lakh at the rate of 8 *per cent*; Rs 7.26 lakh at the rate of 4 *per cent*)

^φ A sort of Gum

trees. For this agreements are executed with them. Test-check revealed the following points:-

(a) *Short yield of Resin*

The wage-mates were required to extract a minimum quantity of 2.70 Kgs of resin per blaze during 1995-96 and 3 Kgs per blaze from 1996-97 onwards. As per clause 7 of the agreement for extraction of Crude Resin, in case the wage mate(s) fail to extract the prescribed minimum quantity of resin, a penalty equal to the difference between the approved sale rate and extraction rate, as may be occurring during the period of the contract, shall be imposed.

Test-check of the records of 5[#] Forest divisions revealed that the wage mates had extracted 13136.63 quintals of resin against the minimum yield of 17920.79 quintals of resin from 602079 blazes, during the period between 1995-96 and 1997-98. This resulted in shortfall of 4784.16 quintals of resin with a revenue effect of Rs 1.06 crore by way of penalty which had not been imposed on 11 defaulters.

(b) *Illicit tapping of blazes*

As per clause 12 of the standard agreement, if a wage mate taps blazes illicitly over and above the number allotted, a penalty of Rs 100 per blaze had to be imposed at the discretion of the Conservator of Forests.

In 6 resin lots of Nowshera Forest Division, against allotment of 72326 blazes the wage-mates had, however, tapped 77685 blazes during the year 1998-99. This resulted in illicit tapping of 5359 blazes for which a penalty of Rs 5.36 lakh could be imposed on the concerned wage-mates. On enquiry by audit (August 1999) as to why penalty was not imposed, the Conservator of Forests, West Circle, Jammu stated (August 1999) that the penalty was being recovered by the Division from the final bills of wage-mates. Recovery had, however, not been made so far (December 1999).

(c) *Storage and safety of resin stocks*

Till the extracted resin is sold, proper facilities for its storage and necessary arrangements for its safety including comprehensive insurance cover against risks of fire and natural calamities, sabotage, pilferage, etc. are required to be made. However, the transit depots were lacking proper storage/safety arrangements which resulted in loss of revenue of Rs 81.76 lakh and non-realisation of revenue of Rs 15.37 lakh as observed in the following test-checked cases: -

(i) 3367 quintals of resin (18604 tins) valued at Rs 78.09 lakh were destroyed in fire during March 1995, May 1997 and October 1999 in various depots of Forest Divisions Udhampur, Mahore and Nowshera due to

[#] Nowshera, Rajouri, Ram Nagar, Reasi and Udhampur

inadequate fire fighting arrangements viz. non-functional/inadequate fire extinguishers, improper maintenance of depots and non-availability of concrete platforms. Of this, fire insurance cover in respect of 117 Mts of resin stocks valued at Rs 35 lakh at Harag Depot of Mahore Forest Division, lost in fire of May 1997, was not renewed beyond 26 March 1997. In absence of insurance cover, no compensation could be claimed from the insurance company.

Similarly, in absence of insurance cover, the Department suffered a loss of Rs 3.67 lakh as 155 quintals of resin (860 tins pertaining to crop year 1993-94) were washed away in floods (July 1994) at transit depots (Kotli bridge and Bathuni) of Rajouri Forest Division.

(ii) 3684 resin filled tins, which included 383 leaked tins, containing 663 quintals of resin pertaining to crop years 1993-94 and 1995-96 to 1998-99 lying in various forest depots of Ramnagar (1000 tins) and Rajouri (2684 tins) divisions had been rejected due to admixture with impurities which resulted in non-realisation of revenue of Rs 15.37 lakh.

The matter was reported to the Government in July 2000; reply had not been received (December 2000).

6.7 Non-raising of bills and short charging of volume of timber

Non-raising of bills and short charging of volume of timber by the Forest Department resulted in non-recovery of Rs 1.02 crore and Rs 3.38 lakh respectively from State Forest Corporation

After the enactment of Jammu and Kashmir State Forest Corporation Act, 1978, earmarked forests are handed over to the Corporation for commercial exploitation. The bills for cost of trees are thereafter raised by the State Forest Department for the quantity specified in the lists of markings handed over to the Corporation, on the basis of latest available sanctioned rates. During the course of audit of two Forest Divisions, non-raising of bills for Rs 1.02 crore and short charging of volume of timber involving revenue of Rs 3.38 lakh was observed as discussed hereunder:

(a) Test-check of records of Forest Division (Pir Panchal) in Kashmir province revealed (January 1999) that 1573 Fir trees and 18 Kail trees having volume^φ of 259885 cft (Fir: 257561 cft; Kail: 2324 cft) were handed over (June 1997) to the Corporation for commercial exploitation. The Division, however, failed to raise the bills of cost of timber against the Corporation resulting in non-recovery of revenue of Rs 1.02 crore.

^φ Volume of unfit Fir/Kail trees charged at one-third

On this being pointed out (January 1999), the Division issued bills (June 1999) for Rs 1.02 crore against the Corporation. Further progress of recovery was awaited (September 2000).

(b) In Forest Division, Shopian, it was noticed (July 1999) that while raising bills of cost (August 1998) for the earmarked trees handed over to the Corporation between July 1997 and October 1997, the Divisional Forest Officer charged the volume of 149 trees of different species as 6537 cft instead of 14618 cft actually chargeable. This resulted in short charging of 8081 cft of timber valuing Rs 3.38 lakh against the Corporation.

On this being pointed out (July 1999), the Divisional Forest Officer while accepting the lapse issued (February/March 2000) bills for Rs 3.85 lakh against the Corporation. Further developments were awaited (September 2000).

The matter was reported to the Government/Department in May 2000; replies had not been furnished (December 2000).

6.8 Non-recovery of damages and penalty

Non-raising of bill of cost of illegally felled markings and failure of the Forest Department to impose penalty resulted in loss of revenue of Rs 2.10 lakh

After the enactment of the Jammu and Kashmir State Forest Corporation Act, 1978, earmarked forests are handed over to the Jammu and Kashmir Forest Corporation for commercial exploitation against payment of royalty. The Corporation is responsible for the protection of forest property in the handed-over coupes.

Though the State Forest Corporation Act was enacted in the year 1978, the Forest Department had not drawn up any agreement with the lessee Corporation specifying the terms and conditions for undertaking the extraction work including compensation for damages to forests during extraction. Test check (July 1999) of records of the Forest Division, Shopian revealed that in a handed-over compartment of Shopian Range, 37 Kail trees and 2 Kail poles having a volume of 1844 cft had been illegally felled (May 1997) by the contractors engaged by the Corporation. The Forest Department had not taken any action on the report (May 1997) of the Range Officer up to July 1999.

On this being pointed out (July 1999) in audit, the Divisional Forest Officer stated that necessary bill for damages would be issued. Thus, non-raising of bill for damages to forests and failure to impose penalty for illegal felling of

trees resulted in loss of revenue of Rs 2.10 lakh (damages[#] and minimum penalty of Rs 1.05 lakh each). Further progress in the matter was awaited (September 2000).

The matter was reported to Government in July 2000; reply had not been received (December 2000).

Revenue Department

6.9 Short/non-realisation of licence/renewal licence fee

Despite having been pointed out in audit earlier, recovery of licence/renewal licence fee was made from brick kiln licensees in 159 cases at pre-revised rates which resulted in short-realisation of revenue of Rs 3.25 lakh

Under the provisions of construction of Brick Kiln Rules, 1969 Svt. (1912 AD) a licence fee and renewal licence fee of Rs 12 per annum each was to be paid by each licensee for operating a brick kiln. The Government, subsequently, increased the licence fee and renewal licence fee from Rs 12 to Rs 5000 and Rs 2000 per annum respectively from July 1990.

Mention was made at para 6.13 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1996 regarding short realisation of licence/renewal licence fee in respect of 22 cases. However, a test-check (March 1999) of records of Tehsil office Chadura in Kashmir Division revealed that the licence/renewal licence fee in respect of 14 fresh and 145 renewal cases was realised at the pre-revised rates during September 1990 to March 1999. This resulted in short realisation of licence/renewal licence fee of Rs 3.25 lakh. Further, licence fee recoverable from 180 non-functional brick kiln owners had not been worked out for recovery.

On this being pointed out in audit (March 1999/July 2000), the Tehsildar Chadura stated (July 2000) that while Rs 1.65 lakh had been recovered from 32 functional brick kiln owners, the recovery from 180 non-functional brick kiln owners was impossible as most of them were not existing. Reasons for not realising licence fee in time from non-existing brick kiln owners were not intimated (September 2000). The position of the recovery of licence fee from other functional units was awaited (September 2000).

The matter was reported to the Government in May 2000; reply had not been received (December 2000).

[#] Damages worked out on the basis of available sanctioned lease rate for the year 1987-88