

CHAPTER VIII : OTHER NON TAX RECEIPTS

8.1 Results of audit

Test check of records relating to Public Works, Water Resources and Electricity Duty departments during the year 2005-06 revealed non/short realisation and loss of revenue amounting to Rs.106.88 crore in 22,861 cases which can broadly be categorised as under:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
PUBLIC WORKS DEPARTMENT			
1.	Non recovery of lease rent	65	1.71
2.	Non levy of licence fee and penal rates	15	0.03
3.	Non recovery of loss	32	0.16
4.	Non imposition of penalty for non employment of technical staff	577	3.56
5.	Others	5,453	34.12
	Total	6,142	39.58
WATER RESOURCES DEPARTMENT			
1.	Non levy of betterment contribution	59	3.21
2.	Non imposition of penalty for non employment of technical staff	11	0.04
3.	Non levy of penalty on delayed payment	3	1.17
4.	Others	947	46.12
	Total	1,020	50.54
CO-OPERATIVE DEPARTMENT			
1.	Short/non recovery of audit fee	694	0.26
2.	Others	1,230	0.90
	Total	1,924	1.16

FOOD & CIVIL SUPPLIES DEPARTMENT			
1.	Non disposal of seized goods	54	0.02
2.	Others	32	0.14
	Total	86	0.16
AGRICULTURE DEPARTMENT			
1.	Non recovery of cost of seeds	27	0.17
2.	Loss due to non-registration of institutions	178	0.06
3.	Others	50	1.88
	Total	255	2.11
PUBLIC HEALTH DEPRATMENT			
1.	Others	1,263	2.82
	Total	1,263	2.82
ELECTRICITY DUTY			
1.	Short assessment of electricity cess	162	8.20
2.	Loss of revenue due to non inspection of electrical installations	11,081	1.38
3.	Others	928	0.93
	Total	12,171	10.51
	Grand Total	22,861	106.88

During the year 2005-06, the Department accepted underassessment of tax of Rs.93.57 crore involved in 10,412 cases. All these cases were pointed out during 2005-06.

A few illustrative cases involving Rs.0.86 crore are mentioned in the following paragraphs:

A- PUBLIC WORKS DEPARTMENT

8.2 Loss of revenue due to re auction of rights to collect toll tax

Madhya Pradesh Works Department Manual, 1983 provides for levy and collection of toll tax according to terms and conditions of contracts executed by successful bidder. The person whose bid is accepted shall execute a deed of lease in the prescribed form within the time fixed by the competent authority, failing which the competent authority may forfeit his right to obtain the lease and thereupon the tolls may be collected departmentally or the right to collect the toll may be re-auctioned and the defaulter shall be liable to pay loss sustained by the State Government and the amount of the loss shall be recoverable as arrears of land revenue.

Test check of records of Executive Engineer, Public Works Division, Dewas revealed in August 2005 that a contractor was given rights to collect toll tax on bridge over Chandra Keshar river in March 2005 for Rs.17.55 lakh for the year 2005-06. The contractor failed to execute the contract and the right to collect toll tax, apprehending loss in collection of toll tax. The contract was re auctioned and sanctioned in May 2005 in favour of next bidder for Rs.6.02 lakh. Thus Government sustained a loss of revenue amounting to Rs.11.53 lakh which was recoverable from the defaulting contractor as arrears of land revenue. No action was taken to recover the same. This resulted in non realisation of revenue amounting to Rs.11.53 lakh.

After this was pointed out, the Executive Engineer stated in August 2005 that instructions had been issued to recover the amount from the contractor. Further report has not been received (January 2007).

The matter was reported to the department/Government between September 2005 and December 2005; their reply has not been received (January 2007).

8.3 Non/short realisation of licence fee of Government buildings let out to private persons/institutions

Madhya Pradesh Works Department Manual provides that the licence fee of a Government building, if let out to a private person, company, club, association, local body etc., shall be recovered monthly in advance at prescribed rates.

Test check of records of Executive Engineer, Public Works division, Dewas revealed in August 2005 that licence fee in respect of four buildings let out to private persons/local bodies was not assessed/recovered during the period from April 2000 to March 2005, according to the rates fixed by the Collector in October 1994 and November 2000. This resulted in non realisation of rent in respect of three buildings and short realisation of rent in respect of one building amounting to Rs.9.42 lakh.

After this was pointed out, the Executive Engineer stated in August 2005 that revenue recovery certificates of Rs.4.11 lakh had been issued for the period covered by audit.

The matter was reported to department and Government between December 2005 and February 2006; their reply has not been received (January 2007).

WATER RESOURCES DEPARTMENT

8.4 Non levy of betterment contribution

Madhya Pradesh Irrigation Act, 1931(revised in 2002) provides for levy of betterment contribution at the rate of Rs. 250 per acre payable in lump sum from the permanent holders of land benefited by Canals constructed after April 1951 at a cost of Rs. 5 lakh or more or having a command area of 1000 acre or more. The contribution is recoverable from such date as may be notified by Government, but not earlier than three years from the commencement of operation of canal.

Test check of records of two water resources divisions¹ revealed in June 2005 that Government of Madhya Pradesh had not issued notification as to the date from which betterment contribution was leviable in respect of Rajghat canal and Bhandar canal from which irrigation has already started. The department had recommended rates of contribution at Rs.250 per acre or Rs.618 per hectare lump sum in the year 1999. Due to non issue of notification by Government, action of assessment of betterment contribution on irrigated area of 28,876.66 hectares for the year 2003-2004 could not be taken up by the department. This resulted in non levy of Government revenue of Rs.1.78 crore.

After this was pointed out, the Executive Engineer stated in June 2005 that due to non issue of notification by government, action for levy of contribution could not be taken.

The matter was reported to Government/Department between August 2005 and February 2006; their reply has not been received (January 2007).

¹ *Rajghat distributary canal division No. 9 and Bhandar canal division Datia.*

C- ELECTRICITY DUTY

8.5 Loss of revenue due to non imposition of penalty

Under Madhya Pradesh Electricity Rules, 1956, if the owner of an electric installation commits breach of any provisions of the rule, he shall be liable to pay penalty of Rs.300 for each breach and if the breach continues, he shall be further liable for a penalty of Rs.50 per day till the breach persists.

Test check of records of divisional electrical inspector (DEI) Khandwa in February 2006 revealed that owners of 174 electrical installations during 2002-2003 to 2004-05 breached provision of the rule, by not providing energy meters, skilled staff for supervision of electric installation etc. During inspection in 2002-05 such irregularities were pointed out by the departmental officers. Electrical Inspectors did not send proposal for imposition of penalty for each breach of provision to the higher authority. As such department could not initiate any action against the defaulters to impose penalty. This resulted in loss of revenue amounting to Rs.49.60 lakh

After this was pointed out, the DEI stated that imposition of penalty was not in purview of his office. The reply was not tenable as the DEI had not sent the proposal for imposition of penalty to the competent authority.

The matter was reported to the Chief Engineer and Inspector General Electricity and Safety and the Government in March 2006; their reply had not been received (January 2007).

8.6 Non raising of demand for electricity duty, cess and interest

Exemption from payment of electricity duty to the producers of electricity through generator sets was withdrawn vide Energy Department, Government of M.P. notification dated 6 February 2001 w.e.f. the date of its issue. As such the producers of electric energy through generator sets were liable to pay electricity duty and cess at the rates prescribed.

Test-check of records of DEI, Khandwa in February 2006 revealed that 27 producers of electric energy generated 25.31 lakh units of electric energy through their generator sets during 2001-02 to 2004-05 but had not paid the electricity duty and cess payable on the energy produced. The department had not initiated any action for raising of demand for recovery of electricity duty and cess including interest amounting to Rs.9.37 lakh.

After this was pointed out, the DEI stated that action for recovery was in progress.

The matter was reported to the Chief Engineer, Electric & Safety and the Government in March 2006; their reply had not been received (January 2007).

8.7 Non-raising of demand for additional fee

According to the provisions of Madhya Pradesh Energy Department's notification dated 22 August 1987, fee in respect of electric installations shall be paid by the owner on or before 1 May each year. If the owner fails to pay fee on the scheduled date, fee payable shall be increased by 20 *per cent*.

Test check of records of DEI Khandwa in January 2006 revealed that Madhya Pradesh State Electricity Board paid fee amounting to Rs.33.97 lakh during April 2002 to March 2005 late by one to ten months in respect of electrical installations owned by it. The department had not initiated any action for raising of demand for additional fee amounting to Rs.6.79 lakh as required under aforesaid provisions. This resulted in non realisation of revenue to that extent.

The matter was reported to the Chief Engineer and Inspector General of Electricity and Safety and Government in March 2006; their reply has not been received (January 2007).

8.8 Loss due to non inspection of electric installations

According to the Indian Electricity Act, 1910 and Indian Electricity Rules, 1956, fees at prescribed rates are leviable for inspection of electrical installations according to their categories. Periodicity for conducting inspections of electrical installations of medium voltage is triennial and in other cases, it is annual.

Test check of records of the Superintending Engineer, Jabalpur and DEI (Electric and Safety) Khandwa, revealed between January and February 2006 that inspections of 9,907 high voltage electrical installations and 48,681 medium voltage electrical installations was not carried out as per prescribed norms during the period from 2002-2003 to 2004-2005. This resulted in loss of Rs.10.81 lakh on account of inspection fee.

After this was pointed out, the Superintending Engineer Jabalpur and DEI, Khandwa stated in January and February 2006 that the inspection could not be carried out due to shortage of staff.

The matter was reported to Chief Engineer and Inspector General of Electricity and Safety and Government between February and March 2006; their reply had not been received (January 2007).

**Gwalior
The**

**(J.N.GUPTA)
Principal Accountant General
(Works & Receipts Audit)
Madhya Pradesh**

Countersigned

**New Delhi
The**

**(VIJAYENDRA N. KAUL)
Comptroller and Auditor General of India**