

CHAPTER-V OTHER DEPARTMENTAL RECEIPTS

5.1 Results of audit

Test check of the records of the concerned departmental offices conducted during the year 2006-07 disclosed non/short realisation/loss of revenue of Rs. 198.79 crore^s in 147 cases, which fall under the following broad categories:

(Rupees in crore)

Sl.No.	Categories	No. of cases	Amount
	IRRIGATION DEPARTMENT		
1.	Levy and collection of irrigation receipts (A review)	1	19.96
2.	Non-realisation of centage charges	2	1.20
3.	Misutilisation of departmental receipts	32	0.75
4.	Other irregularities	34	0.50
	Total	69	22.41
	PUBLIC WORKS DEPARTMENT		
1.	Misutilisation of departmental receipts	15	0.75
2.	Non-realisation of centage charges	1	0.02
3.	Other irregularities	39	0.85
	Total	55	1.62
	FINANCE DEPARTMENT		
1.	Other irregularities	23	174.76
	Total	23	174.76
	Grand total	147	198.79

A review of “Levy and collection of irrigation receipts” involving a total financial effect of Rs. 19.96 crore and a few illustrative cases involving Rs. 54.26 lakh are included in the following paragraphs.

^s Accepted and recovered figure from concerned departments is nil.

IRRIGATION DEPARTMENT

5.2 Levy and collection of irrigation receipts

Highlights

- Lack of monitoring of irrigation potential created resulted in non-achieving the target of irrigation and consequential loss of revenue amounting to Rs. 62.94 crore during the years 2001-02 to 2005-06.
(Para 5.2.7)
- Lack of a system of monitoring the receipts vis-a-vis the water available for irrigation resulted in loss of revenue amounting to Rs. 3.12 crore.
(Para 5.2.8)
- Lack of a prescribed system for measuring the quantity of water supplied for commercial use resulted in short levy of water charges amounting to Rs. 18.78 crore.
(Para 5.2.9)
- Non-levy of centage charges of deposit works resulted in loss of revenue amounting to Rs. 1.18 crore.
(Para 5.2.14)

5.2.1 Introduction

The Irrigation Department is entrusted with the management of water resources mainly for irrigation purpose and to some extent for commercial purpose. Irrigation receipts comprise receipts from supply of water for irrigation and commercial use, miscellaneous receipts from sale proceeds of grass, fish, trees, fruits and centage charges^s, recovered in respect of deposit works of commercial units and local bodies in the State.

The working of the Irrigation Department is governed by the provisions of the Irrigation Manual of Orders, UP Rural Development (Requisitioning of Land) Rules, 1948, the UP Fisheries Act, 1948, Financial Handbook Volume V & VI and the Government orders issued, from time to time.

A review of the levy and collection of irrigation receipts by the Irrigation Department was conducted which revealed a number of system and compliance deficiencies as mentioned in the succeeding paragraphs.

5.2.2 Organisational set up

The assessment, levy and collection of water charges supplied for irrigation and commercial purposes are administered by the Irrigation Department. Principal Secretary, Irrigation is the administrative head of the Irrigation Department. The engineer-in-chief (E in C) is the head of the Irrigation

^s Charges realised by the Irrigation Department on the actual outlay on deposit works of the commercial departments and local bodies.

Department and is assisted by 26 chief engineers. To exercise effective control over the irrigation facilities and for assessment of water rates, the State is divided into 115 circles, each headed by a superintending engineer (SE), which are further divided into 402¹ divisions, each headed by an executive engineer/divisional officer (EE). Each EE is assisted by deputy revenue officers (DROs) who are assisted by *ziledars*, *amins* (*Sinch Paryavekshaks*) and *patarols* (*Sinchpals*).

5.2.3 Audit objectives

The review was conducted with a view to:

- ascertain whether systems existed and were effective for optimum utilisation of created irrigation potential and water resources;
- assess the efficiency and effectiveness of the system of levy and collection of water charges; and
- ascertain whether there was an efficient and effective internal control mechanism within the department to check non/short levy and evasion of the Government revenues.

5.2.4 Audit scope and methodology

The review was conducted between July 2006 and March 2007, in which records for the period from 2001-02 to 2005-06 of 37 divisions of 24 districts (one third of the total districts of the State) and office of the E in C were test checked. Out of 37 divisions, five divisions supplying water for commercial purpose were selected for test check and the basis of the selection of remaining divisions was random.

5.2.5 Acknowledgement

Indian Audit and Accounts Department acknowledges the co-operation of the Irrigation Department in providing necessary information and records for audit. The draft review report was forwarded to the department and Government in June 2007 and was discussed in the Audit Review Committee meeting held in August 2007. Special Secretary (Irrigation) represented the Government while the Chief Engineer (Irrigation) represented the department. Views of the Government/department have been incorporated in the relevant paragraphs.

5.2.6 Trend of revenue

According to paragraph 216 of the Irrigation Manual of Orders read with the provisions of budget manual for preparation of budget estimates (BEs) of revenue receipts, each divisional officer is required to maintain normal estimates of revenue from irrigation water rates and miscellaneous revenue. These will form the basis of BEs and should be revised from time to time as found necessary.

The table below indicates the BEs, revenue realised by the Irrigation Department during the last five years ending 2005-06:

¹ Only 231 divisions are revenue earning.

(Rupees in crore)

Year	BEs	Actual receipts	Percentage of variation increase(+)/ decrease (-)
2001-02	96.54	133.49	(+) 38.27
2002-03	101.04	102.23	(+) 1.78
2003-04	207.63	154.62	(-) 25.53
2004-05	106.07	189.12	(+) 78.30
2005-06	125.34	198.71	(+) 58.54
Total	636.62	778.17	

Except in 2003-04, BEs were fixed much below the figures of achievement of the previous year. Test check of the records of 10 units¹ revealed that estimates of revenue receipts were not sent by the divisions for fixing of the targets of revenue receipts. This indicates that the BEs were not prepared as per the norms laid down in the budget manual and the Irrigation Manual of Orders.

After this was pointed out, the department stated that orders are being issued to regional officers to act according to the provisions of Irrigation Manual of Orders. However, the department could not explain the method adopted in fixing of target in absence of figures of the divisions. Reply of the Government has not been received (August 2007).

Audit findings

System deficiencies

5.2.7 Irrigation potential and target of irrigation

5.2.7.1 Short utilisation of irrigation potential created

Water is the backbone of irrigation potential. However, the availability of water is limited. In view of the scarcity of water resources and to motivate economic use of water, a detailed water account is required to be prepared at the divisional level. After providing for transit loss of water, balance quantity of water is utilised for the purpose of irrigation or for commercial use. **The Government, however, had not prescribed any monitoring mechanism for optimum utilisation of irrigation potential created.**

The table[§] below indicates the culturable command area (CCA) for irrigation, available irrigation potential and the potential actually utilised during the last five years ending 2005-06.

¹ Meerut Division: Ganga Canal, Meerut, Anoopshahar Division: Ganga Canal, Meerut, Upper Division: East Yamuna Canal, Saharanpur, Sirsi Dam Division: Mirzapur, Muzaffarnagar Division: Ganga Canal, Muzaffarnagar, Mirzapur Canal Division: Mirzapur, Sharda Sahayak Canal Division: Pilibhit, Sharda Canal Division: Shahjahanpur, Bandhi Division: Roberts Ganj, Sonebhadra, Lucknow Division-2: Sharda Nahar, Lucknow.

[§] The figure for CCA has been furnished by the department. The remaining figures in the table have been taken from the Administrative Reports of the department of the concerned years.

(In thousand hectares)

Year	CCA	Available irrigation potential	Percentage of increase in potential with reference to 2001-02	Actual potential utilised	Non-utilisation of potential	Percentage of utilisation of irrigation potential
2001-02	11,429	7,949.45	-	4,285.00	3,664.45	53.90
2002-03	11,429	8,423.38	5.96	4,271.36	4,152.02	50.71
2003-04	11,429	8,500.37	6.93	4,658.17	3,842.20	54.80
2004-05	11,429	8,628.47	8.54	4,441.81	4,186.66	51.48
2005-06	11,429	8,711.26	9.58	4,428.06	4,283.20	50.83
Total		42,212.93		22,084.40	20,128.53	

During 2001-02 to 2005-06, out of total 42,212.93 thousand hectares of available irrigation potential only 22,084.40 thousand hectares of potential was utilised and the remaining 20,128.53 thousand hectares remained unutilised. Percentage of potential utilised ranged between 50.71 and 54.80 per cent. Though the irrigation potential has been showing an increasing trend since 2002-03, yet the maximum utilisation of irrigation potential was below 55 per cent. **Due to lack of monitoring of supply of water, the department could not utilise the full irrigation potential. This resulted not only in less irrigation receipts but also led to adequate water not being supplied to farmers for *kharif* and *rabi* crops as has been mentioned in the succeeding paragraph.**

After this was pointed out, the department stated (August 2007) that non-availability of funds; seepage, old canals system, shortage of water etc. were the reasons for non-utilisation of *cent per cent* irrigation potential. The reply of the department regarding shortage of water is not tenable as the figures of total irrigation potential mentioned in the above table have been taken from the administrative report. This clearly indicates that the department also acknowledges that it had irrigation potential upto that extent based on the availability of water.

5.2.7.2 Short fall in achievement of the target of irrigation

Test check of the records of the office of the E in C revealed that though the target fixed for irrigation for the year 2001-02 to 2005-06 were much below the total available irrigation potential, even then there has been shortfall in its achievement as mentioned below:

(In thousand hectares)

Year	Kharif		Rabi		Total			Percentage of shortfall
	Target	Irrigation	Target	Irrigation	Target	Irrigation	Difference	
2001-02	2,632.90	2,012.52	2,979.48	2,272.49	5,612.38	4,285.01	1,327.37	(-)23.65
2002-03	2,635.90	1,962.48	3,075.50	2,308.85	5,711.40	4,271.33	1,440.07	(-)25.21
2003-04	2,630.00	2,100.90	3,080.00	2,557.27	5,710.00	4,658.17	1,051.83	(-)18.42
2004-05	2,500.00	2,113.86	2,800.00	2,327.95	5,300.00	4,441.81	858.19	(-)16.19
2005-06	2,500.00	2,095.39	2,870.00	2,332.67	5,370.00	4,428.06	941.94	(-)17.54
Total	12,898.80	10,285.15	14,804.98	11,799.23	27,703.78	22,084.38	5,619.40	

Due to non-achievement of the target of irrigation, 5,619.40 thousand hectare of land could not be irrigated. The percentage of shortfall ranged between 16.19 and 25.21 per cent. Thus, not only the cultivators were deprived of

irrigation facility, the Government also suffered loss of revenue (water charges) amounting to Rs. 62.94 crore¹.

The Government may consider taking appropriate measures for effective monitoring of the utilisation of irrigation potential created with a view to achieve the targets set.

5.2.8 Excess loss of water in transit

During the course of supply of water through canals, loss of water in transit is inevitable by way of seepage, evaporation etc. Keeping in view the various factors of losses, transit loss of water is fixed in respect of each division by the concerned SE. **Audit noticed that there was no system of monitoring the receipts vis-à-vis the water available for irrigation by the SE concerned.**

Scrutiny of the records of Raebareli Division (South), Sharda Canal, Raebareli revealed that during 2001-02 to 2005-06, 19.99 lakh cusec of water was available for irrigation. After providing 35 per cent towards admissible transit loss of water, 12.99 lakh cusec of water was to be utilised for irrigation purpose but the department utilised only 9.04 lakh cusec of water. Thus, the balance quantity of 3.95 lakh cusec of water was also covered under transit loss of water. **Due to lack of monitoring of the receipts, the Government lost revenue of Rs. 3.12 crore².**

After the case was pointed out, the department attributed (August 2007) main reason for excess loss of water over the admissible loss to illicit cutting of canals. The reply of the department is not tenable because the responsibility to prevent illicit cutting lies with the department itself.

The Government may consider constituting a water monitoring cell to check the illicit cutting of canals in order to maximise the utilisation of the irrigation potential.

5.2.9 Short levy of water charges

The main function of the Irrigation Department is to supply water to cultivators for agriculture purpose. Water for commercial purpose is also supplied for which water rate is higher than the water rate for irrigation. **Audit noticed that the department had not prescribed any system for measuring the quantity of water supplied for commercial use.**

According to the Government order dated 16 April 1975, an agreement is to be executed and renewed after 10 years for supply of water for commercial purpose. The water charges/royalty for water supply for commercial use are assessed and recovered by the Irrigation Department at the prescribed rates. Water charges for commercial use are Rs. 1.50 lakh per cusec per year with effect from May 1998.

Test check of the records of two divisions[#] revealed that two power plants i.e. Panki Power House, Kanpur and National Thermal Power Corporation (NTPC), Kasimpur were being supplied water although agreements had not been executed. The amount of water supplied to Panki Power House was 150 cusecs per year as per the records of the Power house relating to EE, Kanpur

¹ Calculated at the average water rate of Rs. 112 per hectare.

² Calculated at average revenue of Rs. 79 for one cusec of water

[#] Kanpur Division Lower Ganga Canal Kanpur and Aligarh Division Ganga Canal Aligarh

Division, Lower Ganga Canal. A joint inspection by the representatives of the division and NTPC conducted in June 1976 assessed that 106 cusec water was being supplied per year to NTPC. No further joint inspection was conducted in respect of the Panki Power House or for NTPC, Kasimpur to ascertain the water actually supplied during the subsequent years. Based on the above, during 2001-02 to 2005-06 total 1,280 cusec of water had been supplied at the minimum to the two power projects. For this, water charges amounting to Rs. 19.20 crore were to be levied but the department raised bills only for Rs. 42 lakh. The department did not maintain any record regarding supply of water and the bills were raised on the basis of the water consumption statement supplied by the user agencies instead of the actual utilisation of water. The water consumption mentioned in these statements was worked out by the user agencies according to their formula of water consumption in different activities. Since there would be some wastage/recycling of water, the amount of water used by the agencies would always be less than the water supplied. **As there was no system of maintaining accounts of water actually supplied and raising bills on that basis there was short levy of water charges amounting to Rs. 18.78 crore.**

The Government may consider supplying water for commercial purpose only after executing an agreement with the user agency, prescribing a system for measurement of water and maintaining accounts of water supply so as to raise the bill for correct amount.

5.2.10 Non-maintenance of plantation register

Different types of trees are planted on the land of the Irrigation Department. In such cases where trees are found fallen or dried up, sale proceeds of the trees is credited to the Government account.

According to paragraph 328 (9) of the Irrigation Manual of Orders, a register of annual count of standing trees will be maintained in form No. 84-H and on the basis of this, entries will be made in the "plantation register". **The Government, however, did not prescribe any system of periodical physical verification of the standing trees.**

During test check of the records of 12 divisions*, it was noticed that during 2001-02 to 2005-06, 'plantation register' showing the actual number of trees was not properly maintained. **Even where it was being maintained, due to lack of physical verification of the trees, the department was not aware of the fact whether these trees actually existed.** Loss of revenue due to illicit cutting/felling of trees cannot, therefore, be ruled out.

After this was pointed out, the department stated (August 2007) that orders had been issued to the regional officers to maintain plantation registers as per laid down in the irrigation manual.

The Government may introduce a system of periodical physical verification of standing trees as a safeguard against illicit cutting and theft of fallen trees.

* Lucknow Division-2: Sharda nahar, Lucknow, Sharda Sahayak Canal Division: Pilibhit, Betwa Canal Division: Jhansi, Sharda Canal Division: Shahjahanpur, Raebareli Division (South): Sharda Canal, Irrigation Division Dibraypur, Aligarh Division Ganga Canal, Barabanki Division Barabanki, Bulandshahar Division Ganga Canal, Meerut Division Ganga Canal, Muzaffarnagar Division Ganga Canal, Lower Division East Yamuna canal Muzaffarnagar.

5.2.11 Revision of water rates

In terms of the Northern India Canal and Drainage Act, 1873, the State Government is empowered to fix or revise the water rates as and when necessary. The performance budgets of the irrigation department of UP Government also provide that the expenditure on account of annual repairs, direction and administration, miscellaneous indirect expenditure (working expenses) and interest should be met from the revenue receipts on account of water rates.

In order to minimise the gap between receipt and expenditure, water rates should be revised after a reasonable gap of time. Timely revision and correct fixation of water rates play important roles in earning revenue. **The periodicity of revision of rates has neither been prescribed in the irrigation manual nor in any Government order.** It was noticed that last time water rates for irrigation purpose were revised in 1994.

After this was pointed out the department stated that a proposal for revising the water rates had been sent (October 2007) to the Government for approval.

5.2.12 Internal audit

The internal audit cell (IAC) of an organisation is a vital component of its internal control mechanism and is generally defined as the control of all controls to enable the organisation to assure itself that the prescribed systems are functioning reasonably well. The Government issued an order in January 2001 for constituting an IAC under the control of the Finance Controller in the office of E in C. **However, it was observed that the IAC was not constituted in the office of E in C till March 2007 despite Government orders. In the absence of internal audit, the department remained unaware of the areas of malfunctioning of the systems and did not, therefore, have any opportunity of taking remedial action.**

The Government may ensure that IAC is constituted in the office of the E in C and conducts regular internal audit of the department.

Compliance deficiencies

5.2.13 Shortfall in *partol*

Under the provision of paragraph 313 of Irrigation Manual of Orders, the assessment of water rate is done by the *amins*³ of the irrigation divisions after the measurement of the irrigated area. The bonafide of measurement is based on the check of measurement conducted by the various officers/staff as prescribed in the manual.

Further, under paragraph 323 of the Irrigation Manual of Orders, norms of *partol*[#] to be carried out by the various officers/*ziledars* have been fixed by the department. The *ziledars* shall make a complete check, every *fasal*[&] of at least one whole village in every *partol*'s beat, in addition to any village which the

³ Carries out measurements of irrigation and prepares demand statement (Jamabandi)

[#] Checking of irrigated land

[&] Crop

divisional officer may specially order him to check. He is responsible for ensuring that no irregularities are practiced by the *amins*.

Test check of the records of Rohelkhand Canal division, Bareilly revealed that during 2001-02 to 2005-06, after providing for transit loss at the rate of 20 *per cent*, 10.37 lakh cusecs of water was available for irrigation of 6.06 lakh hectare of land (based on the water consumption during 2003-04) but with the above quantity of water, only 4.90 lakh hectare of land was irrigated as mentioned below:

Year	Availability of water excluding 20 <i>per cent</i> loss (in Cusec)	Irrigated area (in hectare)
2001-02	2,44,540.80	1,00,460
2002-03	2,07,049.60	90,079
2003-04	1,71,986.40	1,00,253
2004-05	1,94,843.20	99,325
2005-06	2,18,280.80	99,991
Total	10,36,700.80	4,90,108

It was observed that during 2001-02 to 2005-06, the full allotted area for checking of irrigated land was not checked by *ziledars*. The shortfall in *partol* ranged between 31 and 75 *per cent*. It is evident that due to shortfall in *partol*, 1.16 lakh hectare of land was not recorded as irrigated land and the Government was deprived of revenue amounting to Rs. 2.11 crore^{\$}

After the case was pointed out, the department accepted (August 2007) that during 2001-02 to 2005-06 there had been shortfall in checking of irrigated land. It, however, added that with the available water, the irrigation had been above the norms of average irrigation. The reply of the department is not tenable because shortfall in *partol* had definitely affected in recording the actual irrigated land.

5.2.14 Non-levy of centage charges on deposit work

Under the provisions of Financial Hand Book volumes V & VI, centage charges at the rate of 14 *per cent* in respect of Public Works Department and at the rate of 12.5 percent in respect of Irrigation Department on the actual outlay on works are to be levied and credited to the Government account monthly in respect of deposit works undertaken by the Public Works and Irrigation departments on behalf of commercial department and local bodies in the State.

Test check of the records of Headworks division, Agra Canal Okhla, New Delhi revealed that during January 2003 to May 2005, centage charges amounting to Rs. 1.18 crore were leviable on the total deposit work of Rs. 9.46 crore, undertaken by the division on behalf of the local bodies (Rs. 1.92 crore) and commercial units (Rs. 7.54 crore). However, these charges were not levied.

^{\$} Calculated at revenue of one hectare i.e. Rs. 182.

5.2.15 Remittance/reconciliation of revenue

5.2.15.1 Remittance of revenue into improper head of account

Paragraph 711 of the Financial Hand Book volume VI lays down that all receipts of miscellaneous nature such as sale proceeds of wood/grass, fish and tender fee etc. received on behalf of the State Government shall be remitted into the treasury immediately under the correct head of account.

Test check of the records of 18* divisions revealed that miscellaneous receipts amounting to Rs. 85.48 lakh pertaining to the years from 1975 to 2005 were lying in deposit register under the head “8343-Civil Deposit” although this amount should have been credited to the receipt head of the Irrigation Department. Of this, Rs. 17.02 lakh pertains to the period 2001-02 to 2005-06. The above amount has not been transferred to the correct head of account even after a lapse of more than 25 years.

After this was pointed out, the department stated (August 2007) that in case of the Meerut division Ganga canal, irrigation division Moradabad, irrigation division I & II Maharajganj, miscellaneous receipts were being credited under the receipt head of irrigation and a general order had been issued to credit such receipts under proper head.

5.2.15.2 Non-reconciliation/verification of revenue receipts

As per paragraph 320 (1) of the Irrigation Manual of Orders, the Collector has to realise water rates assessed by the divisional officer of the Irrigation Department. The Commissioner’s responsibility to ensure regular realisation of irrigation revenue is the same as in respect of land revenue. After recovery is made, *tauzi* statements¹ are prepared and sent to the concerned irrigation divisions.

During test check of the records of Rohelkhand Canal division, Bareilly, and Mirzapur Canal division, Mirzapur, it was noticed that neither were the *tauzi* statements sent to the divisions by the Revenue Department nor did the Irrigation Department make any effort to obtain it from the Revenue Department. Accordingly, recovery of water rates of Rs. 12.55 crore pertaining to the year 2001-02 to 2005-06 could not be checked in audit. Further, deposits of 2005-06 of Irrigation Division-I, Maharajganj, and Rohelkhand Canal division, Bareilly, were not reconciled/verified with the Government treasury by these divisions.

After this was pointed out, the department stated (August 2007) that the district magistrate had been requested to send the *tauzi* statements and necessary verification had been made in case of the deposits of Irrigation Division I Maharajganj and Rohelkhand canal division Bareilly.

* Sharda sagar Division: Pilibhit, Afzalgarh Irrigation Division: Dhampur, Head works Division-Sharda Canal: Bareilly, Irrigation Division: Moradabad, Barabanki Division-Sharda Canal: Barabanki, Irrigation Division-I: Maharajganj, Anoopshahar Division-Ganga Canal: Meerut, North Division-Ganga Canal: Roorkee, Upper Division-East Yamuna Canal: Saharanpur, Meerut Division-Ganga Canal: Meerut, Middle Ganga Canal Construction Division: Bullandshahar, Lucknow Division-II - Sharda Canal: Lucknow, Minor Irrigation Division: Saharanpur, Irrigation Division-II: Maharajganj, Rohelkhand Canal Division: Bareilly, Irrigation Division-Construction: Robertsganj, Irrigation Division: Chunar Mirzapur, Sharda Canal Division: Shahjahanpur.

¹ A statement containing the details of recovery

5.2.16 Conclusion

The department has not been able to utilise the sizeable irrigation potential created due to the absence of a monitoring mechanism. This led not only to loss of revenue amounting to Rs. 62.94 crore but also led to adequate water not being supplied to farmers for *khari* and *rabi* crops. Water for commercial purpose is being supplied without executing any agreement with the user agencies and the bills are not being raised as per the actual quantity of water supplied. This led to revenue loss of Rs. 18.78 crore in two cases alone. The system of reconciliation of figures of the revenue collected was practically non-existent. The internal control mechanism of the department was abysmally weak as the IAC was not constituted in the department despite an order of the Government.

5.2.17 Summary of recommendations

The Government may consider:

- taking appropriate measures for effective monitoring of the utilisation of irrigation potential created with a view to achieve the targets set;
- constituting a water monitoring cell to check the illicit cutting of canals in order to maximise the utilisation of the irrigation potential;
- supplying water for commercial purpose only after executing an agreement with the user agency, prescribing a system for measurement of water and maintaining accounts of water supply so as to raise the bills for correct amount;
- introducing a system of periodical physical verification of standing trees as a safeguard against illicit cutting and theft of fallen trees; and
- ensuring that IAC is constituted in the office of E in C and conducts regular internal audit of the department.

LABOUR DEPARTMENT

5.3 Non-recovery of compensatory house rent

According to the provisions of Paragraph 18 *Ka* of Financial Hand book Part II to IV, the Government servants or their family to whom the Government residences are provided should vacate the allotted accommodation within three months of transfer, retirement, termination or death. On expiry of this period, the occupancy should be treated as unauthorised and compensatory rent recovered from such occupants. The Government issued orders (January 1992 effective from July 1988) to recover compensatory rent from the occupants of Type I, II and III residences at the rate of Rs. 20 per square metre and for other residences at the rate of Rs. 25 per square metre of the living area per month. These rates were revised (August 1998) to Rs. 40 and Rs. 50 respectively. The Chief Medical Superintendents (CMS) of the hospitals and the Director of Employees State Insurance Scheme (ESIS) were responsible for getting the residences vacated by unauthorised occupants and recovery of compensatory rent.

Scrutiny of the records of Director, Employees State Insurance Scheme (ESIS) Kanpur and six Medical Superintendents (MSs)/CMSs of ESIS Hospitals¹ between February 2006 and June 2006 revealed that the Government residences remained under unauthorised occupation during January 1986 to May 2006 by the officers/officials even after their transfer, retirement or death. The ESIS authorities failed to get the residences vacated and recover compensatory rent. The compensatory rent from 31 unauthorised occupants works out to Rs. 93.70 lakh out of which Rs. 44.16 lakh pertained to the period from January 2002 to May 2006.

During discussion in November 2006, the Government while accepting the facts stated that the ESI authorities had got four residences vacated and action was being taken as per law for vacation of the remaining 27 residences. Regarding recovery of compensatory rent it was stated that action would be taken to recover the amount from the retirement gratuity of the retired officials with their consent and for the officials who were transferred to other departments, the concerned head of the departments were being requested to recover the amount from their pay bills.

The reply is not tenable as consent of retired officials is not required for recovery of Government dues from gratuity. Further reply has not been received (August 2007).

PUBLIC WORKS DEPARTMENT

5.4 Non-recovery of compensation (*pratikar*) in lieu of rent from unauthorised occupants

As per the office memorandum issued by the Government of Uttar Pradesh on 18 April 1995, compensation in lieu of rent at the rate of Rs. 35 per day per

¹ ESIS Hospital Pandu Nagar, Sarvodaya Nagar, Zazamau, Kidwai Nagar, Agra and Naini.

suite for first 30 days and Rs. 50 thereafter is payable from such visitors who occupy the Public Works Department (PWD) guest house for more than seven days. The above rate of Rs. 50 was revised to Rs. 100 per day per suite with effect from 17 October 1998.

Test check of the records of the PWD guest house, Mirzapur in March 2006 revealed that the Commissioner, Vindhyachal Mandal, Deputy Inspector General of Police and Joint Magistrate occupied it for 3,652 days for different periods with effect from 1 April 1997 to 31 March 2007 for which compensation of Rs. 10.10 lakh was payable by the occupants. Although the amount was not paid, yet the department has neither assessed the compensation nor issued any notice to the occupants for recovery of Rs. 10.10 lakh.

The matter was reported to the department and the Government in November 2006; their replies have not been received (August 2007). Since senior officers of the Government are expected to set high standards of personal conduct, the Government may, apart from recovering the amount, also consider taking administrative action against the officers for defaulting in making the payment.

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