

CHAPTER X OTHER NON-TAX RECEIPTS

10.1 Results of audit

Test check of records relating to receipts from Irrigation and Waterways and other Departments conducted in audit during the year 2004-05, revealed underassessment, non-realisation and short realisation of revenue amounting to Rs.136.62 crore in 74 cases, which broadly fall under the following categories:

(Rupees in crore)

Sl.No.	Categories	No. of cases	Amount
1.	Loss of revenue	39	22.95
2.	Non-levy and non-realisation of lease rent	3	0.04
3.	Non-realisation/short levy of interest	2	48.75
4.	Non/short realisation of water rate	5	1.89
5.	Others	25	62.99
	Total	74	136.62

During the course of the year 2004-05, the concerned Department accepted underassessment etc. of Rs.14.89 crore in 34 cases of which 25 cases involving Rs.13.97 crore had been pointed out in audit during the year 2004-05 and the rest in earlier years. An amount of Rs. 7 lakh was realised at the instance of audit.

A few illustrative cases involving Rs.16.65 crore highlighting important observations are given in the following paragraphs:

A. RECEIPTS FROM IRRIGATION AND WATERWAYS

10.2 Foregoing of revenue due to non-issue of notification

As per West Bengal Irrigation (Imposition of Water Rate) Act, 1974, “notified area” means any area in respect of which State Government has by a notification issued, under sub-section (2) of Section 5, declared its intention to impose a water rate. The liability of payment of water rate shall be on the occupiers of land included in the notified area in which water rate is imposed. The rate of water rate for kharif, rabi and boro was Rs.15, Rs.20 and Rs.50 per acre respectively.

Scrutiny of records of 12 engineering divisions in four districts revealed that 19 irrigation schemes were completed between 1975-76 and 1993-94. Out of these, nine engineering divisions under Watershed Management Project created irrigation potential by back feeding of tidal water. Information collected from Irrigation Department and annual plan on Agriculture issued by the District Principal Agricultural Officers revealed that 36,75,994 acres of land were benefited from the schemes during the period from 1999-2000 to 2003-04. However, the areas benefited by irrigation were not declared as notified area and no assessment and collection of water rate was made. This resulted in foregoing of revenue of Rs.13.09 crore as detailed below:

(Rupees in crore)

Name of the district	No. of Engineering Divisions	No. of schemes	Total area irrigated during 1999-2000 to 2003-04 (in acre) K = Kharif R = Rabi B = Boro	Revenue Foregone		Source of information
				Cropwise Loss	Total	
Purulia	3	17	K – 1,57,259 R – 28,816	K – 0.24 R – 0.05	0.29	Irrigation Divisions
South 24 Parganas	5	Peali	K – 9,39,365 R – 2,13,050 B – 80,870	K – 1.41 R – 0.43 B – 0.40	2.24	*
		Tidal Irrigation	K – 2,08,251 B – 5,72,803	K – 0.31 B – 2.87	3.18	
Howrah	2	Do	B – 4,55,317	B – 2.28	2.28	**
East Medinipur	2	Do	B – 10,20,263	B – 5.10	5.10	**
Total	12		36,75,994		13.09	

* Performance evaluation report issued by Institute for Resource Management and Economic Development issued by Dist. Principal Agricultural Officer

** Annual Plan on Agriculture issued by Dist. Principal Agricultural Officer

After this was pointed out in February 2005, the engineering divisions of Purulia district stated that necessary steps would be taken for issue of notification; the other engineering divisions did not furnish any specific reply. The Department stated, as regards tidal irrigation schemes, that action was being taken for issue of notification.

10.3 Non-realisation of water rate

As per the procedure, engineering divisions provide irrigation and prepare test notes of the area benefited by irrigation and on receipt of the test notes, the concerned revenue divisions assess and thereafter publish the final assessment list of water rates for collection.

➤ Non-preparation of test notes

The engineering divisions prepare test notes of actual irrigated area by physical verification of plots with the assistance of works-khalasis which are sent to revenue divisions for assessment and collection.

Scrutiny of records of four¹ engineering divisions in Purulia and Bankura districts revealed that in 19 notified schemes, covering an area of 1,96,439 acres, and 15,791 acres of land were irrigated during kharif and rabi seasons respectively between 1999-2000 and 2003-04. However, test notes in respect of only 10 schemes with an area of 93,254 acres for kharif were sent to the respective revenue divisions for assessment of water rate. Test notes of the remaining nine schemes having 1,03,785 acres for kharif and 15,791 acres for rabi were not prepared and sent to the revenue officers for assessment of water rate. This resulted in non-realisation of Rs.18.64 lakh for the period between 1999-2000 and 2003-04.

After this was pointed out, the Executive Engineer, Purulia Construction, Purulia Investigation & Planning, and Purulia Irrigation Division stated in February 2005 that an attempt would be made for the preparation and submission of test notes; while the Executive Engineer, Right Bank Irrigation Division stated that test notes were under preparation.

¹ Purulia Construction Division, Purulia Investigation & Planning Division, Purulia Irrigation Division and Right Bank Irrigation Division

➤ **Arrears in assessment**

Scrutiny of records of five² revenue divisions revealed that, test notes of kharif and boro crops involving 14,22,635 acres and 5,06,781 acres respectively were received by these revenue divisions during the period between 1999-2000 and 2003-04. But assessment for only 12,99,992 acres of kharif crops was completed by four³ revenue divisions upto March 2005. Assessment of 1,22,643 acres of kharif and 5,06,781 acres of boro area was not completed till March 2005. This resulted in non-assessment and non-realisation of revenue of Rs.2.72 crore as detailed below:

Year	Total test note received	Total area assessed (In acres)	Assessment in arrear (In acres)	Non-realisation of revenue (Rs. in crore)
			Cropwise K (Kharif) @ Rs.15 per acre B (Boro) @ Rs.50 per acre	
1999-2000	4,13,502	2,56,730	K - 32,605 B - 1,24,167	0.67
2000-01	3,68,874	2,56,730	K - 27,143 B - 85,001	0.46
2001-02	3,82,003	2,63,359	K - 27,611 B - 91,033	0.50
2002-03	3,96,472	2,66,445	K - 26,192 B - 1,03,835	0.56
2003-04	3,68,565	2,56,728	K - 9,092 B - 1,02,745	0.53
Total	19,29,416	12,99,992	K - 1,22,643 B - 5,06,781	2.72

After this was pointed out in February 2005, the Damodar Irrigation Revenue Division-II agreed to complete the arrear assessment whereas the other revenue offices did not furnish any specific reply (October 2005).

10.4 Non/Short assessment of water-rate

Under the West Bengal Irrigation (Imposition of Water-Rate) Act, 1974, the owners of land receiving benefit of irrigation in different crop seasons are required to pay water rates as prescribed by Government from time to time. Assessment of water-rates is made by the respective revenue division on receipt of test notes from the engineering divisions of the Irrigation and Waterways Department. According to the instruction issued by the Department in June 1977, any difference between the areas irrigated shown by

² Canal Revenue Divn., Medinipur, Damodar Canal Revenue Divn., Damodar Irrigation Revenue Divn. II, Mayurakshi Canal Divn. - I, Purulia Revenue Unit

³ Canal Revenue Division, Medinipur, Damodar Irrigation Revenue Division II, Mayurakshi Canal Division-I and Purulia Revenue Unit

the engineering divisions and assessment figure as shown by the revenue divisions should be reconciled by both the offices within a period of one month.

Scrutiny of records of the Revenue Officer, Kangshabati Revenue Division-II, Bishnupur revealed in September 2004 that no assessment of water rates for boro and rabi crops for the years 1999-2000 to 2000-01 and 2000-01 to 2003-04 respectively was made in spite of receipt of test notes from the engineering divisions. Furthermore, in the case of kharif crop the total irrigated area as per test notes was 8.27 lakh acres during the period between 2000-01 and 2003-04 but the assessment was made on 6.43 lakh acres, the reason for which was neither stated nor reconciled with the records of the engineering division. This led to non/short assessment of Rs.59.54 lakh as detailed below:

Assessment Year	Irrigation Season	Area irrigated as per test notes (acre)	Rate (per acre) (Rs)	Amount of water rate assessable (area x rate) (Rs in lakh)	Amount of water rate assessed (area x rate) (Rs in lakh)	Non/short assessment of water rate (Rs in lakh)
1999-2000 to 2000-01	Boro	20,903	50.00	10.45	NIL	10.45
2000-01 to 2003-04	Rabi	1,07,463	20.00	21.49	NIL	21.49
2000-01 to 2003-04	Kharif	8,26,983	15.00	124.05	96.45	27.60
Total						59.54

The cases were reported to Government in October 2004 followed by reminders issued upto June 2005; their reply has not been received (October 2005).

B. RECEIPTS FROM OTHER DEPARTMENTS

10.5 Short receipt of Government revenue due to allowance of inadmissible rebate on interest

The Industrial Reconstruction Department (IRD) sanctioned a soft loan of Rs.3 crore to M/s Standard Pharmaceuticals Ltd. in September 2001 under the West Bengal Industrial Renewal Scheme, 2001. The loan was recoverable annually along with interest at the rate of 8.75 *per cent* per annum. A rebate of two *per cent* was admissible for payment of interest in time. The due date for payment of interest for the first year was September 2002.

Scrutiny disclosed that the loanee paid first instalment of interest in September 2003 i.e. after a lapse of 11 months from the due date. However, the Department allowed rebate to the loanee in contravention of the provision of

the scheme. This resulted in short receipt of interest of Rs.6 lakh due to allowance of inadmissible rebate on interest.

This was pointed out to the Department in September 2004. No specific reply was furnished.

The case was reported to the Government in September 2004 followed by a reminder issued in June 2005; their reply has not been received (October 2005).

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