

CHAPTER VII OTHER NON TAX RECEIPTS

7.1 Results of audit

Test check of records relating to receipts from Forests, Public Works and other departments conducted during the year 2005-06, revealed non/short realisation, blockage, loss etc. of revenue amounting to Rs.11.43 crore in 52 cases, which broadly fall under the following categories:

(Rupees in crore)

Sl. No.	Categories	No. of cases	Amount
1.	Non/short realisation of revenue	28	8.24
2.	Loss of revenue	15	2.47
3.	Blockage of revenue	6	0.24
4.	Others	3	0.48
	Total	52	11.43

During the course of the year 2005-06, the concerned department accepted observations of Rs.10.34 crore in 46 cases of which 16 cases involving Rs.6.01 crore were pointed out in audit during the year 2005-06 and the rest in earlier years. An amount of Rs.2.16 crore was realised at the instance of audit.

A few illustrative cases involving Rs.57.93 lakh highlighting important observations are given in the following paragraphs:

A. Forest Receipts

7.2 Short realisation of revenue due to deduction of harvesting cost at higher rate

According to the procedure for disposal of forest produce prescribed by Government in January 1977, allotment sale of timber to Government undertakings and other wood based industries is to be made on cash and carry basis at the rates fixed by the State Price Fixation Committee (SPFC). The work of harvesting of timber and disposal thereof are entrusted to the West Bengal Forest Development Corporation (WBFDC) since 1988-89. According to existing procedure, WBFDC is required to pay operational charges at the prescribed rate to the forest division for extraction of timber and deposit the revenue after recovery of harvesting cost. The harvesting cost of timber is fixed by the SPFC which may be enhanced by an amount not exceeding 20 per cent of the approved rate specially in difficult areas like the hills and special operation like cyclone damaged and drift¹.

Scrutiny of records of two divisional forest offices² between June 2004 and December 2005 revealed that WBFDC recovered harvesting cost at higher rate than the approved enhanced rate during 2001-05 which resulted in short realisation of revenue of Rs.7.43 lakh as detailed below:

Name of the office audited	Period involved	Quantity of timber (cum.)	Harvesting cost admissible	Harvesting cost allowed	Short realisation of revenue (5-4) (in rupees)		
			Rates (Rs. per cum) / Amount (in rupees)	Rates (Rs. per cum) / Amount (in rupees)			
(1)	(2)	(3)	(4)	(5)	(6)		
DFO, Wild Life Division-I, Darjeeling	2001-02	119.810	480	1,400	1,10,225		
			57,509	1,67,734			
DFO, Darjeeling Division	2002-03	405.579	540	1,000	1,86,620		
			2,18,959	4,05,579			
	2003-04	379.615	600	1,000	1,51,846.		
			2,27,769	3,79,615			
			84.730	600		1,200	50,838
			50,838	1,01,676			
	2004-05	39.536	600	1,000	15,814		
23,722			39,536				
2004-05	545.327	690	1,106	2,27,219			
Total					7,42,562		

After this was pointed out between June 2004 and December 2005 Divisional Forest Officer (DFO), Darjeeling division in one case stated that the

¹ Wood floating on the river or washed ashore by it.

² Darjeeling Division and Wild Life Division

harvesting cost of terrain of Darjeeling Forest Division was Rs.1,000. The reply is not tenable as the harvesting cost was fixed at Rs.500 per cu.m by the SPFC in January 2003. DFO, Darjeeling in another case and DFO, Wild Life Division-I furnished no specific reply.

The cases were reported to Government in June 2006; their reply is not specific and complete.

7.3 Short realisation of revenue due to irregular deduction of project advance

Project on infrastructure development and Joint Forest Management (JFM) support in North Bengal was approved on 28 January 2004 by the Forest Department. According to the approved working procedure of the project, WBFDC Ltd. will entirely finance timber operation and firewood operation costs at the prescribed rate and recover the same from the revenue payable to Government. The said working procedure also provides that WBFDC will make an advance for project input (advance to JFM Project) and recover the advance during the period to which the net revenue relates to the project inputs.

Scrutiny of records of two³ forest offices in August 2005 revealed that WBFDC made a project advance of Rs.44.54 lakh between August and September 2004 for financing operation costs to the above two offices. While remitting the net sale proceeds of auction of timber of Rs.2.26 crore in September 2004 pertaining to the period from January to June 2004, the project advance of Rs.44.54 lakh not related with project input period was recovered by WBFDC. Deduction of project advances from revenue not related to the operational period for which the project input advance was made is irregular and resulted in short realisation of revenue of Rs.44.54 lakh.

Government to whom the case was reported in June 2006 directed WBFDC to refund the amount. Report on refund has not been received (October 2006).

³ Alipurduar (East and West) and Deputy Field Director, Buxa Tiger Reserve

7.4 Short realisation of Government revenue due to sale of timber below the scheduled rate

The normal procedure for disposal of timber and fire wood of the Forest Department is by auction or tender. Auction of timber is to be made on the basis of reserve price fixed by the price fixation committee according to an order issued by the Forest Department. For timber having mid-girth under bark less than 76 cm, the rates may be reduced by 20 per cent.

Scrutiny of records of auctions of two divisional forest offices⁴ revealed that WBFDC, Alipurduar fixed reserve price of fresh lots of 'sal' and 'champ' (A class timber) of 206.904 cu.m and jarul (B class timber) of 90.17 cu.m for auction in the year 2003-04 and 2004-05 and sold the lots at Rs.9.08 lakh and Rs.1.81 lakh respectively. The prices so fixed were much below the schedule of rate of Rs.6,400 and Rs.4,000 per cu.m for timber with girth below 76 cm. No reason was recorded for fixing the reserve price below the schedule of rates. Fixation of reserve price and sale of timber at a rate lower than the scheduled rate resulted in short realisation of Rs.5.96 lakh.

Government to whom the cases were reported stated in June 2006 that reason for wide variation between reserve price and the schedule of rate should be kept on record.

B. Public Works Receipts

7.5 Loss of revenue due to realisation of toll tax below the average estimate

Under the Indian Tolls Act, 1851 as amended from time to time the State Government is empowered to levy toll tax at the rates prescribed in respect of bridges over any river/canal constructed or repaired at its expense. Such tax is payable by the owners of the vehicles using bridges and collected departmentally or through private agency as specified.

Scrutiny of records of Executive Engineer, Hooghly Division, PWD in December 2004, revealed that on the basis of a traffic census conducted by the department round the clock on 12, 13 and 14 June 2002, the estimated daily average collection of toll on different types of vehicles, except buses plying over the Mundeswari Bridge, was Rs.32,071 as detailed below:

⁴ Alipurduar (East and West) and Deputy Field Director, Buxa Tiger Reserve.

Type of vehicle	Run (average) per day	Rate of toll tax for each run	Total (in rupees)
Loaded truck	1,062	Rs.20	21,240
Unloaded truck	934	Rs.10	9,340
Cars/jeep/three wheeler	497	Rs.3	1,491
Average toll tax to be collected per day			32,071

Thus based on the frequency of traffic movement, the annual average collection of toll per year comes to Rs.1.17 crore. The total collection of toll during the years 2002-03, 2003-04 and 2004-05 thus works out to Rs.3.51 crore against Rs.2.03 crore collected by the department. This resulted in loss of revenue of Rs.1.48 crore.

Government to whom the case was reported stated in June 2006 that a good number of vehicles had not been paying toll tax. The fact was brought to the notice of the Police authority but non payment could not be checked. This indicates failure of the control mechanism and lack of initiative of the department to enhance collection of revenue.

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