

## CHAPTER VIII: OTHER NON-TAX RECEIPTS

### 8.1 Results of audit

Test check of the records relating to Co-operative, Food and Civil Supplies, Agriculture and Electricity Duty departments during the year 2007-08 revealed non/short realisation and loss of revenue of Rs. 39.43 crore in 1,85,047 cases which can be categorised as under:

(Rupees in crore)

Sl. No.	Category	Number of cases	Amount
<b>A. ELECTRICITY DUTY</b>			
1.	Short realisation of development cess	2	00.53
2.	Loss of revenue due to non-inspection of electrical installations	1,68,050	00.43
3.	Others	15,566	16.29
<b>Total</b>		<b>1,83,618</b>	<b>17.25</b>
<b>B. FOOD &amp; CIVIL SUPPLIES DEPARTMENT</b>			
1.	Non-disposal of seized goods	241	1.89
2.	Non-levy of interest on belated payment of loan	5	0.16
3.	Others	292	3.97
<b>Total</b>		<b>538</b>	<b>6.02</b>
<b>C. CO-OPERATIVE DEPARTMENT</b>			
1.	Non/short recovery of audit fee	831	1.29
2.	Others	27	13.20
<b>Total</b>		<b>858</b>	<b>14.49</b>
<b>D. AGRICULTURE DEPARTMENT</b>			
1.	Non-deposit of revenue in treasury	10	1.55
2.	Others	23	0.12
<b>Total</b>		<b>33</b>	<b>1.67</b>
<b>Grand total</b>		<b>1,85,047</b>	<b>39.43</b>

During the year 2007-08, the departments accepted underassessment of tax of Rs. 20.62 crore involved in 56,333 cases of which 56,292 cases involving Rs. 18.58 crore were pointed out during 2007-08 and the rest in earlier years. An amount of Rs. 2.08 crore had been recovered in 39 cases.

A few illustrative cases involving Rs. 2.15 crore are mentioned in the following paragraphs.

## A. ELECTRICITY DUTY

### 8.2 Non-realisation of inspection fee

According to Rule 46 of the Indian Electricity (IE) Rules, 1956 and Government of Madhya Pradesh notification dated 22 August 1987, fee at the prescribed rates is leviable for inspection of electrical installations according to their categories. Fee for inspection of electrical installations should be paid before 1 May each year. In case the inspection is not carried out, the fee paid shall be adjusted towards that payable for the subsequent year. Periodicity for conducting inspection of electrical installations of medium voltage is triennial and in other cases, it is annual.

Test check of the records of the Chief Engineer, Electricity Safety (ES) and Chief Electrical Inspector (CEI), Bhopal and three<sup>1</sup> Divisional Electrical Inspectors (DEI) between April 2007 and February 2008 revealed that inspection fee of Rs. 1.31 crore for inspection of 2.61 lakh medium voltage and 45,000 high voltage electrical installations for the period 2003-04 to 2006-07 was not realised from the owners of electrical installations. Besides, inspections were also not carried out by the department. This resulted in non-realisation of revenue of Rs. 1.31 crore as per details given below:

Sl. No.	Category	Year	No. of electrical installations where inspection was to be carried out (in lakh)	Inspection fee to be realised before 1 May of each year (Rs. in lakh)	Fee realised (Rs. in lakh)	Amount of fee not realised (Rs. in lakh)	Inspection carried out (in lakh)	Short fall in inspection (in lakh)
1.	High Voltage	2004-05	0.22	44.95	28.70	16.25	0.13	0.09
		2005-06	0.20	43.31	16.79	26.52	0.14	0.06
		2006-07	0.62	133.55	76.16	57.39	0.31	0.31
2.	Medium Voltage	2003-04	0.08	0.92	0.22	0.70	0.02	0.06
		2004-05	0.44	5.25	0.95	4.30	0.08	0.36
		2005-06	0.92	11.06	1.38	9.68	0.12	0.80
		2006-07	1.56	18.78	2.15	16.63	0.17	1.39
<b>Total</b>				<b>257.82</b>	<b>126.35</b>	<b>131.47</b>		

After the cases were pointed out, the Government replied (June 2008) that inspections are being conducted after fixing the target taking into consideration the available staff. The reply is not acceptable because inspection fee was to be realised before 1 May in each year as per the Government notification and in case the inspections are not carried out, these were to be carried forward to the subsequent year. Further, the basis for fixation of target has not been intimated (December 2008) though called for (August 2008).

<sup>1</sup> Gwalior, Ratlam and Rewa

### **8.3 Non-imposition of penalty**

Under Rule 141 of IE Rules, if the owner of an electrical 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 the records of DEI, Ratlam in January 2008 revealed that while carrying out inspection of 15,343 electrical installations during 2005-06 and 2006-07, though the inspectors detected breach of various provisions of rules, no efforts were made to impose penalty on the defaulters. This resulted in non-levy of penalty of Rs. 46.03 lakh.

After the cases were pointed out, the DEI, Ratlam stated (January 2008) that the concerned owners of electrical installations have been directed to follow the rules during inspection and cases would be referred to the higher authorities. Further reply has not been received (December 2008).

The matter was reported to the Chief Engineer (ES) and CEI and the Government in March and April 2008; their reply has not been received (December 2008).

### **8.4 Blocking of revenue due to inaction by the department**

According to Section 5(2) of the Madhya Pradesh Electricity Duty Act, 1949 any duty which falls due for payment and the interest thereon, if any, may be recovered in the same manner as arrears of land revenue.

Test check of the records of the Chief Engineer (ES) and CEI, Bhopal and DEI, Rewa in February 2008 revealed that revenue of Rs. 41.34 lakh was due for payment on account of electricity duty, interest thereon and inspection fee for the period 1984-85 to 2006-07 in respect of six types of electricity consumers/distributors. Of these, revenue recovery certificate (RRC) in two cases relating to the period July 1999 to July 2001 involving recovery of Rs. 28.92 lakh was issued in March 2004. It was however, observed during audit that RRC issued by the department had not been received by the revenue recovery officer i.e. *Tahsildar Huzur*, Bhopal till February 2008 as confirmed from the tahsil office. In another case, RRC for recovery of Rs 3.16 lakh from owners of generators was issued in January 2006. But the department had not monitored the cases after issue of RRC through verification from the tahsil office. It was further observed that in two cases pertaining to Rural Electricity Co-operative Societies (RECS) and Madhya Pradesh State Electricity Board (MPSEB) the department had not initiated any action for recovery of Rs. 8.82 lakh though it was due for recovery from 1984-85 to 2006-07. As a result, the process of recovery could not be started after a lapse of 1 to 22 years, which resulted in non-realisation of revenue of Rs. 41.34 lakh.

After the cases were pointed out, CEI, Bhopal stated in February 2008 that action to obtain information regarding receipt of RRCs in Collectorate/tahsil would be taken. Further reply has not been received (December 2008).

The matter was reported to the CEI, Bhopal and the Government between February and April 2008; their reply has not been received (December 2008).

### **8.5 Short levy of electricity duty**

According to Section 3 of the Madhya Pradesh Electricity Act, every distributor of electrical energy and every producer shall pay every month to the State Government, at the prescribed time in the prescribed manner, duty calculated at the rate specified on the units of electrical energy sold or supplied to a consumer or consumed by him. Further, for the consumption of industrial power plant auxiliaries, duty is leviable at eight *per cent* of the electricity tariff leviable i.e. 375 paise per unit for 2006-2007.

Test check of the records of Chief Engineer (ES) and CEI, Bhopal in January 2008 revealed that 301.05 lakh units of electrical energy were produced and consumed by three units<sup>2</sup> of Gas Authority of India Limited during 2006-2007. The leviable duty on consumed energy was Rs. 90.32 lakh against which Rs. 73.70 lakh was levied by the department. Thus, an amount of Rs. 16.62 lakh was not levied by the department.

The matter was reported to the CEI and the Government in March and April 2008; reply has not been received (December 2008).

## **B. FOOD & CIVIL SUPPLIES DEPARTMENT**

### **8.6 Non-levy of interest on belated/non-repayment of loans**

As per instructions of May 2001 of Food and Civil Supplies Department, loans granted to various District Central Co-operative Banks (DCCB) of the State for storage and distribution of food grains in inaccessible areas are to be repaid by 31 October of the same year. In case of default, interest at the rate of 18 *per cent* per annum is chargeable with effect from 1 November to the date of payment.

Test check of the records of District Supply Offices (DSO) Shahdol and Seoni between April and October 2007 revealed that loans of Rs. 3.15 crore were disbursed to DCCB, Shahdol and Seoni during the year 2001-02 to 2005-06 for procurement and storage of food grains in inaccessible areas. Out of this, loan of Rs. 6.25 lakh was not refunded by the DCCB, Shahdol (September 2007). Further, the repayment of these loans was made by the banks after a delay ranging from two to 740 days. However, accrued interest of Rs. 6.66 lakh on unpaid amount of loan calculated upto September 2007 and interest of Rs. 8.24 lakh on delayed payment was not levied. This resulted in non-levy of revenue of Rs. 21.15 lakh.

After the cases were pointed out, both the DSOs stated between April and October 2007 that action for recovery of dues was being taken. Further reply has not been received (December 2008).

---

<sup>2</sup> Jhabua, Ujjain and Vijaypur

The matter was reported to the Director, Food and Civil Supplies, Bhopal and the Government between May 2007 and April 2008; their reply has not been received (December 2008).

**Bhopal,  
The**

**(M. RAY BHATTACHARYYA)  
Accountant General  
(Works & Receipt Audit)  
Madhya Pradesh**

**Countersigned**

**New Delhi,  
The**

**(VINOD RAI)  
Comptroller and Auditor General of India**