

CHAPTER - IX
OTHER NON-TAX RECEIPTS

9.1 Results of Audit

Test-check of records relating to Water Resources, Co-operative, Food and Civil Supplies Department during the year 2003-2004 revealed non/short-realisation and loss of revenue amounting to Rs.29.44 crore in 9,908 cases which can broadly be categorised as under:

(Rupees in crore)

S. No.		Number of cases	Amount
WATER RESOURCES DEPARTMENT			
1.	Non-levy of betterment contribution	566	2.02
2.	Non-imposition of penalty for non-employment of technical staff	23	0.01
3.	Short-levy of water charges due to incorrect assessment	06	0.65
4.	Non-levy of water rates and irrigation cess	05	0.17
5.	Non-recovery of outstanding dues of water charges	105	9.95
6.	Others	8,364	3.89
	Total	9,069	16.69
CO-OPERATIVE DEPARTMENT			
1.	Non-recovery/short-recovery of audit fee	268	0.35
2.	Non-recovery of instalment of outstanding loan and interest	73	10.43
3.	Others	293	1.42
	Total	634	12.20
FOOD & CIVIL SUPPLIES DEPARTMENT			
1.	Non-disposal of confiscated goods	72	0.152
2.	Non-recovery of interest due on belated payment of advances	13	0.374
3.	Others	120	0.024
	Total	205	0.55
	Grand Total	9,908	29.44

The departments accepted non-assessment/under-assessment of tax and losses of Rs.14.52 crore involved in 1,266 cases.

A few illustrative cases involving Rs.0.93 crore are discussed in the following paragraphs:

Water Resources Department

9.2 Non-levy of betterment contribution

The Madhya Pradesh Irrigation Act, 1931 provides for levy of betterment contribution at the rate of Rs.140 per acre payable in lump sum or at the rate of Rs.224 per acre payable in 20 annual consecutive installments from the permanent holders of land benefited by canals constructed after 1 April 1951 at a cost of Rs.5 lakh or more or having a command area of 1,000 acre or more. The contribution is recoverable from such date as may be notified by the Government, but not earlier than three years from the commencement of operation of canal.

Test-check of records of two water resources divisions between December 2003 and February 2004 revealed that six irrigation schemes were completed at a cost of Rs.65.84 crore between the years 1997-98 and 1999-2000. The Department neither notified the dates from which betterment contribution would become leviable nor specified the command area. Non observance of provisions of the Acts resulted in non-levy/realisation of Rs.37.32 lakh.

After this was pointed out in audit, the Executive Engineer (EE), Khargone stated in December 2003 that designed capacity of the tanks could cater command area of less than 1,000 acres, hence betterment contribution was not leviable. EE, Khandwa stated in February 2004 that action is being taken in the matter. The reply of the EE Khargone was not tenable as the construction cost of the schemes was more than Rs.5 lakh as such a betterment tax was payable.

The matter was reported to the Government between March and May 2004, their reply had not been received (May 2005).

Co-operative Department

9.3 Short-levy of audit fees

Madhya Pradesh Cooperative Societies Act, 1960 provides for the audit of accounts of each society at least once a year or getting the audit conducted by such person as may be authorised in writing. He will charge audit fee from the auditee units at the prescribed rate of Rs.0.15 per hundred Rupees on working capital and in addition Rs.500/- per branch prescribed by Government vide Notification dated October 1987. These rates were subsequently reduced by the Government in August 2001.

Test-check of records of three Assistant Registrars¹ Cooperative Societies between August 2002 and August 2003 revealed that audit fees for the year 2000-01 of nine co-operative units was to be levied at the higher rates applicable prior to 30 August 2001. Against the leviable audit fees of Rs.68.02 lakh, Rs.32.67 lakh was levied. This resulted in short-levy of audit fees of Rs.35.35 lakh.

After this was pointed out in audit, the Assistant Registrars stated that at the time of approval of Audit reports by higher authorities the revised rates were applicable. The reply was not tenable as the audit was conducted for the year 2000-01 and the rates applicable for this period should have been charged.

The matter was reported to the Government between July 2003 and May 2004; their reply had not been received (May 2005).

¹ (1) Bhind (2)Guna (3) Vidisha

Food, Civil Supplies and Consumer Protection Department

9.4 Non-levy of interest on belated refund of loan

The Government of Madhya Pradesh, Food Civil Supplies and Consumer Protection Department granted loans to various District Central Corporative Banks for storage of food grains for distribution in inaccessible areas during rainy season. The loans were required to be refunded by 31 October each year. In case of default, interest at the rate of 18 per cent per annum was leviable with effect from 1 November of the year.

Test-check of records of three Food Offices² revealed between September and October 2003 that loan of Rs.3.72 crore was paid to three District Central Corporative Banks for procurement and storage of food grains for distribution in inaccessible areas between the period 1998-99 to 2002-03. The refund of these loans was made by the Banks after a delay ranging between one to 341 days each year. However, interest amounting to Rs.20.03 lakh was not levied and recovered from the respective banks.

After this was pointed out in audit, the Department stated between September and October 2003 that the action to recover the interest on loans would be taken.

The matter was reported to the Government between November 2003 and January 2004, their reply had not been received (May 2005).

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