

CHAPTER-VI OTHER DEPARTMENTAL RECEIPTS

6.1 Results of audit

Test check of records of concerned departmental offices conducted in audit during the year 2005-06 disclosed non/short realisation/loss of revenue of Rs. 126.88 crore in 80 cases, which fall under the following broad categories:

(Rupees in crore)

Sl.No.	Categories	No. of cases	Amount
PUBLIC WORKS DEPARTMENT			
1.	Misutilisation of departmental receipts	1	0.02
2.	Non realisation of centage charges	11	0.006
3.	Other irregularities	5	0.09
Total		17	0.12
FINANCE DEPARTMENT			
1.	Non deposit of collection charges	33	10.38
2.	Other irregularities	29	28.35
Total		62	38.73
FOREST DEPARTMENT			
1.	Blockade of revenue	01	88.03
Total		01	88.03
Grand Total		80	126.88

During the year 2005-06 the concerned department accepted short recovery of Rs. 13 lakh in one case.

A few illustrative cases involving financial effect of Rs. 12.13 crore are mentioned in following paragraphs:

PUBLIC WORKS DEPARTMENT

6.2 Non realisation of royalty on collection of stone boulders and earth

Government vide letter dated 22 September 1988 read with instructions issued on 2 February 2001, directed all the drawing and disbursing officers to ensure before making payment to contractors/suppliers on account of supplies of stone ballast, morrum, earth and sand, that they had paid royalty of the supplies to the Mines and Mineral Department and produce receipt in form MM-11 issued by the Mines and Minerals Department. In case of default, royalty is to be deducted from the bills of contractors. Rate of royalty on earth is Rs. 4 per cubic meter and stone grit Rs. 23 per cubic meter with effect from 1 April 2001.

In four public works divisions¹, it was noticed between September 2003 and September 2005 that different contractors/suppliers supplied 24,949.72 cubic meter stone ballast/grit and 1,69,556.43 cubic meter earth for construction and embankment work. But the Public Works Department before making payment neither obtained receipts in form MM-11 from contractors nor deducted any royalty from their bills. This resulted in loss of royalty of Rs. 12.52 lakh.

¹ Executive Engineer (EE) Provincial division (PWD) Deoria, EE Provincial division (PWD) Ferozabad, EE Provincial division (PWD) Gazipur and EE Construction division-II (PWD) Raibareilly.

After this was pointed out in November/December 2005, concerned district mines officers stated in August 2006 that neither form MM-11 was issued to contractors nor any royalty was deposited.

The matter was reported to department and Government between November and December 2005, their replies have not been received (July 2006).

FINANCE DEPARTMENT

6.3 Short levy of guarantee fees

Finance Department vide orders dated 15 September 2000 directed that guarantee fees at the rate of one *per cent* per annum is to be recovered from the public sector undertakings on the amount of loan including amount of interest outstanding on that date for which State Government has given guarantee. The guarantee fee is to be recovered at the time of giving guarantee of loan and at the beginning of financial year for the outstanding amount of loan. In the event of default in payment, guarantee fee will be leviable at double the normal rate.

Scrutiny of records of the office of the Chief Manager (Finance and Accounts), Uttar Pradesh Rajya Vidyut Utpadan Ltd., Lucknow (*nigam*) revealed in May 2006 that between 2003-04 and 2005-06 for the expansion of Parichha Thermal Power Station at Jhansi, Government gave guarantee to raise a loan of Rs. 1,404 crore from Power Finance Corporation (PFC), New Delhi. Out of total sum of the guarantee, the *nigam* received a loan of Rs. 1,200 crore upto 31 March 2000, on which, as per terms and conditions, guarantee fee amounting to Rs. 24 crore was payable but the *nigam* paid only Rs. 12 crore. This resulted in short payment of guarantee fee of Rs. 12 crore as shown under:

(Rupees in crore)

Year	Period of guarantee	Amount of loan	Guarantee fee payable	Guarantee fee paid	Guarantee fee recovered short
2003-04	27.03.2004 to 31.03.2006	250	7.50	2.50	5
2004-05	16.07.2004 to 31.03.2006	700	14.00	7.00	7
2005-06	20.12.2005 to 31.03.2006	250	2.50	2.50	Nil
Total		1,200	24.00	12.00	12

The matter was reported to department and Government in June 2006; their replies have not been received (July 2006).

FOREST DEPARTMENT

6.4 Blockade of revenue due to non felling of matured/over matured Sal trees

With a view to ensure environmental stability and maintenance of ecological balance, the National Forest Policy, 1988 envisaged that no forest should be permitted to be worked without Government having approved the management plan (working plan). Hon'ble Supreme Court held that felling of trees in all forests is to remain suspended except in accordance with working plans of the State Governments, as approved by the Central Government.

Government of India (GOI) approved the working plan (WP) of South Kheri division, Lakhimpur Kheri for the period 2000-2010 in July 2001. The WP *inter alia* mentioned that there was an adverse effect on regeneration of sal trees due to non availability of adequate light on earth surrounding the matured and over matured sal trees which were not felled during the previous working plan periods.

Audit ascertained (February 2005) from the records of divisional forest officer (DFO) South Kheri Division, Lakhimpur that *Sal Sudhar Karya Vritta* of the approved WP by GOI envisaged felling of sal trees in an area of 4,291.60 hectares during the period 2000-05 having 42,935 matured/over matured sal trees with a timber volume of 1,35,476.217 cubic meters. These were, however, not allotted by the division to Uttar Pradesh Forest Corporation (UPFC) for felling. Thus, failure of the division to allot the aforesaid area for felling sal trees resulted in blockade of royalty amounting to Rs. 88.03 crore. Besides, the regeneration of sal trees was also affected.

After this was pointed out in March 2005, Government stated (November 2005) that WP permitted the felling of only dry, diseased or dry standing trees, which had been done. The reply of Government was not tenable as in the approved WP, the division had also formed coupes (para 8.32), which had earmarked areas required to be felled in different areas in the Forest Division, Lakhimpur Kheri.

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