

## APPENDIX X

(See Chapter XIX, paragraph 646)

*Account Rules relating to Watercourses..*

1. As a general rule, watercourses of irrigation, etc., projects are not constructed by Government as integral parts of the projects, the liability of the state being confined to the provision of the main canal and of such branches and major and minor distributaries as may be decided upon by competent authority from time to time. Under the ordinary arrangements in force in the several provinces, persons desiring to use the water of a canal are required either to make their own arrangements for the construction of the necessary watercourses or to bear the charges that may be incurred by the department in constructing them on their behalf. This liability of the cultivators, or other persons benefiting by canal irrigation, extends also to works of improvements and repair to watercourses and to construction and repair of bridges, culverts or other works that may be required for the passage of the water of such watercourses across any public road, drainage, channel, etc. In the general interest of the cultivators, especially when a canal project, or an integral part of it, is launched in a new locality and it is desired to afford special facilities to the cultivators, with a view to the more rapid development of irrigation, it is some times decided by Government to lay out and construct, at the cost of Government in the first instance, the entire system of the main watercourses required for a project or a substantial section of it, at the outset. When this course is adopted, a scheme is simultaneously devised for effecting recovery in a number of years, of the additional burden thus thrown on the state finances. As no separate account can be kept satisfactorily of the liabilities of each individual person benefited, usually the recovery takes the form of a general enhancement of the water rates or the imposition of a special acreage rate. The amount which it is usually sought, under such a scheme, to recover in the aggregate, is the initial capital cost of the works (including such cost of maintenance during construction as may be charged to the capital account) *plus* the usual percentage charges referred to in appendix V, *plus* the interest calculated at a rate fixed by the Local Government. In some cases, where an entire system of watercourses has been constructed by Government and the particular circumstances of the tract have rendered such a course desirable, the whole or a portion of the cost of construction has been charged finally to the account of the project concerned, or the charge on account of interest waived.

2. It will thus be seen that works outlay on watercourses, which may be incurred by Public Works officers, falls under the following distinct categories :

**I—Recoverable from individual cultivators concerned, in lump sums equivalent to the charges incurred on behalf of each.**

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II—Recoverable by a general levy, whether for a specified or indefinite period—

(a) when the actual recoveries are required to be set off against the outlay,

(b) when the actual recoveries are not to be set off against the outlay.

III—Borne finally by Government.

Works of the first class are styled "Takavi works" and the account rules relating to them are given in chapter XIX. This appendix deals only with works of the other two classes.

3. In respect of sanctions to estimates, etc., all works in connexion with watercourses are treated like other works of the irrigation, etc. project concerned, the expenditure being booked finally under the appropriate detailed head subordinate to the head "Watercourses". After a work has been constructed, the cost of maintenance and repairs as, in all cases, borne by the cultivators concerned.

4. Recoveries actually made under clause II of paragraph 2 should be shown in the accounts :

(a) as receipts on the capital account of the project, if the levy takes the form of a lump sum recovery of cost in one or more years, or

(b) as revenue receipts of the project, if the levy takes the form of an enhancement of revenue, the exact classification being determined by the form in which the recoveries are made.

5. In cases falling under clause II (a) of paragraph 2, the Principal Auditor, with a view to watch the progress of the recoveries, will maintain a suitable *pro forma* account without disturbing the booked accounts of receipts and expenditure, the form of the account being determined in consultation with the Local Government. It will ordinarily be found sufficient to keep an account merely in respect of the works outlay, the annual recoveries being distributed rateably, as between works, interest, etc. on a fixed basis determined once for all.

6. In the case of works falling under clause III of paragraph 2 above, the Local Government should decide whether the initial cost of construction should remain at debt of the capital account of the project or whether it should be repaid from revenue in suitable instalments. In the latter case, the periodical contributions from revenue should be regarded as a part of the general debt redemption provision of the province. The contributions from revenue should be treated as distinct items of expenditure for which specific provision of funds is necessary and should be brought to account under a separate minor head "Deduction on watercourses" and not under the minor head "Deduction—Receipts—Contributions from revenue to wipe off unproductive capital expenditure and recoveries on capital account".